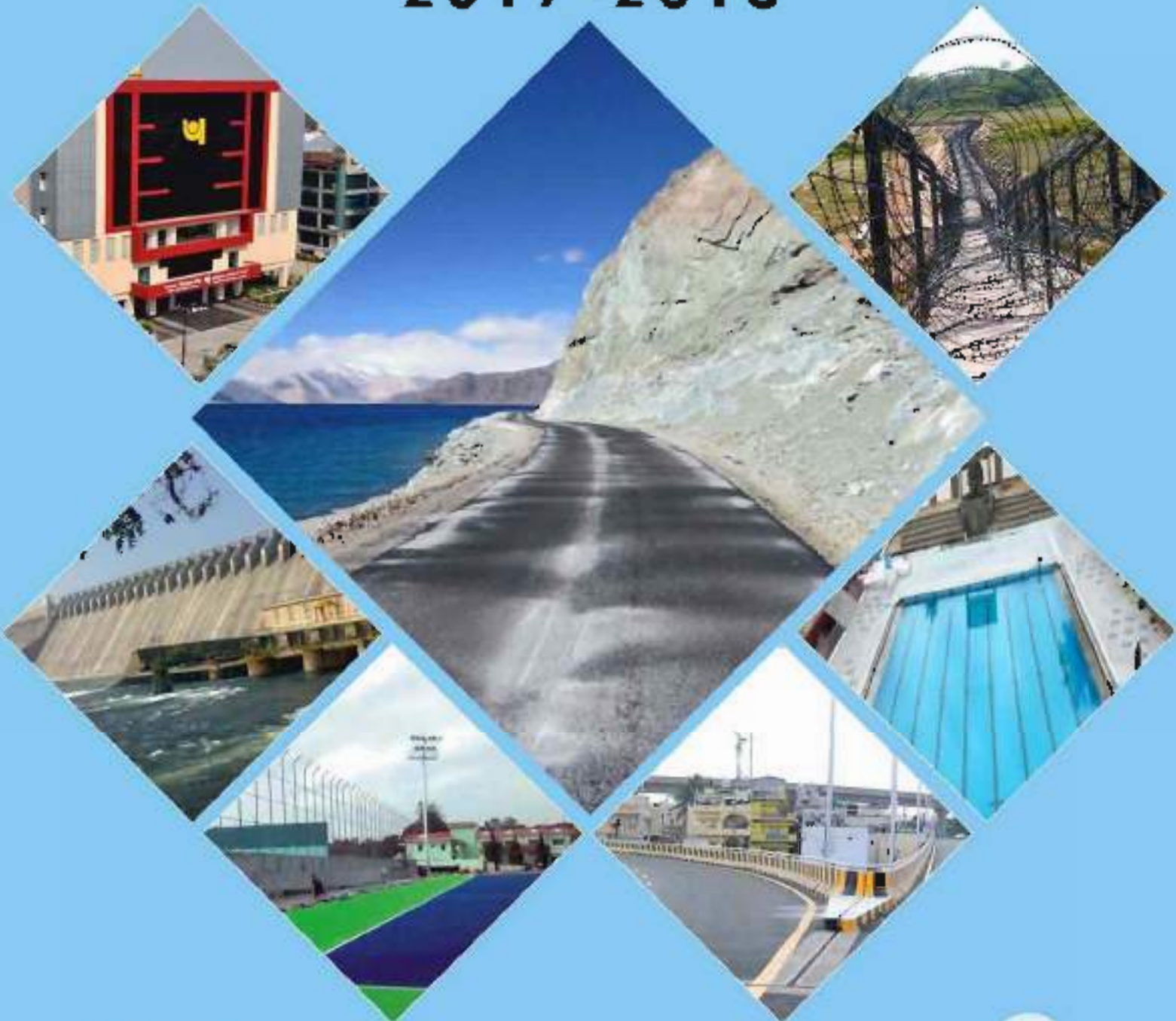




# 61<sup>st</sup> ANNUAL REPORT 2017-2018



नेशनल प्रोजेक्ट्स कन्स्ट्रक्शन कारपोरेशन लिमिटेड  
**National Projects Construction Corporation Limited**

A Government of India Enterprise  
A Miniratna Category I Company





Corporate Office Building, Gurugram



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“To become  
premier engineering  
projects  
implementing  
organization”



“To achieve a turnover  
exceeding Rupees 3,500  
crores with positive net  
worth by 2021-22 by  
focusing value addition at  
all points of interaction  
with our clients and  
continuously  
enhancing capabilities of  
organization and  
employees  
through innovations.”

## BOARD OF DIRECTORS



**Shri Manohar Kumar**  
CMD (Addl Charge)  
w.e.f. 13.03.18 & Director (Engg)



**Shri Sahab Narain**  
Director (Finance)



**Shri Jagmohan Gupta**  
JS & FA, MOWR, RD & GR  
Govt. Nominee Director



**Shri Nitishwar Kumar**  
JS(A), MOWR, RD & GR



**Dr. Ravindra K. Pande**  
Independent Director  
Govt. Nominee Director



**Dr. Jayashree Gupta**  
Independent Director

## CHAIRMAN'S STATEMENT



**Dear Distinguished Shareholders,**

I am privileged to welcome you to this 61<sup>st</sup> Annual General Meeting of the Company. I consider it an honour to place before you the Annual Report for the Financial Year ending 31st March 2018, along with the Director's Report, Audited Annual Accounts and Auditor's Report have been circulated and with your permission, I take them as read.

I am happy to announce here that the Financial Year 2017-18 remained reasonably satisfying in terms of business growth and profitability. This gives us tremendous confidence to achieve higher objectives in the years to come.

Your Company has been making continuous improvements in procedure, quality assurance for achieving customer satisfaction, timely completion of works, manpower rationalization, up-gradation and multiple skilling of employees.

Your Company has been signing Memorandum of Understanding with the Government of India every year. Based on MoU parameters, the performance has been rated as 'Fair' this year.

During the year 2017-18, your Company has secured **new works valuing Rs.5217 crore** (previous year **Rs. 1517 crores**) against the target of Rs. 1400 crores fixed by the Ministry for **Excellent** rating out of which Corporation has secured the new business through tendering to the tune of 71%. The effective order book position is Rs. 8537 crore as on 31st March, 2018 as against Rs.4957.80 crores during previous year. Your Company is getting repeat orders from existing clients while adding new clients. This is evidence of Company's improved customer satisfaction in quality, timely and economically completion of projects.

Your Company has earned a **Net Profit is Rs.30.36 crore** as against **Rs. 28.84 crores** during previous year. During the year the Corporation has achieved an Operating Turnover of Rs.1127.17 crores as against Rs.1118.22 crores last year.

During the year, your company carried out a detailed exercise to get rid of old dead balances so that it reflects a realistic picture of the company. At present it is to mention that Record Retention Policy, Internal Financial Control



Policy, Audit Committee; CSR Committee and Remuneration Committee are in place. Company encourages adoption of IT based solutions to improve its efficiency. It has also ensured digital payments to various agencies in line with the directives issued by government of India.

During the year, the Board of Directors of Company has recommended **a dividend of Rs.22/- per equity share** (2.20% of paid up capital) which involves a sum of Rs. 2,07,96,952/- out of the profits of the current year (6.85% of profits).

Your Company is mindful of its corporate social responsibilities and is fulfilling the obligation as provided in Company Law and Govt. of India guidelines. During the year 2017-18, your Company has undertaken construction of Senior Citizen block for Madhav Nyas at Mandaleshwar, Indore; Construction of School building (Phase-I) at Dist. Shamli, Construction/Renovation of Toilets at Simaria in Begusarai Distt. Your Company has also Supplied computers with accessories for Assam Riffles Public School, Supplied and installed Hand Pumps in various districts of Muzaffarnagar, Bagpat. thereby spending total amount of **Rs.48.66 lacs** during 2017-18 as a part of **Corporate Social Responsibility**.

Your Company firmly believes that Good Corporate Governance Practices in the long run leads to creation of wealth for all its stakeholders. Your Company has been ensuring compliance of applicable rules, laws, regulations and transparency in conducting its business in an ethical manner. Quarterly compliance report for Corporate Governance under para 8.3 of Department of Public Enterprises Guidelines on Corporate Governance for CPSE's, is being sent to our Administrative Ministry i.e. Ministry of Water Resource, RD & GR on quarterly basis within stipulated time. Company has been graded as **"Excellent"** for the year 2016-17 by the DPE on the basis of Self Evaluation Report on the compliance of guidelines on Corporate Governance for CPSEs.

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

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 be failing 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 Ministers of Water Resources, RD & GR, the Secretary & the Jt. Secretary (FA) and other line officers in the Ministry for providing valuable guidance and support. I also thank all officers in the Ministry of Water Resources, RD & GR and other Ministries especially Ministry of Home Affairs, Ministry of Ayush, Ministry of Rural Development, Ministry of Sports and Department of Public Enterprises, without whose help it would have not been an easy journey for achieving the goal. I also thank the Comptroller & Auditor General of India, Statutory Auditors, Branch Auditors and other professionals associated with the Company for their valued contribution.

I would like to express my heartfelt thanks to my esteemed colleagues on the Board and to all the employees of NPCC for their hard work and sincerity. These inputs were key to delivery of excellent results and helped to excel in comparison to other best PSUs. I am confident that the **"Team NPCC"** would continue to contribute its might in fulfilling the commitments and expectations of Shareholders and Stakeholders in the future. I am sure your Company would continue to excel the years ahead.

**MANOHAR KUMAR**  
CHAIRMAN & MANAGING DIRECTOR

Place: New Delhi

Date : September 28, 2018

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 61<sup>st</sup> Annual Report together with audited accounts of the Company for the year ended 31st March, 2018.

### FINANCIAL SUMMARY AND HIGHLIGHTS

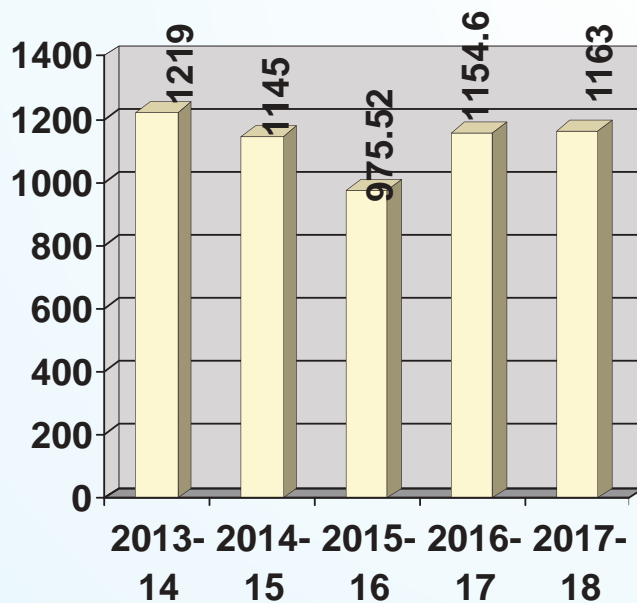
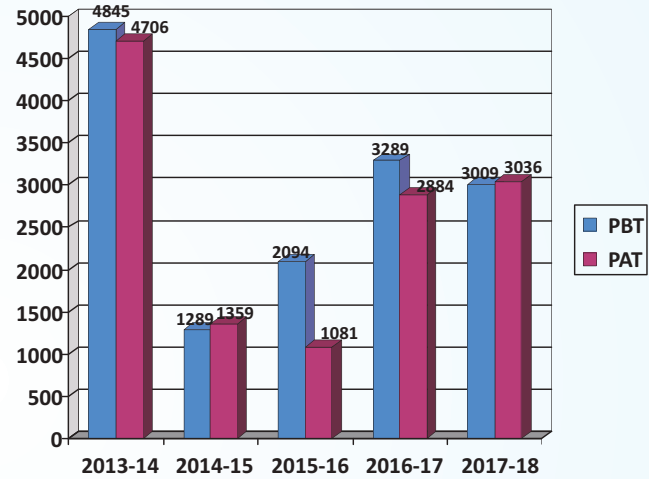
Your Company has earned a profit before tax of Rs. 30.08 Crores as against Rs. 32.89 Crores in the previous year. Profit after tax is Rs. 30.36 Crores as against Rs. 28.84 Crores during the previous year. As compared to the previous year, there has been increase in the Operating Turnover by 1%, Total Revenue by 1% and PAT by 5%. The summarized financial results of the Company are given below:

(In Rs. Crores)

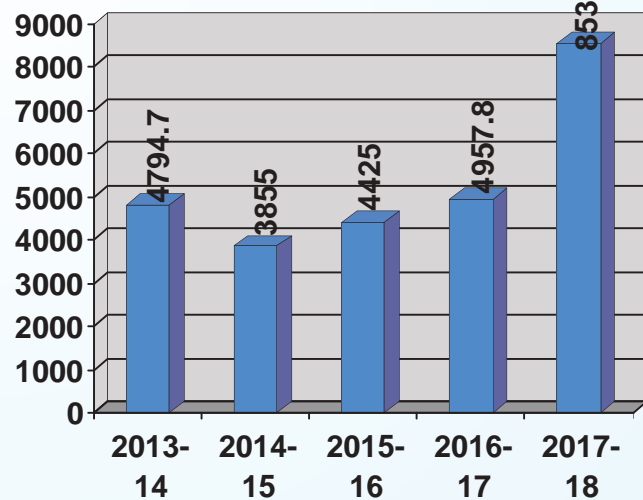
Particulars	2017-18	2016-17
Turnover including other income	1163.05	1154.57
Operating Turnover	1127.17	1118.22
Profit / (loss) for the year before tax	30.09	32.89
Profit/(loss) after Tax	30.36	28.84

• Previous years figures have been re-grouped wherever necessary.

### PBT VS PAT



■ Turnover including other income during Last 5 years



■ Order Book Position during Last 5 years

### DIVIDEND

The Board of Directors have recommended dividend of Rs. 22/- per equity share of face value of 1000/- each for the financial year 2017-18, subject to the approval of the Members in the ensuing Annual General Meeting, involving a total outflow of Rs. 2,07,96,952/- out of the profits of the current year (Excluding Dividend Distribution Tax of Rs. 42,74,880) (6.85% of Profit after Tax)





## SHARE CAPITAL

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

## NET WORTH

Your Company's net worth as on March 31, 2018 was Rs. 173.81 crore as against Rs. 145.95 crores in the previous year.

## BUSINESS DEVELOPMENT SCENERIO

During the year 2017-2018, your corporation has secured new works valuing Rs. 5217 crores (previous year Rs.1517 crores) against the target of Rs. 1400 crores fixed by the ministry for excellent rating out of which corporation has secured the new business through tendering to the tune of 71%. The effective order book position is Rs. 8537 crore as on 31st March, 2018 as against Rs.4957.80 crores during previous year.

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 and West Bengal, Building works for Assam Rifles in North Eastern Region, Border Outpost, Border Flood Light, Border Fencing along Indo Bangladesh Border for Ministry of Home Affairs (MHA) etc. on PMC basis. The work of Indira Gandhi National Tribal University (IGNTU) at Amarkantak (M.P.) has been completed. NPCC has been empanelled with ESIC for category II works and like to secure more works from PMGSY, MHA, Assam Rifles & Banks.

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

1. National Highways & Infrastructure Development Corporation Limited (NHIDCL)
2. Indian Agricultural Research Institute (IARI)
3. HP Housing Board
4. Kendriya Vidyalaya Sangathan
5. Jharkhand Police Housing
6. Guru Ghasidas Vishwavidyalaya, Bilaspur
7. Hydro Engineering College, Bandla, H.P.
8. Central Ground Water Board (CGWB)
9. Central Excise
10. Navodaya Vidyalaya Sangathan In addition, NPCC has secured orders from regular clients i.e., MHA, AYUSH, SAI, SCOPE, PNB etc.

With continuous emphasis on infrastructure by Govt. 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 and have become a preferred organization for difficult and complex works.

## 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 and International location like CONGO in Central Africa to achieve optimum utilization of existing resources.

### CONSTRUCTION SAFETY MANAGEMENT

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



### MOU WITH THE MINISTRY

Your Corporation has already entered into a MOU with the Ministry setting an ambitious target for the year 2018-19. Based on the achievement of MOU targets, during the year 2017-18, 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, RD & GR on quarterly basis within stipulated time. During the year, the Company has been graded as "Excellent" for the year 2016-17 by the DPE on the basis of Self Evaluation Report on the compliance of guidelines on Corporate Governance for CPSEs. The rating for 2017-18 is awaited from DPE. During 2017-18 also, Company is likely to achieve Excellent rating in Corporate Governance.

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

### HUMAN RESOURCE DEVELOPMENT

NPCC is an employee-centric organization. We value our employees as the most important asset of the Corporation. The employees work as a team with a sense of responsibility and belongingness among them. Employees are sent to renowned institutions for up gradation of their knowledge and skills, which boosts their morale as well. NPCC participates regularly and whole heartedly in Swachhta Pakhwada events. International Day of Yoga was celebrated on 21st June 2018 with active participation of our employees. Special emphasis has been given towards women empowerment. Some are handling key posts. We have started the provision of rewarding meritorious service in respect of employees as well as zones. Zonal meetings are held frequently so as to keep a tab on the performance of the Company, monitor the same and take steps for improvement in all divisions/zones.

### PAY REVISION

In accordance with the directions issued by DPE vide its OM No. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017, and OM No. W-02/0028/2017-DPE(WC)-GL-XIV/17 dated 4th August, 2017, the Company implemented the directions as notified by Third (3) Pay Revision Committee w.e.f. 01.01.2017.



## TRAINING

Training is imparted to employees in reputed professional institutions for skill development and morale upliftment. During the financial year 2017-18, over 100 man days of training/ workshop was availed by Executives on different topics.

## WOMEN WELFARE

Women are successfully handling responsible posts in NPCC. Women are sent for training to upgrade their skills. Women's Day is celebrated annually as a mark of respect and appreciation towards women. On this day, experts are invited to conduct a session at our NPCC Corporate office, on topics related to stress management, health, etc. Women are given gifts as well. There is an Internal Complaints Committee for prevention of sexual harassment of women at work place.

## SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

There is an Internal Complaints Committee in NPCC for prevention of sexual harassment of women at work place. The Complaints Committee of NPCC looks after complaints of women employees regarding sexual harassment in NPCC. The Annual Report of the Committee for the period of Jan., 2017-Dec., 2017 is reproduced below:

- a) Number of complaints of sexual harassment received in the year.-Nil
- b) Number of complaints disposed off during the year.-Nil
- c) Number of cases pending for more than ninety days.-Nil
- d) Number of workshops or awareness programme against sexual harassment carried out.- The Complaints Committee held a meeting in 2017.

NPCC also celebrated Women's Day in 2017. NPCC celebrates Women's Day annually for enabling women empowerment and to motivate them as well.

- e) Nature of action taken by the employer or District Officer.-During the calendar year of Jan., 2017-Dec., 2017, no cases of complaints regarding sexual harassment were submitted by the Complaints Committee to the employer or District Officer.

## EMPLOYEE WELFARE

Pay revision of Board and Below level executives has been timely implemented. Pay revision of Non Executives and wage revision of workmen was also implemented promptly after a wage settlement, to prevent industrial unrest.

NPCC officials could be engaged after retirement at their last pay drawn (Basic+DA) on case to case basis as per rules. This has raised the motivation level further. Special emphasis has been given towards women empowerment. Some are handling key posts. Workmen are being deployed at various Hydrological observation sites of CWC, for optimum utilization of manpower. Employees are sent for training to professional institutions for enhancement of skills. We have started the provision of rewarding meritorious service in respect of employees as well as zones.

The company gives cash or memento up to Rs. 8000/- to retiring employees at the time of superannuation in the form of gift. NPCC has also started arranging the celebration of the farewell of retiring employees. NPCC has a Grievance Cell of 2 types comprising Staff Grievance Redressal Committee and Public Grievance Redressal Committee. There is a full fledged RTI division with CPIO and APIOs. All Zonal Managers are also APIO and matters are timely and smoothly sorted out.

### RECRUITMENT

Recruitment is based on identification of skill gap, following which rationalization of man power is done, ensuring thereby establishment of manpower at key positions. In the year 2017-18, around 40 Below Board level positions were filled through recruitment. Govt. guidelines are followed while filling vacancies for reserved categories.

### EMPLOYEE STRENGTH

There were around 771 employees on the rolls of NPCC, as on 1.4.2018, at the close of the financial year, with details given here under:

DESCRIPTION	MALE	FEMALE	TOTAL
Executive	21	243	264
Non-Executive	138	16	154
Workmen	348	5	353
<b>Total</b>	<b>507</b>	<b>264</b>	<b>771</b>

### SCHEDULED CASTE, SCHEDULED TRIBE AND OTHER BACKWARD CLASSES

Reservation in vacancy is kept for SC, ST, OBC(NCL) as per Govt. of India guidelines. NPCC has a Liaison Officer as well.

### INDUSTRIAL RELATIONS

Timely pay revision of Non Executives and wage revision of workmen, following IDA pay pattern, was implemented based on agreement signed between representatives of Management and the various Unions/Federations. NPCC maintains amicable, healthy and harmonious relations with its employees. Industrial Relations in the Company are employee-oriented and based on trust with two-way communication flowing in the Organization with equal ease.

### PROPAGATION OF RAJ BHASHA

Your company has complied with the provisions and rules of the Official Language Act during the year 2017-18. Efforts were made to improve the progressive use of Official Language in accordance with those provisions. Employees were encouraged to use Official Language maximally in their daily routine work.

To enhance the use of Hindi at work place, various incentive schemes were continued during the year like yester years. Those schemes include Cash Award Scheme and incentive Scheme for children of NPCC employees on securing higher percentage of marks/grades in Hindi at Secondary and Senior Secondary level Examinations. Keeping in view the overwhelming popularity, the said scheme is again revised and amount of cash incentive paid under the scheme is doubled from the year 2017-18.

Many initiatives were taken to promote Official Language like organizing various Hindi competitions viz Hindi karya Vyavhar and Lekhan pratiyogita and Hindi Nibandh pratiyogita were organized during Hindi Fortnight at Corporate level and Zonal/Unit level in which officers/staff actively participated.

### VIGILANCE ACTIVITIES

Vigilance Division, functioning under Shri A.K. Srivastava, IFS, Chief Vigilance Officer, has worked towards creation of fair, transparent, just policies and cordial atmosphere / environment in NPCC. Main focus of the Vigilance Division is on Preventive Vigilance. The activities, inter-alia, undertaken by the Vigilance Division are as below :-



## Preventive Vigilance

- The Vigilance Division has conducted intensive CTE Type inspection of construction of projects of Ekalavya Model Residential School Works at Bangiriposi of Mayurbhanj District of Odisha and Preventive Vigilance Inspection of Hyderabad Zonal Office.
- Vigilance Division has also conducted intensive examination of works of PMGSY Road ESG - 47(A) at East Singhbhum District under Jharkhand Zone.
- Along with the inspection, the Vigilance Team has conducted Vigilance Awareness Workshops for the staff of Jharkhand and NER(West), Guwahati Zones. The Officers and Staff were sensitized about the vigilance angle and office procedures to be followed in day to day working.
- These inspections are meant for quality assurance, proper maintenance of record, execution of projects and conducted as per statutory requirements. Various aspects of Office procedure as per DoPT guidelines were also elaborated for improving the office working.
- At Corporate Office, the Vigilance Division organized a Quiz Competition during Vigilance Awareness Week wherein 35 officials participated.
- Workshops, Essay Writing, Poster and Elocution Competitions were held during Vigilance Awareness Week in 14 Institutions (Schools, Colleges & NGOs) in Delhi and Faridabad attended by 2700 participants. All of them took Integrity Pledge.
- Essay Writing / Poster Making / Debate were held in Schools / Colleges in Jharkhand, Hyderabad, Bengaluru, U.P., Kolkata and Shillong where 950 Students participated.
- A rally on Anti-Corruption Awareness was organized at Badarpur, Delhi in association with AIDER NGO wherein 61 children participated and performed Nukkad Natak on Corruption and its effects on society at three places.
- The Vigilance Division is striving to bring out uniformity in the inspection that is being conducted in various units through initiation of fixed formats prescribed by the Chief Technical Examiner's Organization. Efforts are made to formulate a system, Standard Operating Procedures etc. wherever such a need is being felt.
- Several steps have been taken for improvement and transparency in the Administration.
  - Advisory issued for transparent Recruitment Process / Engagement of Consultants.
  - Giving Vigilance Clearance only on issue of IPR.
  - Advisory on giving Vigilance Clearance to retiring persons.
  - Emphasis on enhanced usage of IT in office workings like posting of details of awarded work and uploading of circulars on the NPCC website.
  - Workshops on Vigilance and Office Procedures are conducted in field Offices during visits of Vigilance Team.
- Efforts are being made for speedy disposal of vigilance case and bringing down the pendency level. In this year, nearly 50% of vigilance cases have been settled.
- Continuous liaison is done in-house and with CVC and MOWR for quick disposal of the cases.

- The Monthly, Quarterly and Yearly Reports of the Vigilance Division are being sent to CVC and Ministry regularly and timely.

#### RIGHT TO INFORMATION ACT

Right to Information (RTI) Act 2005 has empowered the Indian Citizen to access the information from Public Authorities, consequently creating transparency and accountability to the work of the authorities. In compliance to the various provisions of Right to Information Act, 2005, Company has placed various documents/records at its website which are being updated regularly. The applications received were handled promptly and information was provided to the applicants. The information is sought by the applicants under RTI Act 2005 are offline as well as centralized RTI-online (Portal managed by Department of Personnel & Training, Government of India). Nominated Nodal Officer forwards the online applications/ appeals to Public Information Officer/ Appellate Authority-I. Public Information Officer provides information with the support of APIOs in Corporate Office and Zonal level to the applicants online/offline. Appellate Authority-I disposes appeals received from applicants related to their application. One Senior Officer has been designated as Transparency Officer. All the Officers holding posts under the Act are very senior and well conversant with the Act. Utmost transparency is kept in mind while providing the information to the applicants. The information received from the projects scattered pan India is supplied under single window system of the Corporation promptly and effectively.

#### PROJECT MANAGEMENT AND CO-ORDINATION

Dy. General Manager (PM&C) is heading independent division in corporate level to monitor the all running projects and providing necessary support for execution of projects. Division is also exhibiting the half yearly/ yearly performance review of corporation in front of Hon'ble Minister/ Secretary, Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR, RD & GR) 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 year in the form of MoU, having five different scale for evaluation, with the support of Department of Public Enterprises and Internal Committee constituted for MoU formulation, accordance to progress of works in last year. The Inter Ministerial Committee, formulated by Department of Public Enterprises approve/ recommend the targets and parameters of MoU. The formulated recommended MoU is signed between CMD, NPCC and Secretary, Water Resources. MoU with Zonal Managers is also get signed between CMD, NPCC and Zonal Managers as per the MoU targets signed with Ministry. The MoU is kept as Performance criteria regarding the working of the corporation and Zonal Offices. Division look after progress of Works on weekly/ monthly basis for all Zonal Offices (turnover, Business Development, receivables and other related matters of Zones) as per MoU targeted for the year. PMC Division is organising quarterly Zonal Manager's meeting to have comprehensive one to one interaction of the all the Zonal Managers with our CMD/other senior officers regarding progress of work as per MoU targets & various important issues of the zone. These meeting provide necessary inputs for enhancement of complete working of corporation. 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 and half yearly performance is reviewed by the Ministry.

It also introduced to monitors the project through Project Management Implementation System on the website of corporation. Regarding good Corporate Governance, division prepared and implemented the CSR & Sustainability Policy, Risk Management Policy of NPCC.



## **RISK MANAGEMENT POLICY**

NPCC has been implementing Risk Management policy for the improvement of its risks of works and financial matter at each level of working.

All HOD's and Zonal in-charges had been directed for executing the Company risk analysis for ongoing project with specific reference to Risk Management Policy.

## **PARTICULARS OF EMPLOYEES**

No employee received remuneration during 2017-18, either equal to or in excess of the limits prescribed under rule 5(2) of Companies (Appointment and Remuneration of Managerial personnel) Rule, 2014.

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

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

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

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

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

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

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

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

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

The Company has not entered into any contract and/or arrangements with related parties during the year 2017-18.

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

The Company has not given or taken any loan, guarantee or has not made any investment falling under section 186 of the Companies Act, 2013 during the year 2017-18.

### EXTRACTS OF THE ANNUAL RETURN

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Management Discussion and Analysis 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

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

### COST AUDIT

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

### CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY POLICY

Your Company's obligation to maximize its positive impact on stakeholders and to minimize its negative impact of legal, ethical, economic, and philanthropic (discretionary) dimensions, as well as to create a positive and lasting social impact by mutual trust and respect by raising the standard of living of the people in and around the vicinity of project site. The Corporate Social Responsibility and Sustainability Policy is available on NPCC's website: [npcc.gov.in](http://npcc.gov.in)

During the year 2017-18, your Company has undertaken; Construction of school building (phase-I) (Balance work) at Shamli(UP), Construction of Rain Harvesting system having 2 No. Re-charge pits at sanskrity & Vaidic Studies at Vasant Kunj, New Delhi, Supply of computers with accessories and audio visual projection system for Assam rifle public schools, Const. Of Senior Citizen Block for Madhav Nyas(balance work of previous year), Work executed by different zones under swachh Bharat Abhiyan during Swachhta Pakhwada from 16.3.2018 to 31.3.2018.

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

### SUBMISSION OF COMPLIANCE OF MSME GUIDELINES

In accordance with DPEs Guidelines and MSMEs Guidelines issued under the Act, Corporation is following these guidelines for procurement and works.





## IMPLEMENTATION OF GOVERNMENT E-MARKETPLACE (GEM)

Your Company has initiated the implementation of government e-marketplace (GeM) from August 2017 for online purchase of goods and services. Company has registered itself with GEM Portal (GeM Reg. No. GEM/2017/G/13416/12218). Officials have been provided training for utilizing the GeM Portal for procurement. During the financial Year 2017-18, procurement amounting to Rs 19.27 lakh was made through GeM Portal.

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

- In preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation to material departures;
- The Directors have selected such accounting policies and applied them consistently with departures disclosed appropriately and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the statement of the Profit & Loss of the Company for that period;
- The Directors have been taken proper and sufficient care of the maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a 'going concern basis'.
- The Directors 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 Accounts of the Corporation for the year 2017-18, M/s K.N Goyal & Company, Chartered Accountants appointed as Statutory Auditors. M/s A.R Das & Associates, Chartered Accountants, M/s Saurabh Aggarwal & Associates, Chartered Accountants, M/s R. Venkatakrisnan & Associates, Chartered Accountants are the Branch Auditors for Kolkatta, Guwahati and 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 2017-18 have been placed in the separate Annexure forming part of the Report.

## ACKNOWLEDGEMENT

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

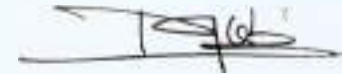
Your Directors also take this opportunity to place on record the sincere appreciation for the hard work and efforts put in by all the Members of the NPCC family towards the growth and progress of the Corporation.

### ANNEXURES

The following are annexed:

- (i) Report on Corporate Governance
- (ii) Management Discussion and Analysis Report
- (iii) Report on CSR activities and future plan
- (iv) Certificate from Practicing Company Secretary regarding compliance of DPE Guidelines on Corporate Governance
- (v) Declaration by CMD regarding compliance of Code of Conduct
- (vi) Certificate by CMD & Director(F) regarding financial statements
- (vii) The Extract of Annual Return as provided under sub section (3) of Section 92 in Form MGT-9
- (viii) Auditors Report on the financial statements for the year ended 31st March, 2018 and Management reply thereon
- (ix) The comments and review of the Comptroller and Auditor General of India on accounts of Company are awaited.

For and on behalf of the Board of Directors



**(Manohar Kumar)**

Chairman & Managing Director  
(DIN No. 07382754)

Date : 27/08/2018

Place : New Delhi



## REPORT ON CSR ACTIVITIES AND FUTURE PLAN

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

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

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

#### Vision

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

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

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

### 2. The Composition of the CSR Committee:

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

Role of Board Level Committee is to-

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

The composition of Corporate Social Responsibility and Sustainability Committee as on 31st March 2018 was

1. Dr. Ravindra Pande, Independent Director	:	Chairman
2. Shri Manohar Kumar, Director (Engineering)	:	Member
3. Shri Sahab Narain, Director (Finance)	:	Member
4. Shri Sanjay Kundu, JS(PP), MOWR, RD & GR	:	Member

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

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

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

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

The average net profit for the immediately preceding three financial years (i.e. Rs. 28.84 crore for the year 2016-17, Rs 10.81 crore for the year 2015-16 and Rs. 13.59 crore for the year 2014-15). has been Rs 17.746 crore (excluding profits from foreign branches)

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

Allocated CSR Expenditure for the year 2017-18 was Rs. 35.49 Lakhs (2% of Rs. 17.746 crore).

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year 2017-18-

Total budget of Rs. 118.05 Lakhs was available for undertaking CSR & Sustainability activities for the year 2017-18 which includes unspent balance of Rs. 82.56 Lakhs carried forward from previous years and Rs. 35.49 Lakhs towards allocation for 2017-18. NPCC already spent Rs.48.66 Lakhs and implementing Rs. 58.38 Lakhs works. One project recently approved by board valuing Rs.3.51 Lakhs.

(b) Amount unspent, if any;

In compliance to DPE Guidelines on Corporate Social Responsibility and Sustainability for CPSEs, Rs. 7.50 Lakhs would be carried forward to the next year towards utilization of CSR and Sustainability activities approved in 2017-18 and new works/project undertaken in 2018-19.

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

Sl. No.	CSR Projects identified	Sector	State and district of Project coverage	Project wise outlay (Rs in lakh)	Amount spent during 2017-18 (in Rs)	Direct or through agency
1	Construction of school building (phase-I)	Item No. (i) of Schedule-VII	Local Area Shamli, U.P.	27.78	11.28*	Done through tender process
2	Construction of Rain Harvesting System having 2 No. Re-charge pits at Sanskrit & Vaidic Studies at Vasant Kunj, New Delhi	Item No. (i) of Schedule-VII	Local Area Vasant Kunj New Delhi	16.15	9.51	do
3	Supply of Computers with accessories and Audio visual Projection system for Assam Rifle Public Schools	Item No. (i) of Schedule-VII	Local Area Jorhat Assam	18.91	17.29	do

Sl. No.	CSR Projects identified	Sector	State and district of Project coverage	Project wise outlay (Rs in lakh)	Amount spent during 2017-18 (in Rs)	Direct or through agency
4	Swachh Bharat Abhiyan	Item No. (vi) of Schedule-VII		8.70	8.70	Direct
5	Const. of Senior Citizen Block for Madhav Nyas	Item No. (iii) of Schedule-VII	Local Area Indore Madhya Pradesh	13.90	1.88*	Done through tender process
6	Construction/ Renovation of 44 Nos. Toilets along the Ganga Ghat at Simaria in Begusarai District	Item No. (iv) of Schedule-VII	Local Area Begusarai, Bihar	14.32	0.00	Done through tender process
7	Supply and Installation of 50 Nos. Hand pumps in various districts of Muzaffarnagar, Bagpat	Item No. (i) of Schedule-VII	Local Area Muzaffarnagar, Uttar Pradesh	44.06	0.00	Done through tender process
8	Repair and Renovation work of Red cross Society wellness centre at Duttabad, Kolkata	item no.(iii) Schedule –VII	Local Area Kolkata, West Bengal	3.51	0.00	Done through tender process
	<b>Total</b>				<b>48.66</b>	

\*The balance work of Construction of School at Shamli (UP) and Senior Citizen Block at Indore(MP) taken up in 2017-18

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

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





#### Swachh Bharat Abhiyan during Swachhta Pakhwadas

The amount allocated to be spent during 2017-18 was Rs. 35.49 Lakh + Rs 82.56 lakh (unspent amount allocated during 2016-17) and Total Expenditure made under CSR activities was Rs. 48.66 lakh + Rs 58.38 Lakh (ongoing)+Rs 3.51Lakhs (Approved), so total Balance unspent allocated under CSR amount Rs. 7.50 lakh (to be utilized during 2018-19)

#### Plan for 2018-19

An amount of Rs.47.10 lakhs which is 2% of the average net profit for the immediately preceding three financial years ( i.e. Rs. 31 crore for the Year 2017-18, Rs. 28.84 crore for Year 2016-17 and Rs. 10.81 crore for the Year 2015-16] excluding profits from foreign branches) has been allocated for Corporate Social Responsibility activities for 2018-19.

For and on behalf of the Board of Directors

**(Manohar Kumar)**

Chairman & Managing Director

(DIN No. 07382754)

Date : 27/08/2018

Place : New Delhi



## 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, the Company has been graded as "Excellent for the year 2016-17 by the DPE on the basis of Self Evaluation Report on the compliance of guidelines on Corporate Governance for CPSEs. The rating for 2017-18 is awaited from DPE. During 2017-18 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 2017-18 was sent to Ministry of Water Resources, RD & GR vide letter dated 15.05.2018.

### BOARD OF DIRECTORS

NPCC Limited is a Government Company as defined under Section 2(45) of the Companies Act, 2013.

The Board has an optimum combination of executive and non-executive Directors. The Board, as on 31.03.2018 comprised of Six Directors which included (i) Two whole-time Functional Director viz., (a) Director(Engg), who is also holding additional charge for the post of CMD and (b) Director(Finance) (ii) two Government Directors and (iii) Two Non Official Part Time Independent Directors. The post of Full time Functional CMD and one Independent Director are vacant and necessary action is underway by Ministry of Water Resources, River Development & Ganga Rejuvenation to fill-up the positions.

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

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

The Board meets at regular intervals to discuss the physical and financial progress of the Company. The decisions are taken by the Board of Directors after deliberations. The Board periodically reviews the compliances status of all the applicable laws. During the year under review Eight Board Meetings were held on 12.05.17, 28.06.17, 17.08.17, 01.09.17, 18.09.17, 29.09.17, 05.12.17, & 10.03.18. 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 2017-18 are given below:

Name of Directors	DIN No.	Meeting Attended	AGM of 2016-17 Attended	Other Directorship	Period
<b>(a) Functional Directors</b>					
<b>Shri H.L. Chaudhary*</b> Chairman & Managing Director	06725924	2/2	N/A	NIL	24.10.13 till 14.07.17
<b>Shri Sanjay Kundu</b> Chairman & Managing Director (Addl Charge)	07632839	6/6	Yes	NIL	w.e.f. 17.07.17 to 13.03.18
<b>Shri Manohar Kumar</b> Chairman & Managing Director (Addl Charge)	07382754	--	N/A	NIL	w.e.f. 13.03.18 till date
<b>Shri Manohar Kumar</b> Director(Engg)	07382754	8/8	Yes	NIL	w.e.f. 21.04.16
<b>Shri Sahab Narain</b> Director(Finance)	03641879	8/8	Yes	NIL	w.e.f. 29.07.16
<b>(b) Govt. Nominees</b>					
<b>Shri Jagmohan Gupta</b> JS & FA-MOWR, RD & GR	02858377	7/8	Yes	NIL	w.e.f. 21.07.15
<b>Shri Sanjay Kundu</b> JS(PP)-MOWR, RD & GR	07632839	8/8	Yes	NIL	w.e.f. 20.09.16 to 25.05.18
<b>(c) Independent Directors</b>					
<b>Dr. Ravindra Pande</b>	07723706	5/8	Yes	NIL	w.e.f. 07.02.17
<b>Dr. (Smt) Jayashree Gupta</b>	01475898	6/8	Yes	NIL	w.e.f. 07.02.17

*\*Note : Ministry of Water Resources, River Development & Ganga Rejuvenation, vide letter No..9/L/2012-PSU Vol. II (Pt.) dated 14.07.17, has appointed Shri Sanjay Kundu, JSPP, MoWR as Chairman & Managing Director and prematurely terminated contract of Sh. H.L. Chaudhary the then CMD, NPCC. w.e.f immediate effect i.e. 14.07.17*

Shri Sanjay Kundu vide letter no. CMD/Pers/2017/799 dated 17.07.17 has assumed the charge as CMD, NPCC w.e.f 17.07.17.

Ministry of Water Resources, River Development & Ganga Rejuvenation, vide letter No.9/1/2012-PSU Vol. II (Pt.)/122 dated 15.03.18, has conveyed the approval of Competent Authority to entrust the additional charge for the post of CMD, NPCC to Shri Manohar Kumar, Director(Engg) , NPCC w.e.f. forenoon of 13.03.18 upto 08.06.18 or till regular incumbent joins or until further orders, whichever is earliest. The same has been further extended for a further period of three months w.e.f. 09.06.18 vide letter No. 9/1/2012-PSU Vol.II(pt.)2/440 dated 27.06.18

### INDEPENDENT PART TIME DIRECTORS

In consonance of DPE's Corporate Governance Guidelines and in pursuant to Article 81 (1) (c) of the Articles of Association of the Company, the President has appointed (1) Dr. (Shri) Ravindra Pande, Professor, Kumaun University and (2) Dr. (Smt) Jayashree Gupta former Additional Secretary to Government of India and Ex. CMD IDPL, as non-official part time directors on the Board of NPCC Limited. The said appointment has been communicated vide letter No. 9/1/2009-PSU Vol.III/209 dated 07.02.17

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





## INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on 17.03.18 without the attendance of non-independent directors and members of management, pursuant to Section 149(8) read with Schedule IV – Para VII of the Companies Act, 2013 on the subject of Role & Responsibilities of non-official Directors

## CODE OF CONDUCT

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

## TRAINING OF BOARD MEMBERS

The Company, with the approval of the Board, formulated Training Policy for Board Members. Besides, all directors inducted on the Board of NPCC were introduced to the Company through presentations given by the senior management and executives of the Company. They are provided with necessary documents/brochures, internal policies of the Company as a part of the familiarization programme. Further the directors also updated from time to time on the development in the applicable laws from various statutory bodies to understand their role and responsibilities towards the Company. Company furnishes a set of documents to the directors on their joining the Board. The set includes Company's brochure, Annual Report, Memorandum and Articles of Association, Corporate Governance Guidelines and various policies etc. formulated. Detailed presentations are made in Board Meetings about affairs of the Company. The Company also facilitates continuous training programmes for directors as per the policy on training of Directors. During the year under review, the training attended by Directors is as follows :

### Dr. (Smt) Jayashree Gupta, Non Official Part Time Directors

- Three day training (Master classes for Directors) organized by Institute of Directors from 7th April to 9th April, 2017
- Two days Orientation Programme for Capacity Building of non-official Directors of CPSEs held at Gangtok on 5th -6th October, 2017

### Dr. Ravindra Pande, Non Official Part Time Directors

- Two days Orientation Programme for Capacity Building of non-official Directors of CPSEs held at Gangtok on 5th -6th October, 2017

### Shri Jagmohan Gupta, JS-FA, MOWR, RD & GR Part Time Govt. Nominee Director

- Two days training programme on Corporate Governance organized by Scope held in Delhi on 16th-17th November, 2017

### Shri Sanjay Kundu, JS(PP), MOWR, RD & GR, & CMD(Addl Charge from 17.07. 17 to 13.03.18)

- Two days Seminar on Challenges in planning investigation design and construction of highway tunnels in Himalayan Region Organised by Border Road Manekswar Centre, Delhi Cantt held on 2nd -3rd November, 2017

### Shri Sahab Narain, Director(Finance)

- Two days Seminar on Challenges in planning investigation design and construction of highway tunnels in Himalayan Region Organised by Border Road Manekswar Centre, Delhi Cantt held on 2nd -3rd November, 2017

### COMMITTEES OF BOARD

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

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

### AUDIT COMMITTEE

The Audit Committee was re-constituted in accordance with Guidelines on Corporate Governance for CPSE's in the 306th meeting the Board of Directors of the Corporation held on 24.03.17 with terms and reference of the Committee being same as proposed in the DPE Guidelines/Companies Act, 2013. The composition of Committee as on 31.03.18 was as under:

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

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

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

### The Company Secretary acts as the secretary to the Committee

During the year 2017-18, five meetings of Audit Committee were held on 28.06.17, 17.08.17, 29.09.17, 22.12.17 and 10.03.18. There was 100% attendance in all the meetings except for 17.08.17 which Dr. Ravindra Pande could not attend.

Dr. (Smt) Jayashree Gupta, Independent Director chaired all the meetings held during the financial year 2017-18. The time interval between any two Audit Committee meetings had not exceeded one hundred and twenty days. The Chairperson of the Audit Committee was present in the last AGM of the company to answer the queries of the shareholders.



## CSR COMMITTEE

The Board Level CSR Committee was constituted in accordance with Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 in the 306th meeting the Board of Directors of the Corporation held on 24.03.17 with terms and reference of the Committee being same as proposed in the Act/Rules/DPE Guidelines. The composition of Committee as on 31.03.18 was as under :

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

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

During the year 2017-18, three meetings of CSR Committee were held on 18.09.17, 22.12.17 and 10.03.18. There was 100% attendance in all meetings except for the meeting held on 22.12.17, which Shri Sahab Narain, Director(F) could not attend due to his non availability in town .

## REMMUNERATION COMMITTEE

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

The Board in its 308th meeting held on 28.06.17 re-constituted remuneration committee in consonance with DPE guidelines on Corporate Governance. As on March 31, 2018, the Remuneration Committee comprised the following members:

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

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

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

During the year 2017-18, three meetings of Remuneration Committee were held on 29.09.17, 22.12.17 and 10.03.18. There was 100% attendance in all the three meetings.

## REMUNERATION OF DIRECTORS

The remuneration payable to Functional Directors including Chairman & Managing Director is decided by the Govt. of India. As per the norms of Govt. of India, Government Nominee Directors are not being paid any remuneration or sitting fees by the Company. In accordance to the Companies Act, 2013 read with DPE Guidelines, the Board of Directors of the Company in consultation with administrative ministry, is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

Details of remuneration of Functional Directors of the Company for the financial year 2017-18 are given in MGT-9 (Extracts of Annual Return). All the Non Official Part Time Independent Directors are paid sitting fees for attending meeting of Board of Directors or Committees thereof to which they are appointed as Members. The details of remuneration paid to Independent Directors during 2017-18 are as follows :

Name & Designation	Sitting Fees (Amt. in Rs.)
Dr.(Shri) Ravindra K. Pande, Independent Director	172500
Dr.(Smt) Jayashree Gupta, Independent Director	165000

## GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2016-17	29th September'17	12.00 Noon	Regd. Office
2015-16	28th September'16	12.30 p.m.	Regd. Office
2014-15	30th September'15	12.30 p.m.	Regd office

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

No Extra Ordinary General meeting was held during 2017-18

## AUDIT QUALIFICATION

The Comments on accounts for the year ended 31st March 2018 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.

## CEO / CFO CERTIFICATION

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

## COMPLIANCE CERTIFICATES

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

## SUBMISSION OF DATA SHEET FOR PE SURVEY

The data sheet for Public Enterprises Survey 2016-17 was submitted to the DPE on 29.09.2017 as per requirement of the DPE.



### **SUBMISSION OF MoU FOR THE YEAR 2018-19**

In accordance with the DPEs Guidelines, the MoU 2018-19 was submitted to the DPE through Ministry of Water Resources, River Development & Ganga Rejuvenation on 04.05.2018 after signing of same.

### **UNCLAIMED DIVIDENDS**

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

The unclaimed dividend details are available on the website of NPCC at [www.npcc.gov.in](http://www.npcc.gov.in)

### **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

**(Manohar Kumar)**

**Chairman & Managing Director**

(DIN No. 07382754)

Date : 27/08/2018

Place : New Delhi

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### AN OVERVIEW

Incorporated on 9th January, 1957 as a wholly owned Government of India Undertaking, the President of India acting through the Ministry of Water Resources, RD & GR 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 2017-18, your Corporation has achieved an operating turnover of Rs. 1127.17 Crores as against Rs. 1118.22 Crores last year. The Corporation has earned the profit before tax of Rs. 30.09 Crores as against Rs. 32.89 Crores in previous year. Net Profit for the year 2017-18 is Rs. 30.36 Crores as against Rs. 28.84 Crores last year.

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

### OUTLOOK

The Vision, Mission and objectives of the Company are:

#### VISION

“To become premier engineering projects implementing organization”

#### MISSION

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

#### OBJECTIVES OF THE CPSE

1. To ensure customer satisfaction through :
  - Execution of projects within schedule time & cost,
  - Adhering Specifications & conditions of Contract,
  - Customer feedback & ensuring improvement.
2. Achieving Turnover Target as per MOU
3. Securing Business to maintain Work Order Book position around three times of Turnover.
4. Realizing old dues maximally and quickly for improving financial position of NPCC.
5. Continual capacity building of its officers.
6. Continual organizational re-structuring and diversification with focus to Business, Profitability and Customer's satisfaction.



7. Maintaining & improving ISO 9001 – 2008 based Quality Management Systems in all areas of activity.
8. Strive hard to improve quality standards by introducing standard operating procedure in all spheres of governance

## BUSINESS OPERATIONS

The Company operates primarily in the following business verticals:

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

## SWOT ANALYSIS

### Strength

- Nearly six decade experienced a Govt. of India Enterprise under Ministry of Water Resources, River Development & Ganga Rejuvenation (incorporated in 1957) with ISO 9001:2008 certification.
- NPCC is having positive networth with A+ credit rating from ICRA.
- NPCC is having strong client base and good order book position.
- India Presence having 17 Zonal Offices and more than 125 Project Offices.
- Rich experience in executing River Valley, hydro, Thermal, Industrial Complex, building, Health Sector, Roads, Flyovers & other Infrastructural projects.
- Experience of working in remote & in-accessible area as well as terrorist infected area of North East, Jharkhand etc.
- NPCC has qualified and experienced man power capable of executing projects in difficult areas.
- The Corporation is debt free.

### Weakness

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

### Opportunity

- Thrust in infrastructure work by the GOI and development work in border area and North Eastern State's development work.

- Thrust in infrastructure development for surface transport & tunnels etc.
- Major thrust by GOI on River development Projects/ Clean Ganga Projects.
- River Rejuvenation
- Interlinking of Rivers
- Joint Ventures/Collaboration for overseas/ major Indian projects.
- Avenue for diversifying in new areas (like Real Estate, Water Treatment Plant/ Sewage Treatment Plant/ Effluent Treatment Plant, Solid Waste Management Projects).

### Threat

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

### RISKS & CONCERNS

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

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

### OUTLOOK FOR FUTURE

A portion of Company's income is generated from execution of works awarded by various Ministries, Central/State Government Departments and other autonomous bodies on nomination basis. Now instead of awarding works on nomination basis, the Ministries/Govt. Departments have started a competitive bidding process among PSUs. NPCC, is able to secure works even under tough competition. Government of India has allocated huge funds for infrastructure in 12th Plan. A large portion of investments by Government of India is in Bharat Nirman, Development of NER, Metro, Airport, Smart Cities, Ganga Development etc. but due to global economic slowdown, it is not certain whether Govt. of India will be releasing the fund as per approved plans. Your Company has executed and is executing projects for various Ministries/Government Departments/Organizations as their "Extended Engineering Arm". Your Company is also assisting Ministry of Rural Development, Ministry of Home Affairs, Ministry of Health, Ministry of Chemicals & Fertilizers, MOES, MoYAS, Central Universities as well as State Governments for speedy utilization of planned funds for the projects. Your Company is also planning to diversify in new areas like real estate, water treatment plant, sewerage treatment plant, solid waste management projects, and new and renewable energy resources. With continuous emphasis on infrastructure by Government of India, NPCC with its ability to work in difficult areas have become a preferred Organisation for complex and difficult works. Competition among large number of construction companies has resultant impact on the margins of Company.





## CONSTRAINTS

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

## INTERNAL CONTROL SYSTEM

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

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

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employees are considered as the backbone of NPCC. NPCC maintains smooth and cordial Relations with its employees. As on 31.3.2018, at the close of the financial year 2017-18.(i.e. on 1.4.2018), there were 771 employees on the rolls of NPCC. NPCC has a sound Whistle Blower Policy to improve transparency and fight corruption, with provisions to protect the persons making public interest disclosure related to an act of corruption or misuse of power or criminal offences. NPCC regularly participates in Swachhta Pakhwada projects successfully in many parts of India. We have a sound policy on Corporate Social Responsibility and Sustainability. Various projects are being implemented under CSR. Besides, NPCC gives advertisements in magazines for creating brand image.

## 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

(Manohar Kumar)

Chairman & Managing Director

(DIN No. 07382754)

Date : 27/08/2018

Place : New Delhi

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Project Management Consultancy	--	95.87
2	Execution of Projects	--	4.13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address	CIN/GLN of the Company	Holding/ Subsidiary/	% of shares held Associate	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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</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.									



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>		<b>945316</b>	<b>945316</b>	<b>100</b>		<b>945316</b>	<b>945316</b>	<b>100</b>	<b>NIL</b>
<b>B. Public Shareholding</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>1. Institutions</b>									
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>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non-Institutions</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
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>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Public</b>									
<b>Shareholding (B)=(B)(1)+ (B)(2)</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs		NIL	NIL	NIL		NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>		<b>945316</b>	<b>945316</b>	<b>100</b>		<b>945316</b>	<b>945316</b>	<b>100</b>	<b>NIL</b>

(ii) Shareholding of Promoters

S. N.	Shareholders'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		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shri Sanjay Kundu Ex-JS-PP, MOWR, RD & GR (Holding on behalf of Nominee of Hon'ble President of India) (w.e.f 28.09.16)	1	0.000105785	--	--	1	0.000105785
2	Shri Jagmohan Gupta, JS-FA, MOWR, RD & GR (Holding on behalf of Nominee of Hon'ble President of India) (w.e.f 28.09.16)	1	0.000105785	-	-	2	0.000211570
3	Shri Sanjay Kundu, Ex-CMD(Addl Charge) (Holding on behalf of Nominee of Hon'ble President of India) (w.e.f 01.09.17)	--	--	1	0.000105785	3	0.000317355
	At the end of the year					3	0.000317355

V. INDEBTEDNESS (Rs. In Lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid		902.96		902.96
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>902.96</b>	<b>NIL</b>	<b>902.96</b>
<b>Change in Indebtedness during the financial year</b>				
Addition				
Reduction		400.00		400.00

Net Change Indebtedness	NIL	400.00	NIL	400.00
At the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid		502.96		502.96
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>502.96</b>	<b>NIL</b>	<b>502.96</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	Shri H.L. Chaudhary CMD (upto 14.07.2017)	Shri Manohar Kumar Director (Engg) Additional Charge of CMD)	Shri Sahab Narain Director (Finance)	Smt. Rajni Agarwal Company Secretary	
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	1485228	2012447	1764425	1264927	6527027
	(a) Value of perquisites u/s17(2) Income-tax Act, 1961	167232	359400	570867	142046	1239545
	(b) Profits in lieu of salary under section17(3) Income-tax Act,1961	--	--	--	--	--
2	Stock Option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission -as % of profit -others, specify.....	--	--	--	--	--
5	Others, please specify	--	--	--	--	--
	<b>Total(A)</b>	<b>1652460</b>	<b>2371847</b>	<b>2335292</b>	<b>1406973</b>	<b>7766572</b>
	Ceiling as per the Act					

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

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Independent Directors	Dr (Shri) Ravindra K. Pande	Dr. (Smt.) Jayashree Gupta	
1	Independent Directors Fee for attending board / committee meetings	172500	165000	337500
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	<b>Total (1)</b>	<b>172500</b>	<b>165000</b>	<b>337500</b>
2	Other Non-Executive Directors			
	Fee for attending board /committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (B)=(1+2)</b>	<b>172500</b>	<b>165000</b>	<b>337500</b>
	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



**(Manohar Kumar)**

Chairman & Managing Director

(DIN No. 07382754)

Date : 27/08/2018

Place : New Delhi





**Declaration by Chairman-cum-Managing Director regarding compliance with the Code of Conduct by Board Members and Senior Management during the financial year 2017-18.**

I, Manohar Kumar, 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 2017-18.

**(Manohar Kumar)**

Chairman & Managing Director

(DIN No. 07382754)

Date : 27/08/2018

Place : New Delhi

**Harbans Lal & Co.**  
Company Secretary

Phone (O) : 23696096

Mob.: 8811827414

E-mail : hlalcs@yahoo.co.in

L-15 Pratap Nagar, Delhi-110007

(Near Pratap Nagar Metro Station)

Dated : 24th August, 2018

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, 2018 as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises' issued vide O.M No. 18(8)/2005-GM dated 14.05.2010 by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

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

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

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

**For Harbans Lal & Co.**

(Harbans Lal)

Company Secretary

C.P.: 3944

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year 2017-18 and that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (ii) these statements together presents a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company. We have disclosed to the auditors and the Audit Committee/Board, deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, wherever applicable, to the auditors and the audit committee/Board:
- (i) significant changes made/to be made in internal control during the year,
  - (ii) significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
- (e) There is no instance of significant fraud of which we are aware nor there has been involvement of the management or any employee having a significant role in the company's internal control system.

Place : New Delhi  
Date : 27/08/2018



**MANOHAR KUMAR**  
CHAIRMAN & MANAGING DIRECTOR  
DIN No. 07382754



**SAHAB NARAIN**  
DIRECTOR (FINANCE)  
DIN No. 03641879

## SOME OF THE PROJECTS OF NPCC



Administrative Block (G+1) for Assam Rifles  
at Keithalmanbi (Manipur)



Construction of Sarkanda Bathing Ghat



FOCM, IGNTU, Amarkantak



Synthetic Track at Lakhimpur



Construction of Fencing Along IBB in Kamalpur,  
Tripura (work in progress)



CONCOR, Tilak Bridge

## SOME OF THE PROJECTS OF NPCC



Polytechnic Building Bharagora



RCD Road Works



BOP Peeracherra in Tripura



Power House - Unit I & II



PMGSY Works at West Medinipur



Fina Approved Stainless Steel Swimming Pool,  
SAI, Aurangabad, Maharashtra.


## BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in Rupees)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	94,53,16,000	94,53,16,000
(b) Reserves and Surplus	2	79,28,28,887	51,42,42,880
<b>2 Non -Current Liabilities</b>			
(a) Other Long Term Liabilities	3	4,02,32,56,130	4,53,48,13,849
(b) Long term Provisions	4	24,27,53,213	27,44,32,997
<b>3 Current Liabilities</b>			
(a) Trade payables	5	3,59,22,59,364	3,99,95,48,318
(b) Other current liabilities	6	5,10,17,01,725	38,901,84,595
(c) Short term provisions	7	10,43,04,437	7,44,26,466
<b>Total</b>		<b>14,80,24,19,756</b>	<b>1,42,32,965,105</b>
<b>II ASSETS</b>			
<b>1 Non -Current Assets</b>			
(a) Fixed assets			
i) Tangible assets	8	40,00,88,912	36,58,45,266
ii) Intangible assets		-	-
iii) Capital work in progress		-	-
(b) Investments		-	-
(c) Deferred tax Assets (Net)	9	44,86,10,630	37,14,21,253
(d) Long Term Loans and Advances	10	22,19,46,237	46,63,25,366
(e) Other non -current assets	11	1,67,52,50,782	2,19,85,32,909
<b>2 Current Assets</b>			
(a) Inventories	12	13,05,720	1,19,38,599
(b) Trade Receivables	13	3,39,72,25,415	3,64,03,10,081
(c) Cash and Cash Equivalents	14	6,68,97,29,649	5,81,06,39,005
(d) Short-term loans and advances	15	1,13,70,41,528	88,20,00,406
(e) Other current assets	16	83,12,20,883	48,59,52,220
<b>Total</b>		<b>14,80,24,19,756</b>	<b>14,23,29,65,105</b>

Accounting Policies & Notes on Financial Statements 1 to 49

  
(RAJNI AGARWAL)  
COMPANY SECRETARY

  
(SAHAB NARAIN)  
DIRECTOR (FINANCE)  
(DIN No.03641879)

  
(MANOHAR KUMAR)  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 07382754)  
As per our Audit report of even date  
For K.N. Goyal & Co.  
Chartered Accountants  
FRN : 001084N

Date : 27.08.2018  
Place : New Delhi

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

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2018**  
(Amount in Rupees)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I REVENUE FROM OPERATIONS:</b>			
Value of Work Done		11,27,17,37,863	1118,21,89,193
II Other Income	17	35,87,71,292	36,35,42,260
<b>III TOTAL REVENUE (I+II)</b>		<b>11,63,05,09,155</b>	1154,57,31,453
<b>IV EXPENSES:</b>			
a Construction & Work Expenses	18	10,48,02,36,392	10,34,95,96,005
b Employee Benefits Expenses	19	80,01,02,073	63,45,73,901
c Finance Cost	20	66,76,947	22,63,777
d Depreciation amortization impairment & obsolescence	8	1,49,56,004	69,00,867
e Corporate Social Responsibility		48,28,613	47,89,013
f Other Expenses	21	16,35,31,568	12,53,42,452
<b>TOTAL EXPENSES (IV)</b>		<b>11,47,03,31,597</b>	11,12,34,66,015
V Profit(Loss) before prior period exceptional and extraordinary items and tax (III-IV)		16,01,77,558	42,22,65,438
VI Less :Prior Period Item (Net)	22	42,69,672	2,33,932
<b>VII Profit(Loss) after prior period and before exceptional and extraordinary items and tax (V-VI)</b>		<b>15,59,07,886</b>	4,22,031,506
VIII Exceptional Items	23	(14,49,87,593)	9,31,26,269
<b>IX Profit(Loss) before extraordinary items &amp; tax (VII-VIII)</b>		<b>30,08,95,479</b>	32,89,05,237
X Extraordinary Items- Loss on cancellation of lease		-	-
<b>XI Profit/Loss(-) before tax (IX-X)</b>		<b>30,08,95,479</b>	32,89,05,237
XII Current Tax		8,50,19,189	3,58,29,350
Income Tax- for earlier year		(1,05,51,062)	(2,31,74,649)
XIII Deferred Tax -	9	(7,71,89,377)	2,78,78,546
<b>XIV Profit/Loss(-) for the period from continuing operations (XI-XII-XIII)</b>		<b>30,36,16,729</b>	28,83,71,990
<b>XV Profit / Loss(-) for the period</b>		<b>30,36,16,729</b>	28,83,71,990
XVI Earnings per Equity Share:			
Basic & Diluted	42	321.18	305.05



(RAJNI AGARWAL)  
COMPANY SECRETARY



(SAHAB NARAIN)  
DIRECTOR (FINANCE)  
(DIN No.03641879)



(MANOHAR KUMAR)  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 07382754)

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 : 27.08.2018  
Place : New Delhi


## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018


(Amount in Rupees)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
<b>Cash flow from Operating Activities</b>		
Receipts from customers	11,79,52,61,827	16,09,33,35,153
Paid to sub-contractors, suppliers & employees	(11,12,50,25,428)	(18,56,50,02,085)
Interest on mobilization advance given to Sub contractor	2,74,82,575	71,43,548
Extraordinary Items	-	-
Taxes on Income	(7,44,68,127)	(1,26,54,701)
Cash generated from operations	62,32,50,847	(2,47,71,78,085)
<b>Cash flow from Investing activities</b>		
Sale proceeds of Fixed Assets	50,92,547	32,57,198
Purchase of Fixed Assets	(5,41,11,268)	(20,97,85,164)
Interest on Bank deposits	39,75,94,955	46,11,42,808
	34,85,76,234	25,46,14,842
<b>Cash flow from financing activities</b>		
Interest paid	(6,77,05,715)	(12,96,22,545)
Dividend Paid	(2,50,30,722)	(1,24,77,906)
	(9,27,36,437)	(14,21,00,451)
Net increase/(decrease) in cash & cash equivalents.	87,90,90,644	(2,36,46,63,694)
Cash & cash equivalent at the beginning of the year	5,81,06,39,005	8,17,53,02,699
Cash & cash equivalent at the end of the year (Refer Note No.14)	6,68,97,29,649	5,81,06,39,005


Accounting Policies & Notes on Financial Statements 1 to 49  
Figures in brackets represent outflow of cash.

  
(RAJNI AGARWAL)  
COMPANY SECRETARY

  
(SAHAB NARAIN)  
DIRECTOR (FINANCE)  
(DIN No.03641879)

  
(MANOHAR KUMAR)  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 07382754)

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 : 27.08.2018  
Place : New Delhi

## NOTES ON FINANCIAL STATEMENTS

### NOTE - 1

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>SHARE CAPITAL</b>		
<b>Authorized :</b>		
7000000 Equity Shares of Rs. 1000/- each (Previous Year 7000000 Equity Shares of Rs. 1000/- each)	7,00,00,00,000	7,00,00,00,000
<b>TOTAL</b>	<b>7,00,00,00,000</b>	<b>7,00,00,00,000</b>
<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 Rs.1000/- each)	94,53,16,000	94,53,16,000
<b>TOTAL</b>	<b>94,53,16,000</b>	<b>94,53,16,000</b>

PARTICULARS	Number of Shares	As at 31st March, 2018	Number of shares	As at 31st March, 2017
<b>Reconciliation of Equity Share outstanding at end of the year</b>				
Outstanding as at the beginning of the year	9,45,316	94,53,16,000	9,45,316	94,53,16,000
Add: Issued during the year	-	-	-	-
Less: Buy back/cancelled during the year	-	-	-	-
Outstanding as at the end of the year	9,45,316	94,53,16,000	9,45,316	94,53,16,000
<b>Share holders having more than 5% of shares</b>	<b>Number of Shares</b>	<b>% of share holding</b>	<b>Number of Shares</b>	<b>% of share holding</b>
President of India	9,34,821	98.89	9,34,821	98.89

- i) 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.
- ii) The paid up equity capital of the Company after the reduction is Rs.94,53,16,000/- divided into 9,45,316 equity shares of Rs.1000/- each fully paid up in cash



## NOTE - 2

PARTICULARS	(Amount in Rupees)	
	As at 31st March, 2018	As at 31st March, 2017
<b>RESERVES AND SURPLUS</b>		
<b>SURPLUS</b>		
a) Opening balance of Profit & Loss A/c	51,42,42,880	23,83,48,796
b) Surplus Transferred from Profit & loss A/c during the Year	30,36,16,729	28,83,71,990
Less:-		
c) Dividend paid(F.Y. 2016-17 paid in F.Y. 2017-18).	(2,07,96,952)	(1,03,98,476)
d) Dividend Distribution Tax (F.Y. 2016-17 paid in F.Y. 2017-18).	(42,33,770)	(20,79,430)
<b>TOTAL</b>	<b>79,28,28,887</b>	<b>51,42,42,880</b>

- i. The Board of Directors had recommended dividend of Rs.22 per equity share aggregating to Rs.2,07,96,952/- for the financial year 2016-17 in its Meeting held on 17.08.2017, after the adoption of audited accounts. The adopted accounts of the financial year 2016-17 were not reopened to provide for the liability towards proposed dividend in view of the amendment to "Accounting Standard 4 – Contingencies and Events Occurring after the Balance Sheet Date" notified by the Companies (Accounting Standards) Rules, 2006 vide Notification No.364(E) dated 30th March, 2016, as per which liability towards dividend declared after the balance sheet should not be recognized unless the statute requires otherwise. Necessary disclosure was, however, made in the Directors' Report.

## NOTE - 3

PARTICULARS	(Amount in Rupees)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Other Long Term Liabilities</b>		
i) Trade payables- For services	1,66,33,33,119	1,99,08,35,261
ii) Trade payables- For goods	2,07,11,032	2,21,57,236
iii) Advances from Project Authorities	59,46,69,367	84,49,07,440
iv) Security Deposits- Subcontractors	1,61,04,13,782	1,41,35,69,201
v) Interest accrued and due on Advances		
a) From Project Authorities	4,88,83,194	7,01,23,560
vi) Wage Arrears	-	65,90,377
vii) Others	8,52,45,636	18,66,30,774
<b>TOTAL</b>	<b>4,02,32,56,130</b>	<b>4,53,48,13,849</b>

- i. Note-3 (vi) In pursuance of Ministry of Water Resources, River Development & Ganga Rejuvenation, Govt. of India, New Delhi letter No. 4/8/2013-PSU/103 dated 15-01-2016 and NPCC Board Agenda No. 290.19 dated 30-12-2014, the payment of arrears towards Wage Revision payable to Workmen w.e.f. 01-01-2007 to 31-05-2011 will be released / regulated on quarterly basis starting from first quarter of financial year 2016-17 and spread in three financial years. The final payment shall be made in FY 2018-19.

**NOTE - 4**

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Long - term provisions</b>		
<b>Provision for employees benefits</b>		
i) Provision for Gratuity Work charged employees	11,18,34,691	14,39,26,700
ii) Provision for Leave Encashment	13,09,18,522	13,05,06,297
<b>TOTAL</b>	<b>24,27,53,213</b>	<b>27,44,32,997</b>

**NOTE - 5**

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Current Liabilities</b>		
<b>Trade Payables</b>		
i) For Services	3,59,20,91,128	3,99,93,60,755
ii) For Goods	1,68,236	1,87,563
<b>TOTAL</b>	<b>3,59,22,59,364</b>	<b>3,99,95,48,318</b>



## NOTE - 6

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Other Current Liabilities</b>		
1) Security Deposits		
– Sub Contractor	1,36,14,77,189	78,59,86,911
2) Advances from Project Authorities	2,78,32,76,285	2,35,08,83,552
3) Interest accrued and due on advances		
i) From Project Authorities	2,70,740	7,95,306
ii) Government of India Loan	5,02,96,065	9,02,96,065
iii) Bank Guarantee Charges Payable to GOI	2,59,00,000	2,59,00,000
4) Expenses Payable		
a) To Employees		
i) Wages arrear payable	4,55,61,911	85,33,800
ii) Salaries and wages payable	7,33,68,853	3,47,12,510
iii) Others	5,56,12,969	1,69,22,902
b) Liability for Expenses-Others	11,28,70,186	1,01,407,083
5) Payable to Gratuity Trust	20,01,79,632	1,64,295,329
6) Statutory Dues Payable		
i) Income Tax payable (TDS)	2,96,08,069	3,75,86,143
ii) Service Tax payable	8,613	1,19,31,539
iii) Other Taxes Payable	1,83,34,469	2,98,81,182
iv) GST Payable	12,89,77,369	17,69,28,520
7) Others	21,59,59,375	23,10,52,273
<b>TOTAL</b>	<b>5,10,17,01,725</b>	<b>3,89,01,84,595</b>

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

## NOTE - 7

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Short Term Provisions</b>		
<b>a) Provision for employees benefits</b>		
i) Provision for Gratuity- Work Charged	4,30,56,898	3,01,28,358
ii) Provision for Leave Encashment	6,12,47,539	4,22,33,562
iii) Provision for Leave Travel Concession	-	20,64,546
<b>TOTAL</b>	<b>10,43,04,437</b>	<b>7,44,26,466</b>

**NOTE-8**  
**FIXED ASSETS**  
**TANGIBLE ASSETS**

(Amount in Rupees)

Sr. No.	Description	GROSS BLOCK (AT COST)				LESS: DEPRECIATION/NET BLOCK				NET BLOCK			
		As at 01.04.2017	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31.03.2018	As at 01.04.2017	During the year	Dedn/ Adjustments during the year	Upto 31.03.2018	NET BLOCK as at 31.03.2018	PROVISION	NET BLOCK AFTER PROVISION as at 31.03.2018	As at 31.03.2017
1	Freehold Land	2,35,67,204	-	-	2,35,67,204	-	-	-	-	2,35,67,204	-	2,35,67,204	2,35,67,204
2	Leasehold land	19,44,507	-	-	19,44,507	3,12,977	21,189	-	334,166	16,10,341	-	16,10,341	16,31,530
3	Building on Freehold land	25,94,57,785	4,49,39,169	-	30,43,96,954	35,36,733	48,12,657	-	83,49,390	29,60,47,564	-	29,60,47,564	25,59,21,052
4	Building on Leasehold land	12,76,415	21,96,108	-	34,72,523	3,14,914	40,597	-	3,55,511	31,17,012	-	31,17,012	9,61,501
5	Temporary Constructions	3,65,14,822	-	39,50,329	3,25,64,493	3,64,53,229	0	39,50,329	3,25,02,900	61,593	-	61,593	61,593
6	Machinery	12,51,87,545	1,61,559	3,32,885	12,50,16,219	9,72,48,305	2,087,511	3,11,652	9,90,24,164	2,59,92,055	32,32,640	2,27,59,415	2,79,39,240
7	Vehicles	3,32,93,711	7,81,706	8,66,570	3,32,08,847	2,43,08,027	13,31,315	81,888	2,55,57,454	76,51,393	1,65,358	74,86,035	89,85,684
8	Works Equipment	1,49,51,314	6,077	6,57,495	1,42,99,896	1,10,81,274	3,55,619	6,43,061	1,07,93,832	35,06,064	4,28,419	30,77,645	38,70,040
9	Office Furniture	1,55,98,732	20,37,718	3,97,811	1,72,38,639	67,45,623	13,58,877	3,94,010	77,10,490	95,28,149	-	95,28,149	88,53,109
10	Office Equipment	57,61,001	6,77,899	7,30,780	57,08,120	51,10,186	2,47,782	6,66,442	46,91,526	10,16,594	-	10,16,594	6,50,815
11	Electric Installation	3,47,57,730	13,70,873	4,20,475	3,57,08,128	42,13,894	33,48,887	3,95,321	71,67,460	2,85,40,668	-	2,85,40,668	3,05,43,836
12	Computers and printers	1,36,67,421	19,40,159	16,25,411	1,39,82,169	1,08,93,478	13,36,479	14,53,852	1,07,76,105	32,06,064	-	32,06,064	27,73,943
13	Library books	4,75,050	-	39,760	4,35,290	3,89,331	15,091	39,760	3,64,662	70,628	-	70,628	85,719
	<b>TOTAL</b>	56,64,53,237	5,41,11,268	90,21,516	61,15,42,989	20,06,07,971	1,49,56,004	79,36,315	20,76,27,660	40,39,15,329	38,26,417	40,00,88,912	36,58,45,266
	PREVIOUS YEAR	28,53,51,617	30,42,67,862	2,31,66,242	56,64,53,237	21,45,49,096	87,67,533	2,27,08,658	20,06,07,971	36,58,45,266	-	36,58,45,266	-

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

1	Machinery	1,03,05,306	0	0	1,03,05,306	97,98,705	0	0	97,98,705	5,06,601	0	5,06,601	17,939
2	Work Equipment	3,72,489	0	0	3,72,489	3,54,815	0	0	3,54,815	17,674	0	17,674	-
3	Electric Installation	34,863	0	0	34,863	34,863	0	0	34,863	0	0	0	-
4	Vehicles	14,74,944	0	0	14,74,944	11,62,119	1,09,263	0	12,71,382	2,03,562	0	2,03,562	1,27,670

**NOTE:**

- The above assets include assets in transit amounting to Rs.110891/- (Previous year Rs. 110891/-)
- Fixed assets include assets with gross block of Rs. 652.97 Lacs and net block of Rs. 38.26 Lacs confiscated by Project authorities which are unadjusted pending settlement of account. However, the provision for Net WDV of Rs. 38.26 lacs have been made during the year 2017-18.

## NOTE - 9

PARTICULARS	(Amount in Rupees)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Deferred Tax Assets</b>		
a) Provision for employees benefits	19,89,08,836	19,39,02,613
b) Provision for doubtful debts	27,88,81,877	20,03,70,157
c) Total Deferred Tax Asset	47,77,90,713	39,42,72,770
<b>Deferred Tax Liability</b>		
d) Depreciation of fixed assets	2,91,80,083	2,28,51,517
Net Deferred Tax Assets (c-d)	44,86,10,630	37,14,21,253
Deferred Tax Expense/(Income)	(7,71,89,377)	2,78,78,546

## NOTE - 10

PARTICULARS	(Amount in Rupees)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Long Term Loans and Advances</b>		
a) Secured, considered good:		
i) Advance to Sub Contractor	11,72,51,670	12,82,68,182
b) Unsecured, considered good		
i) Advances for goods and services	9,86,42,084	31,93,72,439
ii) Advances to other employees	13,610	54,959
iii) Others	60,38,873	1,86,29,786
c) Unsecured, considered doubtful		
i) Advances for goods and services	18,89,44,809	12,80,27,437
Less: Provision for doubtful advances	18,89,44,809	-
ii) Others	1,14,51,668	72,25,608
Less: Provision for doubtful advances	1,14,51,668	-
<b>TOTAL</b>	<b>22,19,46,237</b>	<b>46,63,25,366</b>

- i. The above include dues of Rs.20,52,58,416/- (Previous year Rs 40,72,64,097/-) outstanding for over three years which in the view of the Management are good and recoverable.

**NOTE - 11**

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
<b>Other Non Current Assets :</b>				
1) Security Deposit with Project Authorities				
- Considered good	30,68,74,462		29,01,78,476	
- Considered doubtful	2,74,64,819		2,87,99,325	
	<u>33,43,39,281</u>		<u>31,89,77,801</u>	
Less: Allowance (Provision)	2,74,64,819	30,68,74,462	2,87,99,325	29,01,78,476
2) Security Deposit with others-Good				
- Considered good	23,17,891		33,70,391	
- Considered doubtful	10,82,723		8,86,598	
	<u>34,00,614</u>		<u>42,56,989</u>	
Less: Allowance (Provision)	10,82,723	23,17,891	8,86,598	33,70,391
3) Earnest Money Deposit				
- Considered good	68,94,676		73,45,638	
- Considered doubtful	47,98,080		50,06,083	
	<u>1,16,92,756</u>		<u>1,23,51,721</u>	
Less: Allowance (Provision)	47,98,080	68,94,676	50,06,083	73,45,638
4) Trade Receivables (Unsecured)				
- Considered good	1,35,91,63,753		1,89,76,38,404	
- Considered doubtful	52,45,99,987		67,10,91,715	
	<u>1,88,37,63,740</u>		<u>2,56,87,30,119</u>	
Less: Provisions for doubtful debts	52,45,99,987	1,35,91,63,753	67,10,91,715	1,89,76,38,404
5) Interest accrued on Bank Deposit	-		73,956	
Less: Allowance (Provision) for Non Recovery	-	-	73,956	-
6) Advances to employees (Unsecured Doubtful)	27,85,734		29,28,890	
Less: Allowance(Provision) for doubtful advances	27,85,734	-	29,28,890	-
<b>TOTAL</b>		<u><b>1,67,52,50,782</b></u>		<u><b>2,19,85,32,909</b></u>

- i. Trade Receivables include dues of Rs. 1,36,93,93,556/- (Previous year Rs. 1,70,14,58,990/-) outstanding for over three years which in the view of the Management are good and recoverable.

## NOTE - 12

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
<b>CURRENT ASSETS :</b>				
<b>Inventories :</b>				
a) Stores and Spares (including construction material in hand, at sites and in transit)	1,21,45,452		1,54,61,801	
Less: Allowance (Provision)	1,08,60,756	12,84,696	35,44,226	1,19,17,575
b) Tools in hand		21,024		21,024
<b>TOTAL</b>		<b>13,05,720</b>		<b>1,19,38,599</b>

- i. Inventory of stores & spares and tools has been taken, valued & certified by the Management.
- ii. Inventories include Rs.1,08,60,756/- (Previous year Rs.1,06,73,000/-) confiscated by Project Authorities which are unadjusted pending settlement of account and corresponding provision/allowance has been created against the same.

## NOTE - 13

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
<b>Trade Receivables (Unsecured)</b>				
a) Debts outstanding for a period exceeding six months from due date:				
--Considered Good		2,06,64,44,676		93,81,66,315
b) Other debts (Considered good)		1,33,07,80,739		2,70,21,43,766
<b>TOTAL</b>		<b>3,39,72,25,415</b>		<b>3,64,03,10,081</b>

- i. Trade Receivables include unbilled contract revenue.
- ii. Trade Receivables include dues of Rs. 18,26,87,863/- (Previous year Rs. 3,87,07,943/-) outstanding for over three years which in the view of the Management are good and recoverable.

**NOTE - 14**

(Amount in Rupees)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
<b>Cash and Cash Equivalents</b>		
i) Cash on hand	22,996	3,61,602
ii) Cheques/drafts in hand	27,68,881	3,16,07,184
iii) Fixed Deposits pledged with banks and Project Authorities as margin against guarantees and securities	1,30,74,47,427	49,21,45,765
iv) Fixed Deposits with Banks of more than 12 months' maturity	16,45,77,379	12,45,01,086
v) Balances with Banks in Foreign States with repatriation restrictions	3,83,69,158	3,83,69,158
Less : Provisions held	3,83,69,158	3,83,69,158
vi) Balances in respect of closed units not traceable	-	1,25,354
Less : Provisions held	-	1,25,354
vii) Balance with Nepal Bank Ltd., Nepal	6,009	6,009
viii) Balances with Banks - Others *	5,21,49,06,957	5,16,20,17,359
<b>TOTAL</b>	<b>6,68,97,29,649</b>	<b>5,81,06,39,005</b>

- Operations in Iraq have ceased since many years and due to repatriation restrictions, full provision has been made against the bank balances.
- Revaluation of balance in the bank account in foreign currency was last made on 31.3.1995.
- The Exim Bank which is intermediary for settlement of the outstanding 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. 66,59,00,135/- (Previous Year Rs.54,86,87,090/-) received against deposit work of PMGSY work and Rs.74,02,73,954/- (Previous year Rs.35,92,41,807/-) from MHA for BOP work, Silchar.
- \*Balance with Banks-Others includes FDRs of following maturity period:

Description	As at 31st March, 2018	As at 31st March, 2017
FDRs with balance maturity period upto 3 months	96,44,96,425	67,81,19,371
FDRs with balance maturity period more than 3 months and upto 12 months	1,28,75,74,800	2,53,65,00,542
<b>Total</b>	<b>2,25,20,71,225</b>	<b>3,21,46,19,913</b>

- Fixed Deposits with Banks can be withdrawn by the Company at any point of time without any penalty on the principal.



## NOTE - 15

PARTICULARS	(Amount in Rupees)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Short-term Loans and Advances</b>		
1) a) Secured:		
i) Advance to Sub Contractor	30,20,43,360	29,47,78,409
b) Unsecured considered good		
i) Advances for goods and services	5,66,62,873	2,93,85,498
ii) Advances to other employees	28,16,135	47,29,657
iii) Others	10,169,836	6,96,48,844
c) Unsecured considered doubtful		
i) Advances for goods and services	62,26,113	62,26,113
Less: Provision	(62,26,113)	(62,26,113)
2) Prepaid Expenses	36,33,996	19,00,158
3) Security Deposit with Others	2,89,661	3,36,538
4) GST Input Credit receivable	15,97,99,652	-
5) Income Tax - Prepaid taxes	53,18,88,799	50,12,16,312
6) Amount deposited with various Courts/Authorities	6,97,37,216	4,11,90,177
7) Minimum Alternative Tax (MAT) Adjustable	-	-
<b>TOTAL</b>	<b>1,13,70,41,528</b>	<b>88,20,00,406</b>

## NOTE - 16

PARTICULARS	(Amount in Rupees)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Other Current Assets :</b>		
1) Performance Security with Project Authorities	59,03,40,624	28,12,45,079
2) Earnest Money Deposit	6,75,26,962	74,01,000
3) Interest accrued on Bank Deposits	15,64,98,928	16,99,64,475
4) CPF Trust	1,33,883	1,17,95,793
5) Silver Momentos	61,750	61,750
6) Inter-unit Remittance Account	1,66,58,736	1,54,84,123
<b>TOTAL</b>	<b>83,12,20,883</b>	<b>48,59,52,220</b>

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**

PARTICULARS	(Amount in Rupees)	
	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
<b>OTHER INCOME</b>		
Other Miscellaneous Receipts (including Sale of tender of documents)	2,28,98,153	4,33,99,619
Interest Received (Gross) on :		
a) Bank Deposits	38,41,29,408	43,91,42,984
Less: Interest to be passed on to PA's A/c	6,10,28,768	12,73,58,768
	32,31,00,640	31,17,84,216
b) Others- sub contractor	85,79,753	65,97,627
	33,16,80,393	31,83,81,843
Hire Charges of Machinery	41,19,165	17,60,798
Profit on Sale of Scrap, Stores etc.(Net)	73,581	-
<b>TOTAL</b>	<b>35,87,71,292</b>	<b>36,35,42,260</b>

**NOTE - 18**

PARTICULARS	(Amount in Rupees)	
	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
<b>CONSTRUCTION AND WORKS EXPENSES</b>		
Material Consumed		
Stores & Spares (including construction materials)		
Opening balance	1,54,61,801	1,61,66,196
Purchases net of disposal	(2,39,17,23)	21,06,755
	1,30,70,078	1,82,72,951
Less : Closing Balance	1,21,45,452	1,54,61,801
Consumption	9,24,626	28,11,150
Payment to Sub-contractors	10,33,12,89,320	10,22,10,94,199
Motive Power & Fuel	2,72,115	83,751
Taxes & Fees on Machines & Vehicles	1,55,773	1,14,628
Insurance	21,846	1,14,628
Carriage & Freight	31,400	2,29,449
Tools & Stores Written off	2,42,071	-
Commercial/Trade Tax/Service Tax	34,87,867	5,96,02,528
Other Incidental Charges on Works	14,38,11,374	6,56,60,300
<b>TOTAL</b>	<b>10,48,02,36,392</b>	<b>10,34,95,96,005</b>



## NOTE - 19

PARTICULARS	(Amount in Rupees)	
	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Employees Benefit Expenses</b>		
Salary and Allowances	43,82,95,912	36,87,83,124
Wages and Allowances	15,54,54,087	13,25,83,308
Contribution to Provident Fund	5,37,92,325	5,14,06,375
EPF Administration Charges	14,15,711	9,23,639
Gratuity	8,65,56,440	3,63,58,986
Leave Encashment	5,53,28,252	3,37,10,595
Leave Travel Concession	-	7,39,771
VRS Expenses	-	52,142
Staff Welfare Expenses	80,18,353	83,21,044
Repairs to Building	-	3,24,904
Health and Sanitation	12,40,993	13,70,013
<b>TOTAL</b>	<b>80,01,02,073</b>	<b>63,45,73,901</b>

## NOTE - 20

PARTICULARS	(Amount in Rupees)	
	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Finance Cost</b>		
Bank Guarantee Charges	66,76,947	22,63,777
<b>TOTAL</b>	<b>66,76,947</b>	<b>22,63,777</b>

**NOTE - 21**

(Amount in Rupees)

PARTICULARS	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
<b>OTHER EXPENSES</b>		
Rent	1,09,26,474	1,04,06,570
Rates and Taxes	13,680	22,051
Travelling Expenses	2,09,37,587	2,40,93,210
Vehicles Running and Maintenance, Hiring	2,56,45,891	2,13,30,159
Insurance Charges	2,97,487	2,83,395
Repairs and Maintenance:		
Buildings	76,48,364	35,98,798
Others	2,92,640	5,56,437
	<b>79,41,004</b>	41,55,235
Printing & Stationery	42,88,167	29,41,963
Postage, Telephone & Telegrams	30,37,977	30,46,605
Electricity and Water Expenses	69,28,788	34,87,856
Advertisement and Publicity	88,75,368	1,60,42,989
Technical Fee/Consultancy	1,11,94,051	74,08,283
Legal and Professional Charges	75,36,374	76,19,323
Bank Charges	2,22,424	2,17,546
Payment to Auditors :		
Audit Fee	9,06,441	9,59,515
Tax Audit Fee	3,86,861	3,93,194
Travelling Expenses--Auditors	15,51,145	14,18,031
Miscellaneous Expenses	2,97,33,979	2,04,75,472
Allowances for Stock and T&P	1,56,42,439	12,423
Loss of CPF Trust	74,65,431	-
Loss on Sale of Scrap, Stores etc.(Net)	-	10,28,632
<b>TOTAL</b>	<b>16,35,31,568</b>	<b>12,53,42,452</b>

## NOTE - 22

(Amount in Rupees)

PARTICULARS	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
<b>PRIOR PERIOD EXPENSES &amp; INCOME</b>		
<b>(A) EXPENSES</b>		
Salary, Wages & Other benefits to employees	43,52,355	31,93,986
Payment to Sub-contractors for work done	51,48,128	3,67,068
Project Expenses	-	(4,87,606)
Excess provision of Gratuity work charge	3,66,878	-
Short booking of Depreciation	-	6,96,388
Others	5,24,420	4,55,071
<b>Total (A)</b>	<b>1,03,91,781</b>	<b>42,24,907</b>
<b>(B) INCOME</b>		
Excess Interest income	-	67,34,846
Value of Work Done	58,44,822	-
Others	2,77,287	(27,43,871)
<b>Total (B)</b>	<b>61,22,109</b>	<b>39,90,975</b>
<b>TOTAL (NET) (A-B)</b>	<b>42,69,672</b>	<b>2,33,932</b>

## NOTE - 23

(Amount in Rupees)

PARTICULARS	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Exceptional Items</b>		
<b>Expenses</b>		
A) Litigation Expenses	90,46,218	12,18,30,054
B) Reduction in construction expenses	(3,33,64,437)	(4,75,78,08,592)
C) Penal Interest on Bank Guarantee	-	2,59,00,000
D) Provision for Bad & Doubtful Debts	8,88,21,629	4,52,22,265
E) Other Balances Written off	4,40,58,204	6,83,95,415
F) Bad debts Written off	7,52,91,629	16,65,00,978
G) Loss on sale of Fixed Assets	26,657	1,05,499
	<b>18,38,79,900</b>	<b>(4,32,98,54,381)</b>
<b>Less: Income</b>		
H) Claims Received	-	4,33,73,363
I) Profit on sale of Fixed Assets	2,07,586	29,05,113
I) Provisions Written Back	16,70,76,660	20,62,54,902
J) Liabilities Written Back	19,82,81,711	47,51,10,672
J) Reduction in revenue	(3,66,98,464)	(5,15,06,24,700)
	<b>32,88,67,493</b>	<b>(4,42,29,80,650)</b>
<b>TOTAL (NET)</b>	<b>(14,49,87,593)</b>	<b>9,31,26,269</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

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

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

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

#### Revenue include:

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

#### 4. 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

##### Tangible Assets

1. Depreciation on Tangible Assets is provided on Straight Line Method (SLM) over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 leaving a residual value of 5% except in respect of items fully depreciated prior to the coming into force of Companies Act, 2013. Assets acquired during the year, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as value for identification.
2. In respect of items not specified in the list, general rate of 15 years applicable to general plant and machinery is adopted.
3. Cost of leasehold land is amortized over the lease period.

##### Intangible Assets

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

3. Licenses of application and operating software for specified periods are charged to revenue with respect to the period of license.

## 6. Inventories

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

## 7. Cash and cash equivalents

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

## 8. Cash Flow Statement

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

## 9. Foreign Currency Transactions

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

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

## 10. Employee Benefits

### i. Short Term Benefits

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

### ii. Long Term Benefits

#### a. Provident Fund

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employees' salary and charged to





Profit and Loss Account. The trust invests in specific designated instruments as permitted by law. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

**b. Gratuity**

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

**c. Leave Encashment**

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

**11. PRIOR PERIOD EXPENSES/INCOME**

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

**12. PREPAID EXPENSES**

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

**13. TAXES ON INCOME**

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

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

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

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

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

### 15. Provisions and Contingent Liabilities

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

### 16. Liquidated Damages

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

### 17. Impairment of Assets:

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

### 18. Write Off/ write back of Assets/ liabilities:

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

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

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

(Amount in Rupees)

Description	2017-18	2016-17
a. Outstanding claims of contractor pending in arbitration and Courts	1,19,28,19,119	1,29,00,22,301
b. Service tax and income tax demands disputed in appeal/Rectification	21,13,91,782	1,02,48,01,644
<b>Total</b>	<b>1,40,42,10,901</b>	<b>2,31,48,23,945</b>
Cases relating to service matters and complaint matters, amount of liability being not ascertainable, not reported.		

**Note -26** Outstanding amount of bank guarantees against mobilization and other advances is Rs.47,93,42,904/-(Previous year Rs.12,46,83,000/-) and margin money kept by the bank in shape of FDRs against these bank guarantee amounting to Rs. 51,10,98,895/- (Previous year Rs.13,36,59,570/-).

**Note -27** Outstanding amount of Performance bank guarantees is Rs.64,76,32,508/-(Previous year Rs.26,78,17,843/-) and margin money in shape of FDRs amounting to Rs.69,00,95,492/- (Previous year Rs. 27,55,61,818/-).

**Note -28** Estimated amount of contracts remaining to be executed on Capital Account (net of advances) – Rs.NIL (Previous Year Rs.17,77,480/-).

**Note -29** Based upon a detailed assessment of trade receivable, trade advances given and performance security amounts retained, provision/allowances have been determined as at 31.3.2018 and the provision/allowances carried in the books have been adjusted leading to a withdrawal of provision/allowance of Rs 1167.15 lakhs. As 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, provision/allowances have been determined considering the net position of receivables and payables in respect of each Project Unit. The Company had created an adhoc provision of Rs.7869.97 lakhs in the financial year 2006-07 pending the actual determination of doubtful debts and advances, balance of which, after allocation to the individual accounts has been withdrawn as above.

**Note -30** Certain road projects undertaken by the Company had got stalled in the year 2012 due to certain constraints and were resumed in the year 2016-17. Based on the inspection of the condition of the roads at the time of resumption of the works, certain excess payments were alleged and the matter has been referred to investigation. The works have since been re-tendered by terminating the previous contracts. Expenditure of Rs.3,32,97,338 (Previous year Rs.15,76,14,189) and corresponding revenue of Rs.3,66,24,991 (Previous year Rs.17,26,56,939), being the difference of expenditure as per last running bill paid under the terminated contracts and BOQ value of visible work as per the condition of roads at the time of inspection, have been reversed and adjusted as Exceptional Items. Provision/allowance of Rs.8,88,21,629 (Previous year Rs.4,52,22,265) has been created during the year for the dues

booked to the contractors' accounts on reversal of expenditure and after adjustment of retentions and withheld amounts. Reversal of revenue has been booked as a liability towards the Project Authority for adjustment on conclusion of the investigation and recovery/settlement of the accounts.

- Note - 31** Service tax was being accounted for to the extent charged from the Project Authorities either separately or as tax inclusive revenue. There are divergent opinions with respect to the taxability of certain contracts which are majorly public works funded by the Government. Additional liability, if any that may arise would be chargeable from the Project Authorities as the contract values are exclusive of tax, and hence, not provided for. Amount unascertainable.
- Note - 32** In respect of cost-plus contracts awarded prior to GST implementation, where costs were inclusive of taxes, expenditure has been booked based on the gross value of work done as per running bills raised by the contractors including taxes, to match the costs approved by the Project Authorities. Input and output taxes have been separately adjusted based on tax invoices raised.
- Note - 33** Trade Receivables, Non-current assets, Loans & Advances, Current and non-current liabilities and Trade Payables include accounts of Project Authorities, Sub-contractors, Suppliers of closed Units and some retired employee accounts which are subject to confirmation and reconciliation.
- Note - 34** Based on the observation of the C&AG on exorbitant audit expenses claimed by the previous statutory central auditor and claims made by the said auditor on the basis of tampered bills and without proper supporting, as pointed out during subsequent statutory audit, advance payments made to the auditor of Rs.14.22 lakhs have not been adjusted and are lying to the debit of his personal account, pending settlement of the audit observations.
- Note - 35** In providing for gratuity, as per the Company's Rules, a ceiling of 16.5 times of the emoluments or Rs.20 lakhs whichever is less is being considered. Certain employees have challenged the rule and the matter is sub-judice. Additional liability, if any, unascertained.
- Note - 36** Matter relating to entitlement of medical reimbursement post the implementation of cafeteria approach for perks and allowances which is being referred to the Board of Directors. The Company had already reimbursed Rs.50,45,379/- during the year and thereafter, discontinued the reimbursement for final decision on the matter. Necessary adjustment to the accounts for recovery or further provision (amount unascertained) would be carried out on the final decision of the Board.
- Note - 37** The Management is of the view that there is reasonable certainty that the Deferred Tax Asset recognized in the accounts would be realized in future years against taxable profits.
- Note - 38** 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 - 39** As the Company operates only in one segment viz., construction and only in one geographical segment, segment-wise details have not been furnished.

**Note - 40** Related Party Disclosures

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

1)	Related Parties		
(a)	Subsidiary Companies		Nil
(b)	Key management personnel during the FY 2017-18		
i	Sh. Manohar Kumar w.e.f. 13.03.2018	Additional Charge of CMD	
ii	Sh. Sanjay Kundu IPS (17.7.2017 to 12.03.2018)	Additional Charge of CMD	
iii	Sh. H.L. Chaudhary (upto 14.07.2017)	CMD	
iv	Sh. Manohar Kumar	Director (Engineering)	
v	Sh. Sahab Narain	Director (Finance)	
vi	Smt. Rajni Agarwal	Company Secretary	
2)	Relatives of key management personnel and their enterprises where transactions have taken place		Nil
3)	Other related parties where control exists		Nil

B. Remuneration to Key Managerial Personnel

(Amount in Rupees)

Name and Designation	2017-18	2016-17
H.L. Chaudhary, CMD (up to 14.07.2017)		
i. Salary & allowances	13,90,897	28,70,778
ii. Contribution to PF	76,206	2,60,412
Manohar Kumar, Director (Engineering), Additional Charge CMD		
i. Salary & allowances	24,03,320	21,14,278
ii. Contribution to PF	2,16,597	1,91,831
Sahab Narain, Director (Finance)		
i. Salary & allowances	21,65,443	18,05,303
ii. Contribution to PF	2,10,910	1,38,041
Rajni Agarwal, Company Secretary		
i. Salary & allowances	14,82,602	15,75,935
ii. Contribution to PF	1,36,171	1,25,377

**Note - 41** Disclosures relating to Construction Contracts entered as per requirement of Accounting Standards -7 (Revised) – Construction Contracts are as follows:

(Amount in Rupees)

	2017-18	2016-17
Contract revenue recognized for the year	11,27,17,37,863	11,18,21,89,193
<b>In respect of contract in progress at the end of year:</b>		
The aggregate amount of cost incurred and recognized profits (less recognized losses)	*	*
Amount of advances received	3,37,79,45,652	2,64,71,03,902
Amount of retentions (deferred debts)	68,13,35,969	59,86,65,344
<b>In respect of dues from customers after appropriate netting off:</b>		
Gross amount due from customer for the contract work as an asset	5,28,09,89,155	6,20,90,40,200
Gross amount due to customer for the contract work as a liability	Nil	Nil

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

**Note - 42 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)	3036.17	2883.72
Weighted average number of shares outstanding during the year (in number)	(B)	9,45,316	9,45,316
Basic/Diluted Earning / (Loss) per share (in Rs.)	(A/B)	321.18	305.05
Nominal value per equity share (in Rs.)		1000.00	1000.00

**Note - 43** 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, 9,24,626/- (Previous Year Rs. 28,11,150/-).

#### Note – 44 Employee Benefits (AS-15)

The principal assumptions used in actuarial valuation are as follow:

Particulars	2017-18	2016-17
-Discount Rate	7.75%/7.00%/7.60%	7.5%/6.62%/7.00%
-Expected Rate of future Salary increase	6.00%	5.00%

(Amount in Rupees)

	Gratuity Regular Staff		Gratuity Work charged		Leave Encashment	
	Unfunded		Unfunded		Unfunded	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Change in the present value of obligations						
<b>- Present value of obligations as at 01.04.2017</b>	<b>18,25,66,765</b>	<b>23,05,05,489</b>	<b>17,40,55,058</b>	<b>18,71,26,032</b>	<b>17,27,39,859</b>	<b>14,32,19,332</b>
- Interest Cost	1,41,48,924	1,72,87,912	1,21,83,854	1,13,97,184	1,31,28,229	85,66,485
- Current Service Cost	94,44,503	63,22,819	42,01,947	49,78,300	99,49,449	1,94,31,433
- Benefits paid	(4,29,59,270)	(5,96,04,040)	(2,69,84,686)	(2,99,26,259)	(3,97,03,495)	(4,16,81,947)
- Actuarial (Gain)/Loss on obligations	1,18,77,356	(1,19,45,415)	(1,47,84,724)	4,79,801	1,74,45,382	9,70,994
<b>- Present value of obligations as at 31.03.2018</b>	<b>19,56,48,202</b>	<b>18,25,66,765</b>	<b>14,86,71,449</b>	<b>17,40,55,058</b>	<b>17,35,59,424</b>	<b>13,05,06,297</b>
Change in Fair Value of Plan						
Liability recognized in the balance sheet	16,79,37,223	15,59,94,969	14,86,71,449	17,40,55,058	17,35,59,424	13,05,06,297
- Present value of obligations as at 31.03.2018	19,56,48,202	18,25,66,765	14,86,71,449	17,40,55,058	17,35,59,424	13,05,06,297
- Fair value of obligations as at the end of the year.	2,77,10,979	2,65,71,796				
- Funded status [Surplus/ (Deficit)]	(16,79,37,223)	(15,59,94,969)	(14,86,71,449)	(17,40,55,058)	(17,35,59,424)	(13,05,06,297)
- Unrecognized Actuarial (Gain)/Loss						
- Net assets/(liability) recognized in the Balance Sheet	(16,79,37,223)	(15,59,94,969)	(14,86,71,449)	(17,40,55,058)	(17,35,59,424)	(13,05,06,297)
Expenses recognized in the Profit and Loss Account	5,46,84,709	1,02,45,200	16,01,077	1,68,55,285	4,05,23,060	2,89,68,912

- Current Service cost	94,44,503	63,22,819	42,01,947	49,78,300	99,49,449	1,94,31,433
- Past Service cost						
- Interest cost	1,41,48,924	1,72,87,912	1,21,83,854	1,13,97,184	1,31,28,229	85,66,485
- Expected return on plan assets	(19,92,885)	(14,99,318)				
- Net Actuarial (Gain)/ Loss recognized during the year	1,25,14,243	(1,18,66,213)	(1,47,84,724)	4,79,801	1,74,45,382	9,70,994
<b>- Total expenses recognized in Profit and Loss Account</b>	<b>5,46,84,709</b>	<b>1,02,45,200</b>	<b>16,01,077</b>	<b>1,68,55,285</b>	<b>4,05,23,060</b>	<b>2,89,68,912</b>

**Note -45** There were no discontinuing operations during the year falling within the definition of “Discontinuing Operations” under Accounting Standard – 24.

**Note - 46** Disclosures relating to Corporate Social Responsibility Expenditure:

(Amount in Rupees)

Description	2017-18	2016-17
Gross amount required to be spent during the year	1,18,05,000	1,30,44,741
Amount spent during the year on -	48,28,613	47,89,013
a) Construction of asset	22,44,672	32,10,466
b) On purposes other than (a) above :		
(i) Paid in Cash	19,60,011	15,78,547
(ii) Outstanding	6,23,930	4,900
c) Nature of Expenditure incurred		
(i) Construction of proposed Girls School building (Phase-I) at Vill. Buchhakheri, Dist. Shamli (U.P).	11,05,678	16,49,925
(ii) Work executed by different Zones under Swachh Bharat Abhiyan during Swachhta Pakhwada	8,54,811	6,67,145
(iii) Construction of Senior Citizen block for Madhav Nyas at Mandaleshwar, Indore.	1,87,725	12,02,275
(iv) Construction of Rain Harvesting system having 2 No. Re-charge pits at sanskrity & Vaidic Studies at Vasant Kunj, New Delhi	9,51,269	--
(v) Supply of computers with accessories and audio visual projection system for Assam rifle public schools	17,29,130	--
(vi) Contribution to “Parnasree Youth Welfare Organistaion, Behala, Kolkata for organizing Free Health Check up Camp”	--	30,000
(vii) Construction of Pond Ghat at Paschim Medinapur	--	3,13,271
(viii) Balance work of Const. of toilet in west Medinapur	--	44,995
(ix) Supply & installation of Gymnasium Equipments in schools at Muzaffar Nagar & Meerut District in Uttar Pradesh.	--	8,81,402
d) Details of related party transactions	Nil	Nil
e) Provisions made	Nil	Nil





- Note - 47** Considering the nature, quantum and value of fixed assets currently in use in the Corporation, it has not been considered necessary to separately determine and compare the useful life of individual components of the fixed assets with the asset as a whole.
- Note - 48** Figures of previous year have been regrouped /rearranged wherever considered necessary for comparison.
- Note - 49** In view of insufficient information from suppliers regarding their status as to unit registered under Micro, Small and Medium Enterprise Development Act, 2006, the information of such undertaking could not be ascertained and accordingly could not be disclosed.

**Signatures to Notes 1 to 49**

**(RAJNI AGARWAL)**  
COMPANY SECRETARY

**(SAHAB NARAIN)**  
DIRECTOR (FINANCE)  
(DIN No.03641879)

**(MANOHAR KUMAR)**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN No. 07382754)

**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 : 27.08.2018  
Place : New Delhi

## INDEPENDENT CENTRAL STATUTORY 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 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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 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, 2018;
- 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.11 and 13 relating to outstanding dues under Trade Receivables of 13693.94 lakhs and 1826.88 lakhs and Note No.10 relating to Loans and Advances to Sub-contractors of Rs.2052.58 lakhs, 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 debit balance of Rs.1.34 lakhs and Rs.166.59 lakhs respectively;
- iii. Attention is invited to Note no.29 relating to withdrawal of provision/allowance of Rs.1167.15 lakhs based on detailed assessment of recovery of trade receivable, trade advances and performance security retained as at March 31, 2018;
- iv. Attention is invited to Note No.30 regarding reversal of contract expenditure of Rs.3,32,97,338, reversal of revenue of Rs.3,66,24,991 and creation of provision/allowance of Rs.8,88,21,629 during the year, over alleged excess payments to contractors that are pending investigation in respect of certain road construction projects stalled in 2012 and re-tendered in 2016-17; Aggregate expenditure reversed till 31.3.2018 Rs.19,26,81,526, revenue reversed Rs.20,92,81,930 and aggregate provision/allowance made till 31.3.2018 – Rs.12,95,49,680;
- v. Attention is invited to Note No.31 relating to exigibility to service tax of certain contracts and additional liability that may arise being recoverable from the Project Authorities;
- vi. Attention is invited to Note No.32 relating to accounting of costs and revenue based on gross value of work done as per progressive bills in respect of pre-GST contracts where costs approved were inclusive of taxes and separate accounting for adjustment of input and output taxes as per tax invoices;
- vii. The Company does not have any system for seeking confirmation of balances from parties and employees. All the personal accounts are, therefore, subject to confirmation and reconciliation. Effect thereof, unascertainable;
- viii. Note No.34 relating to unadjusted payment of Rs.14.22 Lakhs to previous central statutory auditors on the basis of observations of exorbitant claims made by the C&AG and tampered bills and unsupported claims found during audit. The Company has not taken any action there against;
- ix. Note No.35 relating to additional liability, if any, that may arise with respect to lower of ceiling of 16.5 months' emoluments or Rs.20 lakh being considered in reckoning gratuity liability, the same being sub-judice; amount unascertained;
- x. Note No.36 relating to decision of Board of Directors pending on the matter of entitlement for medical reimbursement post the implementation of cafeteria approach for perks and allowances and adjustments to be carried out on the final decision of the Board (amount unascertained);
- xi. Note No.47 with respect to non-determination of useful lives of individual components of fixed assets in view of the nature of assets held.

### Other Matters

- i. We did not audit the financial statements/information of 33 Units included in the financial statements of the Company whose financial statements/financial information reflect gross assets of Rs.127501.68 lakhs as at 31st March, 2018 and total revenues of Rs.96381.28 Lakhs for the year ended on that date, as considered in the financial statements of the Company. The financial statements/information of these Units have been audited by the Branch Auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts and disclosures included in respect of these Units, is based solely on the report of such Branch Auditors.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
  - d) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - e) 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 except for certain disclosures not made in accordance with AS-7, refer Note No.41;
  - f) In terms of Notification No.GSR 463(E) dated 5th June, 2015, provisions of section 164(2) of the Companies Act, 2013 are inapplicable to the Company being a government company;
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements to the extent determinable – Refer Note 25, 26 and 27 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. The Company is not liable to transfer any amount to the Investor Education and Protection Fund.

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

Sl. No.	Directions	Reply										
1.	Whether the Company has clear title/lease deeds for freehold and leasehold lands, respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available?	Yes, the Company has clear title/lease deeds for freehold and leasehold lands, respectively.										
2.	Whether there are any cases of waiver/write off of debts/loans/interest, etc. If yes, the reasons there for and amount involved.	<p>The following write off/write back have been made during the year :</p> <table> <tr> <td>Bad Debts w/off</td> <td>752.92 lakh</td> </tr> <tr> <td>Other Balances w/off</td> <td>440.58 lakh</td> </tr> <tr> <td>Liabilities w/back</td> <td>1982.82 lakh</td> </tr> <tr> <td>Reversal of revenue, (&amp; corresponding receivable)</td> <td>366.98 lakh</td> </tr> <tr> <td>Reversal of construction expenditure (&amp; corresponding Liability)</td> <td>333.64 lakh</td> </tr> </table> <p>Bad debts, other balances write off and liabilities write back are in respect of old balances of many years in respect of which in the opinion, of the Management, no chances of recovery or claim would arise.</p> <p>Reversal of revenue and expenditure have been recorded in respect of over payments alleged in certain road projects that were stalled in the year 2012 and resumed in 2016-17 based on the site inspection carried out at the time of resumption of work.</p>	Bad Debts w/off	752.92 lakh	Other Balances w/off	440.58 lakh	Liabilities w/back	1982.82 lakh	Reversal of revenue, (& corresponding receivable)	366.98 lakh	Reversal of construction expenditure (& corresponding Liability)	333.64 lakh
Bad Debts w/off	752.92 lakh											
Other Balances w/off	440.58 lakh											
Liabilities w/back	1982.82 lakh											
Reversal of revenue, (& corresponding receivable)	366.98 lakh											
Reversal of construction expenditure (& corresponding Liability)	333.64 lakh											
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	<p>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.</p> <p>There are no assets received as gifts from Government or other authorities.</p>										

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

(K. N. Goyal)

Partner

M.No.011939

Date : 27.08.2018

Place : New Delhi

## Annexure- A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report of **National Projects Construction Corporation Limited** on the financial statements for the year ended 31st March 2018, 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(iii)). As explained, no material discrepancies were noticed on the verification of assets. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Inventories have been physically verified as per reports furnished to us, except in respect of materials at closed sites to which the Company does not have access to. Refer Note No.12 relating to certain inventories impounded by the Project Authorities;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act');
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee to which provisions of sections 185 and 186 of the Act apply;
- (v) The Company has not accepted any deposits to which the directives issued by Reserve Bank of India or provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder apply;
- (vi) In our opinion, considering the nature of activities of the Company, the Order issued by the Central Government for maintenance of cost records and audit are not applicable to the Company. The same position has also been confirmed by a Cost Auditor. However, the Company has got a cost audit conducted of the year 2016-17 wherein satisfaction has been expressed by the Cost Auditor over the records and no significant observations have been reported.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess, GST and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for dues indicated in Appendix '1' which were due as at the last day of the financial year for more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- (b) According to information and explanations given to us, the dues indicated in Appendix '2' on account of income tax, sales tax, service tax, value added tax and GST have not been deposited by the Company on account of disputes.



- (viii) The Company does not have any loans or borrowings from any financial institution, banks, or debenture holders during the year. However, in respect of loan granted by Government of India, there are outstanding interest dues of Rs. 502.96 Lakhs and Penal interest on delay in payment of Bank Guarantee Fee Rs.259 lakhs.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) In respect of certain road projects stalled in the year 2012 that were resumed in the year 2016-17, over-payments to contractors have been alleged based on the condition of the roads as per inspection carried out at the time of resumption of work. Criminal complaints have been lodged against the contractors and employees and are under investigation. Refer Note No. 30.
- (xi) The Company being a government company, the provisions of section 197 and the Schedule V to the Act are inapplicable to the Company.
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Date : 27.08.2018  
Place : New Delhi

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

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

## **Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of National Projects Construction Corporation Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide





reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Qualified Opinion**

Though the Company has taken significant steps in the areas of deficient internal financial controls reported in the previous audit report, but the following material weaknesses exist in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31st March, 2018 :

- i. The Company did not have a proper system of evaluating claims of contractors vis-à-vis contractual terms leading to huge number of litigations and settlements with mounting interest burden. The non-determination of the liability in a timely manner could significantly affect the financial reporting and could also affect the functioning of the Company.
- ii. Certain cases of over-payments to contractors have been reported which is under investigation.
- iii. The Company undertakes construction works for various Project Authorities/Clients on deposit works basis as per CPWD guidelines where the Company is not expected to meet expenditure from its own funds but out of deposits given by the Project Authorities. However, during our examination, in certain contracts, payments have been made to contractors out of own funds without release of deposits by the Clients which may lead to avoidable losses.
- iv. The Company does not have a system of balance confirmations of personal accounts.
- v. Though the Company has introduced a system of reconciliation of Remittance accounts between the accounting units, but efforts are due in respect of differences in the accounts upto 2012-13 and these could affect balances in other accounts.
- vi. In respect of some contracts, the Company is not recording detailed measurements of the work done by the sub-contractors in its Measurement Books and payments and billing are based upon measurement books of the Project Authorities of which, many a time, proper copies are also not maintained with the Units. Payments are processed merely based on an abstract drawn in the Measurement Book. In our opinion, the non-maintenance of proper measurement records by the Company could lead to serious repercussions in case of disputes arising with the Project Authorities or Contractors.
- vii. The Company does not have a proper system for evaluation of tax components in the project costs leading to unwarranted disputes with regard to billing, payment and recovery of taxes with Project Authorities, Contractors and Statutory Authorities.
- viii. The Company does not have an effective job rotation and transfer policy.

ix. The Company has a Manual of Orders which has not undergone revision since many years.

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

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31st March 2018.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and these material weaknesses having been adequately dealt with, do not affect our opinion on the financial statements of the Company.

Date : 27.08.2018  
Place : New Delhi

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



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



**Appendix -1**

Undisputed Dues of Sales Tax / Income Tax/Custom Duty/Wealth Tax/Excise Duty/Cess/service Tax/GST which have not been deposited up to 31/03/2018 (Outstanding for more than 6 months):-

Sl. No.	Name of Statute	Nature of dues	Department	Amount (Rs.) 2017-18	Unit
1	WCT	WCT	Proj. Auth. Jammu (University)	6,90,182.00	INDO CHINA BORDER
2	Service Tax	Service tax	Service Tax Department	8,613.00	OZO Bhubaneshwar
	<b>Total</b>			<b>6,98,795.00</b>	

Appendix -2

Disputed Dues of Sales Tax/ Income Tax/Custom Duty/Wealth Tax/Excise Duty/Cess/service Tax/ GST which have not been deposited up to 31/03/2018 on account of any dispute are as follows:-

Sl. No.	Name of Statute	Nature of dues	Authority before whom case is pending	Amount (Rs.)	Unit
1	Sales Tax	Sales Tax	Sales Tax Tribunal, Patna	21,01,000	Chapra Gopalganj Unit
2	Central Excise/ Service Tax	Service Tax, Interest and Penalty	Commissioner, Custom & Excise, Raipur	42,72,118	Sipat
3	Central Excise/ Service Tax	Service Tax, Interest and Penalty	Central Excise Service Tax Appellate Tribunal, Kolkata	8,03,54,000	Kahalgaon
4	Sales Tax	VAT (A.Y. 2008-09)	Joint Commissioner of Commercial Taxes (Appeals) 2, Shantinagar, Bangalore, Karnataka	1,42,658	SZO BANGALORE
5	Sales Tax	Demand Tax 1999-2000	Assistant Commissioner, Sales Tax Authority, Bhubaneswar	6,92,015	Orissa Zonal Office
6	Service Tax	Demand of Service Tax	Appellate Tribunal Kolkata	1,17,37,138	Talcher STPP
7	Sales Tax	Demand Tax 1999-2000	Commissioner of Commercial Taxes, Cuttack	3,45,203	Rourkela (merged with Talcher STPP)
8	Sales Tax	Demand Tax 1997-98 1998-99 1999-2000	Sales Tax Tribunal, Cuttack Orissa	17,29,423	Nalco Damanjodi (merged with NTPC Simhadri)
9	Service Tax	Demand of Service Tax	Appellate Tribunal Kolkata,	1,34,14,619	Nalco D Type Qtr's, Angul
10	Sales Tax	Sales Tax	Sales Tax Tribunal, Cuttack	1,30,183	OZO
11	Jharkhand VAT Act	Output Tax (FY 12-13)	Application for revision by commissioner filed in May 18	1,79,78,524	RANCHI WORKS
12	Jharkhand VAT Act	Output Tax (FY 13-14)	Application for revision by commissioner filed in May 18	1,84,73,484	RANCHI WORKS
13	Central Excise/ Service Tax	Joint Commissioner, Central Excise, Shillong	CESTAT, KOLKATA	2,54,71,508	NER (IBBW) SILCHAR
14	Income Tax	Income Tax (A.Y.2013-14)	Appeal before Commissioner of Income Tax (Appeals)	1,92,84,930	Corporate Office

Sl. No.	Name of Statute	Nature of dues	Authority before whom case is pending	Amount (Rs.)	Unit
15	Income Tax	Income Tax (A.Y. 2014-15)	Rectification before Assessing officer	29,17,110	Corporate Office
16	Chattisgarh Sales Tax/ E.T.	Sales Tax Penalty, (1984-87)	Appeal before High Court, Bilaspur	15,83,000	GGDU, Koni
17	Sales tax	Sales tax	Sales tax tribunal	4,58,632	SSC
18	Service tax	Finance Act 1994	CESTAT, KOLKATA	39,19,499	NEZ(C) Shillong
19	Sales tax	Sales tax (2008-09)	Comm. of Appeal of Sales Tax, Raipur	9,62,020	CZO, Raipur
20	Sales tax	Sales tax (2009-10)	Comm. of Appeal of Sales Tax, Raipur	15,71,808	CZO, Raipur
21	Income Tax	TDS	Rectification before Income Tax Officer	4,140	Jodhpur
22	Income Tax	TDS	Rectification before Income Tax Officer	16,670	CRPF
23	Income Tax	TDS	Rectification before Income Tax Officer	4,77,180	DZO
24	Income Tax	TDS	Rectification before Income Tax Officer	1,92,820	Raipur
25	Income Tax	TDS	Rectification before Income Tax Officer	29,77,640	Sipat
26	Income Tax	TDS	Rectification before Income Tax Officer	1,740	TSTPP Talcher
27	Income Tax	TDS	Rectification before Income Tax Officer	7,860	NTPC Simhadri
28	Income Tax	TDS	Rectification before Income Tax Officer	230	Jammu
29	Income Tax	TDS	Rectification before Income Tax Officer	52,470	BTP Unit
30	Income Tax	TDS	Rectification before Income Tax Officer	1,04,450	Corporate Office
31	Income Tax	TDS	Rectification before Income Tax Officer	11,660	EZO
32	Income Tax	TDS	Rectification before Income Tax Officer	6,050	Bhubaneshwar
		<b>Total</b>		<b>21,13,91,782</b>	

## Management reply on Emphasis of Matter in Statutory Auditors Report for the FY 2017-18

Sl. No.	Auditors Comments	Management Reply
I	Note No.11 and 13 relating to outstanding dues under Trade Receivables of 13693.94 lakhs and 1826.88 lakhs and Note No.10 relating to Loans and Advances to Sub-contractors of Rs.2052.58 lakhs, which are more than 3 years' old shown as good for recovery.	The Provision against doubtful trade receivable of Rs.52 Cr. and loan & advances of Rs.20 Cr. had already been made and balance are good for recovery.
II	Note No.16 relating to reconciliation of CPF Account and Remittance account with a debit balance of Rs.1.34 lakhs and Rs.166.59 lakhs respectively;	Transactions relates to current year are fully reconciled. There are some very old entries appearing in the books of accounts which are continuing year after year. Company will take appropriate course of action to write off / write back these very old balances after taking approval from the competent authority during FY 2018-19.
III	Attention is invited to Note no.29 relating to withdrawal of provision/allowance of Rs.1167.15 lakhs based on detailed assessment of recovery of trade receivable, trade advances and performance security retained as at March 31, 2018.	Adhoc Provision lying in books past many years is written back. Statutory auditors, after detailed scrutiny, has concurred the same.
IV	Attention is invited to Note No.30 regarding reversal of contract expenditure of Rs.3,32,97,338, reversal of revenue of Rs.3,66,24,991 and creation of provision/allowance of Rs.8,88,21,629 during the year, over alleged excess payments to contractors that are pending investigation in respect of certain road construction projects stalled in 2012 and re-tendered in 2016-17; Aggregate expenditure reversed till 31.3.2018 Rs. 19,26,81,526, revenue reversed Rs. 20,92,81,930 and aggregate provision / allowance made till 31.3.2018 – Rs. 12,95,49,680;	During the year company has continued comprehensive exercise to review and scrutinise old balances lying in Books of Accounts of Zones/Corporate Office. After the review necessary entries have been passed in the books of accounts. Statutory auditors, after detailed scrutiny, has concurred the same.
V	Attention is invited to Note No.31 relating to exigibility to service tax of certain contracts and additional liability that may arise being recoverable from the Project Authorities.	The effect will be ascertained as and when it arises. Additional liability, if any that may arise would be chargeable from Project Authorities. No impact on profit.
VI	Attention is invited to Note No.32 relating to accounting of costs and revenue based on gross value of work done as per progressive bills in respect of pre-GST contracts where costs approved were inclusive of taxes and separate accounting for adjustment of input and output taxes as per tax invoices.	In respect of cost-plus contracts awarded prior to GST implementation, where costs were inclusive of taxes, expenditure has been booked based on the gross value of work done as per running bills raised by the contractors including taxes

Sl. No.	Auditors Comments	Management Reply
VII	The Company does not have any system for seeking confirmation of balances from parties and employees. All the personal accounts are, therefore, subject to confirmation and reconciliation. Effect thereof, unascertainable.	In case of deposit work, the company is submitting utilization certificate to Project Authorities in regular intervals and Balance Confirmation from Parties is done at the time of final bill.  Regarding employee's personal accounts, company has taken various steps during the year to reconcile and square up the same. Personal accounts of the employees have been reconciled.
VIII	Note No.34 relating to unadjusted payment of Rs.14.22 Lakhs to previous central statutory auditors on the basis of observations of exorbitant claims made by the C&AG and tampered bills and unsupported claims found during audit. The Company has not taken any action there against;	Reply of audit para had already been submitted to C&AG and action will be taken as per advice of C&AG.
IX	Note No.35 relating to additional liability, if any, that may arise with respect to lower of ceiling of 16.5 months' emoluments or Rs.20 lakh being considered in reckoning gratuity liability, the same being sub-judice; amount unascertained.	As per the Company's Rules, a ceiling of 16.5 months of the emoluments or Rs.20 lakhs whichever is less is being considered
X	Note No.36 relating to decision of Board of Directors pending on the matter of entitlement for medical reimbursement post the implementation of cafeteria approach for perks and allowances and adjustments to be carried out on the final decision of the Board (amount unascertained).	Necessary action will be taken on the final decision of the Board.
XI	Note No.47 with respect to non-determination of useful lives of individual components of fixed assets in view of the nature of assets held.	Useful lives of components of fixed assets is considered as per schedule II of the Companies Act, 2013.

### Management reply on Other Matters in Statutory Auditors Report for the FY 2017-18

Sl. No.	Auditors Comments	Management Reply
I	We did not audit the financial statements / information of 33 Units included in the financial statements of the Company whose financial statements/financial information reflect gross assets of Rs. 1,27,501.68 lakhs as at 31st March, 2018 and total revenues of Rs. 96,381.28 Lakhs for the year ended on that date, as considered in the financial statements of the Company. The financial statements/information of these Units have been audited by the Branch Auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts and disclosures included in respect of these Units, is based solely on the report of such Branch Auditors.	No Comment required



## Management reply on Annexure A to the Statutory Auditors Report for the FY 2017-18

Sl. No.	Auditors Comments	Management Reply
I	a) The Company has maintained record of Fixed Assets, but the records do not contain details of situation and identification of assets;	(a) The Company maintains individual identifiable asset-wise records of Fixed Assets. Company will start the process to mark the identification on asset itself.
	b) The Company undertakes physical verification of its fixed assets at the year end except in respect of certain closed units where the assets are in the custody of the Project Authorities (Refer Note No.8 (iii)). 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.	(b) The Company undertakes physical verification of assets periodically. No material discrepancies are noted.
	c) The title deeds of immovable properties are held in the name of the Company	(c) No Comments Required
II	Inventories have been physically verified as per reports furnished to us, except in respect of materials at closed sites to which the Company does not have access to. Refer Note No.12 relating to certain inventories impounded by the Project Authorities;	The Inventories have been physically verified except some projects for which inventories are lying with Project Authorities/Clients. The projects were physically foreclosed more than 10 years ago. Final settlement are yet to be made. However Provision of Rs.1.09 Cr. has been made against such inventories. The Matter is subjudice therefore final settlement has not been made.
III	The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act');	No Comments Required
IV	In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee to which provisions of sections 185 and 186 of the Act apply;	No Comments Required
V	The Company has not accepted any deposits to which the directives issued by Reserve Bank of India or provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder apply;	No Comments Required
VI	In our opinion, considering the nature of activities of the Company, the Order issued by the Central Government for maintenance of cost records and audit are not applicable to the Company. The same	No Comments Required

Sl. No.	Auditors Comments	Management Reply
	position has also been confirmed by a Cost Auditor. However, the Company has got a cost audit conducted of the year 2016-17 wherein satisfaction has been expressed by the Cost Auditor over the records and no significant observations have been reported.	
VII	a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess, GST and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for dues indicated in Appendix '1' which were due as at the last day of the financial year for more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.	Undisputed tax balances reported in the para paid in FY 2018-19
	b) According to information and explanations given to us, the dues indicated in Appendix '2' on account of income tax, sales tax, service tax, value added tax and GST have not been deposited by the Company on account of disputes.	No Comments Required
VIII	The Company does not have any loans or borrowings from any financial institution, banks, or debenture holders during the year. However, in respect of loan granted by Government of India, there are outstanding interest dues of Rs.502.96 Lakhs and Penal interest on delay in payment of Bank Guarantee Fee Rs.259 lakhs.	The Company has started paying the same in installments.
IX	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.	No Comments Required
X	In respect of certain road projects stalled in the year 2012 that were resumed in the year 2016-17, over-payments to contractors have been alleged based on the condition of the roads as per inspection carried out at the time of resumption of work. Criminal complaints have been lodged against the contractors and employees and are under investigation. Refer Note No. 30.	As stated, Company has already taken legal and administrative action in this regard. Necessary entries have been passed in the books of accounts in previous year and in current year.

Sl. No.	Auditors Comments	Management Reply
XI	The Company being a government company, the provisions of section 197 and the Schedule V to the Act are inapplicable to the Company.	No Comments Required
XII	The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.	No Comments Required
XIII	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.	No Comments Required
XIV	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	No Comments Required
XV	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.	No Comments Required
XVI	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.	No Comments Required

## Management reply on Annexure B to the Statutory Auditors Report for the FY 2017-18

Sl. No.	Auditors Comments	Management Reply
	In reference to the Central statutory auditors report on Internal Financial Control System of the Company, it is submitted that 69 % units have been audited by the Branch auditors and no adverse comments given by them for point no.I,III & VI as reported by Central Statutory auditors.However point wise reply is as under:	
I	The Company did not have a proper system of evaluating claims of contractors vis-à-vis contractual terms leading to huge number of litigations and settlements with mounting interest burden. The non-determination of the liability in a timely manner could significantly affect the financial reporting and could also affect the functioning of the Company.	The Company, after taking contracts from the client, awards the same to potential sub-contractors after tendering process. Terms and conditions of the contract is decided only after reviewing contract executed with the client and work order is issued only after due diligence. Company is having very old arbitration / court cases which are being persuaded appropriately. Proper disclosure of contingency liability against such disputes is being made. Corporation is having a separate Legal & Arbitration section for proper monitoring. No such specific case is reported by Staturoy Auditors.
II	Certain cases of over-payments to contractors have been reported which is under investigation.	The company has passed necessary entries in the books of accounts. The company is parallely taking necessary legal and administrative action in this regard as well.
III	The Company undertakes construction works for various Project Authorities/Clients on deposit works basis as per CPWD guidelines where the Company is not expected to meet expenditure from its own funds but out of deposits given by the Project Authorities. However, during our examination, in certain contracts, payments have been made to contractors out of own funds without release of deposits by the Clients which may lead to avoidable losses.	Payment are being made to contractors as per agreements.
IV	The Company does not have a system of balance confirmations of personal accounts.	During the year, personal accounts of the employees have been reconciled and most of the personal account balances square up at the year end.
V	Though the Company has introduced a system of reconciliation of Remittance accounts between the accounting units, but efforts are due in respect of differences in the accounts upto 2012-13 and these could affect balances in other accounts.	The matter of reconciliation of Inter Unit has been resolved to a great extent. Inter-unit balances of current year stand reconciled. There are some very old balances appearing in the books of accounts which are continuing year after year. Company will take appropriate course of action in due course to write off / write back these very old balances after taking approval from the competent authority.

Sl. No.	Auditors Comments	Management Reply
VI	In respect of some contracts, the Company is not recording detailed measurements of the work done by the sub-contractors in its Measurement Books and payments and billing are based upon measurement books of the Project Authorities of which, many a time, proper copies are also not maintained with the Units. Payments are processed merely based on an abstract drawn in the Measurement Book. In our opinion, the non-maintenance of proper measurement records by the Company could lead to serious repercussions in case of disputes arising with the Project Authorities or Contractors.	There is proper system laid down in manual of order for recording measurement of the work done. However, project authorities has been advised to ensure strictly compliance. No such specific case was reported by Statutory Auditors.
VII	The Company does not have a proper system for evaluation of tax components in the project costs leading to unwarranted disputes with regard to billing, payment and recovery of taxes with Project Authorities, Contractors and Statutory Authorities.	The Company awards the works to the contractor only after taking into account all tax components. There is proper tax clause in agreements with clients as well as with contractors. Tax disputes, whatsoever, are being dealt appropriately wherever arise in normal course of business. Further, with the introduction of GST by government of India, there is more clarity in the imposition of taxes.
VIII	The Company does not have an effective job rotation and transfer policy.	Corporation have detailed transfer policy. Job rotation are based on needs and availability of staff. Transfers are being done only after ensuring interests of the corporation.
IX	The Company has a Manual of Orders which has not undergone revision since many years.	Manual of orders is under the process of detailed review.

**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 2018.**

The preparation of financial statements of National Projects Construction Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is/are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27th August, 2018.

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 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



**(Raajdeep Singh)**

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

Place : New Delhi  
Dated : 04.12.2018

## TEN YEARS AT A GLANCE

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Authorised Capital	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00
Paid up Capital										
A. Equity Shares	2984.20	67673.75	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16
B. Non-cumulative Preference Shares	---	---	---	---	---	---	---	---	---	---
Net Worth	-79693.51	-11875.11	-4600.70	-382.49	4714.12	9420.56	10738.29	11836.65	14595.59	17381.45
<b>SOURCES OF FUNDS</b>										
Capital	2984.20	67673.75	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16
Reserves & Surplus							1285.13	2383.49	5142.43	7928.29
Non -Current Liabilities	67954.48	1323.86	9923.62	6373.06	7859.13	4311.74	103825.01	89909.82	48092.47	42660.09
<b>TOTAL</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>114563.30</b>	<b>101746.47</b>	<b>62688.06</b>	<b>60041.54</b>
<b>APPLICATION OF FUNDS</b>										
Net Fixed Assets	801.38	761.84	737.85	890.00	963.93	1224.41	1189.37	1641.15	3658.45	4000.89
Investment	0.15	0.15	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non -Current Assets							60892.38	67483.09	26648.58	18971.97
Net Current Assets	-13117.36	-11921.53	-88.41	1551.80	8768.34	9237.60	48352.77	28629.23	28666.81	32582.58
Deferred expenses/ Revenue/Deferred tax Assets	576.80	608.29	4673.33	3548.77	2840.98	3270.29	4128.78	3993.00	3714.21	4486.10
Cummulative Loss	82677.71	79548.86	14053.86	9835.65	4739.04	32.60				
<b>TOTAL</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>114563.30</b>	<b>101746.47</b>	<b>62688.06</b>	<b>60041.54</b>
<b>INCOME</b>										
Value of Workdone	82556.38	99110.64	106130.18	116736.87	115503.36	117469.24	110851.21	94071.76	111821.89	112717.38
Value of Workdone for Corp.	3.80	11.71	2.25	0.83	1.43	1.53				
Other Income	1544.49	1439.27	3501.74	5661.99	6552.56	4504.81	3674.11	6126.66	4909.01	4198.00
<b>TOTAL</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>100198.42</b>	<b>116730.90</b>	<b>116915.38</b>
<b>EXPENDITURE</b>										
Constuction & Work exp.	77685.03	92637.36	100838.36	107940.37	106523.18	108422.50	102468.67	87201.86	103495.96	104802.36
Employee Benefit Expenses	2961.77	2808.03	3860.75	7409.85	7391.73	7148.35	7196.72	7220.71	6345.74	8001.02
Administration	346.84	421.48	393.76							
Bank Charges	9.08	5.99	6.28	5.80	8.85	18.47	15.70	31.09	24.81	68.99
Other Expenses	327.19	503.55	563.67	1657.54	2103.07	1443.17	1626.32	1333.69	2299.40	381.06
Provisions	1818.45	666.10	534.21							
Prior Period Adjustment	53.50	23.22	63.24		91.02	62.55	1268.14	-88.99	2.34	42.70
<b>TOTAL</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>	<b>95698.36</b>	<b>112168.25</b>	<b>113296.13</b>
Profit / - Loss before Interest and Tax (PBIT)	902.81	3495.89	3500.38	5386.13	5939.50	4880.54	1949.76	4500.06	4562.65	3619.25
Interest	4333.95	398.54	291.01	43.36	128.53	35.20	660.28	2406.33	1273.59	610.29
Tax (FBT)	15.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax (Income)					6.57	568.19	789.39	876.93	126.55	744.68
Profit / - Loss after Interest and Tax	-3446.58	3097.35	3209.37	5342.77	5804.40	4277.14	500.09	1216.80	3162.51	2264.28
Deferred Tax Revenue /Expenditure(-)	576.80	31.49	4065.04	-1124.56	-707.79	429.30	858.50	-135.78	-278.79	771.89
Net profit/-Loss after deferred tax revenue	-2869.78	3128.84	7274.41	4218.21	5096.61	4706.44	1358.58	1081.01	2883.72	3036.17

Note: 1) Administrative expenses and provisions are included in Other Expenses as per Schedule III of the Companies Act, 2013.

2) Figures have been regrouped during 2017-18 where ever considered necessary for comparison.

## Addresses of Zonal Office

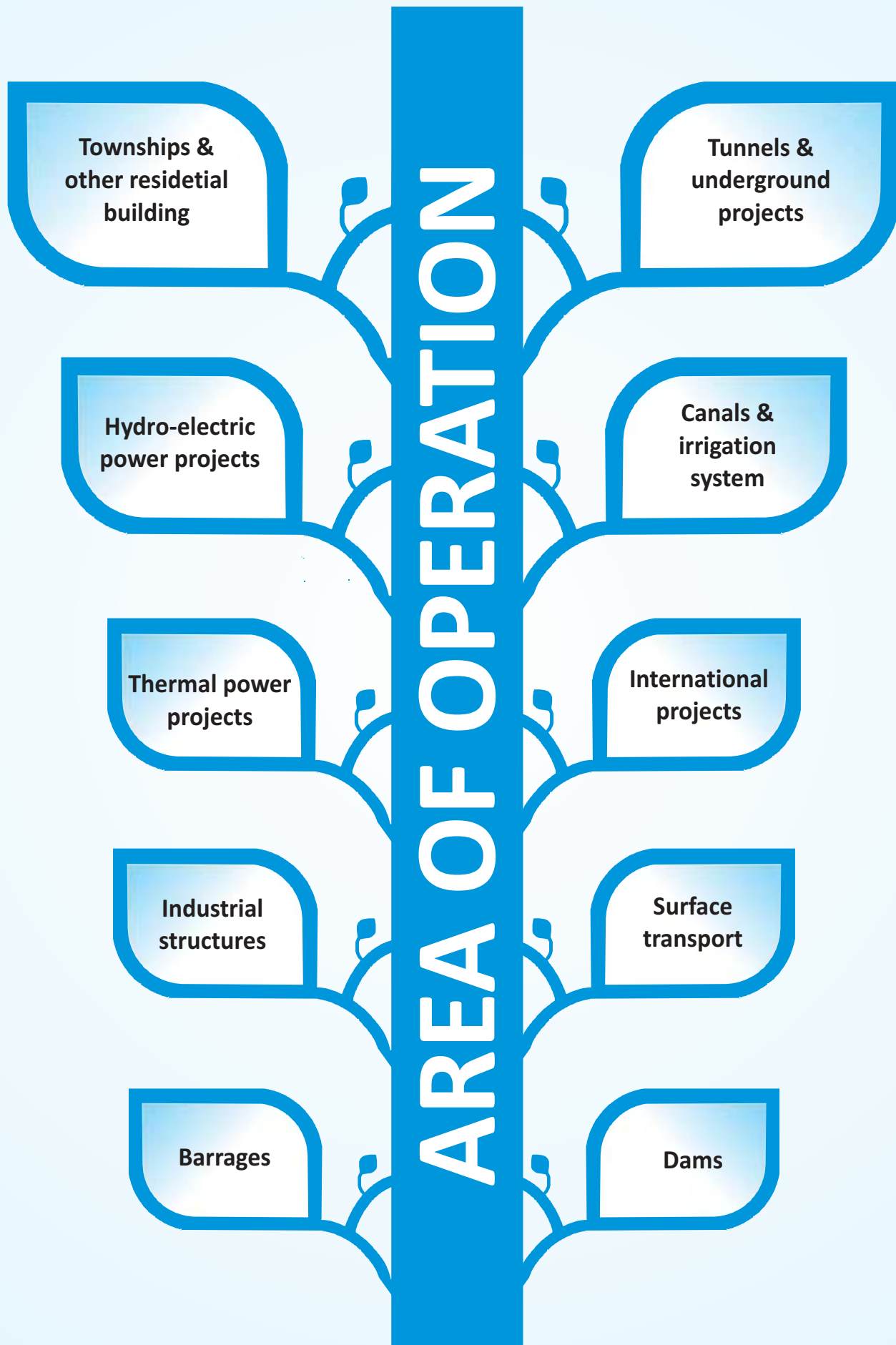
<b>NORTHERN ZONAL OFFICE</b>	<b>EASTERN ZONAL OFFICE</b>
N.P.C.C. Limited, P.O. Reasi, Distt. Udhampur -182 311. JAMMU & KASHMIR. Tele Fax 01991-245200.	N.P.C.C. Limited, 3-A, Dr S.N. Roy Road, Kolkata - 700 029. WEST BENGAL. Ph: 033-24635138, Fax 033-24664454.
<b>NORTHERN (WEST) ZONAL OFFICE</b>	<b>NER (IBBW) ZONAL OFFICE</b>
N.P.C.C. Limited, 98, Nehru Colony, Dehradun-248001. UTTRAKHAND. Ph. 0135-2101046, Fax 0135-2675725.	N.P.C.C. Limited, H. No. 2 (2nd Floor), Aapanjan Pally, Sonai Road, Silchar-788 006. ASSAM. Ph. 03842 – 225089, Fax 03842-226995.
<b>NER (WEST) ZONAL OFFICE</b>	<b>NER (CENTRAL) ZONAL OFFICE</b>
N.P.C.C. Limited, H.No. 34, Hem Chandra Road, UZAN BAZAR, Guwahati - 781001. ASSAM. Ph. 0361- 2731399, Fax 0361-2131303.	N.P.C.C. Limited, Madan Riting, Shillong – 793 021. MEGHALAYA. Ph. 0364 – 2535422, Fax 0364 – 2534475.
<b>WESTERN ZONAL OFFICE</b>	<b>SOUTHERN ZONAL OFFICE</b>
N.P.C.C. Limited, No.109, 'B' Wing, Twin Tower, Pump House, Manish Park, Andheri (East), Mumbai-400093. MAHARASHTRA. Tele Fax 022-28374345.	N.P.C.C. Limited, House No. 1316, 2nd Cross K.H.B. Colony, Magadi Main Road, Bangalore – 560 079, KARNATAKA Tele Fax 080 – 23110309.
<b>BIHAR ZONAL OFFICE</b>	<b>JHARKHAND ZONAL OFFICE</b>
N.P.C.C. Limited, 15, I.A.S. Colony, (2nd Floor), Kidwaipuri, Patna – 800001. BIHAR. Ph: 0612 – 2525989, Fax 0612 – 2526011.	N.P.C.C. Limited, 101/C, Road No. 1, Mandir Marg, Ashok Nagar, Ranchi-834 002. JHARKHAND. Ph. 0651-2242845, Fax 0651-2242820.
<b>CHATTISGARH ZONAL OFFICE</b>	<b>HYDERABAD ZONAL OFFICE</b>
N.P.C.C. Limited, Kalyan Apartments, Street No.5, Ashok Vihar Colony, Pandri, Raipur– 492 004. CHATTISGARH. Tele Fax 0771-4074482.	NPCC Limited, Door No. 59/1/2/1, Second Floor, above ICICI Bank Kousalya Estate Karkhana, Secenderabad-500009. Telangana State.
<b>U.P. ZONAL OFFICE</b>	<b>DELHI ZONAL OFFICE</b>
N.P.C.C. Limited, 3/21, Patrakarpuram, Near Dena Bank, Gomti Nagar, Lucknow - 226 010. UTTAR PRADESH. Ph.0120-2433155/Tele Fax 0522-4011482.	N.P.C.C. Limited, Plot No 148, Sector 44, Gurgaon, Haryana. Ph. 0124-2386620, Fax – 0124-2386589.
<b>BHOPAL ZONAL OFFICE</b>	<b>ORISSA ZONAL OFFICE</b>
N.P.C.C. Limited. Flat No. 203, Building No. 31 B, bimbser Nagar, MAHADA Colony, Gore Gaon East Mumbai-400065	N.P.C.C. Limited. Plot No. VII-H-59, Sailashree Vihar Bhubneshber-751021 (Orissa)
<b>HIMACHAL ZONAL OFFICE</b>	
N.P.C.C. Limited. 3rd Floor, Bhaskar Niwas, Below T&CP Office, Debnagar, Kasumpatti, Shimla-171009	

**Registered Office :** Raja House, 30-31, Nehru Place, New Delhi-110019

Phone: 011-26484842, Fax : + 91-11-26468699

**Corporate Office:** Plot No-148, Sector - 44, Gurugram - 122003, Phone: 0124-4888160-65









# Bluestar

Management Systems Pvt. Ltd.

Providing Value Added Services

## Certificate of Registration

*This is to certify that the  
Quality Management System of*

# NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

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

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

has been assessed and conforms to the requirement of

### ISO 9001:2015

for the following activities & scope

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

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

**Certificate Number : 10082-QMS-1082**

Original Certification Date : 01/11/2018

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

Revised Certification Date : N.A.

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

Certificate Expiration Date : 31/10/2021

  
Certification Manager



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



Bluestar Management Systems Pvt. Ltd. is Accredited By United Accreditation Foundation, United States of America

*UAF is Full Member of International Accreditation Forum (IAF)*

The validity of this certificate is contingent upon the conditions that the client has understood & agreed and shall abide by contract agreement, certification Agreement & other agreement for certification services and logo rules as given on our website [www.bluestarcorp.com](http://www.bluestarcorp.com).

Corp. Office : DBS Corporate Centre, 4204, II Floor, Kabeja Chembur, Free Press Journal Road, No.21, Nariman Point, Mumbai - 400 021, India.  
Admin. Office: E-404, Sparo Building, Beroa Wing, Near Gravity Gym, Minamibaj Estate, Chodhryda Road, Thane West 400 007, Maharashtra, India.  
Website : [www.bluestarcorp.com](http://www.bluestarcorp.com) Email : [info@bluestarcorp.com](mailto:info@bluestarcorp.com)

# NPCC's Corporate Office and Zonal Offices



## Registered Office :

Raja House, 30-31, Nehru Place, New Delhi-110019  
Phone : 011-26484842, 011-26468699, Tele-Fax : 011-26468699  
Website : [www.npcc.gov.in](http://www.npcc.gov.in)

## Corporate Office :

Plot No. - 148, Sec.-44, Gurugram-121003 (Haryana)  
Phone : 0124-4888160-65, Tele-Fax : 0124-2385219  
CIN : U45202DL1957GOI002752