

57th

ANNUAL REPORT

2013 -14



नेशनल प्रोजेक्ट्स कन्स्ट्रक्शन कारपोरेशन लिमिटेड
National Projects Construction Corporation Limited

A GOVERNMENT OF INDIA ENTERPRISE



CPSE TURNAROUND AWARD 2013

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VISION

“To become world class premier engineering projects implementing organization”



MISSION

“To achieve a turnover exceeding Rupees 3,500 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



H.L. Chaudhary
Chairman & Managing Director
w.e.f. 24.10.13



Ravendra Garg
Director (F)
upto 30.09.14



Sunil Kohli
JS & FA MoWR, RD & GR
Govt. Nominee Director



Pradeep Kumar
Commissioner (SPR)
Govt. Nominee Director



Dr. M.K. Soni
Independent Director
upto 15.11.13



Rihan Ahmad
Independent Director
upto 15.11.13

Chairman's Statement



Dear Shareholders

It is my privilege to extend you all a warm welcome to the 57th Annual General Meeting of the Company together with the audited Accounts for the year ended March 31, 2014. Annual Financial Statement, Balance Sheet and Director's Report for the year ended 31st March 2014 has already been circulated and with your consent, I take them as read.

I am happy to announce here that the Financial Year 2013-14 remained reasonably satisfying year in terms of business growth and your Company has received **Turnaround CPSE 2013 Award** from BRPSE, I congratulate to all of you for getting this Award. This gives us tremendous level of confidence to achieve higher objectives in the years to come.

During the year 2013-14, your Company earned a commendable profit of Rs. 47.06 cores. Similarly, on the operational front, I am proud to state that during 2013-14 your company generated Rs.1219.75 crores revenue as compared to Rs.1220.54 crores last year. The operating turnover during the year 2013-14, however is Rs.1174.69 crores as compared to Rs.1155.03 crores during previous year.

Your Company has met all the parameters of physical and financial performance committed through MOU with the Government of India and is eligible to be rated as '**Very Good**' in its performance evaluation based on MOU for the year 2013-14.

The increase in Customer Satisfaction Index from 94.36% to **95%** as compared to previous year show that your Company has improved customer satisfaction in quality, timely and economically completion of projects. This is also evident from repeated orders which your Company is getting from existing clients. Your Company received an **order inflow of Rs.1778 crores** during the current year 2013-14.

Your Company firmly believes that Good Corporate Governance Practices in the long run leads to creation of wealth for all its stakeholders.

Your company has been complying with the requirements of Guidelines on Corporate Governance issued by Department of Public Enterprise (DPE).

The present focus of the Company is on hiring best suited talent for execution of on-going projects as well as new projects secured. The Company aims to have right talent mix to grow with the organization.

In our endeavor to train the manpower of the Company, the training is being imparted to its workers for various trades to up-grade the skill for mutual growth on regular basis.

I am pleased to announce that Rating Committee of **ICRA**, after due consideration has assigned long-term rating of **ICRA (A+)** to the Company. The rating carries a stable outlook.

Your Company is also aware towards its Corporate Social Responsibility and a committee has been formed for it to evolve the CSR policy and strategy to fulfill it.

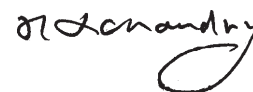
Before I conclude, I take this opportunity to thank all the shareholders and our valued customers for their support and assure them of our commitment to enlarge the stakeholder's value constantly. I acknowledge the contribution made by everyone of our staff in the success achieved by the Company during the year and look forward to their great involvement and efforts in our collective endeavor to become globally competitive in the construction sector.

I shall fail in my duty if I do not express my gratitude and sincere thanks to the Hon'ble Minister of Water Resources and the Secretary, Jt. Secretary (A), Joint Secretary & FA to the Government of India in the Ministry for providing valuable guidance, help and advice. I also thank all officers in the Ministry of Water Resources and other Ministries

particularly Ministry of Home Affairs, Ministry of Rural Development & Department of Public Enterprises, BRPSE; without whose help it would have not been an easy journey for achieving the goal.

I would also like to congratulate all the members of the executives and staff of the Corporation for delivering excellent results and for lending their valuable support and cooperation with their single minded focus in bringing the Company at par with other best PSUs with their hard and sincere works. I am confident that we would continue to deliver our might in fulfilling the promises and to the expectations of Shareholders, Stakeholders in the future as well.

I assure, we shall not let your trust fail and I am confident your Company would continue to excel in its achievement in the years ahead.



(H.L. CHAUDHARY)
CHAIRMAN AND MANAGING DIRECTOR

Place : New Delhi
Date : 29th September, 2014

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 57th Annual Report together with audited accounts of the Company for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

During the year 2013-14, your corporation has achieved an operating turnover of Rs. 1174.69 crores as against Rs. 1155.03 crores last year. The corporation has earned the profit before tax of Rs. 48.45 crores as against Rs. 58.11 crores in previous year.

The summarized financial results of the Company are given below:

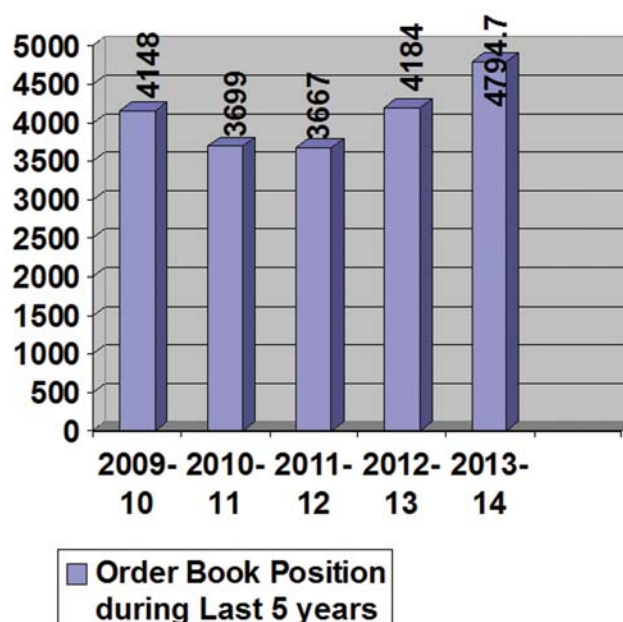
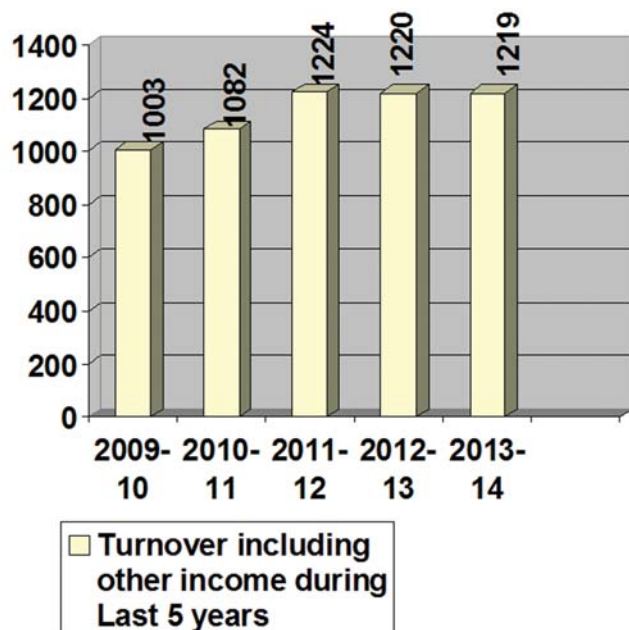
(In Rs. Crores)

Particulars	2013-14	2012-13
Turnover including other income	1219.76	1220.55
Construction & Work expenses	1084.22	1065.23
Operational profit	135.54	155.32
Administrative Overhead etc.	87.09	97.21
Profit/(Loss) for the year before Tax	48.45	58.11
Profit/(Loss) after Tax	47.06	50.97

- Previous years figures have been re-grouped wherever necessary



Turnover including other income



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.

BUSINESS DEVELOPMENT SCENERIO

During the year 2013-2014, your corporation has secured **new works valuing Rs.1778.73 crores** against the target of Rs.1500 crores fixed by the Ministry for excellent rating of which corporation has secured the new business through tendering to the tune of 27.43%.The order book position is Rs. 4794.70 crores as on 31st March, 2014.

During the year, your corporation had maintained the pace of improvement in terms of quality & speedy implementation of works allotted including the works of Ministry of Home Affairs in North Eastern States, PMGSY(Known as Bharat Nirman) in the state of Bihar & Jharkhand, Building works for Assam Rifles in North Eastern Region etc. on PMC basis. The work of Indira Gandhi National Tribal University (IGNTU) at Amarkantak(M.P) is going on with full swing for the Amarkantak(M.P) Senapati (Manipur).

Based on performance of the Cooperation, Central Ground Water Board(CGWB) has entrusted works to NPCC for implementation of Rajiv Gandhi National Ground water Training & Research Institute at Naya Raipur besides the ongoing works at Bhubaneshwar.

During the year, your corporation has added following new clients:

National Institute of Electronics and Information Technology (NIELIT)

State Bank of India(SBI), Mumbai

Rajiv Gandhi National Institute of Youth Development(RGNIYD), Sriperumbudur, Tamilnadu.

Government of Karnataka, Office of Deputy Commissioner, Shimoga District, Bagalkot District & Chitradurga District.

Chief Commissioner of Income Tax, Belgaum, Karnatka.

In addition, NPCC has secured orders from Ministry of Home Affairs, Ministry of Health,

Ministry of Agriculture, Department of Science & Technology, Government of Jharkhand, IGNOU, Assam Rifles, Punjab National Bank etc.

NPCC has improved **customer satisfaction rating up to 95%** against the previous year's rating of 94.62% which is helping in securing repeat orders from esteemed clients.

With continuous emphasis on Infrastructure by Government of India, NPCC, with its ability to work in difficult areas, like North East, Laddhakh & Naxal affected states of Jharkhand, Bihar, West Bengal, Odisha, has bright future.

BUSINESS STRATEGY

1. Proactive approach with constant touch and liaison with clients.
2. Introduction of computerised project Management & Monitoring System.
3. Increasing client base by adding new clients.
4. Diversifying in new areas having synergy with present line of business.

NPCC is completing its project on time with quality and within approved cost and achieving greater customer' satisfaction. This enabled the company in securing repeat orders.

Your Company is aggressively attempting to secure business in different locations to achieve optimum utilization of existing resources.

CONSTRUCTION SAFETY MANAGEMENT

Management is fully committed to ensure safe working condition at all the project sites of the Corporation. Officers are imparted training from time to time on 'Safety Management'.

MOU WITH THE MINISTRY

Your Corporation has already entered into a MOU with the Ministry setting an ambitious

target for the year 2014-15. The results of major MOU parameters achieved during 2013-14 are as under: -

(Rs. In crores)

S. No.	PARTICULARS	MOU Budget target (Parameter for the year 2013-14)	Achieved
1.	Turnover	1175	1174.69
2.	Gross Margin	30.50	53.26
3.	Net-Profit	19.50	47.06



Based on the achievement of MOU targets, during the year 2013-14, the Corporation is likely to achieve 'very good' rating.

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 leads 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 Water Resource on quarterly basis within stipulated time.

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

CREDIT RATING

The Rating Committee of ICRA, after due consideration has assigned long term Rating of **ICRA A +** to the Company. The outlook on the long term rating is Stable.

CPSE TURNAROUND AWARD 2013

Based on the performance of the Company, Board for Restructuring Public Sector Enterprise (BRPSE) has bestowed the Company with "**CPSE TURNAROUND AWARD 2013**" in a ceremony organized by BRPSE on 31st October, 2013.

PROPAGATION OF RAJ BHASHA

Your Corporation continued to make sincere efforts to increase the use of Hindi in Official Work and implementation of the provisions of Official Language Act and Rules framed therein. Various incentive schemes regarding the propagation of official language-Hindi were continued during the year. Keeping in view the overwhelming response, Incentive Scheme for children of NPCC employees on securing higher percentage of marks in Hindi at Secondary and Senior Secondary level has been extended for three more years. As per the directives of department of Official Language, the amount of cash award for executing official work in Hindi has been increased from Rs.200/- to Rs.500/- .

Various competitions viz Shabd Gyan Pratiyogita, Hindi Patra & Tippan Lekhan Pratiyogita and Chathurth Shreni Karmcharyon ke liye pratiyogita were organized during the Hindi Divas/Pakhwara at Corporate Office in which Officers and Staff actively participated.

VIGILANCE ACTIVITIES

Vigilance Division, functioning under the aegis of Smt. Uma Nanduri IFS (OR-93) CVO, has worked towards creation of fair, transparent and just policies and environment in NPCC. Main focus of the Vigilance Division is on preventive vigilance and to some extent on punitive vigilance.

Preventive Vigilance

Vigilance Division functioned under full time CVO, Smt. Uma Nanduri, an Indian Forest Officer(FS) (OR:93) who joined NPCC on 08.04.2013.

- The Vigilance Division has conducted intensive CTE Type inspection of construction of projects of Govt. Polytechnic College at Ramgarh in Jharkhand.
- Vigilance Division has also conducted intensive examination of works of Academic Building & Administrative Building at Indira Gandhi National Tribal University under Chhattisgarh Zone.

These inspections are meant for quality assurance, proper maintenance of record, execution of projects and statutory requirements.

- Along with the inspection, the Vigilance Team has conducted awareness workshop for the staff of Jharkhand and Chhattisgarh Zones.
- At Corporate Office, the Vigilance Division has arranged an awareness lecture on 'Orienting Personal Goals with Organization Goals' by Shri S.K. Gulati, IAS, CVO, Delhi Development Authority on the eve of Vigilance Awareness Week which was celebrated from 28.10.2013 to 02.11.2013.
- Chief Technical Examiner, CVC, Shri Ramesh Chandra, has given a presentation to all the Zonal Managers 'on procurement' during the Zonal Managers' Conference.

Several steps have been taken for improvement and transparency in the Administration:-

- Public & Staff Grievance Redressal System, which was defunct in the Organization for the last several years, got revived.

- All the property returns submitted, up to Manager level, are uploaded on NPCC website so that any one can have access to it.

The Vigilance Division is striving to bring out unanimity in the inspection that is being done in various units through initiation of fixed formats. The Vigilance Division has contributed substantially in the new HR policy, which is under revision.

Efforts are being made for speedy disposal of vigilance case and bringing down the pendency level. In this year, nearly 50% of vigilance cases have been settled. Continuous liaison is being done with CVC and MOWR for quick disposal of the cases.

RIGHT TO INFORMATION ACT

Corporation has fully implemented the various provisions of Right to Information Act-2005. Various documents/records placed at its website are being updated regularly. The applications received were handled promptly and information was provided to the applicants. Besides APIOs in Corporate Office and at Zonal level, one APIO at RTI Division looks after the work which is forwarded to the Public Information Officer. Appellate Authority-I disposes appeals received from applicants. 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. While providing information, utmost transparency is kept in mind. Information received from all over the country is dealt centrally under single window system of the Corporation promptly and effectively.

SCHEDULED CASTE, SCHEDULED TRIBE AND OTHER BACKWARD CLASSES

At NPCC, we understand that the Scheduled Castes and Scheduled Tribes have been deprived lot over the years. Hence, care is taken to keep reservations for them as well as for the minorities and Non-Creamy Layer of OBC, while recruiting candidates on regular

basis. Besides, consideration has also been given to the representation of minorities and weaker sections on DPCs/Selection Committees of recruitment. Corporation has appointed a **Liaison Officer for SC/ST** to take care of their representation in various recruitments.

PROJECT MANAGEMENT AND CO-ORDINATION

There is an independent division in corporate level headed by GGM (PM&C) which monitors all running projects and provide necessary support in execution of projects. Division is exhibiting the half yearly/ yearly performance review of corporation in front of Hon'ble Minister/ Secretary, Ministry of Water Resources as per MoU signed. Besides, PMC Division also interacts with different Ministries (including MoWR), 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. PMC Division formulate Performance budget for the next financial year in the form of MoU, having five different scale for evaluation, with the support of Department of Public Enterprises and Committee constituted for MoU formulation, accordance to progress of works in last year. The formulated MoU is signed between CMD, NPCC and Secretary, Water Resources. Based on the MoU targets, MoU with Zonal Managers is also get signed between CMD, NPCC and Zonal Managers. The MoU is kept as Performance criteria regarding the working of the corporation. Division look after progress of Works on weekly/ monthly basis (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. Zonal Managers are interacted regularly for the slow 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.

It also monitors/ updates the website of corporation, as and when required, as per GIGW norms.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

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

INDUSTRIAL RELATIONS

NPCC maintains cordial, healthy and harmonious relations with its employees. Hence Industrial Relations in the Company are progress oriented with proper communication being maintained at all levels. Meetings & consultations are held with the Unions & associations on the issues affecting the employees.

HUMAN RESOURCES DEVELOPMENT

NPCC is in the process of making draft policy on Corporate Social Responsibility and Sustainability. It takes care of its women employees and has a Complaints Committee that looks after complaints of women employees regarding sexual harassment in NPCC. For women empowerment, it sends its women employees for regular training sessions that are organized by prestigious organizations. NPCC has a Grievance cell of 2 types

comprising Staff Grievance Redressal Committee and Public Grievance Redressal Committee. Each grievance is referred to the corresponding Committee which discusses the issue with the concerned employee and sorts out the matter amicably. The Committee meets often. It has implemented the Whistleblower policy as well. In line with the idea to imbibe the latest HR trends, NPCC has incorporated the Bio-metric system of attendance. It has a well-equipped canteen providing meals at subsidized rates. Regular free medical checkup camps are organized to motivate the employees. Improved medical reimbursement facility equivalent to CGHS Rates are provided. To boost the morale, Liveries i.e. uniform(both summer and winter), shoes, etc. are provided and Washing allowance also provided to eligible employees. **Company has given New Year Diary & Calendar to its all the employees.** The company gives a momento costing up to Rs. 5000/- to the retiring employees at the time of superannuation. There exists a Group Insurance for all employees through LIC.

At the close of the financial year 2013-14, there were 1355 employees on the rolls of NPCC, as on 31.3.2014 with details given here under:

DESCRIPTION	MALE	FEMALE	TOTAL
Executive	290	20	310
Non-Executive	221	31	252
Workmen	785	8	793
Total	1296	59	1355

The management is aware of manpower requirement in various disciplines and taking necessary steps by way of requirement to augment workforce. **Steps have been taken to recruit 30 Nos Graduate Trainees through GATE Score.**

CORPORATE OFFICE BUILDING

A new Corporate Office Building is coming up in Institutional Area, Sector-44, Gurgaon. Company has completed construction of

Basement at the cost of Rs 3.50 crores approx. so far. It will help in maintain better coordination & relationship with various Ministries and clients. All the disputes relating to the land has been solved amicably with HUDA.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

AUDITORS

For Audit of the Accounts of the Corporation for the year 2013-14 M/s L.C. Kailash & Associates, Chartered Accountants continued to be the Statutory Auditors. M/s M.C. Jain & Company, Chartered Accountants, M/s Hussain & Company, Chartered Accountants and M/ s G. Sekar Associates & Company, Chartered Accountants continued to be Branch Auditors for Kolkatta, West Bengal,

Guwahati & Chennai respectively.

The reply to the observations made by the Statutory Auditors and the Comments of Comptroller & Auditor General of India on the Accounts of the Corporation for the financial year 2013-14 have been placed in the separate Annexure forming part of the Report.

ACKNOWLEDGEMENT

Your Directors sincerely acknowledge the support, cooperation and guidance received from the Ministry of Water Resources 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 the 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



(H.L. Chaudhary)

Chairman & Managing Director

Date : 01.09.14

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes that good corporate governance generate value on a sustainable basis for all stakeholders. Concept of Corporate Governance ensures values, ethical business conduct, transparency, disclosures as per laws, rules and guidelines. NPCC is committed to observe Corporate Governance practices at different levels to achieve its objectives.

BOARD OF DIRECTORS

The Board has an optimum combination of executive and non-executive Directors. The Board, as on 31.03.2014 comprised of four Directors which included (i) two whole-time Functional Directors viz., Chairman & Managing Director & Director (Finance) under suspension w.e.f. 22.02.13 (suspension revoked and joined back on 08.05.14) and (ii) two Government Director. Two Non Official Part Time Independent Directors were on the Board till 15.11.13 . It is understood that Administrative Ministry is in the process of filling up these vacancies.

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 Director 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 **eight Board Meetings were held on 06.06.13, 30.07.13, 26.09.13, 17.10.13, 11.11.13, 24.12.13, 30.12.13 and 28.03.14.** Provisions of the Companies Act, 1956 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 2013-14 are given below:

Name of Directors	DIN No.	Meeting Attended	AGM of 2012-13 Attended	Other Directorship	Period
(a) Functional Directors					
Shri N.S. Samant, JS(A), MOWR Chairman & Managing Director (Addl. Charge)	01308173	2/2	No	1	w.e.f. 01.04.13 to 31.08.13
Shri Pradeep Kumar, Commssioner (SPR), MOWR Chairman & Managing Director (addl Charge)	06368860	2/2	Yes	NIL	w.e.f. 19.09.13 to 24.10.13

Shri H.L. Chaudhary Chairman & Managing Director	06725924	4/4	No	NIL	w.e.f. 24.10.13
Shri Ravendra Garg Director(Finance)	00402415	0/8	No	NIL	Full Year (u/s w.e.f. 22.02.13 to 08.05.14))
(b) Govt. Nominees					
Shri Sunil Kohli, JS & FA-MOWR	05321549	6/8	No	NIL	w.e.f. 27.06.12
Shri N.S. Samant, JS(A)-MOWR	01308173	3/8	No	1	w.e.f. 29.10.12
(c) Independent Director					
Shri Rihan Ahmad	03335774	8/8	Yes	NIL	till 15.11.13
Dr. M.K. Soni	03327677	8/8	Yes	NIL	Till 15.11.13

INDEPENDENT PART TIME DIRECTORS

In consonance of DPE's Corporate Governance Guidelines two independent Directors, having expertise in three distinct areas of Finance and Engineering were on the Board of NPCC. Their term expired on 15.11.13. Their best experience guided to the Board which would go a long way in improving towards corporate excellence. Steps have been taken to fill up the vacancies.

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.

COMMITTEES OF BOARD

NPCC by following best practices of Corporate Governance in its 265th Board Meeting re-constituted the Committees to

assist Board in Compliance of Corporate Governance Guidelines of CPSE. These committees were as under:

- Audit Committee
- Establishment Committee
- Remuneration Committee (constituted in 277th meeting held on 15.03.13)

These Committees existed till the 15.11.13 i.e. untill expiry of tenure of independent Directors. It is understood that Administrative Ministry is in the process of filling up these vacancies. However, after the joining of new Independent Directors, these committees will be again re-constituted

AUDIT COMMITTEE

The Audit Committee was re-constituted in accordance with Guidelines on Corporate Governance for CPSE's in the 265th meeting the Board of Directors of the Corporation held on 24.11.10 with terms and reference of the Committee being same as proposed in the DPE Guidelines. The committee cease to exist after expiry of tenure of Independent Directors on 15.11.13. During the year 2013-14, two

meetings of Audit Committee were held on 30.07.13 and 13.09.13

ESTABLISHMENT COMMITTEE

The Establishment Committee was also re-constituted in the 265th meeting the Board of Directors of the Corporation held on 24.11.10 to provide guidance in respect of creation, selection, appointment and promotions and Conduct, Discipline and Appeal Rules in addition to the various policies in relation to organizational effectiveness including motivational issues and review of the disciplinary cases and suggest ways & means for bringing values and ethics in the performance of job in the Corporation. The committee cease to exist after expiry of tenure of Independent Directors on 15.11.13. During the year 2013-14, four meetings of Establishment Committee were held on 06.06.13, 13.09.13, 26.09.13 and 11.11.13

REMMUNERATION COMMITTEE

The Board in its 277th meeting held on 15.03.13 constituted remuneration committee with Shri N.S. Samant, JSA, MOWR, Dr. M.K. Soni and Shri Rihan Ahmad Independent Directors as members. The committee cease to exist after expiry of tenure of Independent Directors on 15.11.13

REMUNERATION OF DIRECTORS

All the Non Official Part Time Independent Directors are paid sitting fees for attending meeting of Board of Directors or Committee thereof to which they are appointed as Members. The details of remuneration paid to Directors during 2013-14 are as under:

Name & Designation	Sitting Fees (Amt. in Rs.)
Shri Rihan Ahmad, Independent Director	1,65,000
Dr. M.K. Soni, Independent Director	1,22,500

GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2012-13	26/09/13	4.00 p.m.	Regd Office
2011-12	31/12/12	3.00 p.m.	Regd Office
2010-11	29/12/11	1.00 p.m.	Regd Office

No Extra Ordinary General meeting was held during 2013-14

CORPORATE GOVERNANCE RATING

Your Company was awarded Excellent Rating in Corporate Governance by Department of Public Enterprise during 2012-13. The rating for 2013-14 is awaited from DPE. During 2013-14 also, Company is likely to achieve Excellent rating in Corporate Governance.

AUDIT QUALIFICATION

The comments on accounts for the year ended on 31st March, 2014 by the Comptroller and Auditor General of India and Statutory Auditor are given separately in the addendum to the Director's Report along with the comments of the Company.

MEANS OF COMMUNICATION WITH THE SHAREHOLDERS

The paid up share capital of the Company is being held by the Government of India and 14 State Governments. The majority paid up capital of the company i.e. 98.89% is held by the President of India and rest 1.11% is held by 14 State Government. 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.

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 the Ministry of Water Resources holds 98.88% of share capital. The Company has obtained Project Management & Consultancy ISO 9001:2008 certification from the Bureau of Indian Standards. The Company is a 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, and (iii) real estate development. 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 2013-14, your corporation has achieved an operating turnover of Rs.1174.69 crores as against Rs.1155.03 crores last year. The corporation has earned the profit before tax of Rs.48.45 crores as against Rs.58.11 crores in previous year. Net profit for the year 2013-14 is Rs.47.06 crores as against Rs. 50.96 crores last year.

OUTLOOK

The Vision, Mission and objectives of the Company as stated in the MoU executed with the Ministry of Water Resources, Government of India for 2014-15 are:

VISION

"To become world class premier engineering projects implementing organization"

MISSION:

"To achieve a turnover exceeding Rupees 3,500 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 improvement of Manpower knowledge & skills.
6. Continual organizational re-structuring and diversification with focus to Business, Profitability and Customer's satisfaction..
7. Maintaining & improving ISO 9001 – 2008 based Quality Management Systems in all areas of activity.

Business Operations

The Company operates primarily in the following three business segments:

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 under 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 project such as Hydro Electric Power Project, Building & Housing Project, other departments, Thermal Power Project & Roads & Bridges, Dam, Reservoir, Canal, Hospitals etc

3. Real Estate Development

At present NPCC envisage for Real state development of its own properties for commercial exploitation too at;

- I. Plot of size 2198 sqm at Matigara, Darjeeling, West Bengal
- II. Allotment of MIDC, Nagpur plot of size 55620 sqm, has been cancelled by MIDC, Nagpur and same has been challenged by NPCC and petition filed in the Hon'ble Mumbai High Court.
- III. Plot of size 12170 sqm at Faridabad, Haryana

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 9001:2008 certification.
- NPCC is having positive network.
- NPCC is having good client base.
- Pan India Presence having 15 Zonal

Offices and more than 100 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 & inaccessible 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 has no interest bearing loan either from Financial institution/GOI.

Weakness

- Due to comparatively low pay package and retirement age as 58 years, attracting the good talent is badly affected.
- Due to earlier prolonged financial constraint NPCC is still not have choice of projects 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.
- High fixed cost on account of high wage bill.

Opportunity

- Thrust in infrastructure work by the GOI and development work in border area and North Eastern State's development work.
- Emphasis on works under Accelerated Irrigation Development Programme (AIBP) Schemes.
- Major thrust by GOI on River development Projects:

- River Rejuvenation
- Interlinking of Rivers
- Joint Ventures/Collaboration for overseas/ major Indian projects.
- Avenue for diversifying in new areas (like Real Estate, WTP/STP/ETP, Solid Waste Management Projects).

Threat

- Huge investments in infrastructure have attracted large number of private sector players which has intensified competition.
- Attrition due to retirement age of 58years and non lucrative pay package
- 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 in which NPCC, at present is not able to secure works as the other larger PSUs are ready to work even at lesser margins. 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 and Border works 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, MOFPI, 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, new and renewable energy resources. Your company is planning to enter into Rail related projects. To complete the projects within budgeted cost, timely completion is an important factor in determining the operating results of the Company. Competition among large number of construction companies has resultant impact on the margins of Company.

NPCC is entering into field to provide its service to Ministry of Railways to exploit basis and to generate extra funds for them

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 last four years 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 which helps the management to review the effectiveness of financial and operating controls. Further check and balances are underway for improvement in the system.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The employees of NPCC are sent for training in order to upgrade their skills. They are encouraged to attend seminars, workshops, etc in their relevant fields. Keeping pace with the dynamic business scenario, NPCC has

been striving to maintain peaceful relations with its employees. With the increase in volume of works, efforts are being made to acquire manpower as and when required. Smooth Industrial Relations are being maintained. The total manpower strength as on 31.3.2014 stood at 1355.

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. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in economic environment in India and abroad, exchange rate fluctuations, tax, laws, litigations and labour relations.

Declaration by Chairman-cum-Managing Director regarding compliance with the Code of Conduct by Board Members and Senior Management during the financial year 2013-14.

I, H.L. Chaudhary, 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 2013-14.



(H.L. CHAUDHARY)

CHAIRMAN-CUM-MANGING DIRECTOR

Place: New Delhi

Date: 01-09-14

Harbans Lal & Co.

Company Secretary

Tele (O) : 23696096

Mob : 9811627414

59, 1, Janak Palace, New Market
Near Liberty Cinema, New Rohtak Road
New Delhi-110005

Dated : 25th August, 2014

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, 2014 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 except appointment of Independent Directors on the Board of the Company, which we understand is done by the Government and Administrative Ministry is in the process of filling up these vacancies so as to be in conformity with the requirements of Corporate Governance norms. The Risk Management Policy has been prepared and put up to the Board for approval.

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.
(Harbans Lal)
Company Secretary
C.P. : 3944

SOME OF THE PROJECTS OF NPCC



Tunnel Work at Hathiri Power House,
Uttarakhand



GATF Flyover, Bangalore



Building Works at HAL, Bangalore



Conference Hall at Indian Council of
Agricultural Research



NIFM, Faridabad



Road Work at Leh

SOME OF THE PROJECTS OF NPCC



INGTU, Manipur Campus



INGTU, Amarkantak



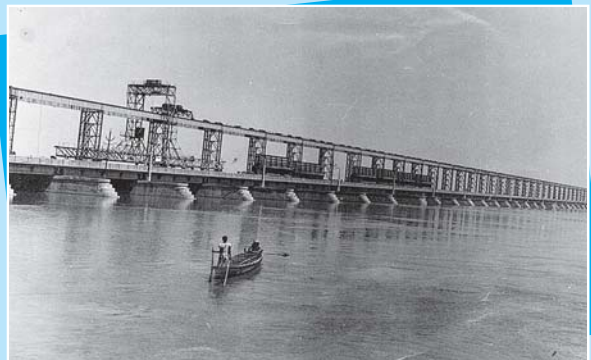
Maneribhali Hydro-electric Project,
Uttarakhand



Indo Bangladesh Border Fencing



Hard Rock Cutting by Breaker at Leh



Farakka Barrage


NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014


(Amount in Rupees)

PARTICULARS	Note No.	Figures as at the end of current reporting period as at 31.3.2014	Figures as at the end of previous reporting period as at 31.3.2013
I EQUITY AND LIABILITIES			
1 Shareholder's Funds :			
(a) Share Capital	1	945316000	945316000
(b) Reserves and Surplus	2	-3260107	-473903991
2 Non-Current Liabilities			
(a) Long -term borrowings	3	431174026	785912874
(b) Long term Provisions	4	364772829	355245755
3 Current Liabilities			
(a) Trade payables	5	14312075945	11314818479
(b) Other current liabilities	6	5409213986	5287908915
(c) Short term provisions	7	66096889	53307580
Total		21525389568	18268605612
II ASSETS			
1 Non -Current Assets			
(a) Fixed assets	8		
i) Tangible assets		82898308	68469819
ii) Intangible assets		0	0
iii) Capital work in progress		39543155	27922781
(b) Investments	9	0	0
(c) Deferred tax Assets (Net)	10	327028699	284098505
(d) Other non -current assets	11	498312946	564795851
2 Current Assets			
(a) Inventories	12	19857973	20060624
(b) Trade Receivables	13	12533172791	10566233074
(c) Cash and Bank Balance	14	5960991201	5574517542
(d) Short-term loans and advances	15	1897933588	988609999
(e) Other current assets	16	165650907	173897417
Total		21525389568	18268605612


Accounting Policies & Notes on Financial Statements 1 to 45


(RAJNI AGARWAL)
COMPANY SECRETARY


(RAVENDRA GARG)
DIRECTOR (FINANCE)


(H.L. CHAUDHARY)
CHAIRMAN & MANAGING DIRECTOR

As per our Audit report of even date
FOR L C Kailash and Associates
Chartered Accountants


(L.C.GUPTA)
Partner

M.No.005122
FRN-01811N

Place : New Delhi
Date : 01-09-2014

NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees)

PARTICULARS	Note No.	Figures for the current reporting year ended 31.3.2014	Figures for the previous reporting year ended 31.3.2013
I REVENUE FROM OPERATIONS:			
(a) Work Done for the year		11746923814	11550336142
(b) Cost of Work Done for the Corporation		153435	142840
II Other Income	17	450480752	654984069
III TOTAL REVENUE (I+II)		12197558001	12205463051
IV EXPENSES:			
(a) Construction & Work Expenses	18	10842249998	10652315276
(b) Employees benefits expenses	19	714835239	786712305
(c) Finance Cost	20	3520169	12853545
(d) Depreciation & amortization expense	8	4400663	4981728
(e) Other Expenses	21	107921088	123069945
TOTAL EXPENSES (IV)		11672927157	11579932799
V Profit(Loss) before prior period, exceptional and extraordinary items and tax (III-IV)		524630844	625530252
VI Add/Less Prior Period Item (Net)	22	6255007	9102207
VII Profit(Loss) after prior period and before exceptional and extraordinary items and tax (V-VI)		518375837	616428045
VIII Exceptional Items	23	33842706	35331639
IX Profit(Loss) before extraordinary items & tax (VII-VIII)		484533131	581096406
X Extraordinary Items		0	0
XI Profit/Loss(-) before tax (IX-X)		484533131	581096406
XII Current Tax		56819441	656678
XIII Deferred Tax	10	-42930194	70778561
XIV Profit/Loss(-) for the period from continuing operations (XI-XII-XIII)		470643884	509661167
XV Profit / Loss(-) for the period		470643884	509661167
XVI Earnings per Equity Share:			
Basic & Diluted	38	497.87	539.14

Accounting Policies & Notes on Financial Statements 1 to 45



(RAJNI AGARWAL)
COMPANY SECRETARY



(RAVENDRA GARG)
DIRECTOR (FINANCE)



(H.L. CHAUDHARY)
CHAIRMAN & MANAGING DIRECTOR

As per our Audit report of even date
FOR L C Kailash and Associates
Chartered Accountants



(L.C. GUPTA)
Partner

M.No.005122
FRN-01811N

Place : New Delhi
Date : 01-09-2014

NOTE — 1

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013
SHARE CAPITAL		
Authorised :		
7000000 Equity Shares of Rs.1000/- each (Previous Year 7000000 Equity Shares of Rs.1000/- each)	7000000000	7000000000
TOTAL	<u>7000000000</u>	<u>7000000000</u>
Issued, Subscribed & Paid up :		
945316 Equity Shares of Rs. 1000/- each fully paid up in cash (Previous Year 945316 Equity Shares of Rs1000/- each)	945316000	945316000
	<u>945316000</u>	<u>945316000</u>

	Number of share	AS AT 31-3-2014	Number of share	AS AT 31-3-2013
Reconciliation of Equity Share outstanding at end of the year				
Outstanding as at the beginning of the year	945316	945316000	945316	945316000
Add: Issued during the year		0		0
Less: Buy back/cancelled during the year		0	0	0
Outstanding as at the end of the year	945316	945316000	945316	945316000
Share holders having more than 5% of shares		% of share holding		% of share holding
President of India	934821	98.89	934821	98.89

- a) 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.58,22,059,000/- cancelled and adjusted against accumulated losses as on 28.12.2010.
- b) 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

PARTICULARS	(Amount in Rupees)	
	AS AT 31-3-2014	AS AT 31-3-2013
RESERVES AND SURPLUS		
a) Opening balance of Profit & Loss A/c	-473903991	-983565158
b) Surplus Transferred from Profit & loss A/c during the Year	470643884	509661167
TOTAL	-3260107	-473903991

NOTE — 3

PARTICULARS	(Amount in Rupees)	
	AS AT 31-3-2014	AS AT 31-3-2013
Non- Current Liabilities		
Long Term Borrowings		
a) Secured		
i) From project Authorities secured against Hypothecation of Machinery, Equipment & Vehicles	40053981	40036255
b) Unsecured		
i) From Project Authority (Mobilization & Others)	391120045	745876619
TOTAL	431174026	785912874

Mobilisation & other advances from Project Authority:-

- a) The loan secured against machinery and equipment and unsecured loan by way of mobilisation advance in the above said cases pertains to sites which have been closed either on account of termination or foreclosure by project authority and the disputes are there with project authority for the last more than ten years and probability of settlement of disputes within the next twelve months from the reporting period is remote and as such indicated as non-current liability.

NOTE — 4

PARTICULARS	(Amount in Rupees)	
	AS AT 31-3-2014	AS AT 31-3-2013
Long -term provisions		
a) Provision for employees benefits		
i) Provision for Gratuity Work charged	193214122	193541920
ii) Provision for leave Encashment	171558707	161703835
TOTAL	364772829	355245755

- a) Leave Travel Concession to the employees are not a retirement benefit and **re-imbursable on performance of journey**. This is followed consistently. Therefore, no actuarial valuation is made.

NOTE — 5

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2014		AS AT 31-3-2013	
Current Liabilities				
Trade Payables				
Sub-contractor a/c	1036353418		1108587496	
Suppliers a/c	33164132		32207128	
Liability for Expenses Sub Contractor	13242558395	14312075945	10174023855	11314818479

- a) Liability provided for expenses payable to Sub Contractors:-
Trade Payables include Rs.298255686 (Previous year Rs. 298309053) payable towards land acquired for IBBF works at Silchar Zone.

NOTE — 6

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2014		AS AT 31-3-2013	
Other Current Liabilities				
1) Security Deposits				
i) Staff		604033		625244
ii) Sub Contractor		1791701035		1637496052
2) Advance received from Project Authority				
i) On a/c of deposit work etc.		1005742758		862230608
ii) On a/c of PMGSY Road Work		1138835090		1302380248
iii) Project Authority account		154111316		360112555
3) Interest accrued and due on advances				
a) From Project Authorities secured against Hypothecation of Machinery, Equipment & Vehicles		34179035		36952740
b) From Project Authority (Mobilization & Others)		262317435		260451445
c) Govt. of India		100296065		100296065
d) Interest on Staff Security		2585852		2324850
4) Expenses Payable				
a) Liability for Expenses Others		42207901		102451480
b) To Employees				
i) Salary/wages/wages arrear payable	127893144			126287793
ii) Bonus Payable	185542			184579
iii) Others payable	6630431	134709117		4846684
5) Payable to Gratuity Trust		253073549		257441564
6) Taxes and Cess payable		107048393		24717739
7) Others payable				
i) Income Tax payable	86424711			23773956
ii) Service Tax payable	5572947			17928806
iii) Trade Taxes Payable (vat/sales tax etc.)	13595835			16743363
iv) Others account	276208914	381802407		150663144
TOTAL		5409213986		5287908915

- a) Note 6 3) c) Interest due on GOI loan is Rs. 10,02,96,065/- is due for payment from 7.12.2009 on principal amount of Rs. 15,80,00,000/- @ 20.75%, which was paid on 18.9.2006,
- b) Advance received from Project Authority under 2 i) above amounting to Rs.1005742758/- is to be utilised for specific deposit work. PMGSY Fund under 2 ii) of Rs. 1138835090 (Previous year Rs.1302380248) is to be utilised exclusively for PMGSY Work only and kept in separate bank account.

NOTE — 7

PARTICULARS	(Amount in Rupees)	
	AS AT 31-3-2014	AS AT 31-3-2013
Short Term Provisions		
a) Provision for employees benefits		
i) Provision for Gratuity Work charged	28045145	24974960
ii) Provision for leave Encashment	38051744	28332620
TOTAL	66096889	53307580

- a) Leave Travel Concession to the employees are not a retirement benefit and **re-imbursable on performance of journey**. This is followed consistently. Therefore, no actuarial valuation is made.

NOTE — 8
FIXED ASSETS
TANGIBLE ASSETS

(Amount in Rupees)

S. No	Description	GROSS BLOCK (AT COST)						LESS: DEPRECIATION					NET BLOCK	
		As at 1.4.2013	Additions during the year	Acquired through business combinations	Adjustment due to impairments	Dedn./ Adjustments during the year	As at 31-3-2014	As at 1.4.2013	During the year	Dedn./ Adjustments during the year	Adjustment due to impairments	Up to 31-3-2014	As at 31-3-2014	As at 31-3-2013
1.	Free Hold Land	23567204	0	0	0	0	23567204	0	0	0	0	23567204	23567204	
2.	Lease Hold Land	4610842	689307	0	0	0	5300149	747233	21189	0	768422	4531727	3863609	
3.	Buildings on Free Hold Land	3403319	13858842	0	0	0	17262161	1351175	281373	0	1632548	15629613	2052144	
4.	Buildings on Lease Hold Land	2776218	0	0	0	39220	2736998	861626	54905	-134352	1050883	1686115	1914592	
5.	Temporary Constructions	88219869	0	0	0	12731343	75488526	88219869	0	12731343	75488526	0	0	
6.	Machinery	197148984	0	0	0	49404130	147744854	181607712	740655	46663052	135685315	12059539	15541272	
7.	Vehicles	34042959	291811	0	0	2151095	32183675	25741679	1201316	2043563	24899432	7284243	8301280	
8.	Works Equipment	26694391	1317867	0	0	6440327	21571931	23005396	205382	6245981	16964797	4607134	3688995	
9.	Office Furniture & Equipment	20214318	5133253	0	0	757543	24590028	14394237	883504	739448	14538293	10051735	5820081	
10.	Computers and Printers	11087087	805984	0	0	500876	11392195	7461765	1003650	456499	8008916	3383279	3625322	
11.	Library Books	551611	11188	0	0	23305	539494	456291	8689	23205	441775	97719	95320	
	Total	412316802	22108252	0	0	72047839	362377215	343846983	4400663	68768739	279478907	82898308	68469819	
	Previous Year	453870330	13712546	0	0	27343293	440239583	364870142	4981728	26004887	343846983	96392600	73784967	

ABOVE FIXED ASSETS INCLUDE NON-SERVICABLE/BEYOND ECONOMICAL REPAIR AS SHOWN BELOW :

Machinery	35245921	11769195	0	0	27629325	19385791	33280482	11156918	26043121	0	18394279	991512	1965439
Vehicles	391184	1710992	0	0	391184	1710992	371646	1591874	371646	0	1591874	119118	19538
WorksEquipment	4606928	649125	0	0	4457095	798958	4200872	619900	4058414	0	762358	36600	406056

CAPITAL WORK IN PROGRESS

Building on Freehold Land	27922781	11620374	0	0	0	39543155	0	0	0	0	0	39543155	27922781
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NOTE :

- Intangible Assets during the year Nil (Previous Year Nil).
- The Construction Work of Building on Freehold Land of Rs. 3.95 crore shown under the head Capital WIP.
- The above assets includes assets in transit amounting to Rs.429864/- (Rs.778714)
- As required by Accounting Standard AS 28 - "Impairment of Assets" issued by the ICAI, the Company has not carried out the assessment for impairment of assets. However, as per Managements' internal assessment there has been no impairment loss during the year.
- Lease Deed in respect of plot of land measuring 55620 sq. m situated at Heigna Nagpur allotted by MIDC on lease basis has been cancelled vide letter no. MIDC/RON/6564/2013 dated 11.9.2013 and the Corporation has gone to Bombay High Court in Nagpur Bench against the said cancellation.
- Cost of leasehold land has been depreciated annually on the basis of lease period.

NOTE — 9

		(Amount in Rupees)	
PARTICULARS		AS AT 31-3-2014	AS AT 31-3-2013
INVESTMENTS			
Non-traded/Unquoted :			
National Saving Certificates (Pledged as Security with Project Authorities)	0		0
Less: Allowance (Provision)	0	0	0
TOTAL		0	0

NOTE — 10

		(Amount in Rupees)	
PARTICULARS		AS AT 31-3-2014	AS AT 31-3-2013
Deferred Tax Assets			
Total Deferred Tax Asset		361993800	968949518
Deferred Tax Liability			
Total Deferred Tax Liability		34965101	93318421
Net Deferred Tax Assets		327028699	875631097
Net Deferred Tax Assets as on 31.03.2014	327028699		284098505
Less: Net Deferred Tax Assets as on 31.03.2013	284098505		354877066
Deferred Tax Assets increase in 2013-14		42930194	-70778561

NOTE — 11

		(Amount in Rupees)	
PARTICULARS		AS AT 31-3-2014	AS AT 31-3-2013
Other Non Current Assets :			
1) Security Deposit with Project Auth.	599809494		685151213
Less: Allowance (Provision)	101496548	498312946	120355362
TOTAL		498312946	564795851

NOTE — 12

		(Amount in Rupees)	
PARTICULARS		AS AT 31-3-2014	AS AT 31-3-2013
CURRENT ASSETS:			
Inventories (at cost):			
a) Stores and Spares (including construction material in hand, at sites and in transit) at cost (FIFO)	22133624		23053903
Less: Allowance (Provision)	<u>2298538</u>	19835086	<u>3020397</u> 20033506
b) Tools in hand/ in transit (In transit current year Nil previous year Rs.13)		<u>22887</u>	<u>27118</u>
TOTAL		<u>19857973</u>	<u>20060624</u>

Inventory of stores & spares and tools has been taken, valued & certified by the Management.

NOTE — 13

		(Amount in Rupees)	
PARTICULARS		AS AT 31-3-2014	AS AT 31-3-2013
Trade Receivables (Unsecured)			
a) Debts outstanding for a period exceeding six months from due date:			
Considered Good	6698279634		4312187842
Considered Doubtful	<u>704692759</u>		<u>702420311</u>
	7402972393		5014608153
Less: Allowance (Provision) for Doubtful Debts	<u>704692759</u>	6698279634	<u>702420311</u> 4312187842
b) Other debts (Considered good)		4046737592	5218093470
c) Receivables from Project Authorities on account of withheld and other recoveries.		<u>1788155565</u>	<u>1035951762</u>
		<u>12533172791</u>	<u>10566233074</u>

- a) Amount of Rs.13237865550 (Previous year Rs.11268653385) includes " Value of work done suspense" & "Project Authority" account. Value of work done suspense amounting to Rs.11449709985 (Previous year Rs.10232701623) includes value of bills raised on the basis of measurement accepted both by the corporation & contractee but remain unpaid & the value of work done derived on the basis of self measurement of the corporation, pending verification by the project authority and for which the corporation has not submitted the bills till 31.03.2014 This balance in the value of work done suspense account has been considered as debts due from project authority / contractee.
- b) Trade receivables include unbilled value of workdone based on certification by Project Engineer in-charge of the Corporation.

NOTE — 14

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013
Cash and Bank Balance		
a) Cash and cash equivalents		
i) Cash in hand	708827	940622
ii) Cheques / drafts in hand	0	23756707
iii) In Current Accounts	3717984916	3278997801
iv) In Fixed Deposits with Banks (maturity upto 3 months)	521025188	415166526
	<u>4239718931</u>	<u>3718861656</u>
Less: Allowance (Provision) for Current a/c balance (Morena)	<u>2434</u>	<u>2434</u>
	4239716497	3718859222
b) Balance in Current Accounts with Non-Scheduled Banks :		
i) Rafidian Bank, Iraq	15850381	15850381
ii) Rasheed Bank, Iraq	22518777	22518777
iii) Nepal Bank Limited, Nepal	6009	6009
	<u>38375167</u>	<u>38375167</u>
Less: Allowance (Provision)	<u>38369158</u>	<u>38369158</u>
	6009	6009
c) Other Balance with Scheduled Banks :		
i) In Fixed Deposits with Banks (maturity more than 3 months)	1159233186	1718308855
ii) In Fixed Deposits with Banks (maturity after 12 months)	119075670	18540730
iii) In Fixed Deposits (Staff Security)	3030848	2803543
iv) In FDR with Banks pledged as Security Deposit	6710940	200000
v) In FDR with Banks pledged against Bank Guarantee	262115682	88690035
vi) In FDR with Banks pledged with Project Authority	171225289	27232068
Less: Allowance (Provision)	<u>122920</u>	<u>122920</u>
	1721268695	1855652311
TOTAL	<u>5960991201</u>	<u>5574517542</u>

- a) Since there is restriction from Iraq Government on repatriation of the balances lying in Iraq banks, therefore, the management decided to create provisions to the full extent.
- b) The Govt. of Iraq awarded work contract to the corporation. The said work had to be closed due to Iraq war, As per the terms of the contract and as a consequence of that, neither the balance in the bank account nor the net value after adjusting the payables was allowed to be repatriated to India. For the purpose of preparing the annual financial statement of the corporation, the corporation applied the conversion of foreign exchange transaction up to 31/03/1995.
- c) Looking to no change in the existing policy about repatriation, no conversion rate has been applied year to year after 31/03/1995 and the conversion value taken in rupee is continued to be the same as appearing on 31/03/1995 in the annual financial statement as on 31/03/2014.
- d) The Exim Bank which is intermediary for settlement of the out standings 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.
- e) The maximum amount outstanding at any time during the year from foreign banks is the same as is mentioned under Note No. 14 (b)
- f) Current account balance includes an amount of Rs.1138835090/- received against deposit work of PMGSY work and Rs.1568152954/- from MHA/IGNTU for Silchar work.
- g) Three FDRs amounting to Rs.122920/- are not traced. However, provision for the same has been created.

NOTE — 15

			(Amount in Rupees)	
PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013		
Short-term Loans and Advances				
1) Advances and other amounts recoverable in cash or in kind or for value to be received :				
a) Secured:				
i) Sub Contractor (secured against S.D. held by Corporation)	167602914	50096135		
b) Unsecured:				
i) Sub Contractor	1260050977	511537736		
ii) Supplier	12653587	12445068		
iii) Employees (Staff & Officers)	18865018	19341604		
iv) Others	261729627	321576044		
	1553299209	864900452		
Less: Allowance (Provision) for Bad & Doubtful	99292361	67551486		
	1454006848	797348966		
v) Directors	142560	142560		
	1454149408	797491526		
2) Prepaid Expenses	1759359	280799		
3) Security Deposit with Others	4877208	4752828		
Less: Allowance (Provision) for Bad & Doubtful	1795502	1715202		
	3081706	3037626		
4) Advance & Provisional payment of tax	235116741	101480453		
5) Amount deposited with various courts (Against Interim Orders)	36223460	36223460		
TOTAL	1897933588	988609999		

a) Others at point 1 (b) (iv) above includes Rs. 9500000 deposited with Service Tax Tribunal against appeal filed against service tax order for Rs. 52168036.

NOTE — 16

			(Amount in Rupees)	
PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013		
Other Current Assets :				
1) Interest Receivable on Bank Deposit	99529904	100399742		
2) Interest Receivable from Others	30511816	33534298		
3) CPF Trust	11615180	22051922		
4) Store	269359	269359		
5) Material at Site	493054	1455507		
6) Net balance arising from remittance on account of unreconciled and unresponded entries of inter units	23231594	16186589		
TOTAL	165650907	173897417		

- a) Balance shown in the books of CPF Trust against NPCC a/c is Rs.349416/-. Thus there is an unreconciled balance of Rs.11265764/- between the balance as per Corporation books and the amount shown under CPF Tust book, which is under reconciliation and necessary adjustment shall be carried out, if any required, on reconciliation.
- b) The reconciliation of Inter unit accounts is in progress and pending completion of reconciliation exercise, any treatment/provision for un-reconciled / un-responded entries can't be given. The net difference between debit and credit entries shall be accounted for under respective heads on reconciliation. The impact of this if any on profit & loss account shall be shown on reconciliation. The following are the balances of Inter unit accounts i.e Remittances, Adjustments a/c, and Death relief fund:

	Current Year	Previous Year
i) Total of Debit Entries	9,541,661,833	7,774,626,115
ii) Total of Credit Entries	9,518,430,239	7,758,439,526
iii) Net Difference Debit Balance	23,231,594	16,186,589

NOTE — 17

PARTICULARS	(Amount in Rupees)	
	2013-2014	2012-2013
OTHER INCOME :		
Sale of tender documents (including other miscellaneous receipts)	27350510	14757998
Interest Received (Gross) on :		
a) Bank Deposits	265201630	345460404
b) Others- sub contractor	132065984	29200845
	397267614	374661249
Hire Charges of Machinery	80940	11550
Profit on Sale of Scrap, Stores etc.(Net)	3854027	1300050
Unclaimed Credit Balances Written Back	1620973	2853041
Provisions/Liabilities written back	20306688	261400181
TOTAL	450480752	654984069

- a) Provisions/Liabilities written back pertains to the provisions which are provided in the normal course of business, but now found to be excess than what should have been.
- b) Interest on bank deposits includes interest earned on mobilisation advances, secured advances and for Deposit Account Works given by Clients to the Corporation for business purposes for acquiring materials, mobilisation of equipment, labour etc. The above advances from the Clients are to be adjusted out of the Works Bills raised by the Corporation.

NOTE — 18

(Amount in Rupees)

PARTICULARS	2013-2014	2012-2013
CONSTRUCTION AND WORKS EXPENSES :		
Material Consumed :		
Opening Balance — Stores & Spares (Including Construction materials in hand, at site and in transit)	23053903	30298259
Net Purchase(+) & Sales (-)	9127685	-4740180
	<u>32181588</u>	<u>25558079</u>
Less: Closing Balance — Stores & Spares (including Construction materials in hand, at site and in transit)	22133624	23053903
	10047964	2504176
Payment to Sub-contractors	10668231321	10540399116
Motive Power & Fuel	162421	84642
Taxes & Fees on Machines & Vehicles	124770	113170
Insurance	14268	100500
	<u>139038</u>	<u>213670</u>
Carriage & Freight	376306	391811
Tools & Stores Written off	27544	64555
Commercial/Trade Tax/Service Tax	89031289	60249129
Other Incidental Charges on Works	74234115	48408177
	<u>10842249998</u>	<u>10652315276</u>
TOTAL	10842249998	10652315276

- a) Other Incidental Charges on work includes Rs.5.26 crore (Previous year Rs. 3.62 crore) towards Land acquisition for IBBF related works.

NOTE — 19

PARTICULARS	(Amount in Rupees)	
	2013-2014	2012-2013
Employees Benefits Expenses :		
Salary and Allowances (including leave salary)	364759939	353310766
Wages and Allowances (including leave salary)	193324806	198872174
Leave Encashment	18971921	0
Contribution to Provident Fund (Regular)	35112154	33293009
Contribution to Provident Fund (Work Charged)	19630907	19859615
Gratuity Workers (Paid)	21309820	28500371
Gratuity Work Charge (Acturial)	400336	48574814
Gratuity Regular (Acturial)	37197930	50566308
Leave Travel Concession	2731864	2295420
VRS Expenses	11542353	42824873
Staff Welfare Expenses	7867814	6884429
Repair to building (Colony)	20842	21853
Health and Sanitation	1964553	1708673
TOTAL	714835239	786712305

NOTE — 20

PARTICULARS	(Amount in Rupees)	
	2013-2014	2012-2013
Finance Cost :		
a) Interest	3520169	12853545
TOTAL	3520169	12853545

a) Finance Cost pertains to interest -paid to Project Authority as per terms of Contract

NOTE — 21

(Amount in Rupees)

PARTICULARS	2013-2014	2012-2013
OTHER EXPENSES :		
Travelling Expenses	15189789	17812928
Rent	6420915	6099879
Repairs and Maintenance:		
Buildings	2963058	3134382
Others	544297	646581
	3507355	3780963
Printing & Stationery	3256010	2829593
Postage, Telephone & Telegrams	3035069	2900953
Electricity and Water Expenses	3606375	3584619
Advertisement and Publicity	7239048	8537802
Legal and Professional Charges	2234754	2947315
Bank Charges	1847083	884783
Internal Audit Fees	487551	486173
Payment to Auditors :		
Audit Fee	677625	585675
Tax Audit Fee	194787	125142
	872412	710817
Travelling Expenses—Auditors	1954373	1246750
Miscellaneous Expenses	12293927	9664297
Vehicles Running and Maintenance, Hiring	17123498	17238089
Bad Debts	976455	7947940
Rates and Taxes	184144	363220
Insurance Charges	169128	300073
EPF Administration Charges	817197	1035568
Technical Fee/Consultancy	2219137	2334411
Allowance for Doubtful Debts and Advances	24486868	32363772
TOTAL	107921088	123069945

NOTE — 22

(Amount in Rupees)

PARTICULARS	2013-2014	2012-2013
PRIOR PERIOD EXPENSES & INCOME		
(A) EXPENSES:		
Salary, Wages & Other benefits to employees	299187	1938484
Payment to Sub-contractors for work done	6324327	2285541
Project Authorities	3451901	3420198
Others	1225159	13749819
Total (A)	<u>11300574</u>	<u>21394042</u>
(B) INCOME		
Recovery of excess payment made to employees	2160	0
Others	5043407	12291835
Total (B)	<u>5045567</u>	<u>12291835</u>
Net Amount (A-B)	<u>6255007</u> 6255007	<u>9102207</u> 9102207

Note — 23

(Amount in Rupees)

PARTICULARS	2013-2014	2012-2013
EXCEPTIONAL ITEMS		
A) Litigation Expenses	38879901	37591743
B) Loss on sale of Fixed Assets	136220	58811
Total	<u>39016121</u>	<u>37650554</u>
LESS: Profit on sale of Fixed Assets	5173415	2318915
	<u>33842706</u>	<u>35331639</u>

NOTE - 24

ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. ACCOUNTING FOR INCOME AND EXPENDITURE

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

3. CLASSIFICATION OF EXPENDITURE

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

4. METHOD OF RECKONING OF PROFIT

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

5. BORROWING COST

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

6. TURNOVER

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

- i) The work done measured and certified by the contractees.
- ii) The work done considered realizable and recoverable remaining to be measured upto 31st March by the contractees.
- iii) The work done in earlier years but not accounted for in such years as realization of the same was considered doubtful and settlement for which is reached.
- iv) Quantum of escalation based on the formula mutually accepted with the contractees.

- v) Work done for works where agreements are not signed/executed and for which adjustments are carried out on the basis of rates as per tenders submitted/draft agreements/letters of intent.
- vi) Claims for extra/substituted items and other claims considered realizable by the corporation pending determination of exact amount for settlement of rates etc.

Value of work done, however, excludes: Work done in earlier years and taken credit of in such years but is considered doubtful of recovery during the current year.

7. DEPRECIATION

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

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

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

8. GRATUITY AND LEAVE SALARY

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

9. FOREIGN EXCHANGE TRANSACTIONS

1. The rates of conversion for items of income and expenditure are taken at average rate for 12 months of relevant year.
2. Assets and liabilities are translated at closing rates as on 31st March of the relevant year.

10. INVENTORIES

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

11. EXPENDITURE ON PAYMENTS TO SUB-CONTRACTORS

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

12. DEFERRED REVENUE EXPENDITURE

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

13. PRIOR PERIOD EXPENSES/INCOME

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

14. PREPAID EXPENSES

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

15. ACCOUNTING OF SCRAP

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

16. INTEREST

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

17. CONTRACTUAL OBLIGATION

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

18. EXPORT INCENTIVE

CCS and EXIM Scrip benefits are reckoned on realization.

19. CLAIMS LODGED WITH OTHER PARTIES

Claims lodged with other parties are accounted for on realization.

20. TAXES ON INCOME

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

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

Note - 25

Contingent Liability not provided for in respect of:

(Rs. In Lakh)

	Current Year	Previous Year
a) i) Outstanding claims of contractor Pending before arbitration & Courts	9278.32	9648.87
ii) Service Tax /I.T. (Tax and Penalty)	3138.24	3069.49
b) Outstanding amount of bank guarantees against mobilization and other advances (Margin money in shape of FDRs amounting to Rs2599.46 Lakh (Previous Year Rs. 886.90 lakh)	2387.73	847.00
c) Performance bank guarantees (Margin money in shape of FDRs amounting to Rs.21.68 Lakh) (Previous year Rs. 20.12 Lakh)	16.00	16.00
d) Liability towards liquidated damages in case of delayed projects, as the time extension applied by the corporation is awaited, amount is not ascertainable.		
e) The Possible loss on ongoing projects and on Rs.114497.10 Lakh lying debit in Value of work done suspense account, have not been provided as the same is not ascertainable until the accounts are finally settled by contractee or project authorities. However the corporation has created the provision for doubtful debts to the tune of Rs.7046.93 Lakh against the above value of work done suspense on adhoc basis to cover up the expected liability.		

Note - 26 Estimated amount of contracts remaining to be executed on Capital Account is Rs. NIL lakh (Previous Year Rs. 45.39 lakh).

Note - 27 Debit and Credit balances shown under Trade Receivables, Loans & Advances, Trade Payables and Secured and Unsecured Loans, Sub-Contractors account, security & EMD deposits from Sub-contractors, Inter Unit Accounts are subject to confirmation & reconciliation.

Note - 28 In case of Sardar Sarovar Narmada Nigam Limited (SSNNL) no interest @ 13% on the secured & unsecured loan amounting to Rs. 23.68 Lakh has been provided since 2011 onwards as the matter has not been finally settled by the Project Authority.

Note - 29 i) In respect of contract of Taj Corridor Project awarded to the corporation, the corporation had before foreclosure of the work done the work to the tune of Rs.4311 Lakh for which the Corporation has filed writ petition before the Hon'ble High Court at Allahabad for settlement of the claimed amount.

ii) The Corporation had already received Rs. 1700 Lakh by way of advance paid by Govt. of U.P. Thus the net outstanding after adjustment of Rs.17 crore comes to Rs. 2611 Lakh.

iii) The Hon'ble High Court of Allahabad has been requested to pass an interim order

on the writ petition for payment of Rs. 2000 Lakh which had already been sanctioned by Govt. of UP vide letter dated 21st May 2003, but not yet received. In view of the above position, the management did not consider it necessary to create any provision for doubtful debts in respect of net amount due against the work done, pending final decision of the Hon'ble High Court of Allahabad on the writ petition filed by the corporation.

Note - 30 In respect of Leasehold Plot no. 33A/1 at Hingna, Nagpur Industrial Area measuring 55620 sqm was allotted by MIDC for carrying industrial activity. The lease deed executed in favour of the Corporation has been cancelled vide letter no. MIDC/ RON/6564/2013 dated 11.09.2013 for want of starting any industrial activity on the plot except constructing building only on 386 sqm of the land. Corporation has gone to Bombay High Court, Nagpur Bench on 29.10.2013 against the cancellation.

Note - 31 Interest received /receivable on FDR /Bank deposits are accounted as revenue depends on provision of agreement , the interest amount credited to the clients account where ever is applicable .

Note - 32 In the opinion of management, the value of current assets, loan and advances, after providing provisions, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

Note - 33 The deferred tax assets had been recognized on the basis of following reasonable certainty that sufficient future taxable income will be available for corporation :

i) Company is earning profit before tax for the last 4 years.

ii) There is an order book position in hand of Rs 479469.86 lakh having definite margin.

iii) As per Corporate Plan and 10 year prospective plan prepared by ICRA independent agency, the Corporation's profit earning trend is increasing in next 10 years.

Note - 34 Depreciation on Temporary Construction has been charged on Straight Line Method based on the rates specified in schedule XIV of the Companies Act, 1956 and Accounting Policy no.7 for Depreciation on Temporary Construction which is under revision.

Note - 35 Valuation of Inventory has been carried out at cost and FIFO method.

Note - 36 Accounting Policy no.12 for Deferred Revenue Expenditure is under revision. However there is no deferred revenue expenditure during the year 2013-14.

Note - 37 Accounting Policy no.16 for Interest is under revision. However there is no interest bearing advance given to staff during the year 2013-14.

Note - 38 **Earning / (Loss) per share**

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

a) Basic/Diluted EPS

Particulars		Current Year	Previous Year
Profit / (Loss) including adjustments of Deferred Tax Assets/Liabilities, attributable to equity shares for the year. (Rs. In lakh)	(A)	4706.43	5096.61
Weighted average number of shares outstanding during the year (in number)	(B)	945316	945316
Basic/Diluted Earning / (Loss) per share (in Rs.)	(A/B)	497.87	539.14
Nominal value per equity share (in Rs.)		1000.00	1000.00

Note - 39 Segmental Reporting AS - 17 issued by ICAI is not applicable since the corporation primarily operates in one segment i.e. construction only.

Note - 40 Related Party Disclosures

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 2013-14		
	1	Sh. N.S. Samant, JS (A), MOWR	01.4.13 to 31.08.13	CMD (Addl. Charge)
	2	Sh.Pradeep Kumar, Commissioner, MOWR	19.09.13 to 24.10.13	CMD (Addl. Charge)
	3	Sh. H.L. Chaudhary	w.e.f. 24.10.13	CMD
	4	Sh. Ravendra Garg	Full year (under suspension w.e.f. 22.02.13)	Director (F)
	5	Sh. Sunil Kohli JS & FA, MOWR	w.e.f. 27.06.12	Govt. Director (Part-Time)
	6	Sh. N. S. Samant, JS, MOWR	w.e.f.29.10.12	Govt Director (Part Time)
	7	Dr. M.K. Soni	Till 15.11.13	Non Official Part Time Independent Director
	8	Sh Rihan Ahmad	Till 15.11.13	Non Official Part Time Independent Director
2)	Relatives of key management personnel and their enterprises where transactions have taken place			Nil
3)	Other related parties where control exists			Nil

Note - 41 Since the corporation is executing contracts either on PMC basis or on Back to Back basis (Item rate) where the corporation is getting its fixed margin on the cost & works are being executed by the sub contractor with material on back to back basis & the corporation is not supplying or consuming any material of its own on the contracts executed by the sub contractor thus the information / particulars required under para no.3(a) & 4 d (c) of part II of schedule VI of companies Act,1956 are Nil.

	2013-2014	2012-2013
a) Value of Imports of CIF Value	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL
c) Earning in Foreign Currency	NIL	NIL

Note - 42 Employee Benefits (AS-15)

The principal assumptions used in actuarial valuation are as follow

Particulars	31.03.2014	31.03.2013
- Discount Rate	8.80%	7.95%
- Expected Rate of future Salary increases	5.00%	5.00%

	Gratuity Regular Staff		Gratuity Work charged		Leave Encashment	
	Unfunded		Unfunded		Unfunded	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Change in the present value of obligations						
- Present value of obligations as at 01.04.2012	271079084	257929918	218516880	204641556	161703835	166824734
- Interest Cost	24397118	20577861	18413180	15154938	13242007	12295184
- Current Service Cost	9984243	10091097	6977739	6817301	25545664	25237397
- Benefits paid	(40981278)	(45603254)	(18552407)	(28026804)	(22452958)	(24336657)
- Actuarial (Gain)/ Loss on obligations	3367490	28083462	(5897263)	19929889	(6479841)	(18316823)
- Present value of obligations as at 31.03.2013	267846657	271079084	219458129	218516880	171558707	161703835
Change in Fair Value of Plan		Not Applicable		Not Applicable		Not Applicable

Liability recognized in the balance sheet		—		—		—
- Present value of obligations as at 31.03.2014	267846657	271079084	219458129	218516880	171558707	161703835
- Fair value of obligations as at the end of the year.	26165777	17985830				
- Funded status [Surplus/(Deficit)]	241680880	253093254	(219458129)	(218516880)	(171558707)	(161703835)
- Unrecognized Actuarial (Gain)/ Loss	—	—	—	—	—	—
- Net assets/ (liability) recognized in the Balance Sheet	(241680880)	253093254	(219458129)	(218516880)	(171558707)	(161703835)
Expenses recognized in the Profit and Loss Account						
- Current Service cost	9984243	10091097	6977739	6817301	25545664	25237397
- Past Service cost						
- Interest cost	24397118	20577861	18413180	15154938	13242007	12295184
- Expected return on plan assets	(1986822)	(1457117)				
- Net Actuarial (Gain)/Loss recognized during the year	3847762	28016515	(5897263)	19929889	(6479841)	(18316823)
- Total expenses recognized in Profit and Loss Account	36242301	57228356	19493656	41902128	32307830	19215758

Note - 43 Fixed Assets at written down value of Rs.65.68 lakh in respect of Kanchipuram (MRTS), NER (W), Guwahati (Karbi Langpi), Dholaithabi and Northern Zone (MIP) are impounded and under the custody of clients.

Note - 44 Previous year's figures have been regrouped /rearranged wherever considered necessary.

Note - 45 In view of insufficient information from suppliers regarding their status as to unit registered under Micro, Small and Medium Enterprise Development Act, 2006, the information of such undertaking could not be ascertained and accordingly could not be disclosed.


Signatures to Notes 1 to 45



(RAJNI AGARWAL)
COMPANY SECRETARY



(RAVENDRA GARG)
DIRECTOR (FINANCE)



(H.L. CHAUDHARY)
CHAIRMAN & MANAGING DIRECTOR

As per our Audit report of even date
FOR L C Kailash and Associates
Chartered Accountants



(L.C.GUPTA)
Partner
M.No.005122
FRN-01811N

Place : New Delhi
Date : 01-09-2014

CASH FLOW STATEMENT

(Rs. in lac)

Particulars	Figures for the current reporting year ended 31.3.2014	Figures for the previous reporting year ended 31.3.2013
Cash flow from Operating Activities		
Receipts from customers	89,416.51	98,443.63
Paid to sub-contractors, suppliers & employees	(85,728.02)	(118,561.14)
Mobilization advance received from Project authority shown under the head of unsecured loans	(3,547.39)	1,486.07
Interest on mobilization advance given to Sub contractor	1,350.88	292.01
Cash generated from operations	1,491.98	(18,339.44)
Cash flow from Investing activities		
Sale proceeds of Fixed Assets	84.53	36.57
Purchase of Fixed Assets	(337.29)	(137.13)
Interest on Bank deposits	2,660.71	3,025.11
	2,407.95	2,924.56
Cash flow from financing activities		
Reduction of Losses	-	
Reduction of Share Capital	-	
Interest paid	(35.20)	(128.54)
	(35.20)	(128.54)
Net increase/(decrease) in cash & cash equivalents.	3,864.74	(15,543.41)
Cash & cash equivalent at the beginning of the year	55,745.18	71,288.59
Cash & cash equivalent at the end of the year	59,609.92	55,745.18

Note:

1. Cash and cash equivalents consist of cash in hand Rs.7.08 lac and balances with banks Rs.59602.83 lac.
2. Figures in brackets represent outflow of cash.
3. Figures of the previous year have been regrouped wherever necessary.
4. Cash Flow statement is prepared on Direct Method



(RAJNI AGARWAL)
COMPANY SECRETARY



(RAVENDRA GARG)
DIRECTOR (FINANCE)



(H.L. CHAUDHARY)
CHAIRMAN & MANAGING DIRECTOR

As per our Audit report of even date
FOR L C Kailash and Associates
Chartered Accountants



(L.C.GUPTA)
Partner

M.No.005122
FRN-01811N

Place : New Delhi
Date : 01-09-2014

INDEPENDENT CENTRAL STATUTORY AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT

To the Shareholders,
National Projects Construction Corporation
Limited,
Raja House, 30-31, Nehru Place, Delhi - 110019.

Report on the Financial Statements

We have Audited the accompanying Financial Statements of National Project Construction Corporation Ltd. ("The Corporation") which comprises the Balance Sheet as at 31st March, 2014, statement of Profit & Loss Account in which the accounts of Units, Branches and other offices audited by Branch Auditors in accordance with the letter of appointment issued by Comptroller and Auditor General of India are incorporated and the Cash Flow, Statement for the year then ended and a summary of significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Corporation in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our Audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Corporation's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our qualified audit opinion.

(A)

- (1.1) As the work Awarded to Sub Contractor is either on PMC or Back to Back basis i.e. the payment to the Sub-Contractor is dependent on the payment Received by the corporation from the clients/Project Authority. Thus

the provision for doubtful debts created against the work done suspense account and outstanding trade receivables for more than 6 months and disputed Rs 7046.92 lacs a provision of doubtful debts of Rs 7046.92 lacs has been made, although the corporation has already created liability for Contract expenses equivalent to the amount payable to the Contractor. Therefore In our opinion the maximum loss of the corporation shall be to the extent of its profit margin. Thus, we are unable to comment on the accounting estimates made by the management for making provision for doubtful debts.

- (1.2) Accounting of Contracts' income only on the basis of work done and measured by the Engineer Incharge of the Corporation is not as per the Accounting Standard (AS) - 7 and Accounting Standard (AS) - 9 notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006 as amended] of the Companies Act, 1956.
- (1.3) There is no documented policy for determining the amount outstanding as doubtful and creating provisions. Agewise and billwise analysis of outstanding amount was not made available in respect of several units/branches.
- (1.4) Against the amount of security deposit Rs 5998.09 Lacs deducted by the clients/Project Authorities from the work bills raised by the Corporation, a provision for Rs. 1014.96 Lacs has been created towards amount doubtful of recovery, although the corporation has deducted and/or retained the amount equivalent to

the security deducted by the client from the Sub-Contractors bills amounting to Rs. 17917.01 Lacs. Thus the provision so created for doubtful of recovery is superfluous resulting into understatement of profit and overstatement of the liability of the Corporation.

- (1.5) The amount of Contingent liability on account of Liquidated Damages has not been ascertained in respect of projects where the clients have not extended the time of completion.
- (1.6)
- (a) In respect of demand for Service Tax given in Annexure -III, no liability has been worked out towards interest as the Service Tax cases are pending decisions by the concerned authorities.
- (b) The Corporation has executed many other such works where Service Tax is applicable. The management has neither worked out nor charged in the bills raised on the clients, the amount of Service Tax which has neither been ascertained nor provided in the books.
- (c) Some of the Working units, as reported by Branch Auditor have not obtained Service Tax Registration.
- (1.7) The cash in hand, balance in Current Account with banks and Fixed Deposits receipts from banks which pertains to the extents of advance from Project Authorities against PMC and Deposit Account Works has not been shown separately in Note No- 14 of Financial Statement so as to give clear picture about the Financial health of the Corporation.

- (1.8) Inventory of Stores/ Spares / Materials / Assets which are lying with third parties have neither been physically verified by the Management nor has any certificate been obtained from the parties holding the same. Thus the conditions of such assets is not ascertained and the impact there off on the Profit or Loss of the Corporation for the difference in the value shown in the Financial Statement and the present Market Value of such assets is not ascertainable.
- (1.9) Debit and Credit Balance of Rs. 95416.61 Lacs and Rs.95184.30 Lacs respectively outstanding in remittance account and adjusting Head Account maintained for Inter Unit Transactions (which include old balances as well) has not been reconciled. The consequential impact, if any on the financial statement is not presently ascertainable.
- (1.10) There is lack of internal control Mechanism thereby resulting in heavy outstanding Debit/Credit balances appearing in Client's , Sub-Contractor's Accounts, Trade payables, Loans and Advances and deposits for a very long time which needs to be reconciled and adjusted in regular heads of accounts. Thus the internal control system needs to be strengthened.
- (1.11) Debit and credit balances are outstanding in the name of the employees who have either retired / expired or transferred to the other unit. Such balances have neither been recovered from their final payments nor transferred to transferee unit.
- (1.12) The Units have not carried out the assessment of impairment of Fixed Assets as required by AS-28 notified under Section 211 (3C) of the Companies Act, 1956. Consequential revenue impact is not ascertained.
- (1.13) The method and procedure adopted for physical verification of fixed assets is not found to be satisfactory.
- (1.14) Debit and Credit balances shown under Trade Receivables, loan and advances taken and given, Trade Payable, Secured and Unsecured Loans and Security Deposits are subject to reconciliation / confirmation and adjustments.
- (1.15) In cases where contracts have been terminated resulting into disputes between Corporation / Sub-Contractors / Clients/Project Authority, the Corporation has raised various claim bills on the clients based on the claim received from the Sub-Contractor, such bills have neither been accounted in the books as per accounting policy No - 6 (vi) of the Corporation nor any details have been provided to us for checking and verification of such bills.
- (1.16) There is a difference of Rs. 112.66 Lacs between the amount of advance given to Provident Fund Trust appearing in the books of the Corporation and the credited in the balance of the Corporation in books of PF Trust.
- (B)
- (1.1) Liability on account of Liquidated damages of Rs. 113.97 Lacs levied and recovered from the work bills by the clients-Central Reserve Police Force (CRPF) Project

Authority, Vasant Kunj has not been provided in the books resulting in over statement of profit as well as assets in Balance Sheet.

(1.2) Fixed Deposit Receipts (FDR) in various banks taken several years back to the tune of Rs. 1.23 Lacs are neither traceable nor any details like address of the Bank branch, date of issue, maturity date, rate of interest, etc are available. Therefore it is a total loss and needs to be written off instead of making provision for doubtful of recovery resulting in over statement of Assets and of profit of the corporation.

(1.3) In respect of Sardar Sarovar Narmada Valley Project (SSNVP) excess provision of interest of Rs. 1782.66 Lacs has been made in the books of the Corporation which has not been reversed based on the joint meeting between the Zonal Authority of the Corporation and the Claim Committee of the Client.

(1.4) In case of Karbilangbi Project of ASEB which was terminated in 1997, the Corporation has provided interest liability of Rs. 56.44 Lacs upto 2010 on the advance received from ASEB. It has been informed by the Management that ASEB has already sold this project alongwith the machinery and materials of the Corporation to the third party. The ASEB has not demanded the interest on the advance given till date. Thus in the view of above situation, interest liability does not appear to be payable.

(1.5) In respect of Mahakali Irrigation Project (MIP) of Govt. of Nepal and Karbilangbi Project (Guwhati Zone) given by ASEB which have

closed more than 15 years before, we are informed that in respect of MIP the inventory of Stores & materials of Rs. 106.72 Lacs and gross value of Plant & Machinery of Rs. 597 Lacs (WDV Rs. 32.32 Lacs) have been confiscated by Govt of Nepal and similarly Plant & Machinery of Gross Value of Rs. 96.89 Lacs (WDV Rs. 4.82 Lacs) has been confiscated and sold to third party by the ASEB (Project Authority). In the absence of Physical existence of stores and Plant & Machinery as on 31.03.2014, the Current Assets and Fixed Assets and the profits are over stated.

(1.6) Similarly the Corporation is holding in its books Secured and Unsecured Loans from MIP Rs. 156.38 Lacs and Karbilangbi Project of ASEB of Rs.194.04 Lacs. Neither the Corporation has demanded return of its assets and stores material nor the Clients/Project Authorities are demanding the refund of the advances given to the Corporation as informed to us, ever since the project closed / terminated. Thus non provisioning or writing off or adjusting the value of inventory and assets against the loan taken, which has resulted in the profits and the assets have been overstated by Rs. 143.86 Lacs.

(1.7) Lease rental payable for current year as well as for earlier years (since acquisition) of leasehold plot of land at Matiagara, Siliguri purchased in 1995 on 99 years lease, has not been provided.

(1.8) In Kahalgaon STPP and LNB Patna unit no provision have been made for on account of obsolescence of stores and spares held for more than 5 years aggregating to Rs 3.14 lacs.

- (1.9) In Kahalgaon unit details/basis of provision of Rs 75000/- held on account of Provision for Trade/ Commercial tax was not made available to us, hence same could not be verified at our end.
- (1.10) In respect to Teesta Ph-III % Bakreswar Dam Units inventory of stores aggregating to Rs 3.66 lakhs as appearing in the books as stated is not physically available, however no provision for the same has been made in the books.
- (C) In respect of Taj corridor projects (Agra Unit) the trade payables under current liability have been overstated in respect of contractor (IPL) by Rs.37.49 crores and the profit of the Company have been understated by Rs 37.49 crores.
- (D) In the absence of quantification of the liability no provision has been made in respect of order of the Delhi High court case no omp/374/2002 in case of Royal Construction Company Private limited which was challenged in supreme court by the company by SPL No. 567/560/2012 and was also dismissed granting the petitioner to move Delhi High Court for the quantification of the award. The Company has informed that the matter is now pending in the Delhi High Court double bench for the quantification of the same. Moreover company has already deposited with the registrar of Delhi High Court by cheque no.994242 date 4.12.2009 Rs. 114.48 lakhs and vide cheque no 920966 dated 10.3.2011 Rs. 35.51 lakhs and have been shown as short term loans and advances under current assets.
- (E) The company has provided for unclaimed amount of Rs. 149.50 lakhs as unclaimed Liability under other current liabilities for which no details and records are held on record of the company thereby overstating the other current liability of the company and understating the profit of the company by Rs. 149.50 lakhs.
- (F) Rs. 7.43 lakhs have been shown as recoverable on account of TDS (Export Credit Guarantee Corporation) under current assets unexplained resulting in overstatement of current asset by Rs. 7.43 lakhs.
- i) The Functional Directors of the company has taken advances in the shape of loan (not bearing interest) and is lying debit in the book as it is, which is prohibited under section 295 of the companies Act 1956 (corresponding section 185 of the Companies act 2013). Details are as below. (i) Mr. Ravendra Garg Director Finance Rs 1,00,000. (ii) Mr. V K.Jain Director (Retd) Finance Rs.42,460.
- (G) The company has neither provided & deposited nor collected from the scrap dealer the amount of sales tax (un quantified) in the Eastern Zone –Kolkata on sale of plant , Machinery and equipment under BER category of sale consideration of Rs. 57.33 lakhs having gross value of Rs. 424.32 lakh (Residual value Rs. 15 lakh).
- (H) The company has neither provided & deposited nor collected from the scrap dealer sales tax (un quantified) in Raipur Zone on sale of fixed assets of sale consideration of Rs. 13068 having gross value of Rs. 1.21 lakhs .

- (I) In the absence of quantification of the liability no provision has been made in respect of order of the Delhi High Court Case no. omp/374/2002 in case of Royal Construction Company Private Limited which was challenged in Supreme Court by the company by SPL No. 567/560/2012 and was also dismissed granting the petitioner to move Delhi High Court for the quantification of the award. The company has informed that the matter is now pending in the Delhi High Court double bench for the quantification of the same. Moreover company has already deposited with the registrar of Delhi High Court by cheque no. 994242 dated 04.12.2009 Rs 114.48 lacs and vide Cheque no. 920966 dated 10.03.2011 Rs 35.51 lacs and have been shown as short term loans and advances under current assets.
- (J) In respect of the matters described under basis of qualified opinion, paragraphs (A) to (I) above from the available information, we are unable to express our opinion as to the extent of their effect on the profit or loss for the period under report and the net assets / liabilities as on 31.03.2014. Subject to these, in our opinion, and to the best of our information and according to the explanations given to us, the 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:
- a) in the case of the Balance Sheet, of the State of Affairs of the Corporation as at 31.03.2014;
- b) in the case of the Statement of Profit and Loss of the Corporation for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- Report on Other Legal and Regulatory Requirements**
- i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii) Subject to our observations as described in the Basis for Qualified Opinion paragraph, as required by Section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Corporation, so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) Except for the matters described in the basis for qualified opinion in paras- (A) to (J), in our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement comply with the

- Accounting Standards referred to in Sub Section – 3(c) of the Section 211 of the Companies Act, 1956 to the extent applicable.
- e) As per G.S.R. 829 (E) dated 21st Oct, 2003, the provisions / disqualifications under section 274(1)(g) of the Companies Act, 1956 shall not apply to directors of a Government Corporation and hence is not applicable to the Corporation.
- f) Since the Central Government has not issued any notification as to the rate at which the Cess is to be paid under Section 441(A) of the Companies Act, 1956 nor has it

issued any Rules under the said section, prescribing the manner in which such Cess is to be paid, no Cess is due and payable by the Corporation.

FOR LC Kailash and Associates
Chartered Accountants
(ICAI Regn. No – 001811N)



L.C.Gupta
(Sr. Executive Partner)
M. No. – 005122

Place – New Delhi
Date:- 01st Sept, 2014

ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

(Referred to in Paragraph XXV of Auditors' Report of even date)

- i)
 - a) The Corporation has maintained records of Fixed Assets, showing full particulars including quantitative details but do not contain the details as prescribed under the CARO like, situation, identification marks, year of purchase, etc.
 - b) According to the information and explanations given to us, the Fixed Assets have been physically verified by the Management during the year except those which are under custody of the Clients and Inter Unit Transfer in Transit. In our opinion, the methods and procedures adopted for physical verification was not satisfactory, although there exists a system for physical verification, yet in most of the units audited, the reports were not produced before us.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Corporation and such disposals has, in our opinion, not effected the going concern status of the corporation.
- ii)
 - a) As informed to us, physical verification of its inventory has been conducted by the Management at the end of the year excluding materials in transit and inventory lying with third parties at some of the sites, locations or under custody of Contractees.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are not satisfactory and adequate in relation to the size of the Corporation and nature of its business.
 - c) The Corporation has generally maintained proper records of inventory. As explained to us, discrepancies noticed between physical verification as compared to the Book records have been charged/credited to Contract Account.
- iii) According to the information and explanations given to us, the Corporation has neither granted nor taken any secured or unsecured loan from/to Companies, firms or the other parties covered in the register maintained under section -301 of the Companies Act, 1956. Therefore the provision of clause iii (a) to iii (g) of the said orders are not applicable to the Corporation.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations thereof. We are informed that there exists an adequate internal control system commensurate with the size of the Corporation and nature of its business for the purchase of inventory and fixed assets. There is lack of internal Control Mechanism thereby resulting in heavy outstanding Debit / Credit balances appearing in the Accounts of Clients and Sub-Contractors Accounts and in Remittances and Adjusting Account for a very long time which needs to be reconciled and adjusted in regular heads of accounts. Thus the internal control system needs to be strengthened.

- v) According to the information and explanations given to us, we are of the opinion that there are no such type of particulars of contracts or arrangements that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rs. 5,00,000 in respect of any party during the year.
- vi) According to the information and explanations given to us, the Corporation has not accepted any Deposits from the Public in terms of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Thus we are not required to express our opinion. We are informed that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- vii) As informed, the Corporation has an internal audit system. However, in our opinion, considering the size and nature of the business, the system needs to be strengthened specially with regard to verification, identification and proper accounting of unusable fixed assets, reconciliation of Debit & credit balances lying in various accounting heads and remittance account. The Scope of the System should be considered to cover all activities of all units.
- viii) We have been informed that the Central Government has not prescribed the Maintenance of Cost records under the Provisions of Section 209(1)(d) of the Companies Act, 1956, for the business carried on by the Corporation.
- ix) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Corporation is not regular in depositing with appropriate authorities undisputed statutory dues including, Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues. However there exists difference of Rs. 112.65 Lakhs between figures as per Books of PF Trust and that of Corporation which need reconciliation.

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

According to the information and explanations given to us, undisputed statutory dues payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, and Cess which were in arrears, as at 31st March, 2014 amounting to Rs. 36.75 lacs are given in Annexure – II to our report.

- b) According to the information and explanations given to us, the details of disputed dues of Sales Tax, Income Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute amounting to Rs 3136.94 lacs . The details of outstanding amount and The Authorizes where cases are pending given in annexure III to this report.
- x) As at 31st March 2014, the accumulated losses of the Corporation are less than Fifty Percent of its net worth. The Corporation has not incurred cash losses during the reporting financial year as well as in the immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanations given by the management, the Corporation has not raised any loan from financial institution, banks or debenture holders.

- xii) The Corporation has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Corporation is not a chit fund or a nidhi / mutual benefit fund/society and as such clause 4(xiii) of companies (Auditor's Report) order, 2003 is not applicable.
- xiv) The Corporation is not dealing or trading in shares, securities, debentures and other investments and as such clause 4(xiv) of companies (Auditor's Report) order, 2003 is not applicable.
- xv) According to the information and explanations given to us, the Corporation has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi) In our opinion and according to the information and explanations given to us by the management no term loans were obtained by the Corporation.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Corporation, we are of the opinion that, funds raised on short term basis have not, prima facie, been used for long- term investment.
- xviii) The Corporation has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Corporation has not issued any debentures during the period under report and therefore the question of creating security or charge in respect thereof does not arise.
- xx) The Corporation has not raised any money by public issue during the year.
- xxi) Based on our audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Corporation has been noticed or reported during the course of our audit.

For LC Kailash and Associates
Chartered Accountants
(Firm Reg. No - 01811N)

Place: - New Delhi
Date: - 01/09/2014



L.C. Gupta
Sr. Executive Partner
M.No. - 05122

Annexure II
Undisputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited up to 31/03/2014 (Outstanding for more than six months) are :-

Name of statute	Nature of dues	Department	Amount (Rs.)	Unit	Paid vide Challan
Income Tax Act	TDS	Income Tax Dept, Siliguri	103677	Teesta PH III	
Income Tax Act	TDS	I. Tax Dept, Siliguri	121747	Ramam	
Income Tax Act	TDS	Income Tax Dept, Maida	266639	FSTPP II	
Income Tax Act	TDS	Income Tax Dept Durgapur	51389	Bondel Gate	
Income Tax Act	TDS	Income Tax Dept, Asansol	55099	Bakreshwar	Challan 0005602 dt 19/09/13
Income Tax Act	Income Tax	I.T.Dppt., Dhanbad	177318	Maithon Complex	
Income Tax Act	Income Tax	I.T.Dppt., Dhanbad	184654	Tailpool Dam	Chl.00003 dt.16.05.12=623/-
Income Tax Act	Income Tax	I.T.Dppt., Dhanbad	32683	Tailpool Dam	
Income Tax Act	Income Tax	Income Tax Deptt.	444549	N(W)Z	
Income Tax Act	Income Tax	Income Tax Deptt.	65	Kolkata(cis)	
Income Tax Act	TDS	I.Tax Dept, Kopili	81716	kopili	
Income Tax Act	TDS	Income Tax Dept, Karbi	1529	karbi langpi	
Income Tax Act	TDS	Income Tax Dept, Manipur	235680	Khuga Dam	
Income Tax Act	TDS	Income Tax Dept, Manipur	138362	Singda/Loktk	
Sales Tax Act	Sales Tax	Sales Tax Deptt., Bihar	394319	Dehri-on-son	
Sales Tax Act	Sales Tax	Sales Tax Deptt., Bihar	55370	BTPS,Bihar	
Sales Tax Act	Sales Tax	Sales Tax Deptt.	32828	VSTPP	
Sales Tax Act	Sales Tax	Sales Tax Deptt.	29272	Maneribhalli	
Sales Tax Act	Sales Tax	Sales Tax Deptt.	134197	N(W)Z	
Sales Tax Act	Sales tax	Sales Tax Deptt. Maida	534080	FSTPP II	
sales tax Act	Sales tax	Sales Tax Deptt., Durgapur	264156	Durgapur	
Sales Tax Act	Sales Tax	Sales Tax Deptt., Dhanbad	293798	Tailpool Dam	
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax, Siliguri	42321	Ramam	
		Total	3675448		

Disputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited up to 31/03/2014 on account of any dispute are as follows: -

Name of statute	Nature of dues	Authority before whom case is pending	Tax Amount	Penalty Amount	TOTAL AMOUNT	UNIT
Chattisgarh Sales Tax/ E T	Sales Tax Penalty, 1984-1987	Appeal before High Court, Bilaspur		1583000	1583000	GGDU, Koni
Sales Tax	Sales Tax Demand 1999-2000	Asstt/ Commissioner of Sales Tax Bhubanesher	692015		692015	Water Technology Center for Eastern Region, Odisha
Sales Tax	Sales Tax Demand, 1997-98	Commissioner of Commercial Tax, Cuttack	345203		345203	Rourkella, Odisha
Sales Tax	Sales Tax Demand 1997-98 to 1999-2000	Sales Tax Tribunal, Cuttack	1729423		1729423	NALCO, Cuttack
Sales Tax	Sales Tax	Sales Tax Tribunal, Patna	2101000		2101000	Chapra Unit
Sales Tax	Sales Tax	Sales Tax Tribunal, Lalitpur	43615		43615	MIP/Jhansi
Professional Tax	Interest on Liability of Profession tax for 2001-02	Jt. Commissioner Professional tax W B WR Asansol WB	67,842		67842	Bakreshwar Dam, West Bengal
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Delhi	40430900	40430900	80861800	Sipat
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	9607459	9607459	19214918	Silcher
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	40269070	40269070	80538140	Khalgaon
Central Excise / Service Tax	Service Tax (1997-98)	Central Excise Service Tax Appellate Tribunal, Kolkata	11737136	11737136	23474272	Bhubaneshwar
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	918596	918596	1837192	Silcher

Annuxure III

Disputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited up to 31/03/2014 on account of any dispute are as follows: -

Name of statute	Nature of dues	Authority before whom case is pending	Tax Amount	Penalty Amount	TOTAL AMOUNT	UNIT
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	36474478	36474478	72948956	Silcher
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	3919499	3919499	7838998	Shilong
Central Excise / Service Tax	Service Tax	Commissioner(Appeals) Central Excise Service Tax Appellate Tribunal, Kolkata	10208839	10208839	20417678	Sipat
		TOTAL	158,545,075	155,148,977	313,694,052	

MANAGEMENT REPLY TO AUDITOR'S REPORT 2013-14

- 1.1 These Provisions were created in 2006-2007 as a pre-cautionary measures considering the age and other factors.
- 1.2 AS-7/AS-9 do not restrict accounting of contract income based on measurement by self certification by Engineer incharge of the Corporation.
- 1.3 The policy for determining the amount as doubtful debts is being formulated.
- 1.4 Provision created as per the assessment of the Management.
- 1.5 It is not considered necessary to provide for the contingent liability as the extensions by the clients are awaited.
- 1.6 (a) No comments.
(b) No comments as no details and specific cases are observed.
(c) Where ever required service Tax registration have been/ being taken.
- 1.7 Noted. For current accounts refer Note no. -14 (F).
- 1.8 No comments in the absence of specific reference.
- 1.9 Noted.
- 1.10 Noted.
- 1.11 Noted.
- 1.12 Ref. Note 8 (d)
- 1.13 In the opinion of the management the procedure adopted is satisfactory.
- 1.14 Noted.
- 1.15 As per principle of conservatism it is considered appropriate not to account for the disputed claims. Further Accounting policy 6 (vi) does not mention any thing on disputed claims.
- 1.16 Refer disclosure under Note 16 (a)
- (B) 1.1 Noted. However this does not pertain to 2013-14 hence there is no overstatement of profit in the current year.
- 1.2 There is no over statement of profit in the current year as this pertain to earlier years and the provision already exist in the books.
- 1.3 Noted.
- 1.4 Noted.

- 1.5 Noted. This does not pertain to current year and hence no impact on profitability of current year.
- 1.6 Case more than 15 years old. However, noted for further action.
- 1.7 Noted for compliance in 2014-15.
- 1.8 In our opinion this does not require any provision on account of obsolescence.
- 1.9 Noted.
- 1.10 Noted for action in 2014-15.
- (C) Being the old case it has no bearing on the profitability of current year. Liability is not overstated as it was provided based on work done by the Contractor.
- (D) Noted.
- (E) This pertain to old cases. Necessary adjustment would be made after review/reconciliation.
- (F) Noted for review.

Section 295 of Companies Act 1956 (corresponding section 185 of the Companies Act 2013) does not prohibit payment other than loans to Directors. The payment has been made in accordance with the rules of the Corporation and in line with the payment made to other employees of the Corporation. Hence there is no violation of Section 295 of Companies Act 1956 (corresponding section 185 of the Companies Act 2013)

- (G) Noted.
- (H) Noted.
- (I) Please refer to reply in point 'D' above.

MANAGEMENT REPLY TO ANNEXURE TO AUDITOR'S REPORT 2013-14

- (i) a) Noted for compliance.
- b) In the absence of specific comments/suggestion no comments offer. However, procedures adopted are satisfactory.
- c) No comments required
- (ii) a) No comments required
- b) Company is following standard procedure. In the absence of specific cases no comments offered.
- c) No comments required.
- (iii) No comments required.
- (iv) Noted for compliance
- (v) No comments required.
- (vi) No comments required
- (vii) Professional Chartered Accountants firms have been appointed for conducting Internal Audit.
- (viii) No comments required.
- (ix) a) Noted. Reconciliation work under progress.
- b) Noted.
- (x) No comments required
- (xi) No Comments required.
- (xii) No Comments required.
- (xiii) No Comments required.
- (xiv) No Comments required.
- (xv) No Comments required.
- (xvi) No Comments required.
- (xvii) No Comments required.
- (xviii) No Comments required.
- (xix) No Comments required.
- (xx) No Comments required.

Audit Para/Note(s) issued by CAG on the audited accounts of the NPCC Ltd in the course of supplementary Audit under section 619 (3)(b) of the Companies Act, 1956 were placed before the AGM along with the comments of the management which were read, considered, discussed and approved by the Shareholders in the AGM.

Out of the said Audit Para/Note(s), the CAG of India u/s 619 (4) of the Companies Act, 1956, has ultimately commented upon some of the points which were reproduced hereunder as also the management reply.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2014

The preparation of financial statements of **National Projects Construction Corporation Limited (NPCC)** for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **01.09.2014**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3)(b) of the Companies Act, 1956 of the financial statements of **National Projects Construction Corporation Limited (NPCC)** for the year ended 31st March 2014. 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 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view is necessary for enabling a better understanding of the financial statement and the related Audit Report.

(I) Balance Sheet as on 31 March 2014

ASSETS

1 Non Current Assets -Fixed Assets-Note No.-8

(i) Tangible Assets

Office Furniture and Equipment Rs.1,00,51,735 (Net Block)

As per format of Balance Sheet prescribed under the revised Schedule VI of the Companies Act, 1956 following two heads are separately specified:

- Furniture and Fixture
- Office Equipments

However, the company (NPCC) mingled above two heads into one as 'Office Furniture and Equipment' whereas assets under these two heads should have been classified under tangible assets separately as below:

- Furniture and Fixture Rs. 57, 62,497
- Office Equipments Rs. 42, 89,238

The depiction of assets under the mingled head inter-se, is against the format prescribed under the revised Schedule VI of the Companies Act, 1956.

(ii) Other Non Current Assets-Note 11

Security Deposit with Project Authority	Rs. 59,98,09,494
Less Allowances (Provision)	Rs. 10,14,96,548
	Rs. 49,83,12,946

As per Guidance Notes on Revised Schedule VI "Security Deposit" is to be shown under "Long Term Loan and Advances". The head of "Long term Loan and Advances" has not been operated in NPCC Balance Sheet and amount of Rs. 49.83 crore has been shown under "Other Non Current Assets". This resulted in understatement of "Long Term loan and Advances" and overstatement of "Other Non Current Assets" by Rs. 49.83 crore.

(B) CURRENT ASSESTS

Cash and Cash Equivalents

Other Balances with Scheduled Banks – Note 14(c) Rs. 172,12,68,695

The above includes fixed deposits of Rs. 13.39 crore having maturity period of more than a year (12 months) and pledged to Bank/Project Authority for Security Deposit/Bank Guarantee. This should have been depicted as " Other non-current assets" (Note no.11) as per requirement of Schedule VI of the Companies Act 1956, since first charge on fixed deposit is with the Bank/Project Authority and the maturity period of these deposit is more than 12 months.

(ii) Other Current Assets Note 16

6. Net Balance arising from remittance on account of unreconciled and unresponded entries of inter units-

Rs. 2,32,31,594 (2014) Rs.1,61,86,589(2013)

Attention is invited to point No.- (A)1.9 of Statutory Auditor's Report which states that Debit and Credit Balances of Rs. 95416.61 lakh and Rs. 95184.30 lakh, respectively outstanding in remittance account and adjusting head account maintained for Inter Unit Transactions (which includes old balances as well) has not been reconciled. The consequential impact, if any, on the financial statement is not presently ascertainable.

The Management has not reconciled the outstanding in Remittance Account and corresponding adjusting Head Account maintained for inter unit transactions despite extending assurance to reconcile the accounts fully in response to audit observations raised on the accounts for 2011-12 and 2012-13.

(C) EQUITY AND LIABILITIES

Current liabilities

- (i) Trade Payable Note 5 Rs.1431,20,75,945**

Above is understated by Rs.109.14 lakh due to under provision of liability for work done-Rock Excavation work in construction of high altitude road with corresponding understatement of value of work done.

(ii) b) Other Current Liabilities – Note 6 Rs.540,92,13,986

Above is understated by Rs.2,273.59 lakh due to non provision for payment of additional compensation to land owner including solatium and interest in compliance with the judgment dated 24 February 2014 of District & Sessions Judge, Lunglei. As the Court verdict was not challenged and payment was made in May 2014, after release of funds by Ministry of Home Affairs (MHA), liability should have been provided for in the accounts for the year 2013-14. Non recognition of the impact of the Court orders resulted in understatement of Other Current Liability-Expenses payable and understatement of Trade Receivable from MHA.

(II) Statement of Profit and Loss for the year ended 31 March 2014.

Employees Benefit Expenses Note 19 – Rs.71,48,35,239

Leave Travel Concession is a defined Employees' Benefit Scheme in NPCC. However, NPCC did not make provision for leave travel concession on actuarial basis in compliance with Accounting Standard 15. NPCC also did not disclose its accounting policy on "Leave Travel Concession" under Employees' Benefits as per Accounting Standard 15 though in a foot note under **Short Term Provisions-Note-7** it is disclosed that " LTC to the employees are not a retirement benefit and reimbursable on performance of journey. This is followed consistently. Therefore, no actuarial valuation is made." This disclosure is in violation of Accounting Standard 15 which is applicable in accounting for all employee benefits, except employee share-based payments.

(I) Accounting Policies – Note No. 24

The Company's Accounting Policy on depreciation (No.7) regarding temporary structure, inventories (No.10), valuation of materials, stores and spares etc. at cost, Deferred Revenue expenditure (No.12) and interest receivable on advance to employees (No.16) is in violation of Schedule XIV of the Companies Act, 1956 and Accounting Standard 2, 26 and 1 respectively.

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



(Suparna Deb)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place : New Delhi

Date : 18.11.2014

REPLIES TO THE COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) ON THE ACCOUNTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014

(I) (A) (i)	Noted
(I)(A)(ii)	Noted
(B) (i)	Noted
(B)(ii)	Noted
(C) (i)	Noted for review
(C) (ii)	Accounted during 2014-15
(II)	Noted
(I)	Policies are revised as suggested

NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

TEN YEARS AT A GLANCE										(Amt. in lac)
Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Authorised Capital	3000.00	3000.00	3000.00	3000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00
Paid up Capital										
A. Equity Shares	2984.20	2984.20	2984.20	2984.20	2984.20	67673.75	9453.16	9453.16	9453.16	9453.16
B. Non-cumulative Preference Shares	---	---	---	---	---	---	---	---	---	---
Reserves & Surplus	---	---	---	---	---	---	---	---	---	---
SOURCES OF FUNDS										
A. Capital	2984.20	2984.20	2984.20	2984.20	2984.20	67673.75	9453.16	9453.16	9453.16	9453.16
B. Loan Funds	65001.05	62726.23	64593.28	67648.57	67954.48	1323.86	9923.62	6373.06	7859.13	4311.74
TOTAL	67985.25	65710.43	67577.48	70632.77	70938.68	68997.61	19376.78	15826.22	17312.29	13764.90
APPLICATION OF FUNDS										
Net Fixed Assets	865.61	830.94	894.06	834.53	801.38	761.84	737.85	890.00	963.93	1224.41
Investment	0.30	0.30	0.30	0.30	0.15	0.15	0.15	0.00	0.00	0.00
Net Current Assets	-1611.38	-3610.47	-9416.18	-10009.99	-13117.36	-11921.53	-88.41	1551.80	8768.34	9237.60
Deferred expenses/ Revenue Assets	14.87	0.00	2.04	0.00	576.80	608.29	4673.33	3548.77	2840.98	3270.29
Cummulative Loss	68715.85	68489.66	76097.26	79807.93	82677.71	79548.86	14053.86	9835.65	4739.04	32.60
TOTAL	67985.25	65710.43	67577.48	70632.77	70938.68	68997.61	19376.78	15826.22	17312.29	13764.90
INCOME										
Value of Workdone for Corp.	30545.83	57746.08	72194.25	71152.87	82556.38	99110.64	106130.18	116736.87	115503.36	117469.24
Other Income	19.14	20.33	-13.96	5.61	3.80	11.71	2.25	0.83	1.43	1.53
Other Income	448.10	5063.05	4070.19	1784.33	1544.49	1439.27	3501.74	5661.99	6552.56	4504.81
TOTAL	31013.07	62829.46	76250.48	72942.81	84104.67	100561.62	109634.17	122399.69	122057.35	121975.58
EXPENDITURE										
Construction & Work exp.	28652.62	54086.71	66790.16	66238.54	77685.03	92637.36	100838.36	107940.37	106523.18	108422.50
Personnel	2211.99	2719.61	3012.87	2569.33	2961.77	2808.03	3860.75	7409.85	7391.73	7148.35
Administration	258.03	291.44	345.10	367.28	346.84	421.48	393.76			
Bank Charges	31.66	29.40	12.63	8.59	9.08	5.99	6.28	5.80	8.85	18.47
Other Expenses	430.90	463.68	520.19	311.29	327.19	503.55	563.67	1657.54	2103.07	1443.17
Provisions	1068.48	535.94	8463.50	1771.50	1818.45	666.10	534.21			
Prior Period Adjustment	129.58	74.31	52.01	264.42	53.50	23.22	63.24		91.02	62.55
TOTAL	32783.26	58201.09	79196.46	71530.95	83201.86	97065.73	106133.79	117013.56	116117.85	117095.04
Profit / - Loss before Interest and Tax (PBIT)	-1770.19	4628.37	-2945.98	1411.86	902.81	3495.89	3500.38	5386.13	5939.50	4880.54
Interest	5313.62	4388.94	4693.73	5059.19	4333.95	398.54	291.01	43.36	128.53	35.20
Tax (FBT)	0.00	13.24	16.23	14.99	15.44	0.00	0.00	0.00	0.00	0.00
Tax (Income)									6.57	568.20
Profit / - Loss after Interest and Tax	-7083.81	226.19	-7655.94	-3662.32	-3446.58	3097.35	3209.37	5342.77	5804.40	4277.14
Deferred Tax Revenue/ Expenditure(-)	0.00	0.00	0.00	0.00	576.80	31.49	4065.04	-1124.56	-707.79	429.30
Net profit/-Loss after deferred tax revenue	-7083.81	226.19	-7655.94	-3662.32	-2869.78	3128.84	7274.41	4218.21	5096.61	4706.44

Note : Administrative expenses, provisions and prior period expenses are included in Other Expenses as per Revised Schedule VI.

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National Projects Construction Corporation

Madan Riting,

Shillong – 793 021

MEGHALAYA

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Bhubaneshwar - 751 021

ORISSA

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DELHI

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National Projects Construction Corporation

Techitopu complex, Model Village, Nahar Lagun (Itanagar)

ARUNACHAL PRADESH-791110

Ph:0360-2361941

Registered Office: NPCC Ltd, Raja House, 30-31, Nehru Place, Delhi-110 019,

Ph:011-26484842, Fax: 011-26468699

Corporate Office: NPCC Ltd., Plot No.67-68, Sector-25, Faridabad-121 004, Haryana,

Ph.: 0129-4062856-59, Fax 0129-2230891

Website: www.npcc.gov.in

CIN NO. U45202DL1957GOI002752

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Tunnels & underground projects

Hydro-electric power projects

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International projects

Industrial structures

Surface transport

Barrages

Dams



Certificate of Registration

This is to Certify that
Quality Management System of

NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

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

has been assessed and found to confirm to the requirements of

ISO 9001:2008

For the following scope :

CORPORATE OFFICE, ZONAL OFFICES AND PROJECT SITES

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

Certificate No. 1012/QJ/031

Initial Registration Date : 19.03.2012
Date of Expiry* : 18.03.2015
1st Surveillance on or before : 18.03.2013
IInd Surveillance on or before : 18.03.2014

Issuance Date : 19.03.2012



Managing Director



JAS-ANZ



M4579101N

Absolute Quality Certification Pvt. Ltd.

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NPCC's - Corporate Office and Zonal Offices



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CIN : U45202DL1957GOI002752