



जल बचत - जल निर्माण



# 58<sup>th</sup> ANNUAL REPORT 2014 -15



नेशनल प्रोजेक्ट्स कन्स्ट्रक्शन कारपोरेशन लिमिटेड  
(भारत सरकार का उद्यम)  
**National Projects Construction Corporation Limited**  
(A GOVERNMENT OF INDIA ENTERPRISE)



**Celebration of 58th Annual Day of NPCC**

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“To become world class premier engineering projects implementing organization”



“To achieve 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



**Ravendra Garg**  
Director (F)  
upto 30.09.2014



**N.S. Samant**  
JS(A), MOWR, RD & GR  
Part Time Govt. Nominee  
Director  
upto 16.05.2014



**Pradeep Kumar**  
Commissioner (SPR)  
MOWR, RD & GR  
Part Time Govt. Nominee Director  
w.e.f 16.05.2014 to 18.12.2014



**Sunil Kohli**  
JS & FA MOWR, RD & GR  
Part Time Govt. Nominee  
Director  
upto 05.06.2015



**Dr. Amita Prasad**  
JS(A), MOWR, RD & GR  
Part Time Govt. Nominee  
Director  
w.e.f 18.12.2014



**Jagmohan Gupta, IRAS**  
JS & FA MOWR, RD & GR  
Part Time Govt. Nominee  
Director  
w.e.f 21.07.2015

## Chairman's Statement



### Dear Distinguished Shareholders,

I consider it a profound privilege to extend you a warm welcome to the 58th Annual General Meeting of the Company. It gives me immense pleasure to present the achievements of your Company during the year under report and share the highlights.

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

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

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, RD & GR on a quarterly basis.

In the year 2014-2015, your corporation has secured **new works worth Rs.1231.20 crores** against the target of Rs.1200 crores fixed by the Ministry for **GOOD** rating. The Corporation has secured the new business through open tender to the tune of 20.52%. The order book of the Corporation is quite healthy, the effective order book position is Rs.3855 crores as on 31st March, 2015. Ineffective orders have been weeded out to make order book, a realistic one. Our Corporation is getting repeat orders from existing clients alongwith addition of new clients.

The corporation has earned profit before tax of Rs. 12.89 crores & Net Profit of Rs. 13.58 crores as against Rs.48.45 crores & Rs. 47.06 crores respectively of the previous year. Financial constraints in PMGSY works in Jharkhand, PMGSY works in West Bengal and other road works in Southern Zone, Bangalore, Assam Riffle works in Shillong, and insurgency in North East and non sanction of revised estimates for the work of IBB fencing and road woks of Indo China Border for ITBP at Leh Laddakh has affected the progress of works consequently, the overall turnover in 2014-15 is less in comparison to the previous year 2013-14. With the net profit of Rs.13.58 crores during the current year 2014-15 the net worth of the Corporation crossed Rs.100 crores and **Net Worth of Corporation now stands to Rs.107.05 crores.**

There is a fall in the other income primarily due to fall in interest income as clients do not allow benefits of interest on their deposits any more.

**Future outlook is positive and Corporation will be able to overcome various constraints affecting the turnover and profitability.**

In this year, your corporation has added following new clients:

1. Jammu Development Authority
2. Jammu University, Udhampur
3. Bank of Baroda, Mumbai
4. Rajiv Gandhi Khel Abhiyan and other civil works under Ministry of Sports.

5. Mahanadi Coal Fields (MCL) Odisha.
6. National Bank for Agriculture & Rural Development (NABARD), Mumbai.
7. Container Corporation of India Limited (CONCOR)
8. Central warehousing Corporation

Your company believes that the employees are the biggest assets of the company, therefore, your company has taken several steps for employees welfare. **The perquisites and Allowances for Board level and below Board Level Executives & Non-Executives on IDA Pattern have been revised in the Corporation.** Board of Directors of Corporation have also agreed and recommended disbursement of workmen wage arrears pertaining to the year 2007-2011 in a phased manner. **Advance credit of 15 days earned leave beyond the limit of 300 days has been adopted** in line with the Central Government and other PSUs. Your Company has recently, with approval of Board of Directors, **increased the maternity leave from 90 days to 180 days and allowed Paternity leave of 15 days in line with DoPT guidelines.**

"Corporate Social Responsibility and Sustainability Policy" of NPCC was prepared and became effective for implementation after the approval of Board of Directors in its 290th meeting held on 30.12.2014.

NPCC has prepared and implemented Risk Management policy after approval of Board of Directors in their 290th meeting held on 30.12.2014.

58th Annual Day celebration was arranged with great fanfare in Air Force Auditorium, Subroto Park New Delhi on 9th January 2015. Hon'ble Minister MOWR, RD & GR Sushri Uma Bharti as Chief Guest, Shri Anuj Kr. Bishnoi, the then Secretary, MOWR, RD & GR, Dr. Amarjit Singh, Addl. Secretary, MOWR, RD & GR, Dr. Amita Prasad, Joint Secretary (A), Shri Sunil Kohli, the then Joint Secretary & F.A. of the Ministry graced the occasion.

Place: New Delhi  
Date : 30th September, 2015

Looking into the achievements and role played for the development of infrastructure of the country especially in the North East Region & Naxal affected areas of Jharkhand, News Ink Media & Production (P) Limited has conferred the '**Legend PSU Shining Award-2014' to your Company for Infrastructure Development.**

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

I shall fail in my duty if I do not express my gratitude and sincere thanks to the Hon'ble Minister of Water Resources, RD & GR, Hon'ble State Minister of Water Resources, RD & GR, the Secretary, the Addl. Secretary, the Jt. Secretary (FA), the Jt. Secretary (A), the Jt. Secretary (PP) 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, RD & GR and other Ministries particularly Ministry of Home Affairs, Ministry of Rural Development, Ministry of Sports, Department of Public Enterprises, 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 dedication to bring the company at par with other best PSUs. I am confident that we would continue to deliver our might to fulfill the promises and expectations of Shareholders in the future as well as Stakeholders. I am sure your Company would continue to excel in its achievement in the years ahead.

(H.L. CHAUDHARY)  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 06725924)

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 58th Annual Report together with audited accounts of the Company for the year ended 31st March, 2015.

## FINANCIAL SUMMARY AND HIGHLIGHTS

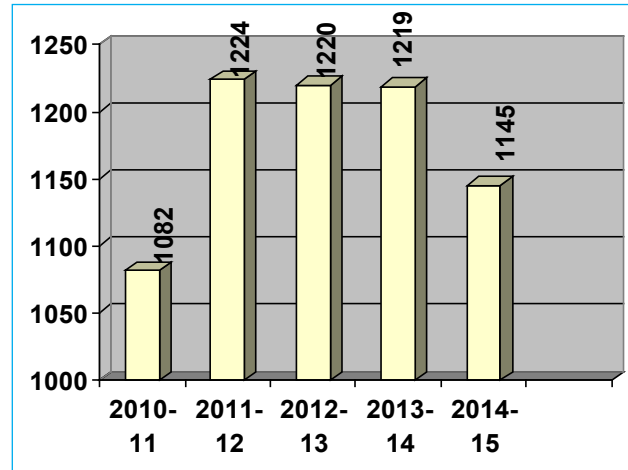
During the year 2014-15, your corporation has achieved an operating turnover of Rs. 1108.51 crores as against Rs. 1174.69 crores last year. The corporation has earned the profit before tax of Rs. 12.89 crores as against Rs.48.45 crores in previous year.

The summarized financial results of the Company are given below:

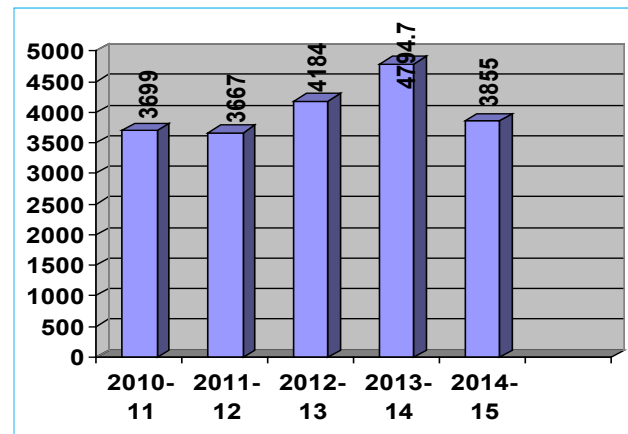
Particulars	2014-15	2013-14
Turnover including other income	<b>1145.25</b>	<b>1219.74</b>
Construction & Work expenses	<b>1024.69</b>	<b>1084.20</b>
Operational profit	<b>120.56</b>	<b>135.54</b>
Administrative Overhead etc.	<b>107.67</b>	<b>87.09</b>
Profit/(Loss) for the year before Tax	<b>12.89</b>	<b>48.45</b>
Profit/(Loss) after Tax	<b>13.59</b>	<b>47.06</b>

• Previous years figures have been re-grouped wherever necessary

## Turnover including other income

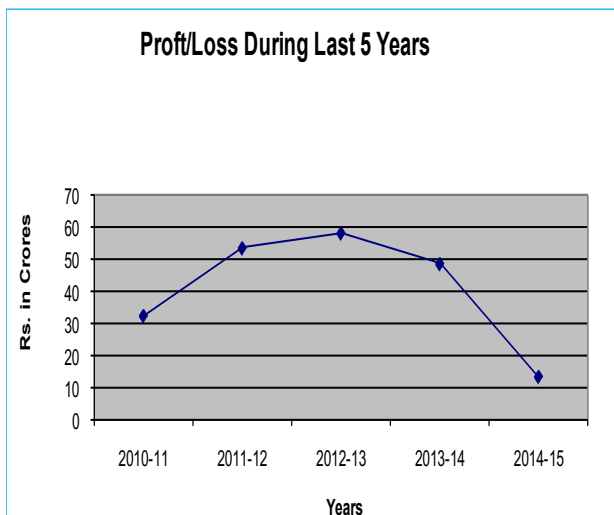


■ Turnover including other income during Last 5 years



■ Order Book Position during Last 5 years

## Profit/Loss During Last 5 Years



Financial constraints in PMGSY works in Jharkhand, PMGSY works in West Bengal and other road works in Southern Zone, Bangalore, Assam Rifle works in Shilong, and insurgency in North East and non sanction of revised estimates for the work of IBB fencing and road works of Indo China Border for ITBP at Leh Laddakh has affected the progress of works consequently, the overall turnover in 2014-15 is less as compared to previous year 2013-14.



There is a fall in the other income primarily due to fall in interest income as clients are not allowing benefits of interest on their deposits.

Order Book Position is quite healthy and Corporation is getting repeat orders from existing clients while adding new clients also. Ineffective orders have been weed out to make order book, a realistic one.

Future outlook is positive and Corporation will be able to overcome various constraints affecting the turnover and profitability.

### TRANSFER TO RESERVE

During the year 2014-15, no amount was transferred to General Reserves out of profits.

### DIVIDEND

No dividend has been declared during the year 2014-15 as Corporation is yet to pay workmen's arrears for the period 2007-2011 amounting to Rs.10 Crores approximately and to repay Rs.10.03 crores for the interest accrued and due on Government of India loan, Principal already repaid.

### 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 2014-2015, your corporation has secured new works valuing Rs.1231.20 crores against the target of Rs.1200 crores fixed by the Ministry for GOOD rating of which corporation has secured the new business through tendering to the tune of 20.52%.The effective order book position is Rs.3855 crores as on 31st March, 2015.

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 of 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. NPCC

has received repeat order for PMGSY works in West Bengal valuing over Rs.500 crores.

Based on performance of the Corporation, Central Water Commission (CWC) has entrusted works to NPCC for implementation of major repair and renovation works at Seva Bhawan, New Delhi.

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

1. Jammu Development Authority
2. Jammu University, Udhampur
3. Bank of Baroda, Mumbai
4. Rajiv Gandhi Khel Abhiyan and other civil works under Ministry of Sports.
5. CWC at Ministry of Water Resources
6. SCOPE, New Delhi
7. Mahanadi Coal Fields (MCL) Odisha.
8. National Bank for Agriculture & Rural Development (NABARD), Mumbai.
9. Container Corporation of India Limited (CONCOR)
10. Central warehousing Corporation

In addition, NPCC has secured orders from Ministry of Home Affairs, ICAR, Assam Rifles, Ministry of Agriculture, SAI, Punjab National Bank, NABARD etc.

NPCC is maintaining **customer satisfaction rating up to 95%** as previous year 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 computerized 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

Occupational health and safety at workplace is one of the prime concerns and utmost importance is given to provide safe working environment and to inculcate safety awareness among the employees. Company recognizes and accepts its responsibility for establishing and maintaining a safe working environment for all its employees and associates.

### MOU WITH THE MINISTRY

Your Corporation has already entered into a MOU with the Ministry setting an ambitious target for the year 2015-16. The results of major MOU parameters achieved during 2014-15 are as under:



MOU Signing for the year 2015-16

S. No.	PARTICULARS	MOU Budget target (Parameter for the year 2014-15)	Achieved
1.	Turnover	1300	1108.51
2.	Gross Margin	5.74	5.33
3.	Net-Profit	28.10	13.59

Due to decrease in turnover and profitability, all the financial parameters of MOU 2014-15 have been affected. Based on the achievement of MOU targets, during the year 2014-15, the Corporation is likely to achieve '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

### HUMAN RESOURCES AND DEVELOPMENT

NPCC understands that its employees are its backbone. Hence the Management makes efforts to consistently motivate them. In line with this mission, we always endeavour to boost their morale. NPCC has implemented the 'Swachh Bharat Abhiyan' with whole hearted participation.

We have a sound policy on Corporate Social Responsibility and Sustainability. Besides, NPCC consistently gives advertisements in several magazines for brand awareness and wide publicity.



Swachh Bharat Abhiyan Pledge

## TRAINING

Keeping pace with the dynamic business scenario, 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. 271 man days of training was imparted among Executives/ Non-Executives/Workmen during the year 2014-15. The topics on which training was given is diverse ranging from CSR initiatives, sexual harassment awareness, Goods & Service Tax (GST), enterprise risk management, managerial skill development, safety training, computer training, etc. The employees are sent for skill building to prestigious institutions like SCOPE, ASSOCHAM, CPWD, CII, etc.

## WOMEN WELFARE

For women empowerment, women employees are sent for training that is organized by prestigious organizations. Woman's Day was organized for boosting the morale of the women employees with focus on stress management. Your Company has recently with approval of Board of Directors increased the maternity leave from 90 days to 180 days and allowed Paternity leave of 15 days in line with DoPT OM No. 13018/2/2008-Estt.(L) dated 11th September, 2008 and DPE OM NO. 6(1)/2014/DPE(GN) dated 18.06.14

## SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Management focuses on Safety of Women employees of all levels. The Complaints Committee of NPCC looks after complaints of women employees regarding sexual harassment in NPCC. It holds regular meetings. Its members attend training programs for the same. For the period of Jan. to Dec. 2014 :

- Number of complaints of sexual harassment received in the year.-Nil
- Number of complaints disposed off during the year.-Nil
- Number of cases pending for more than ninety days.-Nil

The Complaints Committee has held meetings in 2014, during which 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' and subsequently issued 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013,' was discussed at length. The knowledge gathered by the members while attending the workshops/trainings was shared among the Committee members. Many case studies were also examined. NPCC Ltd. makes efforts to sensitize the employees on the issue. It had sent employees to attend Workshop/Training programmes on Sexual Harassment awareness.

## EMPLOYEE WELFARE

The perquisites and Allowances for Board level and below Board Level Executives & Non-Executives on IDA Pattern have been revised in the Corporation. Board of Directors of Corporation has also agreed and recommended disbursement of workmen wage arrears pertaining to the year 2007-2011 in a phased manner. The matter is under approval of the Ministry of Water Resources, RD & GR. There is a well-equipped canteen providing wholesome meals at subsidized rates. Regular free medical checkup camps are organized as the Corporation is concerned about the health of its employees as well. Improved medical reimbursement facility equivalent to CGHS Rates are provided. Liveries i.e. uniform(both summer and winter), shoes, etc. are provided and Washing allowance are also provided to eligible employees. The company gives cash or a memento costing up to Rs. 8000/- to the retiring employees at the time of superannuation in the form of gift. There exists a Group Insurance for all employees through LIC. The Company has given New Year Diary and calendar to its employees. 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.

Advance credit of 15 days earned leave beyond the

limit of 300 days has been adopted in line with Central Government and other PSUs.

There is a full fledged RTI division with CPIO and APIOs. All Zonal Managers are also APIO and matters are sorted out within the time frame. NPCC has issued a circular for necessary compliance as per the Whistle Blower Protection Act 2011 which was published by the Ministry of Law and Justice(Legislative Department) in May 2014 wherein complete guidelines on Inquiry, protection to persons making disclosure, etc. are mentioned. In line with the idea to imbibe the latest HR trends, NPCC has incorporated the Bio-metric system of attendance.

## RECRUITMENT

The Management has also kept track of the manpower requirement for which recruitments in various disciplines are being done. 30 Management Trainees(Civil) have been recruited through GATE Score to hire the cream. A special recruitment drive for candidates belonging to Scheduled caste(4 vacancies) and Scheduled tribe(7 vacancies) was also undertaken in 2014. Management Trainees(Finance) have also been inducted recently.

## EMPLOYEE STRENGTH

At the close of the financial year 2014-15, there were 1174 employees on the rolls of NPCC, as on 31.3.2015 with details given here under:

DESCRIPTION	MALE	FEMALE	TOTAL
Executive	255	18	273
Non-Executive	204	30	234
Workmen	659	8	667
Total	1118	56	1174

## SCHEDULED CASTE, SCHEDULED TRIBE AND OTHER BACKWARD CLASSES

At NPCC, we understand that the Scheduled Castes and Scheduled Tribes have been underprivileged over the years. Hence, while recruiting candidates on regular basis, reservation in vacancy is kept for them as well as for the minorities and Non-Creamy Layer of OBC, as per Govt. of India guidelines. Besides, consideration has also been given to the

representation of minorities and weaker sections on DPCs/Selection Committees of recruitment. A special recruitment drive for candidates belonging to Scheduled Caste(4 vacancies) and Scheduled Tribe(7 vacancies) was undertaken in 2014. NPCC has appointed a Nodal Officer and has a Liaison Officer too.

## INDUSTRIAL RELATIONS

Feedback from the employees are encouraged. NPCC maintains sound, healthy and harmonious Relations with its employees. Hence Industrial Relations in the Company are development oriented with proper communication being maintained at all levels.

## PROPAGATION OF RAJ BHASHA

The Corporation has been implementing the provision of Official Language Act in consonance with the Official Language Policy of the Government. Employees are encouraged to use Hindi in their daily official working.

Various incentive schemes regarding the propagation of official language Hindi were continued during the year including incentive Scheme for children of NPCC employees on securing higher percentage of marks/grades in Hindi at Secondary and Senior Secondary level Examinations.

Hindi Divas/Hindi Pakhwara was organized at Corporate Office Faridabad, from 14th September 2014 to 28th September 2014 wherein various Hindi competition were conducted in which officers and staff members participated actively. Similarly, Hindi Divas/Pakhwara was organized at Zonal/Unit level also.

## VIGILANCE ACTIVITIES

Vigilance Division, with Smt. Uma Nanduri, IFS (OR: 93), as CVO, has worked towards creation of fair, transparent, just policies and environment in NPCC. Main focus of the Vigilance Division is on Preventive Vigilance and to some extent on Punitive Vigilance. The major works ventured are:



Vigilance Awareness Workshop

- Chief Vigilance Officer inspected projects at Dehradun & Bhubaneswar.
- Vigilance Division has conducted inspections in Karnataka and Tamilnadu.
- Vigilance awareness week was celebrated in Corporate Office, Zones & Units from 27.10.14 to 01.11.14.
- An awareness lecture on Combating Corruption-Technology as an enabler was arranged through Shri K. P. Saroha, Director, CVC during Vigilance Awareness Week at Corporate Office, besides taking pledge.
- Several steps have been taken for improvement and transparency in the administration.
- Public & Staff Redressal system was made to revive which had become otherwise redundant. Formats were designed for grievance redressal and made on line.
- Efforts have been made for speedy disposal of Vigilance cases and the pendency level has been brought down considerably.
- Reports sought for by the MoWR, RD & GR were prepared and sent timely.
- This Division systematized the Inspection procedure and devised formats for Excavation, Backfilling, PCC, Reinforcement, RCC etc. for front line staff for day to day inspections.
- Practical case studies have been prepared based on the site inspections.
- Training schedule for the workshops and presentations prepared based on the practical considerations.

- Dos and Don'ts booklet have been revised and uploaded on website.
- Online payments through RTGS & NEFT have been made operational.
- Immovable property returns for the employees up to Manager Level has been uploaded on the website.

## 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.

## PROJECT MANAGEMENT AND CO-ORDINATION

There is an independent division at 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, River Development & Ganga Rejuvenation as per MoU signed. Besides, PMC Division also interacts with different Ministries (including MoWR, RD & GR), State Govt. and Central Government agencies/ regulatory bodies regarding various issues pertaining to the corporation as well as implementation of projects within sanction cost and schedule time adhering specifications. PMC Division formulate Performance budget for the next financial



Meeting With State Minister, MOWR, RD & GR

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, River Development & Ganga Rejuvenation. 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 our 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. Regarding good Corporate Governance, division prepared and implemented the CSR & Sustainability Policy, Risk Management Policy of NPCC and Full disclosure of tendering on CPP Portal.

## PARTICULARS OF EMPLOYEES

No employee received remuneration during 2014-15, either equal to or in excess of the limits prescribed under Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

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

## 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.

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

MCA vide notification No. GSR 463 (E) dated 05th June, 2015 has exempted the above for Government Companies

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

MCA vide notification No. GSR 463 (E) dated 05th June, 2015 has exempted the above for Government Companies

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

MCA vide notification No. GSR 463 (E) dated 05th

June, 2015 has exempted the above for Government Companies. The appointment of the functional Directors, Government Nominee Directors and Independent Directors of your Company is made by the Government of India. Their terms and conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors as well as of Government Directors by the Administrative Ministry. Also the performance of the Board of the Government Companies is evaluated during the performance evaluation of the MOU signed with the Government of India.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

The Company has not entered into any contract and/or arrangement with related parties during the year 2014-15.

### **LOAN, GUANTEES OR INVESTMENTS BY COMPANY UNDER SECTION 186 OF THE COPMPANIES ACT, 2013**

The Company has not given or taken any loan, Guarantee or has not made any investment falling under Section 186 of the Companies Act, 2013 during the year 2014-15.

### **EXTRACTS OF THE ANNUAL RETURN**

Extract of Annual Return of the Company is annexed to this report.

### **NUMBER OF MEETINGS OF BOARD**

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

### **FIXED DEPOSITS**

Your Company has not accepted/renewed any deposits covered under chapter V of the Companies

Act, 2013 during the year under review. As such there were no deposits which were not in compliance with the requirement of Chapter –V of the Companies Act, 2013

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

No Independent director was appointed during the year 2014-15. All the three positions of Independent Directors is lying vacant. It is understood that Administrative Ministry is in the process of filling up these vacancies.

### **COST AUDIT**

M/s Debabrota Banerjee & Company, Cost Auditors has been appointed as Cost Auditors for the year 2014-15 with the approval of Board of Directors.

### **RISK MANAGEMENT POLICY**

NPCC has prepared and implemented Risk Management policy after approval of Board of Director's meeting No.290th dated 30.12.2014. NPCC has nominated Shri A.K. Gupta, GGM(PMC&IT) as Chief Risk Manager and all HOD's and Zonal in-charges were nominated as Risk Officer/ Risk Manager for executing the Company risk analysis for ongoing project with specific reference to Risk Management Policy.

### **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY POLICY**

"Corporate Social Responsibility and Sustainability Policy" of NPCC was prepared and became effective for implementation after approved by Board of Directors in its 290th meeting held on 30.12.2014.

Accordingly all Zonal Managers were directed to identify the Projects/work with the consultation of local authorities for implementation and working under Corporate Social Responsibility.

Board Level Committee (only CMD) for NPCC was approved on 30th December 2014, due to non availability of independent Director. CSR Committee

was constituted under Chairman, NPCC as Board Level member and three members for lookafter/ monitoring the implementation of CSR activities. The total budget allocation made under CSR during 2014-15 was Rs 93.47 lakh. NPCC contributed Rs 18.00 lakh to "Ganga Clean Fund" under CSR activity. NPCC was unable to spend the allocated fund for CSR activity due to late approval of CSR Policy. However, the same fund could be utilized during next financial year for CSR activities.

## AWARD

News Ink Media & Production (P) Limited has conferred the 'Legend PSU Shining Award-2014' to your Company for Infrastructure Development. Sh. H.L. Chaudhary, Chairman and Managing Director, NPCC, received the award from His Excellency, Shri Kaptan Singh Solanki, Governor, Haryana and Punjab in a programme held at M.L. Bhartia Auditorium, (Alliance Francaise) K.K. Birla Lane, Lodi Estate, New Delhi-110003 on 27.4.2015.



Legend PSU Shining Award

## WEBLINK

The following policies may be accessed on the Company's website [www.npcc.gov.in](http://www.npcc.gov.in) as under :

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

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, 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 this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a **'going concern basis'**.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## AUDITORS

For Audit of the Accounts of the Corporation for the year 2014-15 M/s K.N. Goyal & Company, Chartered Accountants appointed as 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 2014-15 have been placed in the separate Annexure forming part of the Report.

### OBSERVATION OF STATUTORY AUDITORS

In the Auditor's Report for the year 2014-15, **there are no qualifications on the accounts.** The Auditors have only drawn attention to certain disclosures made in the Notes to the Accounts in "Emphasis of Matter".

### ACKNOWLEDGEMENT

Your Directors sincerely acknowledge the support, cooperation and guidance received from the Ministry of Water Resources, River Development & Ganga Rejuvenation and other Ministries and Organizations of Govt. of India and the State Governments.

Your Directors express their gratitude to CAG of India, Statutory Auditors, Branch, Auditors, and Bankers' for their valued cooperation. The Board of Directors acknowledges with deep sense of appreciation, the cooperation received from the Ministry of Water Resources, River Development & Ganga Rejuvenation, 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.

### ANNEXURES

The following are annexed:

- (i) Report on Corporate Governance
- (ii) Management Discussion and Analysis Report
- (iii) Certificate from Practicing Company Secretary regarding compliance of DPE Guidelines on Corporate Governance
- (iv) Declaration by CMD regarding compliance of Code of Conduct
- (v) The Extract of Annual Return as provided under sub section (3) of Section 92 in Form MGT-9
- (vi) Auditors Report on the financial statements for the year ended 31st March, 2015 and Management reply
- (vii) The comments and review of the Comptroller and Auditor General of India on accounts of Company and reply thereon.

For and on behalf of the Board of Directors



**(H.L. CHAUDHARY )**  
**CHAIRMAN & MANAGING DIRECTOR**  
 (DIN No. 06725924)

Place: New Delhi  
 Date : 1st September, 2015

# 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.

## CORPORATE GOVERNANCE RATING

The Company follows the guidelines of Corporate Governance issued by Department of Public Enterprises (DPE), Government of India. During the year under review, the Company has been graded as "Excellent" for the year 2013-14 by the DPE on the basis of Self Evaluation Report on the compliance of guidelines on Corporate Governance for CPSEs. The rating for 2014-15 is awaited from DPE. During 2014-15 also, Company is likely to achieve Excellent rating in Corporate Governance.

## DPE GUIDELINES

The Annual compliance report on Implementation of Policies and Guidelines issued by Department of Public Enterprises for financial year 2014-15 was sent to Ministry of Water Resources vide letter dated 29.04.2015.

## BOARD OF DIRECTORS

The Board has an optimum combination of executive and non-executive Directors. The Board, as on 31.03.2015 comprised of three Directors which

included (i) one whole-time Functional Director viz., Chairman & Managing Director and (ii) two Government Directors. Director (F) retired on 30.09.14. Two Non Official Part Time Independent Directors were on the Board till 15.11.13 . 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 Directors on the Board were appointed by the Administrative Ministry of Government of India in terms of Article 81(a ) of Articles of Association of the Company.

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

The Board meets at regular intervals to discuss the physical and financial progress of the Company. The decisions are taken by the Board of Directors after deliberations. The Board periodically reviews the compliances status of all the applicable laws During the year under review **seven Board Meetings were held on 06.06.14, 01.09.14, 29.09.14, 12.12.14, 30.12.14, 23.01.15, and 19.03.15.** Provisions of the Companies Act, 2013 amended up to date have been properly adhered to regarding holding of the Board Meeting.

Details of composition of the Board of Directors, their tenure, category of the Director, attendance at the Board Meeting, General Meeting & other Directorships held during the year 2014-15 are given below:

Name of Directors	DIN No.	Meeting Attended	AGM of 2013-14 Attended	Other Directorship	Period
<b>(a) Functional Directors</b>					
<b>Shri H.L. Chaudhary</b> Chairman & Managing Director	06725924	7/7	Yes	NIL	w.e.f. 24.10.13
<b>Shri Ravendra Garg</b> Director(Finance)	00402415	3/3	Yes	NIL	Till 30.09.14 (u/s w.e.f. 22.02.13 to 08.05.14))
<b>(b) Govt. Nominees</b>					
<b>Shri Sunil Kohli,</b> JS & FA-MOWR	05321549	7/7	Yes	NIL	w.e.f. 27.06.12
<b>Shri N.S. Samant,</b> JS(A)-MOWR	01308173	0/0	No	1	Till 16.05.14
<b>Shri Pradeep Kumar</b> Commissioner (SPR)	06368860	3/4	Yes		w.e.f. 16.05.14 Till 18.12.14
<b>Dr. (Smt) Amita Prasad</b>	03644516	3/3	NA	NIL	w.e.f. 18.12.14

## INDEPENDENT PART TIME DIRECTORS

In consonance of DPE's Corporate Governance Guidelines two independent Directors, having expertise in 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.

## TRAINING OF BOARD MEMBERS

The company, with the approval of the Board, formulated Training Policy for Board Members. Besides, Company furnishes a set of documents to the directors on their joining the Board. The set includes Company's brochure, Annual Report, Memorandum



Presentation on Green Building Concept by CMD NPCC during IOD Seminar

and Articles of Association, Corporate Governance Guidelines and various policies etc. formulated. Detailed presentations are made in Board Meetings about affairs of the Company. During the year under review, Shri H.L. Chaudhary, CMD of the Company attended the Masterclass for Directors organized by Institute of Directors during October 17-19, 2014.

## 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. till the 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

### REMUNERATION OF DIRECTORS

All the Non Official Part Time Independent Directors are paid sitting fees for attending meeting of Board of Directors or Committees thereof to which they are appointed as Members. No remuneration was paid to Independent Directors during 2014-15 as all the three positions of Independent Director is vacant

### GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2013-14	29 <sup>th</sup> September'14	4.00 p.m	Regd Office
2012-13	26 <sup>th</sup> September'13	4.00 p.m.	Regd Office
2011-12	31 <sup>st</sup> December'12	3.00 p.m.	Regd Office

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

No Extra Ordinary General meeting was held during 2014-15

### AUDIT QUALIFICATION

The comments on accounts for the year ended on 31st March, 2015 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.

### COMPLIANCE CERTIFICATES

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

### SUBMISSION OF DATA SHEET FOR PE SURVEY

The data sheet for Public Enterprises Survey 2013-14 was submitted to the DPE on 17.09.14 as per requirement of the DPE.

### 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 Governments. The Company displays complete Annual Report on its website for the information of its stakeholders together with other important information pertaining to the Company. Annual Report and other papers related to Shareholders are being sent regularly in physical form.

For and on behalf of the Board of Directors



**(H.L. CHAUDHARY )**  
**CHAIRMAN & MANAGING DIRECTOR**  
(DIN No. 06725924)

Place: New Delhi  
Date: 1st September, 2015

# 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 and balance by various State Governments. The Company has obtained Project Management & Consultancy ISO 9001:2008 certification from Absolute Quality Certification Pvt. Limited. 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 2014-15, your corporation has achieved an operating turnover of Rs. 1108.51 crores as against Rs. 1174.69 crores last year. The corporation has earned the profit before tax of Rs.12.89 crores as against Rs. 48.45 crores in previous year. Net profit for the year 2014-15 is Rs. 13.58 crores as against Rs. 47.06 crores last year. The main reason for low turnover and low profit as compared to previous year are given below:

- i. Fund constraints in various projects due to non-release of funds by various government agencies like Assam Rifles, PMGSY Work, Department of Ayush, IGNTU etc.
- ii. Non sanction of revised estimates specially pertaining to IBB Fencing & roads, construction for roads on Indo China Border for ITBP in Leh-Ladakh region.
- iii. Law & Order problem in North-Eastern Region from where Corporation gets almost 50% turnover.

The outlook for the future is positive and Corporation is likely to overcome the above constraint in the forthcoming year.

## OUTLOOK

The Vision, Mission and objectives of the Company as stated in the MoU executed with the Ministry of Water Resources, RD & GR 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 area :

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 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 works in various states, water supply and storm work system, University-Hospital etc. interior designs.
2. Civil Infrastructure for Thermal and Hydro Electric Projects: NPCC also under take projects by participating in tender for various infrastructure projects such as Hydro Electric Power Project, Building & Housing Project, other departments, Thermal Power Project & Roads & Bridges, Dam, Reservoir, Canal, and Hospitals etc
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. Plot of size 12170 sqm at Faridabad, Haryana

Corporation is in discussion with various Government Agencies owning surplus suitable land for developing this either as Green Field Project or Brown Field Project.

### 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 a positive network.
- NPCC is having a good client base.
- Pan India Presence having 14 Zonal Offices and more than 114 Project Offices.
- Rich experience in executing River Valley, hydro, Thermal, Industrial Complex, building, Health Sector, Roads, Flyovers & other Infrastructural projects.
- Experience of working in remote & in-accessible area as well as terrorist infected area of North East, Jharkhand etc.
- NPCC has qualified and experienced manpower 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 wage bill.

#### Opportunities

- 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).

### Threats

- 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.

Taking into account Business Operations, Risk Management Policy was formulated with the approval of the Board. The policy contains Risk Areas identified and Action Plan suggested for mitigation of identified risks. The Risk Areas identified are Business Operation Risk, Business Development Risk, Project Management Risk, Liquidity Risk, Credit Risk, Human Resource Risk, Disaster Risk, Information Technology Risk, Legal Risk, Interest Rate Risk.

The concerns of the Company include Recession in Global Markets, Operations at low margins. Need for Partnering with Construction Companies/Manufacturers before bidding due to Increase in demand for EPC Contracts, High Turnover of skilled manpower, which is moving to greener pastures etc. The constraints are being overcome with the hard work, devotion and initiative exhibited by the employees

### 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, is able to secure works but at low margins 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. We hope that despite global economic slowdown, Govt. of India will be releasing the fund as per approved plans as present government has taken various structural and policy measures for accelerated growth of the country with business friendly environment. Your Company has executed and is executing projects for various Ministries/Government Departments/Organizations as their "Extended Engineering Arm". Your Company is also assisting Ministry of Rural Development, Ministry of Home Affairs, Ministry of Health, Ministry of Water Resources, 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.



Secretary MOWR, RD & GR reviewing half yearly performance with NPCC Officials

## 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.

Place: New Delhi  
Date : 1st September, 2015

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

To meet the rising demand along with fierce competition in the dynamic business scenario, 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. 271 man days of training was imparted among Executives/ Non-Executives/Workmen during the year 2014-15. The employees are sent for skill enhancement to prestigious institutions like SCOPE, ASSOCHAM, CPWD, CII, etc.

The Management has also kept track of the manpower requirement for which recruitments in various disciplines are being done. At the close of the financial year 2014-15, there were 1174 employees on the rolls of NPCC, as on 31.3.2015. Feedback from the employees are also encouraged. NPCC maintains sound, healthy and harmonious Relations with its employees. Industrial Relations in the Company are development oriented with proper communication being maintained across all levels.

## 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.

For and on behalf of the Board of Directors



**(H.L. CHAUDHARY )**  
**CHAIRMAN & MANAGING DIRECTOR**  
(DIN No. 06725924)



**Form No. MGT-9****EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2015**

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

**REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Project Management Consultancy	--	90.94%
2	Execution of Projects	--	9.06%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF									
b) Central Govt		934821	934821	98.89		934821	934821	98.89	NIL
c) State Govt(s)		10495	10495	1.11		10495	10495	1.11	NIL
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>		945316	945316	100		945316	945316	100	NIL
<b>B. Public Shareholding</b>		NIL	NIL	NIL		NIL	NIL	NIL	NIL
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B) (1):-</b>		NIL	NIL	NIL		NIL	NIL	NIL	NIL
<b>2. Non-Institutions</b>		NIL	NIL	NIL		NIL	NIL	NIL	NIL

a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies – D R									
<b>Sub-total (B) (2):-</b>		NIL	NIL	NIL		NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+ (B) (2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		NIL	NIL	NIL		NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>		945316	945316	100		945316	945316	100	NIL

**(ii) Shareholding of Promoters**

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

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

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

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

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

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

S.N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shri H.L. Chaudhary (Holding on behalf of Nominee of Hon'ble President of India)	1	0.000105785	1	0.000105785
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE		NO CHANGE	
	At the end of the year	No CHANGE		No CHANGE	

V. INDEBTEDNESS (Rs. In Lakhs)

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	Shri H.L. Chaudhary CMD	Shri Ravendra Garg Ex Director(F)	
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,18,777	26,78,355*	47,97,132
	Value of perquisites u/s 17(2) Income-tax Act, 1961	19,993	9,996	29,989
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission -as % of profit -others, specify.....	--	--	--
5	Others, please specify	--	--	--
	Total(A)	21,38,770	26,88,351	48,27,121
	Ceiling as per the Act			

\*Remuneration includes amount accrued and paid in 2015-16 of Rs.8,13,780/-

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

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors				
1	Independent Directors Fee for attending board / committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -**

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

For and on behalf of the Board of Directors



**(H.L. CHAUDHARY )**  
**CHAIRMAN & MANAGING DIRECTOR**  
(DIN No. 06725924)

Place: New Delhi  
Date : 1st September, 2015



## Declaration by Chairman-cum-Managing Director regarding compliance with the Code of Conduct by Board Members and Senior Management during the financial year 2014-15.

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 2014-15.



**(H.L. CHAUDHARY)**  
**CHAIRMAN & MANAGING DIRECTOR**  
 (DIN No. 06725924)

Place: New Delhi  
 Date : 1st September, 2015

**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 : 1st September, 2015

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, 2015 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.

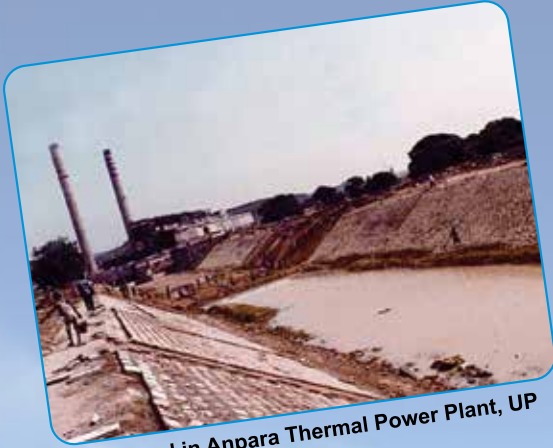
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in above mentioned guidelines. It 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.

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.

**Sd/-**  
**For Harbans Lal & Co.**  
**(Harbans Lal)**  
**Company Secretary**  
**C.P. : 3944**

## SOME OF THE PROJECTS OF NPCC



Power Channel in Anpara Thermal Power Plant, UP



IGNTU Amarkantak



Tunnel Works at Hathiri Power House, Uttarakhand



College of Fisheries



GATF Bangalore



IBBF, Meghalaya

## SOME OF THE PROJECTS OF NPCC



**Road And Drain Improvement Works  
at TP Molkalmuru Chitradurga District, Karnataka**



**24 NOS. S. JCO ACCOMMODATION  
at LAITKOR, SHILLONG**



**Flood lighting at IBB**



**PNB Building, Lucknow**



**Renovation & Interiors of Conference Hall for  
Ministry of Agriculture, New Delhi**



**Water Treatment Plant at Bagalkot, Karnataka**

## NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in Rupees)

PARTICULARS	Note No.	31st March, 2015	31st March, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds :</b>			
(a) Share Capital	1	<b>945316000</b>	945316000
(b) Reserves and Surplus	2	<b>128512707</b>	-3260107
<b>2 Non -Current Liabilities</b>			
(a) Other Long Term Liabilities	3	<b>420875827</b>	431174026
(b) Long term Provisions	4	<b>353084989</b>	364772829
<b>3 Current Liabilities</b>			
(a) Trade payables	5	<b>15898531759</b>	14312075945
(b) Other current liabilities	6	<b>4900446966</b>	5409213986
(c) Short term provisions	7	<b>73569136</b>	66096889
<b>TOTAL :</b>		<b>22720337384</b>	21525389568
<b>II ASSETS</b>			
<b>1 Non -Current Assets</b>			
(a) Fixed assets	8		
i) Tangible assets		<b>73735053</b>	82898308
ii) Intangible assets		-	-
iii) Capital work in progress		<b>45201629</b>	39543155
(b) Investments	9	-	-
(c) Deferred tax Assets (Net)	10	<b>412878281</b>	327028699
(d) Other non -current assets	11	<b>560779855</b>	498312946
<b>2 Current Assets</b>			
(a) Inventories	12	<b>13601217</b>	19857973
(b) Trade Receivables	13	<b>12108971878</b>	12533172791
(c) Cash and Cash Equivalents	14	<b>7159476548</b>	5960991201
(d) Short-term loans and advances	15	<b>2065734902</b>	1897933588
(e) Other current assets	16	<b>279958021</b>	165650907
<b>TOTAL :</b>		<b>22720337384</b>	21525389568

Accounting Policies & Notes on Financial Statements 1 to 43

  
**(RAJNI AGARWAL)**  
COMPANY SECRETARY

  
**(JAGMOHAN GUPTA, IRAS)**  
(JS&FA, MoWR, RD&GR)  
DIRECTOR  
(DIN No. 02858377)

  
**(H.L. CHAUDHARY)**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 06725924)

  
**(ALOK KUMAR)**  
Dy.General Manager (F)

  
**(ADESH KUMAR)**  
General Manager-(L&A)/(RCA)/(F)

**As per our Audit report of even date**  
**For K.N Goyal & Co.**  
Chartered Accountants  
FRN : 001084N

Date : 17th August, 2015  
Place : New Delhi

  
(K.N. Goyal)  
Partner  
M.No. 011939

## NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

( Amount in Rupees )

PARTICULARS	Note No.	31st March, 2015	31st March, 2014
<b>I REVENUE FROM OPERATIONS:</b>			
Value of Work Done		<b>11085121167</b>	11746923814
II Other Income	17	<b>367410646</b>	450480752
<b>III TOTAL REVENUE (I+II)</b>		<b>11452531813</b>	12197404566
<b>IV EXPENSES:</b>			
a Construction & Work Expenses	18	<b>10246867406</b>	10842096563
b Employee benefits expenses	19	<b>719671950</b>	715652436
c Interest Paid	20	<b>66028296</b>	3520169
d Depreciation & amortization expense	8	<b>6451753</b>	4400663
e Other Expenses	21	<b>89551046</b>	107103891
<b>TOTAL EXPENSES (IV)</b>		<b>11128570451</b>	11672773722
<b>V Profit(Loss) before prior period, exceptional and extraordinary items and tax (III-IV)</b>		<b>323961362</b>	524630844
VI Less :Prior Period Item (Net)	22	<b>126814321</b>	6255007
<b>VII Profit(Loss) after prior period and before exceptional and extraordinary items and tax (V-VI)</b>		<b>197147041</b>	518375837
VIII Exceptional Items	23	<b>68199045</b>	33842706
<b>IX Profit(Loss) before extraordinary items &amp; tax (VII-VIII)</b>		<b>128947996</b>	484533131
X Extraordinary Items		-	-
<b>XI Profit/Loss(-) before tax (IX-X)</b>		<b>128947996</b>	484533131
XII Current Tax		<b>78939297</b>	56819441
XIII <b>Deferred Tax</b> - Current Year -201545208 Prior Period 115695626	10	<b>-85849582</b>	-42930194
<b>XIV Profit/Loss(-) for the period from continuing operations (XI-XII-XIII)</b>		<b>135858281</b>	470643884
<b>XV Profit / Loss(-) for the period</b>		<b>135858281</b>	470643884
XVI Earnings per Equity Share:			
Basic & Diluted	37	<b>143.72</b>	497.87
Accounting Policies & Notes on Financial Statements 1 to 43			

  
**(RAJNI AGARWAL)**  
COMPANY SECRETARY

  
**(ALOK KUMAR)**  
Dy.General Manager (F)

  
**(JAGMOHAN GUPTA, IRAS)**  
(JS&FA, MoWR, RD&GR)  
DIRECTOR  
(DIN No. 02858377)

  
**(ADESH KUMAR)**  
General Manager-(L&A)/(RCA)/(F)

  
**(H.L. CHAUDHARY)**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 06725924)

As per our Audit report of even date  
For **K.N Goyal & Co.**  
Chartered Accountants  
FRN : 001084N



(K.N. Goyal)  
Partner  
M.No. 011939

Date : 17th August, 2015  
Place : New Delhi

## CASH FLOW STATEMENT

( Amount in Rupees )

	31st March, 2015	31st March, 2014
<b><u>Cash flow from Operating Activities</u></b>		
Receipts from customers	11273234011	8941497603
Paid to sub-contractors, suppliers & employees	(10220915285)	(8572512530)
Moblization advance received from Project authority shown under the head of unsecured loans	(10298199)	(354738848)
Interest on mobilization advance given to Sub contractor	39431664	135088466
Cash generated from operations	1081452191	149334691
<b><u>Cash flow from Investing activities</u></b>		
Sale Proceeds of Fixed Assets	6387265	8316295
Purchase of Fixed Assets	(12198388)	(33728626)
Interest on Bank deposits	188872575	266071468
	183061452	240659137
<b><u>Cash flow from financing activities</u></b>		
Interest paid	(66028296)	(3520169)
	(66028296)	(3520169)
Net increase/(decrease) in cash & cash equivalents.	1198485347	386473659
Cash & cash equivalent at the beginning of the year	5960991201	5574517542
Cash & cash equivalent at the end of the year (Refer Note No. 14)	7159476548	5960991201

Accounting Policies & Notes on Financial Statements 1 to 43  
Figures in Brackets represent outflow of cash.



**(RAJNI AGARWAL)**  
COMPANY SECRETARY



**(ALOK KUMAR)**  
Dy.General Manager (F)



**(JAGMOHAN GUPTA, IRAS)**  
(JS&FA, MoWR, RD&GR)  
DIRECTOR  
(DIN No. 02858377)



**(ADESH KUMAR)**  
General Manager-(L&A)/(RCA)/(F)



**(H.L. CHAUDHARY)**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 06725924)

As per our Audit report of even date  
For **K.N Goyal & Co.**  
Chartered Accountants  
FRN : 001084N



(K.N. Goyal)  
Partner  
M.No. 011939

Date : 17th August, 2015  
Place : New Delhi

## NOTES ON FINANCIAL STATEMENTS

### NOTE - 1

( Amount in Rupees )

PARTICULARS	31st March, 2015	31st March, 2014
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
7000000 Equity Shares of Rs.1000/- each (Previous Year 7000000 Equity Shares of Rs.1000/- each)	<b>7000000000</b>	7000000000
<b>TOTAL:</b>	<b>7000000000</b>	7000000000
<b>Issued, Subscribed &amp; Paid up :</b>		
945316 Equity Shares of Rs. 1000/- each fully paid up in cash (Previous Year 945316 Equity Shares of Rs1000/- each)	<b>945316000</b>	945316000
<b>TOTAL:</b>	<b>945316000</b>	<b>945316000</b>

PARTICULARS	Number of share	31st March, 2015	Number of share	31st March, 2014
<b>Reconciliation of Equity Share outstanding at end of the year</b>				
Outstanding as at the beginning of the year	<b>945316</b>	<b>945316000</b>	945316	945316000
Add: Issued during the year	<b>0</b>	<b>0</b>	0	0
Less: Buy back/cancelled during the year	<b>0</b>	<b>0</b>	0	0
Outstanding as at the end of the year	<b>945316</b>	<b>945316000</b>	945316	945316000
<b>Share holders having more than 5% of shares</b>	<b>Number of share</b>	<b>% of share holding</b>	<b>Number of share</b>	<b>% of share holding</b>
President of India	<b>934821</b>	<b>98.89</b>	<b>934821</b>	<b>98.89</b>

- 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.582,20,59,000/- were 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

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>RESERVES AND SURPLUS SURPLUS</b>		
a) Opening balance of Profit & Loss A/c	-3260107	-473903991
b) Adjustment to retained earnings on account of depreciation recalculated under Companies Act, 2013	-4085467	-7345574
c) Surplus transferred from Profit & loss A/c during the Year		135858281
<b>TOTAL:</b>	<b>128512707</b>	<b>-3260107</b>

## NOTE - 3

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Other Long Term Liabilities</b>		
Others - Advances from Project Authorities	420875827	431174026
<b>TOTAL:</b>	<b>420875827</b>	<b>431174026</b>

## NOTE - 4

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Long -term provisions</b>		
<b>Provision for employees benefits</b>		
i) Provision for Gratuity Work charged employees	185909647	193214122
ii) Provision for leave Encashment	166412064	171558707
iii) Provision for Leave Travel Concession	763278	-
<b>TOTAL:</b>	<b>353084989</b>	<b>364772829</b>

## NOTE - 5

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Trade Payables</b>		
For services	15867389120	14278911813
For Goods	31142639	33164132
<b>TOTAL:</b>	<b>15898531759</b>	<b>14312075945</b>

Trade Payables include Rs.298034860 (Previous year Rs. 298255686) payable towards land acquired for IBBF works at Silchar Zone.



**NOTE - 6**

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Other Current Liabilities</b>		
1) Security Deposits		
i) Staff	566000	604033
ii) Sub Contractor	1869588149	1791701035
2) Advance received from Project Authority		
i) On a/c of deposit work etc.	776569402	1005742758
ii) On a/c of PMGSY Road Work	685650698	1138835090
III) Other Advances	238188469	154111316
3) Interest accrued and due on advances		
a) From project Authorities	27672646	34179035
b) From Project Authority (Mobilization & Others)	266896964	262317435
c) Govt. of India	100296065	100296065
d) Interest on Staff Security	2843598	2585852
4) Expenses Payable		
a) Liability for Expenses - Others	59494569	42207901
b) To Employees		
i) Salary/wages/wages arrear payable	121242774	127893144
ii) Bonus Payable	185542	185542
iii) Others payable	7564876	6630431
5) Payable to Gratuity Trust	230491151	253073549
6) Taxes and Cess payable	116817504	107048393
7) Other payables		
i) Income Tax payable	19927256	86424711
ii) Service Tax payable	1496638	5572947
iii) Trade Taxes Payable (vat/sales tax etc.)	31269031	13595835
iv) Others account	343685634	276208914
<b>TOTAL:</b>	<b>4900446966</b>	<b>5409213986</b>

- a) Note 6.3 (c) Interest due on GOI loan - Rs. 10,02,96,065/- is due for payment since 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.77.65 crore (Previous year Rs.100.57 crores) is to be utilised for specific deposit work. PMGSY Fund under 2(ii) of Rs. 68.56 crore (Previous year Rs.113.88 crore) is to be utilised exclusively for PMGSY Work only and kept in separate bank account.
- c) The Board of Directors have approved the release of wage arrears of Rs.87899860 to work charged employees in installments. Sanction has been sought from the Ministry for release.

## NOTE - 7

( Amount in Rupees )

PARTICULARS	31st March, 2015	31st March, 2014
<b>Short Term Provisions</b>		
a) Provision for employees benefits		
i) Provision for Gratuity Work charged employees	<b>32377030</b>	38051744
ii) Provision for Leave Encashment	<b>40379935</b>	28045145
III) Provision for Leave Travel Concession	<b>812171</b>	-
<b>TOTAL:</b>	<b>73569136</b>	<b>66096889</b>

## NOTE - 8 FIXED ASSETS

### TANGIBLE ASSETS

(Amount in Rupees)

S. No	Description	GROSS BLOCK (AT COST)						LESS: DEPRECIATION					NET BLOCK		
		As at 1.4.2014	Additions during the year	Acquired through business combinations	Adjustment due to impairments	Dechn./Adjustments during the year	As at 31.3.2015	As at 1.4.2014	During the year	Retained Earning	Adjustment due to impairments	Dechn./Adjustments during the year	Up to 31-3-2015	As at 31-3-2015	As at 31-3-2014
1	Free Hold Land	23567204	0	0	0	0	23567204	0	0	0	0	0	0	23567204	23567204
2	Lease Hold Land	5300149	0	0	0	3355642	1944507	768422	21189	0	519012	270599	1673908	4531727	
3	Buildings on Free Hold Land	17262161	728116	0	0	17990277	1632548	283973	0	0	0	1916521	16073756	15629613	
4	Buildings on Lease Hold Land	2736998	0	0	0	1020924	1050883	20055	0	0	375088	695850	1020224	1686115	
5	Temporary Constructions	75488526	0	0	0	8883719	75488526	0	0	0	8883719	66604807	0	0	
6	Machinery	147736454	1407874	0	0	17446024	135680839	1365778	91131	0	16529287	120608461	11089843	12055615	
7	Vehicles	32183675	1495277	0	0	4669099	24899432	1193731	1835939	0	4434277	23494825	5515028	7284243	
8	Works Equipment	21571931	513733	0	0	3223657	16964797	357611	130587	0	2824199	14628796	4233211	4607134	
9	Office Furniture	9631820	684655	0	0	503716	6809726	435763	133639	0	497556	6881572	2931187	2822094	
10	Office Equipment	7072240	80904	0	0	792059	4408885	543536	909935	0	745866	5116490	1244595	2663355	
11	Electric Installation	6848768	586898	0	0	245590	2317346	633507	175835	0	200339	2926349	4263727	4531422	
12	Computers and Printers	12437795	1021256	0	0	733469	9015728	1583756	808317	0	702153	10705648	2019934	3422067	
13	Library Books	539494	21202	0	0	107284	441775	12854	84	0	103737	350976	102436	97719	
<b>Total</b>		362377215	6539915	0	0	40981183	279478907	6451753	4085467	0	35815233	254200894	73735053	82898308	
Previous Year:		412316802	22108252	0	0	72047839	343846983	4400663			68768739	279478907	82898308		
<b>CAPITAL WORK IN PROGRESS</b>															
14	Building on Freehold Land	39543155	5658474	0	0	0	45201629	0	0	0	0	0	45201629	39543155	
<b>ABOVE FIXED ASSETS INCLUDE NON-SERVICABLE/BEYOND ECONOMIC REPAIR AS SHOWN BELOW:</b>															
1	Machinery	19385791	0	0	0	8397785	18394279	0	0	0	7974327	10419952	568054	991512	
2	Vehicles	1710992	0	0	0	820855	1591874	0	0	0	867195	724679	165458	119118	
3	Works Equipment	798958	0	0	0	798958	762358	0	0	0	762358	0	0	36600	

NOTE:

- (a) The above assets includes assets in transit amounting to Rs.207327/- (Previous Year Rs.429864)
- (b) Fixed Assets include assets with gross block of Rs.693.89 lacs and net block of Rs.37.14 lacs confiscated by Project Authorities which are unadjusted pending settlement of account. However, there exists unadjusted liabilities in excess of the value of assets confiscated.

## Note - 9

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>INVESTMENTS</b>		
Non-traded/Unquoted :		
National Saving Certificates	-	-
<b>TOTAL:</b>	<b>-</b>	<b>-</b>

## Note - 10

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Deferred Tax Assets</b>		
Unabsorbed losses and depreciation	-	115695626
Provisions for employee benefits	<b>240694232</b>	246298174
Provision for doubtful debts	<b>190709578</b>	-
Total Deferred Tax Asset	<b>431403810</b>	361993800
<b>Deferred Tax Liability</b>		
Depreciation of fixed assets	<b>18525529</b>	34965101
<b>Net Deferred Tax Assets</b>	<b>412878281</b>	<b>327028699</b>
<b>Deferred Tax Charge to Profit &amp; Loss Account</b>	<b>-85849582</b>	<b>-42930194</b>

In view of consistent profits in the recent years, deferred tax asset against provision for doubtful debts has been recognized to the extent that Company is virtually certain of realization of the same against future taxable income.

## Note - 11

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Other Non Current Assets :</b>		
1) Security Deposit with Project Authority	<b>664799576</b>	599809494
Less: Allowance (Provision)	<b>104019721</b> <b>560779855</b>	101496548    498312946
<b>TOTAL:</b>	<b>560779855</b>	498312946

## Note -12

(Amount in Rupees)

PARTICULARS	31st March, 2015		31st March, 2014	
<b>CURRENT ASSETS :</b>				
<b>Inventories :</b>				
a) Stores and Spares (including construction material in hand, at sites and in transit)	<b>17937689</b>		22133624	
Less: Allowance (Provision)	<b>4359358</b>	<b>13578331</b>	2298538	19835086
b) Tools in hand/ in transit (In transit current year Nil previous year Rs.13)		<b>22886</b>		22887
<b>TOTAL:</b>	<b>13601217</b>			19857973

- Inventory of stores & spares and tools has been taken, valued & certified by the Management.
- Inventories include Rs.106.73 lacs (Previous year Rs.106.73 lacs) confiscated by Project Authorities which are unadjusted pending settlement of account. However, there exists unadjusted liabilities in excess of the value of assets confiscated.

## Note - 13

(Amount in Rupees)

PARTICULARS	31st March, 2015		31st March, 2014	
<b>Trade Receivables (Unsecured)</b>				
a) Debts outstanding for a period exceeding six months from due date:				
Considered Good	<b>7403655054</b>		8458377507	
Considered Doubtful	<b>807484722</b>		704692759	
	<b>8211139776</b>		9163070266	
Less: Allowance (Provision) for Doubtful Debts	<b>807484722</b>		704692759	
	<b>7403655054</b>			8458377507
b) Other debts (Considered good)	<b>4705316824</b>			4074795284
<b>TOTAL:</b>	<b>12108971878</b>			12533172791

- Trade Receivables include retention money receivable Rs.55.98 crores (Previous year Rs.178.81 crores).
- Trade Receivables include unbilled contract revenue.
- Trade Receivables include dues of Rs.159.83 crores (Previous year Rs.261.54 crores) in respect of closed units out standing for over three years which in the view of the Management are good and recoverable.

## Note - 14

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Cash and Cash Equivalents</b>		
i) Cash in hand	781982	708827
ii) Cheques/drafts in hand	46608698	-
iii) Fixed Deposits pledged with banks and Project Authorities as margin against guarantees and securities	298954890	440051911
iv) Fixed Deposits with Banks of more than 12 months' maturity	47895276	119075670
v) Balances with Banks in Foreign States with repatriation restrictions	38369158	38369158
Less : Provisions held	-38369158	-38369158
vi) Balances in respect of closed units not traceable	125354	125354
Less : Provisions held	-125354	-125354
vii) Balance with Nepal Bank Ltd., Nepal	6009	6009
viii) Balances with Banks - Others	6765229693	5401148784
<b>TOTAL:</b>	<b>7159476548</b>	<b>5960991201</b>

### Foot Note:

- Operations in Iraq have ceased since many years and due to repatriation restrictions, full provision against the bank balance has been made.
- Revaluation of balance in the bank account in foreign currency was last made on 31.3.1995.
- The Exim Bank which is intermediary for settlement of the outstandings in Iraq, has vide letter dated 30/7/2013, advised that the notional credit entries for interest earned on the outstanding credit balance of NPCC in the bank account has been made for US \$ 716732.69 by Central Bank of Iraq in its books, not amounting to actual credit to the account of the Exim bank.
- Current account balance includes an amount of Rs.685650698/- (Previous Year Rs.1138835090/-) received against deposit work of PMGSY work and Rs.3204567512/- (Previous year Rs.1082543951/-) from MHA for BOP work, Silchar.

**Note - 15**

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Short-term Loans and Advances</b>		
1) a) Secured		
i) Sub Contractor (secured against S.D. held by Corporation)	<b>41903703</b>	167602914
b) Unsecured, considered good		
i) Advances for goods and services	<b>1434529731</b>	1198246402
ii) Due from Directors	-	142560
iii) Advances to other employees	<b>14132522</b>	18073014
iv) Others	<b>191943901</b>	237687432
c) Unsecured, considered doubtful		
i) Advances for goods and services	<b>86214593</b>	74458162
ii) Advances to employees	<b>3618392</b>	792004
iii) Others	<b>12758312</b>	24042195
	<b>102591297</b>	99292361
Less: Allowance (Provision) for doubtful advances	<b>102591297</b>	-
		99292361
2) Prepaid Expenses	<b>2267489</b>	1759359
3) Security Deposit with Others	<b>5200228</b>	4877208
Less: Allowance (Provision) for Bad & Doubtful	<b>1781202</b>	1795502
	<b>3419026</b>	3081706
4) Advance & Provisional payment of tax	<b>349433544</b>	235116741
5) Amount deposited with various courts (Against Interim Orders)	<b>28104986</b>	36223460
<b>TOTAL:</b>	<b>2065734902</b>	1897933588

- i) Others at point 1 (b) (i) above includes Rs. 9500000 deposited with Service Tax Tribunal against appeal filed adjustable to contractor's account
- ii) The above include dues of Rs.26.14 crores (Previous year Rs.25.10 crores) in respect of closed units outstanding for over three years which in the view of the Management are good and recoverable.

## Note - 16

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>Other Current Assets :</b>		
1) Interest Receivable on Bank Deposit	235264396	99529904
2) Interest Receivable from Others	427962	30511816
3) CPF Trust	26817856	11615180
4) Store	-	269359
5) Material at Site	-	493054
6) Inter-unit Remittance Account	17447807	23231594
<b>TOTAL:</b>	<b>279958021</b>	165650907

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

## Note - 17

( Amount in Rupees )

PARTICULARS	31st March, 2015	31st March, 2014
<b>OTHER INCOME:</b>		
Other Miscellaneous Receipts (including Sale of tender of documents)	17529414	27350510
Interest Received (Gross) on :		
a) Bank Deposits	324607067	265201630
b) Others- sub contractor	9347810	132065984
	<b>333954877</b>	397267614
Hire Charges of Machinery	262288	80940
Profit on Sale of Scrap, Stores etc.(Net)	-	3854027
Unclaimed Credit Balances Written Back	627397	1620973
Provisions/Liabilities written back	15036670	20306688
<b>TOTAL:</b>	<b>367410646</b>	450480752



**Note - 18**

( Amount in Rupees )

PARTICULARS	31st March, 2015	31st March, 2014
<b>CONSTRUCTION AND WORKS EXPENSES :</b>		
Material Consumed :		
Stores & Spares (including construction materials)		
Opening balance	<b>22133624</b>	23053903
Net Purchase/(Sales)	<b>4882654</b>	9127685
	<b>27016278</b>	32181588
Less : Closing Balance	<b>17937689</b>	22133624
Consumption	<b>9078589</b>	10047964
Payment to Sub-contractors	<b>9833908976</b>	10668231321
Motive Power & Fuel	<b>1780257</b>	162421
Taxes & Fees on Machines & Vehicles	<b>131490</b>	124770
Insurance	<b>4146</b>	14268
Carriage & Freight	<b>396556</b>	376306
Tools & Stores Written off	<b>176857</b>	27544
Commercial/Trade Tax/Service Tax	<b>125264930</b>	89031289
Other Incidental Charges on Works	<b>276125605</b>	74080680
<b>TOTAL:</b>	<b>10246867406</b>	<b>10842096563</b>

Other Incidental Charges on work includes Rs.25.27 crores (Previous year Rs.5.26 crore) towards Land acquisition for IBBF related works).

## Note - 19

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>EMPLOYEES BENEFITS EXPENSES :</b>		
Salary and Allowances	337108349	340809912
Wages and Allowances	189674380	193324806
Contribution to Provident Fund	53952771	54743061
EPF Administration Charges	817648	817197
Gratuity	54341683	58908086
Leave Encashment	33016438	42921948
Leave Travel Concession	4582585	2731864
VRS Expenses	35582914	11542353
Staff Welfare Expenses	8386631	7867814
Repair to building ( Colony)	470604	20842
Health and Sanitation	1737947	1964553
<b>TOTAL :</b>	<b>719671950</b>	<b>715652436</b>

## Note - 20

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>INTEREST PAID</b>		
Interest paid to Project Authorities on advances	66028296	3520169
<b>TOTAL :</b>	<b>66028296</b>	<b>3520169</b>

**Note - 21**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
<b>OTHER EXPENSES :</b>		
Rent	<b>7679549</b>	6420915
Rates and Taxes	<b>113952</b>	184144
Travelling Expenses	<b>15545887</b>	15189789
Vehicles Running and Maintenance, Hiring	<b>16721062</b>	17123498
Insurance Charges	<b>275558</b>	169128
Repairs and Maintenance:		
Buildings	<b>3697250</b>	2963058
Others	<b>567712</b>	544297
	<b>4264962</b>	3507355
Printing & Stationery	<b>3113089</b>	3256010
Postage, Telephone & Telegrams	<b>3021618</b>	3035069
Electricity and Water Expenses	<b>3989049</b>	3606375
Advertisement and Publicity	<b>5666493</b>	7239048
Technical Fee/Consultancy	<b>4310111</b>	2219137
Legal and Professional Charges	<b>3634390</b>	2234754
Bank Charges	<b>1569711</b>	1847083
Internal Audit Fees	<b>360581</b>	487551
<b>Payment to Auditors :</b>		
Audit Fee	<b>1051338</b>	677625
Tax Audit Fee	<b>330284</b>	194787
Travelling Expenses--Auditors	<b>1649710</b>	1954373
Miscellaneous Expenses	<b>10414731</b>	12293927
Bad Debts	<b>2084719</b>	976455
Allowance (Provision) for Doubtful Debts and Advances	-	24486868
Loss on Sale of Scrap, Stores etc.(Net)	<b>1954252</b>	-
Corporate Social Responsibility Expenses	<b>1800000</b>	-
<b>TOTAL:</b>	<b>89551046</b>	<b>107103891</b>

## Note - 22

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>PRIOR PERIOD EXPENSES &amp; INCOME</b>		
<b>(A) EXPENSES:</b>		
Salary, Wages & Other benefits to employees	224133	299187
Payment to Sub-contractors for work done	130370	6324327
Project Expenses	246165	3451901
Adhoc provision against Doubtful Debts wrongly reversed in earlier years	123878583	-
Excess provision of Gratuity work charge	-1793692	-
Others	4961743	1225159
<b>TOTAL (A)</b>	<b>127647302</b>	<b>11300574</b>
<b>(B) INCOME</b>		
Recovery of excess payment	640000	2160
Others	192981	5043407
<b>TOTAL (B)</b>	<b>832981</b>	<b>5045567</b>
<b>Net Amount (A-B)</b>	<b>126814321</b>	<b>6255007</b>

## Note - 23

(Amount in Rupees)

PARTICULARS	31st March, 2015	31st March, 2014
<b>EXCEPTIONAL ITEMS</b>		
A) Litigation Expenses	72256991	38879901
B) Loss on sale of Fixed Assets	676812	136220
	<b>72933803</b>	<b>39016121</b>
Less: Profit on sale of Fixed Assets	4734758	5173415
<b>TOTAL:</b>	<b>68199045</b>	<b>33842706</b>

## Note - 24

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of preparation of Financial Statements

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

#### 2. Use of Estimates

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

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

#### 3. Revenue Recognition

- a. Value of work done is recognized on percentage completion method. Value is determined based on milestones achieved as stipulated in contracts and on the basis of measurable work actually executed upto the reporting date where the contracts do not stipulate milestones.
- b. Value of Work done and Trade Receivables include :
  - i. Work executed by the Company pending certification by the Project Authority/Contractee;
  - ii. Work executed but not measured / partly executed / accounted for at engineering estimates;
  - iii. In case of deposit works and cost plus contract, cost of work done by the contractor plus stipulated fee of the Company ;
  - iv. Work done for Project Authorities where only Letters of Intent have been received and formal contracts/agreements are pending execution;
  - v. Claims for extra/substituted items and other claims considered realizable by the corporation, based on Management's experience, pending determination of exact amount for settlement of rates etc;
  - vi. 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;

- vii. Claims referred to arbitration or lodged against Project Authorities to the extent considered realizable based on the experience of the Management;
- viii. Amounts retained by the Project Authorities to be released after period stipulated in the contracts; and
- ix. In cases where contracted value is inclusive of taxes, the tax component.

#### **4. Fixed Assets**

Fixed assets are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any. Costs directly attributable to acquisition of fixed assets are capitalized.

#### **5. Depreciation**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 leaving a residual value of 5% except in respect of items fully depreciated prior to the coming into force of Companies Act, 2013. In respect of items not specified in the list, general rate of 15 years applicable to general plant and machinery is adopted.

Cost of leasehold land is amortized over the lease period.

#### **6. Inventories**

Stock of material, stores and spares including construction materials chargeable to projects are valued at cost (using First in First out method). Allowance (provision) is made against losses and deterioration in non-moving inventories.

#### **7. Cash and cash equivalents**

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

#### **8. Cash Flow Statement**

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

#### **9. Foreign Currency Transactions**

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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

## 10. Employee Benefits

### i. Short Term Benefits

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

### ii. Long Term Benefits

#### a. Provident Fund

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

#### b. Gratuity

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

#### c. Leave Encashment

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

#### d. Leave Travel Concession

Provision in respect of leave travel concession to eligible employees is made in the accounts on the basis of actuarial valuation.

## 11. Prior Period Expenses/Income

"Transactions relating to earlier year(s) where individual item of income or expenditure does not exceed Rs.5000 is not reckoned as a prior period item."

## 12. Prepaid Expenses

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

## 13. Taxes On Income

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

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

#### 14. Provision for Doubtful Debts/Loans and Advances

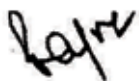
In respect of debts and loans and advances in respect of Projects for Project Authorities which are primarily Government of India Departments, Government Institutions, Autonomous Bodies and Public Sector Enterprises, provisions are created in respect of old closed units based on Management's assessment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

#### 15. Provisions and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 16. Liquidated Damages

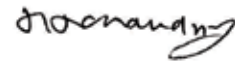
Liquidated damages/compensation for delay in respect of Project Authorities/Contractors, if any, are accounted for when the matter is considered settled by the Management and it is probable that an outflow or inflow of economic benefit would take place.



**(RAJNI AGARWAL)**  
COMPANY SECRETARY



**(JAGMOHAN GUPTA, IRAS)**  
(JS&FA, MoWR, RD&GR)  
DIRECTOR  
(DIN No. 02858377)



**(H.L. CHAUDHARY)**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 06725924)



**(ALOK KUMAR)**  
Dy.General Manager (F)



**(ADESH KUMAR)**  
General Manager-(L&A)/(RCA)/(F)

**As per our Audit report of even date**  
**For K.N Goyal & Co.**  
Chartered Accountants  
FRN : 001084N



(K.N. Goyal)  
Partner  
M.No. 011939

Date : 17th August, 2015  
Place : New Delhi



## Note – 25

### Contingent Liability not provided for in respect of :

(Rupees in Lacs)

Description	2014-15	2013-14
a. Outstanding claims of contractor pending in arbitration and Courts	<b>15050.66</b>	<b>9278.32</b>
b. Tax demands disputed in appeal	<b>2297.26</b>	<b>3138.24</b>
c. Outstanding amount of bank guarantees against mobilization and other advances (margin money in shape of FDRs amounting to Rs. 2823.24 (Previous year Rs.2599.46)	<b>2389.03</b>	<b>2387.73</b>
d. Performance bank guarantees (Margin money in shape of FDRs amounting to Rs 23.49 (Previous year Rs.21.68)	<b>16.00</b>	<b>16.00</b>
Cases relating to service matters, amount of liability being not ascertainable, not reported.		

**Note – 26** Estimated amount of contracts remaining to be executed on Capital Account – Rs. 1986.77 lacs (Previous Year Rs.2043.35 lacs).

**Note – 27** In respect of Taj Corridor Project, which was foreclosed by the Project Authority, a writ petition filed by the Company against the Project Authority for a claim of Rs.4311 lacs, against which Rs.1700 lacs was given as advance and adjusted, is pending for decision. Liability towards the Contractor engaged for the Project is also outstanding due to non-release of payment by the Project Authority. An arbitration case filed by the Contractor is also pending for settlement. As a matter of abundant caution, provision in the accounts has been created for the net amount recoverable in respect of the Project and in the opinion of the Management, the claim of the Company is meritorious and no provision is required thereagainst.

**Note – 28** In respect of the Project relating to Construction of High Altitude Roads along Indo-China Border at Leh in the State of Jammu & Kashmir, the Revised Cost Estimates have since been re-revised by the High Level Empowered Committee in the Meeting held on 29th May, 2015. The value of work done and cost already booked are under revision based on the revised estimates and effect of the same shall be given effect to in the accounts of the year 2015-16 on final determination.

**Note – 29** Service tax has been accounted for to the extent charged from the Project Authorities either separately or as tax inclusive revenue. There are divergent opinions with respect to the taxability of certain contracts which are majorly public works funded by the Government. Additional liability, if any, that may arise would be chargeable from the Project Authorities as the contract values are exclusive of tax, and hence, not provided for. Amount unascertainable.

**Note – 30** A lease of land at Nagpur Industrial Area allotted by MIDC has since been cancelled and repossessed by MIDC. Other non-current assets include Rs.28.37 lacs claimed as refund of the lease premia given towards the land.

**Note – 31** Trade Receivables, Non-current assets, Loans & Advances, Current and non-current liabilities and Trade Payables include accounts of Project Authorities, Sub-contractors, Suppliers of closed Units and some retired employee accounts which are subject to confirmation and reconciliation.

**Note – 32** The Company engages contractors for execution of works whose contracts are also governed by the same terms and conditions as in the contracts awarded to the Company. Provisions for doubtful debts, advances and deposits have been created considering the overall position of receivables and payables in respect of each Project. The Company also holds certain adhoc provisions remaining out of provisions created in the year 2006-07 as per Board of Directors' resolution. In the opinion of the Management, the provisions held would cover the loss, if any, that may be incurred on realization of the outstanding dues.

**Note – 33** Trade Receivables, Non-current assets, Loans & Advances, Current and non-current liabilities and Trade Payables include amounts payable/recoverable by the Company under old closed Projects, in respect of which there are no recovery proceedings either by or against the Company and in respect of which no legal remedies are available being barred by limitation under law. The quantum of and ultimate impact on the accounts on the settlement of such accounts is not ascertainable though the Management does not foresee any significant loss over and above already provided in the accounts.

**Note – 34** Based on the observation of the C&AG on exorbitant audit expenses claimed by the previous statutory central auditor in the preceding year and claims made by the said auditor during the year on the basis of tampered bills and without proper supporting, as pointed out during statutory audit, advance payments made to the auditor of Rs.14.42 lacs have not been adjusted and are lying to the debit of his personal account, pending settlement of the audit observations.

**Note – 35** The Company has provided for a liability of Rs 15.75 lacs towards leave travel concession in respect of eligible employees on actuarial basis which was hitherto not being provided.

**Note – 36** The Management is of the opinion that no case of impairment exists under the provision of Accounting Standard-28 issued by the Institute of Chartered Accountants of India on Impairment of Assets.

**Note – 37** As the Company operates only in one segment viz., construction and only in one geographical segment, segment-wise details have not been furnished.

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

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

#### 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)	1358.58	4706.43
Weighted average number of shares outstanding during the year (in number)	(B)	945316	945316
Basic/Diluted Earning / (Loss) per share (in Rs.)	(A/B)	143.72	497.87
Nominal value per equity share (in Rs.)		1000.00	1000.00

### Note – 39 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 2014-15		
1	Sh. H.L. Chaudhary w.e.f. 24.10.13 till date	CMD	
2	Sh.Ravendra Garg till 30.09.14	Director (F)	
3	Sh.N.S.Samant Jt Secretary till 16.05.14	Govt. Director (Part Time)	
4	Sh. Pradeep Kumar Commissioner (SPR) w.e.f.16.05.14 till 18.12.14	Govt. Director (Part Time)	
5	Sh. Sunil Kohli JS & FA full year w.e.f. 27.06.12 to 5.6.15	Govt. Director (Part-Time)	
6	Dr.(Smt) Amita Prasad w.e.f.18.12.14 to till date	Govt Director (Part Time)	
2)	Relatives of key management personnel and their enterprises where transactions have taken place		Nil
3)	Other related parties where control exists		Nil

**Note – 40** The Company is generally executing contracts by engaging sub-contractors. The Company, therefore, does not procure materials directly and therefore, primarily, information in respect of para 5(viii)(c) of general instructions for preparation of the Statement of Profit & Loss as per Schedule III to the Companies Act, 2013 is NIL. However, stores and spares consumed on departmental works is as under :

Indigenous Stores & Spares – Rs.9078589 (Previous Year Rs.10047964)

### Note – 41 Employee Benefits (AS-15)

The principal assumptions used in actuarial valuation are as follow

Particulars	2014-15	2013-14
-Discount Rate	7.80%/7.85%	8.80%
-Expected Rate of future Salary increases	5.00%	5.00%

	Gratuity Regular Staff		Gratuity Work charged		Leave Encashment	
	Unfunded		Unfunded		Unfunded	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Change in the present value of obligations						
- Present value of obligations as at 01.04.2014	267846657	271079084	219458129	218516880	171558707	161703835
- Interest Cost	21427733	24397118	15812355	18413180	11980375	13242007
- Current Service Cost	9058759	9984243	6755688	6977739	24570736	25545664
- Benefits paid	(52971277)	(40981278)	(33471269)	(18552407)	(37884939)	(22452958)
- Actuarial (Gain)/Loss on obligations	(5171508)	3367490	9731774	(5897263)	(3812815)	(6479841)
<b>- Present value of obligations as at 31.03.2015</b>	<b>240190364</b>	<b>267846657</b>	<b>218286677</b>	<b>219458129</b>	<b>166412064</b>	<b>171558707</b>
Change in Fair Value of Plan		Not applicable		Not applicable		Not applicable
Liability recognized in the balance sheet	240190364	267846657	218286677	219458129	166412064	171558707
- Present value of obligations as at 31.03.2015	240190364	267846657	21828677	219458129	166412064	171558707
- Fair value of obligations as at the end of the year.	17881308	26165777				
- Funded status [Surplus/ (Deficit)]	222309056	241680880	21828677	(219458129)	(166412064)	(171558707)
- Unrecog-nized Actuarial (Gain)/Loss	-	-	-	-	-	--
<b>- Net assets/ (liability) recognized in the Balance Sheet</b>	<b>(222309056)</b>	<b>(241680880)</b>	<b>(21828677)</b>	<b>(219458129)</b>	<b>(166412064)</b>	<b>(171558707)</b>
Expenses recognized in the Profit and Loss Account						
- Current Service cost	9058759	9984243	6755688	6977739	24570736	25545664
- Past Service cost						
- Interest cost	21427733	24397118	15812355	18413180	11980375	13242007
- Expected return on plan assets	(1761883)	(1986822)				
- Net Actuarial (Gain)/Loss recognized during the year	(4907824)	3847762	9731774	(5897263)	(3812815)	(6479841)
- Total expenses recognized in Profit and Loss Account	<b>23816785</b>	<b>36242301</b>	<b>32299817</b>	<b>19493656</b>	<b>32738296</b>	<b>32307830</b>

**Note – 42** Previous year's figures have been regrouped /rearranged wherever considered necessary.

**Note – 43** 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 Note 1 to 43

**(RAJNI AGARWAL)**  
COMPANY SECRETARY

**(JAGMOHAN GUPTA, IRAS)**  
(JS&FA, MoWR, RD&GR)  
DIRECTOR  
(DIN No. 02858377)

**(H.L. CHAUDHARY)**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 06725924)

**(ALOK KUMAR)**  
Dy.General Manager (F)

**(ADESH KUMAR)**  
General Manager-(L&A)/(RCA)/(F)

**As per our Audit report of even date**

**For K.N Goyal & Co.**  
Chartered Accountants  
FRN : 001084N

(K.N. Goyal)  
Partner  
M.No. 011939

Date : 17th August, 2015  
Place : New Delhi

### Corrigendum

On page no 49 figure against "Bad Debts" be treated as "NIL and the figure of Rs.20,84,719 be read as pertaining to "Provision for obsolescence of Stores" .

## INDEPENDENT AUDITORS' REPORT

To,

The Members of

**National Projects Construction Corporation Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **National Projects Construction Corporation Limited**, which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit 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.

### Emphasis of Matter

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

- i. Note No.13 and 15 relating to outstanding dues under Trade Receivables of Rs.159.83 cr. Short Term Loans and Advances to Sub-contractors of Rs.26.14 cr., respectively in respect of closed Units which are more than 3 years' old shown as good for recovery;
- ii. Note No.16 relating to reconciliation of CPF Account and Remittance account with a balance of Rs.2.68 cr. and Rs.1.74 cr. respectively;
- iii. Note No.27 relating to litigation in respect of Taj Corridor Project where the Management is of the opinion that no provision is required;
- iv. Note No.28 relating to revised value of work done and cost which is under determination in respect of Project relating to Construction of High Altitude Roads along Indo-China Border at Leh and effect to be given in financial year 2015-16;
- v. Note No.29 relating to accountal of service tax to the extent charged from the Project Authorities and additional claims that may arise not having been reckoned in view of the Company's right to charge the same from the Project Authorities;
- vi. Note No.30 relating to cancellation of lease of land in Nagpur by MIDC and refund of Rs.28.37 lacs claimed against lease premia;
- vii. Note No.31 relating to accounts of Project Authorities and Contractors of Closed Units and some retired employees being subject to confirmation and adjustment;
- viii. Note No.32 relating to sufficiency of provisions held against debts, advances and deposits;
- ix. Note No.33 relating to amounts payable/recoverable by the Company under old closed projects, recoveries of which are barred by limitation under law, the quantum and ultimate impact on the settlement of these accounts being not ascertainable;

- x. Note No.34 relating to unadjusted payments to previous central statutory auditors on the basis of observations of exorbitant claims made by the C&AG and tampered bills and unsupported claims found during audit of current year;

### Other Matters

The financial statements under report have been drawn with opening balances brought forward based on the balance sheet audited by auditors who were disqualified in terms of section 141 of the Companies Act, 2013 and section 226 of the Companies Act, 1956 prior to that, as their indebtedness toward the Company was in excess of the amount stipulated in the said sections.

### Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order,2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act,2013, we give in the Annexure, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified

under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- f) As per GSR.829(E) dated 21st October, 2003, the provisions of section 164(2) of the Companies Act, 2013 are inapplicable to directors of Government Companies.
- g) With respect to the other matters included in the Auditor's Report and to the best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25, 27, 29 and 30 to the financial statements ;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### Directions under section 143(5) of the Act by the Comptroller & Auditor General of India

S. No.	Directions	Reply
1.	If the Company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process	Not applicable. The Company has not been selected for disinvestment.
2.	Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons therefor and the amount involved.	No, there were no cases of write off or waiver of debts/loans/interest, etc during the year.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities	The Company is majorly executing works awarded to it by engaging sub-contractors and is not directly procuring inventories for the projects except for very few projects departmentally handled for which stores have been procured and proper records are maintained. In respect of unserviceable and old stores items in closed units, appropriate provisions have been created. There are certain closed projects where the Company does not have access to the Project Sites and in some cases, the goods have been confiscated by the Project Authorities. In these cases, the accounts of the Project Authorities are yet to be settled and the liabilities towards the Project Authorities, sufficiently cover the value of inventories confiscated. There are no assets received as gifts from Government or other authorities.
4.	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	Age -wise analysis of pending legal and arbitration cases : Less than 1 year – 9 1-3 years - 22 3-5 years – 79 5-10 years -35 Above 10 years -37 Cases are proceeding as per the dates fixed by the Courts/appellate bodies. Expenditure on legal cases are approved on case to case basis considering the complexities and amount involved.

For **K. N. Goyal & Co.**  
Chartered Accountants  
FRN : 001084N



**(K. N. Goyal)**  
Partner  
M.No.011939

Date : 17th August, 2015  
Place : New Delhi



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that:

- (i) (a) The Company has maintained record of Fixed Assets, but the records do not contain details of situation and identification of assets;
- (b) The Company undertakes physical verification of its fixed assets at the year end except in respect of certain closed units where the assets are in the custody of the Project Authorities (Refer Note No.8(b)). As explained, no material discrepancies were noticed on the verification of assets. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The Company is generally executing Projects awarded to it by engaging Sub-Contractors, except for few departmental works, where under procurement of goods through the sub-contractors are directly charged to the Project Authorities and are not held in the inventory of the Company. Inventories have been physically verified as per reports furnished to us, except in respect of materials at closed site to which the Company does not have access to. Refer Note No.12 relating to certain inventories impounded by the Project Authorities;
- (b) Considering the nature and size of inventories and size of operations, in our opinion, the procedures for physical verification of inventory followed by the Management are reasonable and adequate;
- (c) The Company is maintaining proper records of Inventory. As explained to us, no significant discrepancy in quantity were observed and the provision made against the inventories would be sufficient to cover losses due to deterioration in value.
- (iii) The Company has not granted any loans to Companies, Firms or other Parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) In our opinion, considering the nature of activities of the Company, the Order issued by the Central Government for maintenance of cost records is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for dues indicated in Annexure 'A' which were due as at the last day of the financial year for more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the dues indicated in Annexure 'B' on account of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes.
- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. N. Goyal & Co.**  
Chartered Accountants  
FRN : 001084N

Date : 17th August, 2015  
Place : New Delhi



**(K. N. Goyal)**  
Partner  
M.No.011939

**Annexure-A****Undisputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited up to 31/03/2015 (Outstanding for more than 6 months) :-**

Name of statute	Nature of dues	Department	Amount (Rs.)	Unit
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	266039	FSTPP II
Income Tax Act	TDS	Income Tax Dept, Durgapur	106321	Bondel Gate
Sales Tax Act	Sales Tax	Sales Tax Deptt., WB	60144	Bondel Gate
Income Tax Act	TDS	Income Tax Dept,Asansol	55099	Bakreshwar
Income Tax Act	Income Tax	Income Tax Deptt.	444549	N(W)Z
Income Tax Act	Income Tax	Income Tax Deptt.	65	Kolkata(cls)
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	1983	Dholaithabi
Income Tax Act	TDS	Income Tax Dept	235680	Khuga Dam
Income Tax Act	TDS	Income Tax Dept, Manipur	138362	Singda/Loktk
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	Maneribhali
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
Income Tax (TDS)	TDS	Income Tax Dept, Birsinghpur	342020	Birsinghpur
Labour Tax	Labour Tax	Labour Commissioner	342020	Birsinghpur
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax,Siliguri	42321	Ramam
		<b>Total</b>	<b>3393175</b>	

**Annexure-B**

**Disputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited up to 31/03/2015 on account of any dispute are as follows: -**

S.No.	Name of Statute	Nature of dues	Authority before whom case is pending	Amount (Rs.)	UNIT
1	Chattisgarh Sales Tax/ E T	Sales Tax Penalty, (1984-87)	Appeal before High Court, Bilaspur	1,583,000	GGDU, Koni
2	Sales Tax	Sales Tax Demand (1999-2000)	Commissioner, Sales Tax, Bhubaneswar	692,015	Water Tech. Center, Eastern Rgn, Odisha
3	Sales Tax	Sales Tax Demand (1997-98)	Commissioner of Commercial Tax, Cuttack	345,203	Rourkella, Odisha
4	Sales Tax	Sales Tax Demand (97-98 to 1999-2000)	Sales Tax Tribunal, Cuttack	1,729,423	NALCO, Cuttack
5	Sales Tax	Sales Tax	Sales Tax Tribunal, Patna	2,101,000	Chapra Unit
6	Sales Tax	Sales Tax	Sales Tax Tribunal, Lalitpur	43,615	MIP/Jhansi
7	Sales Tax	Sales Tax	Sales Tax Tribunal, Sidhi	120,566	VSTPP Jayant
8	Professional Tax	Interest on Professional tax (2001-02)	Jt. Commissioner Professional tax WB WR Asansol WB	67,842	Bakreshwar Dam
9	Central Excise /Service Tax	Service Tax, Interest and Penalty	Central Excise Service Tax Appellate Tribunal, Delhi	80,861,800	Sipat
10	Central Excise /Service Tax	Service Tax, Interest and Penalty	Central Excise Service Tax Appellate Tribunal, Kolkata	80,538,140	Khalgaon
11	Central Excise /Service Tax	Service Tax, Interest and Penalty	Central Excise Service Tax Appellate Tribunal, Kolkata	17,720,001	Shilong
12	Central Excise /Service Tax	Service Tax, Interest and Penalty	Commissioner, Custom & Excise Raipur	5,733,238	Sipat
13	Central Excise /Service Tax	Service Tax, Interest and Penalty	Central Excise Service Tax Appellate Tribunal, Delhi	14,716,510	Sipat
14	Central Excise /Service Tax	Service Tax, Interest and Penalty (1997-98)	Central Excise Service Tax Appellate Tribunal, Kolkata	23,474,272	Bhubaneswar
15	Income Tax	Income Tax (A.Y.2012-13)	Rectification Application pending before Dy. Commissioner of Income Tax and Appeal before Commissioner of Income Tax (Appeals)	644,443,230	Corporate Office
			<b>TOTAL</b>	<b>874,169,855</b>	

## Management's reply to Statutory Auditors Report on Annual Accounts, 2014-15 of National Projects Construction Corporation Limited

### Emphasis of Matter

- i. The amount is shown as good for recovery as it is not doubtful dues as on date. Further analysis will be done in current year.
- ii. Reconciliation process is in progress.
- iii. The issue is under arbitration and sub-judice.
- iv. Matter is still under discussion with MHA till final orders.
- v. The effect will be ascertained as and when it arises.No impact on profit.
- vi. Claim has been filed as the lease agreement cancelled by MIDC.
- vii. Reconciliation process is in progress. Necessary adjustment shall be made accordingly.
- viii. No comment.
- ix. Projectwise scrutiny is in progress by concerned zone. Necessary adjustment shall be made accordingly.
- x. Necessary action as per CAG observations are being initiated.

### Other Matters

No comment.

### Annexure to the Independent Auditors' Report

- (i) (a) No specific case is reported by auditors.  
(b) No comments required.
- (ii) (a) No comments required.  
(b) No comments required.
- (c) No comments required.
- (iii) No comments required.
- (iv) No comments required.
- (v) No comments required.
- (vi) No comments required.
- (vii) (a) Efforts are being made to clear un-disputed dues.  
(b) No comments required.  
(c) No comments required.
- (viii) No comments required.
- (ix) No comments required.
- (x) No comments required.
- (xi) No comments required.
- (xii) No comments required.

**Audit Para(s) issued by CAG on the audited accounts of the NPCC Ltd in the course of supplementary Audit under section 143 (6)(a) of the Companies Act, 2013 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(s), the CAG of India u/s 143 (6) (b) of the Companies Act 2013, 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 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2015**

The preparation of financial statements of **National Projects Construction Corporation Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **17th August, 2015**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **National Projects Construction Corporation Limited** for the year ended 31<sup>st</sup> March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

**I Balance Sheet**

**Assets**

**1(d) Other Non Current Assets-Note 11**

Security Deposit with Project Authority

Less: Allowances (Provision)

Rs. 560779855

NPCC depicted security deposit of Rs 56.07 crore under other Non- current Assets instead of Long Term Loans and Advances as stipulated in Schedule-III of the Companies Act,2013. This resulted in understatement of "Long Term Loans and Advances" and overstatement of "Other Non Current Assets" by **Rs. 56.07 crore**.

**II Statement of Profit and Loss Account**

**Exceptional Items- Note- 23**

A) Litigation Expenses

Rs. 7,22,56,991

Above expenses represent payment of interest on delayed deposit of service tax which was not of the nature of litigation expenses. This resulted in overstatement of exceptional items and understatement of Interest on delayed payment of service tax by **Rs. 7.23 crore**.

### III General

#### Note 25 -Contingent Liabilities

Above does not include Rs. 64.44 crore on account of Income tax notice dated 20 March,2015 issued to the company. This resulted in understatement of contingent liability by Rs 64.44 crore. Total of Contingent Liability was also not shown

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



**( J S Karape)**

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

**Place: New Delhi**

**Date: 16th October, 2015**

#### **REPLIES TO THE COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) ON THE ACCOUNTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2015**

I (1) (d)	Schedule III requires depiction of Security Deposits in the nature of loans or advances under the head 'Long Term Loans and Advances'. These Security Deposits are held by Project Authorities who are Clients of the Company and are not in the nature of loans or advances. These are performance securities and have been correctly presented under 'Other Non-Current Assets'.
II	Interest payment is Rs.3.59 crores and not Rs.7.22 crores. The interest was paid for the period 2009 to 2014 for settlement of a dispute on taxability of a work relating to PMGSY through works relating to roads are exempt from service tax. The Department had raised a dispute that though the works contract relating to road construction is exempt from tax,the consultancy fee is not exempt. The dispute was settled by service tax being borne by the client and interest by the Company.As per AS-5, para 12, if an item relating to ordinary activities is of such size, nature or incidence that their disclosure is relevant to explain the performance, such items should be disclosed separately. The interest payment of Rs.3.59 crores is 26% of the net profit for the year and hence, required disclosure under 'Exceptional item' as per AS-5. Further, the payment was made to settle dispute not only with the Tax Authorities but also with the Client and therefore, is correctly reflected as litigation settlement. There is no overstatement or understatement of any amount.
III	The income tax demand has arisen because of an apparent error in the assessment order in not considering the brought forward losses of earlier years, which is a matter of rectification. As per AS-29, no contingent liability is to be reported if cash outflow is remote. Not all demands and claims result in contingent liability. Attention is drawn to Annexure 'B' to Auditors' Report, where the details of the case are already given. There is therefore, no understatement of contingent liability which is correctly reported.

Note: The Corporation has made a request for review of above comments to C&AG reply of which is awaited.

## NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

TEN YEARS AT A GLANCE											(Amt. in lac)
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
Authorised Capital	3000.00	3000.00	3000.00	70000.00	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	67673.75	9453.16	9453.16	9453.16	9453.16	9453.16	
B. Non-cumulative Preference Shares	---	---	---	---	---	---	---	---	---	---	
Net Worth	-65505.46	-73113.06	-76823.73	-79693.51	-11875.11	-4600.70	-382.49	4714.12	9420.56	10738.29	
<b>SOURCES OF FUNDS</b>											
Capital	2984.20	2984.20	2984.20	2984.20	67673.75	9453.16	9453.16	9453.16	9453.16	9453.16	
Reserves & Surplus										1285.13	
Non -Current Liabilities	62726.23	64593.28	67648.57	67954.48	1323.86	9923.62	6373.06	7859.13	4311.74	7739.61	
<b>TOTAL</b>	<b>65710.43</b>	<b>67577.48</b>	<b>70632.77</b>	<b>70938.68</b>	<b>68997.61</b>	<b>19376.78</b>	<b>15826.22</b>	<b>17312.29</b>	<b>13764.90</b>	<b>18477.90</b>	
<b>APPLICATION OF FUNDS</b>											
Net Fixed Assets	830.94	894.06	834.53	801.38	761.84	737.85	890.00	963.93	1224.41	1189.37	
Investment	0.30	0.30	0.30	0.15	0.15	0.15	0.00	0.00	0.00	0.00	
Non -Current Assets										5607.80	
Net Current Assets	-3610.47	-9416.18	-10009.99	-13117.36	-11921.53	-88.41	1551.80	8768.34	9237.60	7551.95	
Deferred expenses/Revenue /Deferred tax Assets	0.00	2.04	0.00	576.80	608.29	4673.33	3548.77	2840.98	3270.29	4128.78	
Cummulative Loss	68489.66	76097.26	79807.93	82677.71	79548.86	14053.86	9835.65	4739.04	32.60		
<b>TOTAL</b>	<b>65710.43</b>	<b>67577.48</b>	<b>70632.77</b>	<b>70938.68</b>	<b>68997.61</b>	<b>19376.78</b>	<b>15826.22</b>	<b>17312.29</b>	<b>13764.90</b>	<b>18477.90</b>	
<b>INCOME</b>											
Value of Workdone	57746.08	72194.25	71152.87	82556.38	99110.64	106130.18	116736.87	115503.36	117469.24	110851.21	
Value of Workdone for Corp.	20.33	-13.96	5.61	3.80	11.71	2.25	0.83	1.43	1.53		
Other Income	5063.05	4070.19	1784.33	1544.49	1439.27	3501.74	5661.99	6552.56	4504.81	3674.11	
<b>TOTAL</b>	<b>62829.46</b>	<b>76250.48</b>	<b>72942.81</b>	<b>84104.67</b>	<b>100561.62</b>	<b>109634.17</b>	<b>122399.69</b>	<b>122057.35</b>	<b>121975.58</b>	<b>114525.32</b>	
<b>EXPENDITURE</b>											
Constuction & Work exp.	54086.71	66790.16	66238.54	77685.03	92637.36	100838.36	107940.37	106523.18	108422.50	102468.67	
Personnel	2719.61	3012.87	2569.33	2961.77	2808.03	3860.75	7409.85	7391.73	7148.35	7196.72	
Administration	291.44	345.10	367.28	346.84	421.48	393.76					
Bank Charges	29.40	12.63	8.59	9.08	5.99	6.28	5.80	8.85	18.47	15.70	
Other Expenses	463.68	520.19	311.29	327.19	503.55	563.67	1657.54	2103.07	1443.17	1626.32	
Provisions	535.94	8463.50	1771.50	1818.45	666.10	534.21					
Prior Period Adjustment	74.31	52.01	264.42	53.50	23.22	63.24		91.02	62.55	1268.14	
<b>TOTAL</b>	<b>58201.09</b>	<b>79196.46</b>	<b>71530.95</b>	<b>83201.86</b>	<b>97065.73</b>	<b>106133.79</b>	<b>117013.56</b>	<b>116117.85</b>	<b>117095.04</b>	<b>112575.56</b>	
Profit / - Loss before Interest and Tax (PBIT)	4628.37	-2945.98	1411.86	902.81	3495.89	3500.38	5386.13	5939.50		1949.76	
Interest	4388.94	4693.73	5059.19	4333.95	398.54	291.01	43.36	128.53	35.20	660.28	
Tax (FBT)	13.24	16.23	14.99	15.44	0.00	0.00	0.00	0.00	0.00	0.00	
Tax (Income)								6.57	568.19	789.39	
Profit / - Loss after Interest and Tax	226.19	-7655.94	-3662.32	-3446.58	3097.35	3209.37	5342.77	5804.40	4277.14	500.09	
Deferred Tax Revenue/Expenditure(-)	0.00	0.00	0.00	576.80	31.49	4065.04	-1124.56	-707.79	429.30	858.50	
Net profit/-Loss after deferred tax revenue	226.19	-7655.94	-3662.32	-2869.78	3128.84	7274.41	4218.21	5096.61	4706.44	1358.58	

Note:

- Administrative expenses, provision, and prior period expenses are included in Other Expenses as per Schedule III of the Companies Act, 2013.
- Value of Workdone includes Value of Workdone for Corporation during 2014-15.
- Figures have been regrouped during 2014-15 as per Schedule III of the Companies Act, 2013.



## ZONAL OFFICES

<b>NORTHERN ZONAL OFFICE</b> <b>National Projects Construction Corporation</b> 822-A, Gandhi Nagar, Near Dogra Ground, Jammu <b>JAMMU &amp; KASHMIR</b> Tele Fax 0191-2459553	<b>EASTERN ZONAL OFFICE</b> <b>National Projects Construction Corporation</b> 3-A, Dr S.N. Roy Road Kolkata - 700 029 <b>WEST BENGAL</b> Ph: 033-24635138, Fax 033-24664454
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CIN NO. U45202DL1957GOI002752

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Barrages

Dams



**Contribution to 'Clean Ganga Fund' Under CSR Activities**

# NPCC's Corporate Office and Zonal Offices



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