

# 56<sup>th</sup> ANNUAL REPORT

## 2012-13





NPCC Employees donation for Uttarakhand Tragedy, 2013

## CONTENTS

Vision & Mission	02
Board of Directors	03
From the Chairman's Desk	04
Director's Report	06
Report on Corporate Governance	11
Management Discussion and Analysis Report	13
Compliance Certificate on Corporate Governance	16
Annual Accounts	19
Accounting Policies	35
Cash Flow Statement	44
Independent Central Statutory Auditor's Report	45
Management Reply to Statutory Auditor's Report	55
Comments of the Comptroller & Auditor General of India	57
Replies to the Comments of Comptroller & Auditor General of India	59
Ten Years At A Glance	60
Addresses of NPCC offices	61
Area of Operations	64





## VISION

"To become world class  
engineering projects  
implementing organization"

## MISSION

"To achieve a turnover exceeding  
₹ 2,000 crores with positive net  
worth by 2015-16 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



**A.K. Jhamb**  
*Director (Engg.) & CMD*  
*(Addl. Charge) upto 04.09.12*  
*Chairman & Managing Director*  
*w.e.f. 04.09.12 to 31.03.13*



**N.S. Samant**  
*Joint Secretary(A), MOWR*  
*GOVT. Nominee Director and*  
*Chairman & Managing Director*  
*(Addl. Charge)*  
*w.e.f. 01.04.13 to 31.08.13*



**Pradeep Kumar**  
*Commissioner (SPR)MOWR*  
*Chairman & Managing Director*  
*(Addl. Charge)*  
*w.e.f. 19.09.13 to 24.10.13*



**Ravendra Garg**  
*Director (Finance)\**



**Sunil Kohli**  
*JS & FA, MOWR*  
*GOVT. Nominee Director*



**Dr. M.K. Soni**  
*Independent Director*



**Rihan Ahmad**  
*Independent Director*

\* under suspension w.e.f. 22.02.2013



## FROM THE CHAIRMAN'S DESK



I extend a warm and hearty welcome to all of you on this 56th Annual General Meeting of the company. The audited statement of accounts of the company for the year 2012-13 along with the Director's Report have already been in your hand and with your permission, I take them as read.

It gives me immense pleasure to place on record the satisfying performance of all the operating units of your company for the year 2012-13.

Your Company has met all the parameters of physical and financial performance committed through MoU with Government of India and is eligible to be rated as "Very Good" in its performance evaluation based on MoU for the year 2012-13.

During the year, your company has achieved a turnover of Rs.1220.57 crores as against Rs.1223.53 crores last year. The company has earned the profit before tax of Rs.58.11 crores as against Rs.53.43 crores in previous year. NPCC has improved customer satisfaction rating up to 94.62% against the previous year's rating of 94.34%

which is helping in securing repeat orders from esteemed clients.

Despite all around difficulties in construction industry, NPCC is doing its best but we have to ask a question to ourselves whether we have given the best to the organization or not. Answer to this question will resolve all internal and external difficulties if answered honestly.

It is heartening to note that despite a very competitive business environment; particularly in the construction fields, our Company continues to secure sizeable business with assured margin of profit and has achieved positive net worth.

I would also like to convey that our efforts should not only be physical and financial progress but spread all around happiness within our own employees and outer world with whom we are working.

I take this opportunity to express my sincere gratitude to the members of the Board of Directors and to the employees of NPCC for their dedication and commitment in contributing their might towards growth of the Corporation.

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

Ministry of Rural Development & Department of Public Enterprises, BRPSE; without whose help it would have not been an easy journey for achieving the goal. I would also like to congratulate all the members of the executives and staff of the Corporation for delivering excellent results and for lending their valuable support and cooperation with their single minded focus in

bringing the Company at par with other best PSUs with their hard and sincere works. I am confident that we would continue to deliver our might in fulfilling the promises and to the expectations of Shareholders, Stakeholders in the future as well. I am sure your Company would continue to excel in its achievement in the years ahead.

New Delhi

September 26, 2013

Thanking you,

A handwritten signature in black ink, appearing to read 'Pradeep Kumar', is written over a dashed line.

**(PRADEEP KUMAR)**

*Chairman & Managing Director*



## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 56th Annual Report together with audited accounts of the Company for the year ended 31st March, 2013.

### FINANCIAL HIGHLIGHTS

During the year 2012-13, your Corporation has achieved a turnover of Rs.1220.57 crores as against Rs.1223.53 crores last year. The Corporation has earned the profit before tax of Rs. 58.11 crores as against Rs. 53.43 crores in previous year.

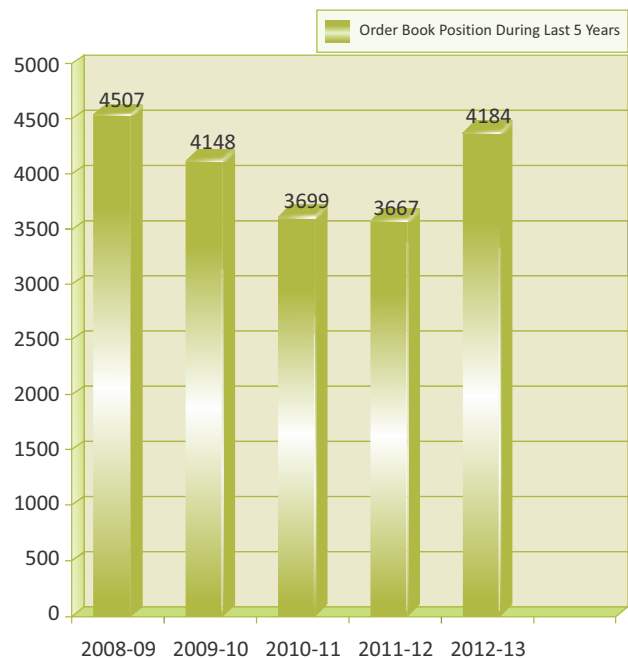
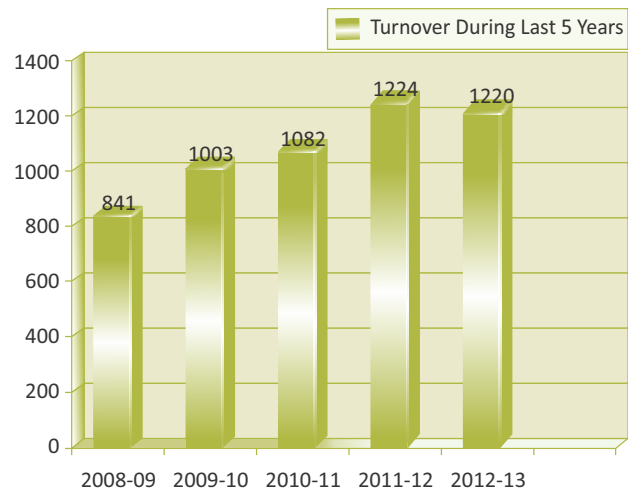
The summarized financial results of the Company are given below:

(₹ in Crores)

Particulars	2012-13	2011-12
Turnover including other income	1220.57	1223.54
Construction & Work expenses	1065.23	1079.22
Operational profit	155.34	144.32
Administrative Overhead etc.	97.23	90.89
Profit/(Loss) for the year before Tax	58.11	53.43
Profit/(Loss) after Deferred Tax	50.97	42.18

- Previous years figures have been re-grouped wherever necessary

(1) Financial Highlights :-



### SHARE CAPITAL

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



## BUSINESS DEVELOPMENT SCENERIO

During the year 2012-13, your corporation has secured new works valuing Rs. 1669.06 Crores against the target of Rs. 1200 Crores fixed by Ministry for excellent rating out of which your corporation has secured the new business through tendering to the tune of 33.40%. The order book position is Rs. 4184 Crores as on 31st March 2013.

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 & Leh, PMGSY (now known as Bharat Nirman) in the States of Bihar & Jharkhand, Building works for Assam Rifles in North Eastern Region etc. on PMC basis. The work of Indira Gandhi National Tribal University (IGNTU) at Amarkantak (M.P.) is going on with full swing as the MoU was signed during 2010-11 for Amarkantak (M.P.) and Senapati (Manipur) and it has crossed the anticipated award value of Rs. 250Cr.

Based on performance of the Corporation, Central Ground Water Board (CGWB) has entrusted works to NPCC for implementation of Rajiv Gandhi National Ground Water Training & Research Institute at Raipur, Bhubneshwar etc and revised MOU is under finalisation.

New clients like Central Excise & Customs Deptt has entrusted the work of residential complex (High rise building) at Dwarka, New Delhi, for which MOU is under finalization. Punjab & Sindh bank is further considering NPCC for their establishments at NOIDA, Ranjeet Nagar (New Delhi) etc. NPCC is also being considered for works of renovation and retrofitting, maintenance by SBI at Mumbai.

In addition, NPCC has secured orders from Ministry of Home Affairs, Ministry of Health, IARI, Ministry of Agriculture, Department of Science & Technology, Govt. of Jharkhand, IGNOU, Assam Rifles, Punjab National Bank etc.

NPCC has improved customer satisfaction rating up to 94.62% against the previous year's rating of 94.34% which is helping in securing repeat orders from esteemed clients.

## BUSINESS STRATEGY

1. Proactive approach with constant touch and liaison with the clients.

2. Introduction of Computerized Project Management & Monitoring System.

3. Introduction of Project Implementation Document (PID) to control the cost of project.

By implementation of the above system, NPCC is completing its projects on time with quality and within approved cost and achieving greater customers' satisfaction. This has enabled the company in securing repeat orders from esteemed clients.

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

## CONSTRUCTION SAFETY MANAGEMENT

Management is fully committed to ensure safe working conditions 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 2013-14. The results of major MOU parameters achieved during 2012-13 are as under: -

(₹ in Crores)

S. No.	PARTICULARS	MOU Budget target (Parameter for the year 2012-13)	Achieved
1.	Turnover	1115	1220.57
2.	Gross Margin	34.55	64.33
3.	Net-Profit	30.95	50.97





Based on the achievement of MOU targets, during the year 2012-13, the Corporation is likely to achieve 'Very Good' rating.

#### **PROPAGATION OF RAJ BHASHA**

The Corporation has been implementing the provisions of the Official Language Act in consonance with the Official Language Policy of the Government. Employees are encouraged to use Hindi in their daily official working. During the year 2012-2013, Staff and Officers from various categories were deputed for training in Hindi on Computer through National Power Training Institute, New Delhi.

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

Hindi Divas/Hindi Pakhwara was organized at Corporate Office Faridabad, from 14th September 2012 to 28th September 2012 wherein various Hindi competitions were conducted in which officers and staff members participated actively. Similarly, Hindi Divas/Pakhwara was organized at Zonal/Unit level also.

#### **VIGILANCE ACTIVITIES**

Vigilance Division functioned under full time CVO, Shri A.N. Prasad, IFS (JH:79) who completed his tenure on 04.02.2013. In the meantime, Smt. Uma Nanduri, IFS (OR:93) was selected for the post. She has joined on 08.04.2013.

Vigilance Division fulfils the responsibilities to bring awareness among the work force regarding CVC guidelines. The CVC circulars are distributed from time to time to ensure prevention of irregularities in the Organization. Also, the complaints received directly or through CVC/ MOWR are being investigated and reports are submitted timely.

In the year, NPCC Vigilance Division conducted workshops and training programs at Ranchi for Jharkhand & Eastern Zone on 19.04.2012 and at Silcher for NER(IBBW)Zone on 14.07.2012 to create awareness on vigilance issues.

Vigilance Awareness week was observed from 29.10.2012 to 03.11.2012. As a part of awareness campaign, banners were displayed and Vigilance pledge

was taken in the Corporate Office as well as in all the Zonal Offices on 29th Oct,2012. Shri Vinod Kumar Gupta, CTE (Rtd), CVC gave a talk at Corporate Office on "Transparency In Public Procurement". Shri A.N. Prasad, CVO, NPCC has given a presentation on "Transparency in Public Procurement" in Central Water Commission, New Delhi on 31.10.2012. Vigilance Division also uploaded latest CVC guidelines in Vigilance Corner of NPCC website as a ready reckoner.

#### **RIGHT TO INFORMATION ACT**

In compliance to the various provisions of Right to Information Act-2005, Corporation has implemented it fully. 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. Besides, APIOs at Zonal Level, one APIO at RTI Division looks after the work which is forwarded to the Public Information Officer. Appellate Authority-I disposes appeals received from applicants. One senior officer has been designated as Transparency Officer. While providing the information, utmost transparency is kept in mind. Information received from all over the country is dealt centrally under single window system of the Corporation promptly and effectively.

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

The Scheduled Castes and Scheduled Tribes, which are historically-disadvantaged people recognised in the Constitution of India are provided with facilities, keeping the Govts. guidelines in view. Due consideration has also been given to the representation of minorities and weaker sections on DPCs/Selection Committees of recruitment.

#### **PROJECT MANAGEMENT AND CO-ORDINATION**

There is an independent division at corporate level headed by GGM (PM&C) which monitors all running projects and provides necessary support in execution of projects. This division also coordinates with various Ministries including MOWR, State Govts. and Central Govts. project authorities for implementation of projects within sanctioned cost and schedule time adhering specifications. For greater customer satisfaction, PM&C Division also makes efforts in resolving the complaints from clients as well as project

sites and interacts with Zonal Managers. This division also suggests ways and means for continuous improvement of system and processing for faster accomplishment of objective.

#### **PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)**

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

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

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

#### **INDUSTRIAL RELATIONS**

In a growing and labour-abundant Economy like India, Industrial Relations have a special significance, particularly in Public Sector Enterprises which play a dominant role in the industrial economy of India. Over the years, Industrial relations has dramatically changed in the organization, following liberalization and globalization. NPCC maintains sound, healthy and peaceful relations with its employees. Moreover, it is in the process of enhancing its relationship with its officers, staff and workmen through revision of certain NPCC's policies as and when required.

#### **HUMAN RESOURCES DEVELOPMENT**

Human resource development is an integral function of an organization that deals with development of the human resource through learning, etc. Human resource development has a dual objective of growth of the employee and the growth of organization. NPCC realizes the importance of human resources, i.e. the employees. It is aware of the fact that human beings are the biggest resources for the Corporation. Human beings are an investment and not an expenditure. The employees are provided with training periodically, which upgrades and motivates them. They are also promoted to attend seminars, workshops, etc. Various facilities and many Govt. Policies for the welfare of its employees are followed at NPCC leading to higher levels of employee satisfaction. All employees are given an opportunity to grow so that they may stay with NPCC for a longer time,

if not for a life time. The management's broad and far sighted vision understands that the employees are the biggest assets for the Company.

At the close of the financial year 2012-13, there were 1485 employees on the rolls of NPCC, as on 31.3.2013 with details given here under:

Description	Male	Female	Total
Executive	316	20	336
Non-Executive	249	30	279
Workmen	862	8	870
Total	1427	58	1485

#### **CORPORATE OFFICE BUILDING**

Your Company had started construction of corporate office Building at plot no.148, Sector-44, Gurgaon but a suit in Hon'ble court of Gurgaon has been filed by neighbour related to demarcation of plot. The Hon'ble court has passed order on 7.5.2012 restraining NPCC to raise the construction of the basement. Accordingly, work has been stopped since 7-5-2012 in compliance to the order passed by the Hon'ble court. Matter is pending with Estate Officer HUDA, Gurgaon in the office of Chief Administrator HUDA –Punchkulla awaiting final decision.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

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



- ⊙ Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ⊙ The Directors have prepared the Annual Accounts on a 'going concern basis';

#### **AUDITORS**

For Audit of the Accounts of the Corporation for the year 2012-13 M/s L.C. Kailash & Associates, Chartered Accountants continues to be the Statutory Auditors. M/s M.C. Jain & Company, Chartered Accountants continues to be as Branch Auditors for Kolkatta, West Bengal. M/s Hussain & Company, Chartered Accountants and M/s G Sekar & Associates, Chartered Accountants have been appointed as Branch Auditors for Guwahati & Chennai respectively.

The reply to the observations made by the Statutory Auditors and the Comments of Comptroller & Auditor General of India on the Accounts of the Corporation for the financial year 2012-13 have been placed in the separate Annexure forming part of the Report.

#### **ACKNOWLEDGEMENT**

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

Organizations of Govt. of India and the State Governments.

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

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

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

For and on behalf of the Board of Directors

**(N.S. Samant)**

**Chairman & Managing Director**

Date: 16.08.2013

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance philosophy stems from our belief that the business strategy and plans should be consistent with the welfare of all stakeholders. We follow Corporate Governance Guidelines details of which are as under:-

### BOARD OF DIRECTORS

The Board has an optimum combination of executive and non-executive Directors. The Board, as on 31-03-2013 comprised of six Directors which included (i) two whole-time Functional Directors viz., Chairman & Managing Director & Director (Finance) under suspension w.e.f. 22.02.13 (ii) two Government Director and (iii) Two non official part time Independent Directors. Shri A.K. Jhamb, Director(Engg) was given additional charge of CMD w.e.f. 01.04.12. till 04.09.12, while functioning as Director(Engg). Shri Jhamb was

subsequently given full charge of CMD w.e.f. 04.09.2012 to 31.03.2013. The Independent Directors are usually drawn from the field of Management, Accounts and Engineering as per Article 81(c) of Articles of Association. The Nominee Director on the Board are appointed by the Administrative Ministry of Government of India in terms of Article 81(a) of Articles of Association of the Company.

The Board meets at regular intervals. During the year under review six Board Meetings were held on 27.06.12, 06.09.12, 18.10.12, 23.11.12, 31.12.12 & 15.03.13. Provisions of the Companies Act, 1956 amended up to date have been properly adhered to regarding holding of the Board Meeting.

Details of composition of the Board of Directors, their tenure, category of the Director, attendance at the Board Meeting, General Meeting & other Directorships held during the year 2012-13 are given below:

Name of Directors	Meeting Attended	AGM of 2011-12 Attended	Other Directorship	Period
<b>(a) Functional Directors</b>				
<b>Shri A.K. Jhamb</b> Chairman & Managing Director (Addl. Charge)	1/1	Yes	NIL	w.e.f. 01.04.12 to 04.09.12
<b>Shri A.K. Jhamb</b> Chairman & Managing Director	5/5	Yes	NIL	w.e.f. 04.09.12 to 31.03.13
<b>Shri Ravendra Garg</b> Director(Finance)	5/6	Yes	NIL	Full Year (u/s w.e.f. 22.02.13)
<b>(b) Govt. Nominees</b>				
<b>Shri Sudhir Garg</b>	1/1	No	1	Upto 06.08.12
<b>Shri Sunil Kohli</b>	5/6	No	NIL	w.e.f. 27.06.12
<b>Shri N.S. Samant</b>	3/3	Yes	1	w.e.f. 29.10.12
<b>(c) Independent Director</b>				
<b>Shri Rihan Ahmad</b>	6/6	Yes	NIL	w.e.f. 16.11.10 Full Year
<b>Dr. M.K. Soni</b>	6/6	Yes	NIL	w.e.f. 16.11.10 Full Year





## INDEPENDENT PART TIME DIRECTORS

Two independent Directors, having expertise in two distinct areas of Finance and Engineering were appointed on the Board of NPCC on 16.11.2010. Their best experience guided to the Board which would go a long way in improving towards corporate excellence.

## 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.

## COMMITTEES OF BOARD

NPCC, by following best practices of Corporate Governance, in its 265th Board Meeting held on 24.11.10 re-constituted the committees to assist Board in Compliance of Corporate Governance Guidelines of CPSE. These committees were as under:

- Audit Committee
- Establishment Committee

## AUDIT COMMITTEE

The Audit Committee was re-constituted in accordance with Guidelines on Corporate Governance for CPSE's in the 265<sup>th</sup> meeting the Board of Directors of the Corporation held on 24.11.10 with terms and reference of the Committee being same as proposed in the Guidelines. The composition of Committee as on 31.03.13 was as under:-

Name	Designation	Category
Shri Rihan Ahmad	Chairman	Independent Director
Dr. M.K. Soni	Member	Independent Director
Shri A.K. Jhamb*	Member	Director(Engineering)

During the year 2012-13, six meetings of Audit Committee were held on 15-06-12, 15-07-12, 31-08-12, 17-10-12, 22-11-12 and 22-02-13.

**Note:** \*(After the superannuation of Shri A.K. Jhamb on 31.03.13, Shri Sunil Kohli has been inducted as third member of Audit committee by the Board in 278th Board Meeting held on 06.06.13.)

## REMUNERATION COMMITTEE

The Board in its 277th meeting held on 15.03.13 constituted remuneration committee with Sh. N.S.Samant, JSA, MOWR, Dr. M.K.Soni & Sh. Rihan Ahmad Ind. Directors as members.

## REMUNERATION OF DIRECTORS

All the Non Official Part Time Independent Directors are paid sitting fees for attending meeting of Board of Directors or Committee thereof to which they are appointed as Members. The details of remuneration paid to Directors during 2012-13 are as under:

Name & Designation	Sitting Fees (Amt. in Rs.)
Shri Rihan Ahmad, Independent Director	Rs. 1,57,500/-
Dr. M.K. Soni, Independent Director	Rs. 1,57,500/-

## GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2011-12	31st December'12	3.00 p.m.	Regd Office
2010-11	29th December'11	1.00 p.m.	Regd Office
2009-10	29th December'10	3.00 p.m.	Regd Office

*No Extra Ordinary General meeting was held during 2012-13*

## AUDIT QUALIFICATION

The comments on accounts for the year ended on 31st March, 2013 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 and Statutory Auditor are given separately in the addendum to the Director's Report along with the comments of the Company.

## MEANS OF COMMUNICATION WITH THE SHAREHOLDERS

The paid up share capital of the Company is being held by the Government of India and 14 State Governments. The majority paid up capital of the company i.e. 98.89% is held by the President of India and rest 1.11% is held by 14 State Government. The Company displays complete Annual Report on its website for the information of its stakeholders together with other important information pertaining to the Company. Annual Report and other papers related to Shareholders are being sent regularly in physical form.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### AN OVERVIEW

Incorporated on 9th January, 1957 as a wholly owned Government of India Undertaking, the President of India acting through the Ministry of Water Resources holds 98.89% of share capital. The Company has obtained Project Management & Consultancy ISO 9001:2008 certification from the Bureau of Indian Standards. The Company is a Schedule 'B' public sector Undertaking. The Company is engaged in the business of (i) project management consultancy services for civil construction projects (ii) civil infrastructure for power sector, and (iii) real estate development. Projects undertaken by the company are spread in different parts of the country. In addition, the company has also executed projects overseas.

### FINANCIAL PERFORMANCE

During the year 2012-13, your Corporation has achieved a turnover of Rs.1220.57 crores as against Rs.1223.53 crores last year. The Corporation has earned the profit before tax of Rs.58.11 crores as against Rs. 53.43 crores in previous year.

### OUTLOOK

The Vision, Mission and objectives of the Company as stated in the MoU executed with the Ministry of Water Resources, Government of India for 2012-13 are:

#### VISION

“To become world class premier engineering projects implementing organization”

#### MISSION:

“To achieve a turnover exceeding Rupees 2,000 crores with positive net worth by 2015-16 by focusing value addition at all points of interaction with our clients and continuously enhancing capabilities of organization and employees through innovations.”

#### OBJECTIVES OF THE CPSE

1. To ensure customer satisfaction through:
  - ⊙ Execution of projects within schedule time & cost,
  - ⊙ Adhering Specifications & conditions of Contract,
  - ⊙ Customer feedback & ensuring improvement.

2. Achieving Turnover Target as per MOU
3. Securing Business to maintain Work Order Book position around three times of Turnover.
4. Realizing old dues maximally and quickly for improving financial position of NPCC.
5. Continual improvement of Manpower knowledge & skills.
6. Continual organizational re-structuring and diversification with focus to Business, Profitability and Customer's satisfaction.
7. Maintaining & Improving ISO 9001-2008 based quality management systems in all areas of activity.

### Business Operations

The Company operates primarily in the following three business segments:

1. Project Management Consultancy for civil construction projects. PMC business segment includes providing management and consultancy services for a range of civil construction projects including residential and commercial complexes, redevelopment of buildings and colonies, hospitals, educational institutions, border fencing as well as infrastructure projects such as roads, water supply systems, storm water systems and water storage solutions.
2. Civil Infrastructure for Thermal and Hydro Electric Projects .Civil infrastructure for Thermal and Hydro Electric Projects includes providing engineering and construction services for power projects, including design and execution of (i) civil and structural works for power projects (ii) cooling towers (iii) chimneys (iv) all types of buildings (residential and non residential) etc.
3. Real Estate Development  
Real estate development segment includes Commercial exploitation of own properties at
  - i) Plot measuring 2198 sqm at Matigara Darjeeling (WB)
  - II) MIDC Plot measuring 55620 sqm Hingna Nagpur (MR)
  - III) Plot measuring 12170 sqm at Faridabad (Haryana)



## **SWOT ANALYSIS**

### **Strengths**

- ⊙ More than Five decade experienced Govt. of India Company with ISO 9001:2008 certification.
- ⊙ Share holdings of 14 States gives distinct edge for State Govt. Projects.
- ⊙ 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 militant/naxal affected areas of North East, Jharkhand etc.
- ⊙ Being a public sector enterprise, the Corporation receives orders from different Ministries on nomination basis. It has been supported by Government for financial restructuring and may be supported by MoWR in realisation of receivables pending with other Ministries, Government agencies and PSUs.
- ⊙ NPCC has a pool of qualified and experienced manpower who has strong capabilities in executing projects in difficult areas.
- ⊙ The Corporation has healthy order book which is equivalent to around three year's revenue.
- ⊙ The Corporation has no interest bearing loan on its book resulting in NIL interest burden.
- ⊙ Because of change in the nature of business operations of the Corporation, it does not need funding for working capital.

### **Weaknesses**

- ⊙ Average age of employees (Senior Management Level) above 53 years.
- ⊙ Govt. of India guarantee is not available for getting BG limits for new projects.
- ⊙ Mismatch Experienced Employees.
- ⊙ Slow pace of realization of sundry debtors since claim being very old.
- ⊙ Resistance to change over to new concepts.
- ⊙ Due to financial constraint NPCC do not have choice of projects thereby loosing valuable qualification in a few sector like Thermal , Hydro Electric etc.
- ⊙ Current operations of the Corporation are largely concentrated in Northern and North Eastern India

with minimal presence in Western and Southern part of the country.

- ⊙ The average age of the employees is high (more than 52 years). Majority of the experienced manpower of the organization are retiring in every year which has created a void at the middle and senior management level of the organization. Commensurate recruitment is to be made.
- ⊙ Inability to enter in to BOT/BOO and other major project execution due to weak financial condition.

### **Opportunities**

- ⊙ Continued boom in construction industry.
- ⊙ Opportunities of Joint Ventures/Collaboration by Foreign Companies.
- ⊙ Avenue for diversifying in new areas ( like Real Estate, WTP/STP/ETP, Solid Waste Management Projects).
- ⊙ Expected investment of over Rs 40 lakh crore in infrastructure sector by Govt. of India in 12 Five Year Plan period presents large opportunities for construction players.
- ⊙ In absence of its own equipments and vehicles, there is opportunity to hire equipments and vehicles for departmental work.
- ⊙ Contractual manpower may be hired to meet short term requirement of manpower. Experienced personnel from other PSUs can also be brought in on deputation on attractive terms.

### **Threats**

- ⊙ Huge investments in infrastructure have attracted large number of private sector players which has enhanced competition.
- ⊙ There is a gradual shift towards higher share of private investments in infrastructure sectors which have potential of adverse impact on the Corporation's order book in medium to long term.
- ⊙ Most of the projects are on PPP/BOT/BOO basis which NPCC unable to take advantage being financially not strong.
- ⊙ Liabilities arising out of the arbitration suites pending against the Corporation might affect the recovery process of the Corporation.
- ⊙ The profit margins in the future might shrink due to increasing competition and dip in orders received from the Ministry on nomination basis.

- ⊙ In case of competitive bidding, NPCC is expected to face stiff competition from competitors who are equipped with modern equipment.
- ⊙ There could be attrition of experienced technical staff and inability of the organization to attract qualified manpower which may have adverse impact on the performance of the Corporation.

## **RISKS & CONCERNS**

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

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

## **OUTLOOK FOR FUTURE**

A portion of Company's income is generated from execution of works awarded by various Ministries, Central/State Government Departments and other autonomous bodies on nomination basis. Now instead of awarding works on nomination basis, the Ministries/Govt Departments have started a competitive bidding process among PSUs in which NPCC, at present is not able to secure works as the other larger PSUs are ready to work even at lesser margins. Government of India has allocated huge funds for infrastructure in 12<sup>th</sup> Plan. A large portion of investments by Government of India is in Bharat Nirman, Development of NER, Metro, Airport and Border works etc. but due to global economic slow down, it is not certain whether Govt. of India will be releasing the fund as per approved plans. Your Company has executed and is executing projects for various Ministries/Government Departments/Organizations as their "Extended Engineering Arm". Your Company is also assisting Ministry of Rural Development, Ministry of Home Affairs, Ministry of Health, MOFPI, Central Universities as well as State Governments for speedy utilization of planned funds for the projects. Your Company is also planning to diversify in new areas like real estate, water treatment plant, sewerage treatment plant, solid waste management projects, new and renewable energy resources. To complete the projects within budgeted cost, timely completion is an important factor in determining the operating results of the Company.

Competition among large number of construction companies has resultant impact on the margins of Company.

## **CONSTRAINTS**

Although every Organization has to work within a certain legal framework, 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. Slow decision making process came in way of availing new business opportunities promptly. Though NPCC is making profits since last four years but still the counter Guarantee from GOI and Bank Guarantee limits from Banks are not available.

## **INTERNAL CONTROL SYSTEM**

The company has adequate system of internal control which helps the management to review the effectiveness of financial and operating controls. Further check and balances are underway for improvement in the system.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Human Resources Development (HRD) aims at expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement. In order to achieve the goal of optimization of resources, your Corporation is providing positive work environment and good working opportunities. Efforts have been made to improve their skills and performance. Employees in the Corporation are constantly trained with latest updates and exchange of knowledge in their fields through interactions, meetings, training programmes, seminars, conferences etc. The total manpower strength as on 31.3.2013 stood at 1485

## **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.



## **HARBANS LAL & CO.**

### **COMPANY SECRETARIES**

Off.: 23696096  
Phones : Resi. : 23696831  
Mob. : 7838689425  
9811627414  
Email: hlalcs@yahoo.co.in  
L-15, PRATAP NAGAR,  
DELHI-110007

Dated: 30<sup>th</sup> July, 2013

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, 2013, as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises' issued vide O.M No. 18(8)/2005-GM dated 14.05.2010 by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

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

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has generally complied with the conditions of Corporate Governance except appointment of Independent Directors on the Board of the Company, which we understand is done by the Government so as to be in conformity with the requirements of Corporate Governance norms. The Risk Management Policy is in the process of being prepared for approval of the Board.

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 & Co.) New Delhi  
Company Secretary  
C.P. No. 3944



## SOME OF THE PROJECTS OF NPCC



NIFM, Faridabad



Fencing in Meghalaya



Flood Lighting in Tripura



GATF Flyover, Bangalore



Indo China Border Road Works – Leh-Ladakh



CRI (H), Noida



## SOME OF THE PROJECTS OF NPCC



PAINTEL Memorial Auditorium, Delhi



PNB Building, Lucknow



DMRC, Jodhpur



Hospital – Assam Rifles  
at Laitkor, Shillong



Academic cum Library Building at NIH, Kolkatta



View showing HRT Adit


**NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2013**



(Amount in Rupees)

PARTICULARS	Note No.	Figures as at the end of current reporting period as at 31.3.2013	Figures as at the end of previous reporting period as at 31.3.2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds :</b>			
(a) Share Capital	1	945316000	945316000
(b) Reserves and Surplus	2	-473903991	-983565158
<b>2 Non-Current Liabilities</b>			
(a) Long -term borrowings	3	785912874	637306360
(b) Long term provisions	4	355245755	354399396
<b>3 Current Liabilities</b>			
(a) Trade payables	5	11314818479	10344934034
(b) Other current liabilities	6	5287908915	6803008402
(c) Short term provisions	7	53307580	41147110
<b>Total</b>		<b>18268605612</b>	<b>18142546144</b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed assets	8		
i) Tangible assets		96392600	89000188
ii) Intangible assets		0	0
(b) Investments	9	0	0
(c) Deferred tax assets (Net)	10	284098505	354877066
(d) Other non-current assets	11	564795851	575327197
<b>2 Current Assets</b>			
(a) Inventories	12	20060624	25338496
(b) Trade receivables	13	10566233074	8961951924
(c) Cash and Bank balances	14	5574517542	7128858984
(d) Short-term loans and advances	15	988609999	907294139
(e) Other current assets	16	173897417	99898150
<b>Total</b>		<b>18268605612</b>	<b>18142546144</b>

Accounting Policies & Notes on  
Financial Statements 1 to 44

  
(RAJNI AGARWAL)  
COMPANY SECRETARY

  
(Dr. M.K. SONI)  
DIRECTOR

  
(N.S. SAMANT, IAS)  
CHAIRMAN & MANAGING DIRECTOR

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

  
( L.C.GUPTA)

Partner  
M.No.005122  
FRN-01811N

Place : New Delhi  
Date : 16-08-2013



**NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013**

( Amount in Rupees )

PARTICULARS	Note No.	Figures for the current reporting year ended 31.3.2013	Figures for the previous reporting year ended 31.3.2012
<b>I REVENUE FROM OPERATIONS:</b>			
(a) Work Done for the year		<b>11550336142</b>	11673687485
(b) Cost of Work Done for the Corporation		<b>142840</b>	82727
II Other Income	<b>17</b>	<b>655256176</b>	561608413
<b>III TOTAL REVENUE (I+II)</b>		<b>12205735158</b>	12235378625
<b>IV EXPENSES:</b>			
(a) Construction & Work Expenses	<b>18</b>	<b>10652318087</b>	10792164625
(b) Employee benefits expenses	<b>19</b>	<b>739173059</b>	742857922
(c) Finance Cost	<b>20</b>	<b>12853545</b>	4335688
(d) Depreciation & amortization expense	<b>8</b>	<b>4981728</b>	4800313
(e) Other Expenses	<b>21</b>	<b>170937298</b>	165120887
(f) Prior Period Expenditure/Income (-)	<b>22</b>	<b>9102207</b>	-3586968
<b>TOTAL EXPENSES (IV)</b>		<b>11589365924</b>	11705692467
<b>V Profit(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>616369234</b>	529686158
VI Exceptional Items	<b>23</b>	<b>35272828</b>	-4590780
<b>VII Profit(Loss) before extraordinary items &amp; tax (V-VI)</b>		<b>581096406</b>	534276938
VIII Extraordinary Items		<b>0</b>	0
<b>IX Profit/Loss(-) before tax (VII-VIII)</b>		<b>581096406</b>	534276938
X Current Tax		<b>656678</b>	0
Deferred Tax	<b>10</b>	<b>70778561</b>	112456348
<b>XI Profit/Loss(-) for the period from continuing operations (IX-X)</b>		<b>509661167</b>	421820590
<b>XII Profit / Loss(-) for the period</b>		<b>509661167</b>	421820590
XIII Earnings per Equity Share:			
Basic & Diluted	<b>37</b>	<b>539.14</b>	446.22
Accounting Policies & Notes on Financial Statements 1 to 44			

  
(RAJNI AGARWAL)  
COMPANY SECRETARY

  
(Dr. M.K. SONI)  
DIRECTOR

  
(N.S. SAMANT, IAS)  
CHAIRMAN & MANAGING DIRECTOR

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

  
( L.C.GUPTA )  
Partner

Place : New Delhi  
Date : 16-08-2013

M.No.005122  
FRN-01811N



## NOTES TO THE BALANCE SHEET

### NOTE - 1

		( Amount in Rupees )	
PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012	
<b>SHARE CAPITAL</b>			
<b>Authorised :</b>			
7000000 Equity Shares of Rs.1000/- each			
(Previous Year 7000000 Equity Shares of Rs.1000/- each	7000000000	7000000000	
<b>TOTAL:</b>	7000000000	7000000000	
<b>Issued, Subscribed &amp; Paid up :</b>			
945316 Equity Shares of Rs. 1000/- each fully paid up in cash (Previous Year 945316 Equity Shares of Rs1000/- each	945316000	945316000	
	945316000	945316000	

	Number of share	AS AT 31-3-2013	Number of share	AS AT 31-3-2012
<b>Reconciliation of Equity Share outstanding at end of the year</b>				
Outstanding as at the beginning of the year	945316	945316000	945316	945316000
Add: Issued during the year		0		0
Less: Buy back/cancelled during the year		0	0	0
Outstanding as at the end of the year	945316	945316000	945316	945316000
<b>Share holders having more than 5% of shares</b>		% of share holding		% of share holding
President of India	934821	98.89	934821	98.89

- a) As a part of restructuring scheme, the Ministry of Corporate Affairs(MCA), Govt of India has accorded its approval vide order No. 40/1/2010-CL-III dated 02.12.10 under section 101 of the Companies Act, 1956 for reducing the paid up equity capital, arising out of conversion of GOI loan and interest thereon, to 10% of the equity share. Accordingly 58,22,059 equity shares of Rs.1000/- each amounting to Rs.58,22,05,90,000/- cancelled and adjusted against accumulated losses as on 28.12.2010.
- b) The paid up equity capital of the Company after the reduction is Rs.94,53,16,000/- divided into 9,45,316 equity shares of Rs.1000/- each fully paid up in cash.





## NOTE - 2

(Amount in Rupees)		
PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>RESERVES AND SURPLUS</b>		
<b>SURPLUS</b>		
a) Opening balance of Profit & Loss A/c	-983565158	-1405385748
b) Surplus Transferred from Profit & loss A/c during the Year	509661167	421820590
<b>TOTAL :</b>	<b>-473903991</b>	<b>-983565158</b>

## NOTE - 3

(Amount in Rupees)		
PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>Non- Current Liabilities</b>		
i) Long Term Borrowings		
a) Secured		
I) From Project Authorities secured against Hypothecation of Machinery, Equipment & Vehicles	40036255	33428309
b) Unsecured		
i) From Project Authority (Mobilization & Others)	745876619	603878051
<b>TOTAL :</b>	<b>785912874</b>	<b>637306360</b>

Mobilisation & other advances from Project Authority:-

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

## NOTE - 4

(Amount in Rupees)		
PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
ii) Long -term provisions		
a) Provision for employees benefits		
I) Provision for Gratuity Work charged	193541920	187574662
ii) Provision for leave Encashment	161703835	166824734
<b>TOTAL :</b>	<b>355245755</b>	<b>354399396</b>

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

## NOTE - 5

(Amount in Rupees)		
PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>Current Liabilities</b>		
<b>Trade Payables</b>		
Sub-contractor a/c	1108587496	748337915
Suppliers a/c	32207128	31308274
Liability for Expenses		
Sub Contractor	10174023855	9565287845
	<b>11314818479</b>	<b>10344934034</b>

## NOTE - 6

(Amount in Rupees)		
PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>b) Other Current Liabilities</b>		
1) Security Deposits		
i) Staff	625244	633820
ii) Sub Contractor	1637496052	1484562657
2) Advance received from Project Authority		
i) On a/c of deposit work etc.	862230608	924210108
ii) On a/c of PMGSY Road Work	1302380248	1976890361
iii) Project Authority account	360112555	344532488
3) Interest accrued and due on advances		
a) From project Authorities secured against		



Hypothecation of Machinery, Equipment & Vehicles	<b>36952740</b>	68609646
b) From Project Authority (Mobilization & Others)	<b>260451445</b>	240683908
c) Govt. of India	<b>100296065</b>	100296065
d) Interest on Staff Security	<b>2324850</b>	2046218
4) Punjab National Bank, Bhubneswar overdraft	<b>0</b>	1082357
5) Expenses Payable		
a) Liability for Expenses Others	<b>190351340</b>	1045478698
b) To Employees		
i) Salary/wages payable 38387933		40328282
ii) Bonus Payable 184579		309807
iii) Others payable 4846684	<b>43419196</b>	4827525
6) Payable to CPF Trust	<b>0</b>	66266981
7) Payable to Gratuity Trust	<b>257441564</b>	257289419
8) Taxes and Cess payable	<b>24717739</b>	48536551
9) Others payable		
i) Income Tax payable 23773956		
ii) Service Tax payable 17928806		
iii) Trade Taxes Payable (vat/sales tax etc.) 16743363		
iv) Others account 150663144	<b>209109269</b>	196423511
<b>TOTAL :</b>	<b>5287908915</b>	6803008402

**a) Liability provided for expenses payable to Sub Contractors:-**

It includes Rs. 298309053 payable towards land acquired for IBBF works at Silchar Zone.

- b) Interest payable to GOI, is against loan of Rs.15,80,00,000/- taken from GOI on 18-9-2006. Principal amount of Rs.15,80,00,000/- was paid on 7-12-2009. However, interest due of Rs.10,02,96,065/- is not paid which was due on 7-12-2009.
- c) PMGSY Fund of Rs. 1302380248/- is to be utilised exclusively for PMGSY Work only and kept in separate bank account.
- d) Project Authority account (under 2 (ii) ) includes Rs. 7.5 Lakhs received as advance for service tax from Project Authority of Orrisa Zone.

**NOTE - 7**

**(Amount in Rupees)**

<b>PARTICULARS</b>	<b>AS AT 31-3-2013</b>	<b>AS AT 31-3-2012</b>
<b>Short Term Provisions</b>		
a) Provision for employees benefits		
i) Provision for Gratuity Work charged	<b>24974960</b>	17066894
ii) Provision for leave Encashment	<b>28332620</b>	24080216
<b>TOTAL :</b>	<b>53307580</b>	41147110

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

## NOTE - 8

### FIXED ASSETS

#### TANGIBLE ASSETS

(Amount in Rupees)

		GROSS BLOCK (AT COST)				LESS: DEPRECIATION				NET BLOCK			
Sl. No.	Description	As at 1.4.2012	Additions during the year	Acquired through business combinations	Dedn./ Adjustments during the year	As at 31-3-2013	As at 1.4.2012	During the year	Dedn./ Adjustments during the year	Adjustment due to impairments	Up to 31-3-2013	As at 31-3-2013	As at 31-3-2012
1	Free Hold Land	23474909	92295	0	0	23567204	0	0	0	0	0	23567204	23474909
2	Lease Hold Land	4610842	0	0	0	4610842	734554	12679	0	0	747233	3863609	3876288
3	Buildings on Free Hold Land	3403319	0	0	0	3403319	1295701	55474	0	0	1351175	2052144	2107618
4	Buildings on Lease Hold Land	3013754	0	0	0	3013754	1061714	37448	0	0	1099162	1914592	1952040
5	Temporary Constructions	96025265	94243	0	0	8137175	87982333	96025265	94243	8137175	0	87982333	0
6	Machinery	172586479	0	0	0	10683416	161903063	157217163	849223	9739156	0	148327230	13575833
7	Vehicles	35219092	0	0	0	1567317	33651775	25332803	1523324	1486094	0	25370033	9905827
8	Works Equipment	26074781	396294	0	0	4383612	22087463	22472339	460526	4128341	0	18804524	4008498
9	Office Furniture & Equipments	20704141	1592212	0	0	2082035	20214318	15487038	931926	2024727	0	14394237	5217103
10	Computers and Printers	10036949	1527809	0	0	477671	11087087	6941042	998050	477327	0	7461765	3095907
11	Library Books	551798	11880	0	0	12067	551611	449523	18835	12067	0	456291	102275
CAPITALWORK IN PROGRESS													
12	Building on Freehold Land	17924968	9997813	0	0	0	27922781	0	0	0	0	27922781	17924968
NON-SERVICABLE UNDER BEYOND ECONOMICAL REPAIR													
13	Machinery	35245921	0	0	0	35245921	33280482	0	0	0	33280482	1965439	
14	Vehicles	391184	0	0	0	391184	371646	0	0	0	371646	19538	
15	Works Equipment	4606928	0	0	0	4606928	4200872	0	0	0	4200872	406056	
Total		453870330	13712546	0	0	27343293	440239583	364870142	4981728	26004887	0	343846983	89000188
Previous Year :		455680439	21413661	0	0	23223770	453870330	381895472	4800313	21825643	0	364870142	89000188
													73784967

NOTE: Net Block includes inter-unit transfers in transit Rs.11.78 lac (Previous Year Rs.28.50 lac)

a) Intangible Assets during the year Nil (Previous Year Nil).

b) The Construction Work of Building on Freehold Land of Rs. 2.79 crore shown under the head Capital WIP is being stayed as per the court order.

c) The above assets includes assets in transit amounting to Rs. 778714.

d) As required by Accounting Standard AS 28 - "Impairment of Assets" issued by the ICAI, the Company has not carried out the assessment for impairment of assets. However, as per Managements' internal assessment there has been no impairment loss during the year.

e) Conveyance Deed in respect of Plot of land measuring 11300 Sq. ft. situated at Matigara, Siliguri allotted by Silliguri Jalpaiguri Development Authority on lease basis has not been accounted/registered in the name of the company.



## NOTE - 9

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>INVESTMENTS</b>		
Non-traded/Unquoted :		
National Saving Certificates (Pledged as Security with Project Authorities)	0	15000
Less: Provision	0	15000
	0	0
<b>TOTAL:</b>	<b>0</b>	<b>0</b>

## NOTE - 10

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b><u>Deferred Tax Assets</u></b>		
Total Deferred Tax Asset	968949518	1180394835
<b><u>Deferred Tax Liability</u></b>		
Total Deferred Tax Liability	93318421	86614388
Net Deferred Tax Assets	875631097	1093780447
Total Deferred Tax Assets as on 31.03.2013	284098505	354877066
Less: Deferred Tax Assets as on 31.03.2012	354877066	467333414
<b>Deferred Tax Assets decreased in 2012-13</b>	<b>-70778561</b>	<b>-112456348</b>

## NOTE - 11

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>Other Non Current Assets :</b>		
1) Security Deposit with Project Auth.	685151213	671050308
Less: Provision	120355362	95723111
	564795851	575327197
<b>TOTAL:</b>	<b>564795851</b>	<b>575327197</b>



## NOTE - 12

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>CURRENT ASSETS :</b>		
<b>Inventories (at cost):</b>		
a) Stores and Spares (including construction material in hand, at sites and in transit) at cost (FIFO) 23053903		30059700
b) Stores in transit 0	23053903	238559
Less: Provisions	3020397 <b>20033506</b>	4991755 25306504
c) Tools in hand/ in transit (In transit current year Rs.13 previous year Rs.238)	27118	31992
<b>TOTAL:</b>	<b>20060624</b>	25338496

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

## NOTE - 13

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>Trade Receivables (Unsecured)</b>		
a) Debts outstanding for a period exceeding six months from due date:		
Considered Good	4312187842	2082787294
Considered Doubtful	702420311	768226042
	5014608153	2851013336
Less: Provision for Doubtful Debts	702420311	768226042
	<b>4312187842</b>	2082787294
b) Other debts (Considered good)	<b>5218093470</b>	6456479160
c) Receivables from Project Authorities on account of withhold and other recoveries.	<b>1035951762</b>	422685470
	<b>10566233074</b>	8961951924

- a) An amount of Rs.11268653385 includes debit in the account " Value of work done suspense" & "Project Authority" account.Value of work done suspense amounting to Rs.10232701623 includes value of bills raised on the basis of measurement accepted both by the corporation & contractee but remain unpaid & the value of work done derived on the basis of self measurement of the corporation, pending verification by the project authority and for which the corporation has not submitted the bills till 31.03.2013 This balance in the value of work done suspense account has been considered as debts due from project authority / contractee.
- b) Trade receivables include unbilled value of workdone based on certification by Project Engineer in-charge of the Corporation.



## NOTE - 14

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>Cash and Bank balances:</b>		
<b>a) Cash and Cash Equivalents</b>		
i) Cash in hand	940622	649133
ii) Cheques / drafts in hand	23756707	43885853
iii) In Current Accounts	3278997801	3878343420
iv) In Fixed Deposits with Banks (maturity upto 3 months)	415166526	3203484923
	3718861656	7126363329
Less: Provision for Current a/c balance (Morena)	2434	2434
	<b>3718859222</b>	7126360895
<b>b) Balance in Current Accounts with Non-Scheduled Banks :</b>		
i) Rafidian Bank, Iraq	15850381	15850381
ii) Rasheed Bank, Iraq	22518777	22518777
iii) Nepal Bank Limited, Nepal	6009	6009
	38375167	38375167
Less: Provision	38369158	38369158
	<b>6009</b>	6009
<b>c) Other Balance with Scheduled Banks :</b>		
i) In Fixed Deposits with Banks (maturity more than 3 months)	1718308855	0
ii) In Fixed Deposits with Banks (maturity after 12 months)	18540730	0
iii) In Fixed Deposits ( Staff Security)	2803543	2600000
iv) In FDR with Banks pledged as Security Deposit	200000	0
v) In FDR with Banks pledged against Bank Guarantee	88690035	0
vi) In FDR with Banks pledged with Project Authority	27232068	0
Less: Provision	122920	107920
	<b>1855652311</b>	2492080
<b>TOTAL:</b>	<b>5574517542</b>	7128858984

- The Govt. of Iraq awarded work contract to the corporation. The said work had to be closed due to Iraq war, As per the terms of the contract and as a consequence of that, neither the balance in the bank account nor the net value after adjusting the payables was allowed to be repatriated to India. For the purpose of preparing the annual financial statement of the corporation, the corporation applied the conversion of foreign exchange transaction up to 31/03/1995.
- Looking to no change in the existing policy about repatriation, no conversion rate has been applied year to year after 31/03/1995 and the conversion value taken in rupee is continued to be the same as appearing on 31/03/1995 in the annual financial statement as on 31/03/2012.
- The Exim Bank which is intermediary for settlement of the out standings in Iraq, has vide letter dated 29/04/2009, advised that the notional credit entries for interest earned on the outstanding credit balance of NPCC in the bank account for US \$ 716732.69 has been made by Central Bank of Iraq in its books & not amounting to actual credit to the account of the Exim bank.
- The maximum amount outstanding at any time during the year from foreign banks is the same as is mentioned under Note No. 13 (c)
- Current account balance includes an amount of Rs.130.24 crore received against deposit work of PMGSY work.
- Three FDRs amounting to Rs.122920/- are not traced. However, provision for the same has been created.

## NOTE - 15

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>Short-term Loans and Advances</b>		
1) Advances and other amounts recoverable in cash or in kind or for value to be received :		
a) Secured against S.D.held by Corp.		
i) Sub Contractor	50096135	68138609
b) Others		
i) Sub Contractor	511537736	431025051
ii) Supplier	12445068	18328879
iii) Employees	19484164	20582482
iv) Others	321576044	498442381
	865043012	968378793
Less: Provision for Bad & Doubtful debts	67551486	189023386
	797491526	779355407
2) Prepaid Expenses	280799	286969
3) Security Deposit with Others	4752828	8846250
Less:Provisions	1715202	2377719
	3037626	6468531
4) Advance & Provisional payment of tax	101480453	16821163
5) Amount deposited with various courts (Against Interim Orders)	36223460	36223460
<b>TOTAL:</b>	<b>988609999</b>	<b>907294139</b>

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

## NOTE - 16

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2013	AS AT 31-3-2012
<b>Other Current Assets :</b>		
1) Interest Receivable on Bank Deposit	100399742	55516114
2) Interest Receivable from Others	33534298	35468694
3) Advance to CPF Trust	22051922	
4) Store (pending investigation)	269359	
5) Material at Site (pending investigation)	1455507	
6) Net balance arising from remittance on account of unreconciled and unresponded entires of inter units	16186589	8913342
<b>TOTAL:</b>	<b>173897417</b>	<b>99898150</b>



- a) Balance shown in the books of CPF Trust against NPCC a/c is Rs.5410787. Thus there is an unreconciled balance of Rs.16641135 between the balance as per Corporation books and the amount shown under CPF Tust book, which is under reconciliation and necessary adjustment shall be carried out, if any required, on reconciliation.
- b) The reconciliation of Inter unit accounts is in progress and pending completion of reconciliation exercise, any treatment/provision for un-reconciled / un-responded entries can't be given. The net difference between debit and credit entries shall be accounted for under respective heads on reconciliation. The impact of this if any on profit & loss account shall be shown on reconciliation. The following are the balances of Inter unit accounts i.e Remittances, Adjustments a/c and Death relief fund:

	Current Year	Previous Year
i) Total of Debit Entries	7,774,626,115	5,795,921,074
ii) Total of Credit Entries	7,758,439,526	5,787,007,732
iii) Net Difference Debit Balance	16,186,589	8,913,342

## NOTE - 17

(Amount in Rupees)

PARTICULARS	2012-2013	2011-2012
<b>OTHER INCOME :</b>		
Sale of tender documents ( including other miscellaneous receipts)	14757998	16364862
Interest Received (Gross) on :		
a) Bank Deposits	345460404	309959012
b) Others- sub contractor	29200845	54479160
	374661249	364438172
Hire Charges of Machinery	11550	410466
Profit on Sale of Scrap, Stores etc.	1572157	475004
Unclaimed Credit Balances Written Back	2853041	13852599
Provisions/Liabilities written back	261400181	166067310
<b>TOTAL:</b>	<b>655256176</b>	<b>561608413</b>

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

## NOTE - 18

(Amount in Rupees)

PARTICULARS	2012-2013	2011-2012
<b>CONSTRUCTION AND WORKS EXPENSES :</b>		
Material Consumed :		
Opening Balance -- Stores & Spares (Including Construction materials in hand, at site and in transit)	30298259	32697364
Net Purchase(+) & Sales (-)	-4740180	-735022
	25558079	31962342
Less: Closing Balance -- Stores & Spares (including Construction materials in hand, at site and in transit)	23053903	30298259
	<b>2504176</b>	1664083
Payment to Sub-contractors	<b>10540399116</b>	9944890697
Motive Power & Fuel	<b>84642</b>	72860
Taxes & Fees on Machines & Vehicles	113170	90077
Insurance	100500	68762
Repairs---Workshop Building	2811	515
	<b>216481</b>	159354
Carriage & Freight	<b>391811</b>	39232
Tools & Stores Written off	<b>64555</b>	16534
Commercial/Trade Tax	<b>60249129</b>	82096942
Other Incidental Charges on Works	<b>48408177</b>	763224923
<b>TOTAL:</b>	<b>10652318087</b>	10792164625

- Other Incidental Charges on work includes Rs.3.62 crore (Previous year Rs. 75 crore) towards Land acquisition for IBBF related works.
- The Corporation follows integrated system of Accounts and hence net figures of purchases and sales have been worked out by adding closing stock to direct materials issued (at issue rate) and deducting opening stock there from and after making adjustments for stock discrepancy and stock storage charges.





## NOTE - 19

(Amount in Rupees)

PARTICULARS	2012-2013	2011-2012
<b>Employees Benefits Expenses :</b>		
Salary and Allowances (including Leave Salary and Pension Contribution)	353310766	315667344
Wages and Allowances (including Leave Salary and Pension Contribution)	198872174	189536349
Contribution to Provident Fund ( Regular)	34328577	37800704
Contribution to Provident Fund ( Work Charged)	19859615	22230745
Gratuity Work Charged	28500371	12229039
Gratuity Regular	50566308	88869719
Leave Encashment Actuarial (Regular & Workcharged)	0	64254498
Leave Travel Concession	2295420	1934408
VRS Expenses	42824873	204706
Staff Welfare Expenses	6884429	8241647
Repair to building ( Colony)	21853	16193
Health and Sanitation	1708673	1872570
<b>TOTAL :</b>	<b>739173059</b>	<b>742857922</b>

## NOTE - 20

(Amount in Rupees)

PARTICULARS	2012-2013	2011-2012
<b>Finance Cost :</b>		
a) Interest on advance from Project Authority	12853545	4335688
	12853545	4335688
<b>TOTAL :</b>	<b>12853545</b>	<b>4335688</b>

## NOTE - 21

(Amount in Rupees)

PARTICULARS	2012-2013	2011-2012
<b>OTHER EXPENSES :</b>		
<b>ADMINISTRATION :</b>		
Travelling Expenses	17812928	15248514
Rent	6099879	5815017
Repairs and Maintenance:		
Buildings	3134382	1275314
Others	643770	828254
	3778152	2103568
Printing & Stationery	2829593	2540810
Postage, Telephone & Telegrams	2900953	2788968
Electricity and Water Expenses	3584619	2675890
Advertisement and Publicity	8537802	6750936
Legal and Professional Charges	2947315	4161553
Bank Charges	884783	579977
Internal Audit Fees	486173	379722
<u>Payment to Auditors :</u>		
Audit Fee	585675	574939
Tax Audit Fee	125142	122847
	710817	697786
Travelling Expenses--Auditors	1246750	1085817
Miscellaneous Expenses	9664297	7377884
Vehicles Running, Maintenance, Hiring etc.	17238089	14633370
Bad Debts Written off	461876	444994
Rates and Taxes	363220	457400
Insurance	300073	239432
Technical Fee/Consultancy	2334411	4233770
Loss on Sale/Write off of Fixed Assets	58811	20827
Loss on sale of Stores	272107	36358
Provision for Doubtful Debts and Advances	32363772	8571270
Gratuity Workers	48574814	70319335
Provision for Losses of CPF for current year	0	13951812
Provision for doubtful Debts	7486064	5877
	170937298	165120887



## NOTE - 22

(Amount in Rupees)

PARTICULARS	2012-2013	2011-2012
<b>PRIOR PERIOD EXPENSES &amp; INCOME</b>		
<b>(A) EXPENSES:</b>		
Salary, Wages & Other benefits to employees	1938484	0
Payment to Sub-contractors for work done	2285541	0
Project Authorities	3420198	0
Others	13749819	4063462
<b>Total (A)</b>	<b>21394042</b>	<b>4063462</b>
<b>(B) INCOME</b>		
Recovery of excess payment made to employees	0	0
Others	12291835	7650430
<b>Total (B)</b>	<b>12291835</b>	<b>7650430</b>
<b>Net Amount (A-B)</b>	<b>9102207</b>	<b>-3586968</b>

## NOTE - 23

(Amount in Rupees)

PARTICULARS	2012-2013	2011-2012
<b>Exceptional Items</b>		
A) Litigation Expenses	37591743	0
B) Profit on sale of Fixed Assets	-2318915	-4590780
	<b>35272828</b>	<b>-4590780</b>

## NOTE - 24

## ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

### 2. ACCOUNTING FOR INCOME AND EXPENDITURE

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

### 3. CLASSIFICATION OF EXPENDITURE

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

### 4. METHOD OF RECKONING OF PROFIT

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

### 5. BORROWING COST

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

### 6. TURNOVER

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

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

Value of work done, however, excludes:

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

### 7. DEPRECIATION

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



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

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

**8. GRATUITY AND LEAVE SALARY**

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

**9. FOREIGN EXCHANGE TRANSACTIONS**

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

**10. INVENTORIES**

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

**11. EXPENDITURE ON PAYMENTS TO SUB-CONTRACTORS**

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

**12. DEFERRED REVENUE EXPENDITURE**

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

**13. PRIOR PERIOD EXPENSES/INCOME**

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

**14. PREPAID EXPENSES**

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

**15. ACCOUNTING OF SCRAP**

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

**16. INTEREST**

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



**17. CONTRACTUAL OBLIGATION**

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

**18. EXPORT INCENTIVE**

CCS and EXIM Scrip benefits are reckoned on realization.

**19. CLAIMS LODGED WITH OTHER PARTIES**

Claims lodged with other parties are accounted for on realization.

**20. TAXES ON INCOME**

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

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



## NOTE - 25

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

(Rs. in Lakh)

	Current Year	Previous Year
a) i) Outstanding claims of contractor Pending before arbitration & Courts	9648.87	43004.99
ii) Service Tax /I.T. (Tax and Penalty )	3069.49	3069.49
b) Outstanding amount of bank guarantees against mobilization and other advances (Margin money in shape of FDRs amounting to Rs 886.90 Lakh ( Previous Year Rs. 175.98 lakh )	847.00	175.98
c) Performance bank guarantees (Margin money in shape of FDRs amounting to Rs.20.12 Lakh) (Previous year Rs. 17.35 Lakh )	16.00	16.00
d) Liability towards liquidated damages in case of delayed projects, as the time extension applied by the corporation is awaited, amount is not ascertainable.		
e) The Possible loss on ongoing projects and on Rs.10232.70 Lakh lying debit in Value of work done suspense account, have not been provided as the same is not ascertainable until the accounts are finally settled by contractee or project authorities. However the corporation has created the provision for doubtful debts to the tune of Rs. 7024.20 Lakh against the above value of work done suspense on adhoc basis to cover up the expected liability.		
26) Estimated amount of contracts remaining to be executed on Capital Account is Rs. 279.23 lakh (Previous Year Rs. 179.25 lakh).		
27) Debit and Credit balances shown under Sundry Debtors, Loans & Advances, Sundry Creditors and Secured and Unsecured Loans, Sub-Contractors account, security & EMD deposit from Sub-contractors, Inter Unit Accounts are subject to confirmation & reconciliation.		
28) In case of Sardar Sarovar Narmada Valley Power Project(SSNVL), no interest @ 13% on the secured & unsecured loan amounting to Rs. 23.68 Lakh has been provided during the year as the matter has not been finally settled by the client.		
29) In respect of contract of Taj Corridor Project awarded to the corporation, the corporation had before foreclosure of the work, done the work to the tune of Rs.4311 Lakh for which the corporation filed the writ petition before the Hon'ble High Court at Allahabad for settlement of the claimed amount.  The corporation had already received Rs. 1700 Lakh by way of advance paid by Govt. of U.P. Thus the net outstanding after adjustment of Rs.1700 lakh comes to Rs. 2611 Lakh.  The Hon'ble High Court of Allahabad passed an interim order on the writ petition for payment of Rs. 2000 Lakh which had already been sanctioned by Govt. of UP, but not yet received. In view of the above position, the management did not consider it necessary to create any provision for doubtful debts in respect of net amount due against the work done, pending final decision of the Hon'ble High Court of Allahabad on the writ petition filed by the corporation.		
30) Interest received /receivable on FDR /Bank deposits are accounted as revenue Depends on provision of agreement , the interest amount credited to the clients account where ever is applicable .		

- 31) In the opinion of management, the value of current assets, loan and advances, after providing provisions, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- 32) The deferred tax assets had been recognized on the basis of following reasonable certainty that sufficient future taxable income will be available for corporation :
- Company is earning profit before tax since last 3 years in upward trend.
- There is an order book position in hand of Rs 418144.59 lakh having definite margin.
- As per Corporate Plan and 10 year prospective plan prepared by ICRA independent agency, Company's profit earning trend is increasing in next 10 years.
- 33) Depreciation on Temporary Construction has been charged on Straight Line Method based on the rates specified in schedule XIV of the Companies Act, 1956 and Accounting Policy no.7 for Depreciation on Temporary Construction which is under revision.
- 34) Valuation of Inventory has been carried out as per Accounting Standards -2, cost or realizable value which ever is less and Accounting Policy no.10 is under revision.
- 35) Accounting Policy no.12 for Deferred Revenue Expenditure is under revision. However there is no deferred revenue expenditure during the year 2012-13.
- 36) Accounting Policy no.16 for Interest is under revision. However there is no interest bearing advance given to staff during the year 2012-13.

**37) Earning / (Loss) per share**

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

**a. Basic/Diluted EPS**

(Rs. in Lakh)

Particulars		Current Year	Previous Year
Profit / (Loss) including adjustments of Deferred Tax Assets/Liabilities, attributable to equity shares for the year	(A)	5096.61	4218.21
Weighted average number of shares outstanding during the year	(B)	945316	945316
Basic/Diluted Earning / (Loss) per share (in Rs.)*	(A/B)	539.14	446.22
Nominal value per equity share		1000.00	1000.00

\* EPS for the current year has been worked out on the basis of net profit available after adjustment of Deferred Tax Assets/Liabilities. Therefore the corresponding changes have been calculated in the EPS figure of the previous year to make a prudent comparison, as in the previous year EPS had been calculated before adjustment of the Deferred Tax Assets/Liabilities.



**38)** Segmental Reporting AS – 17 issued by ICAI is not applicable since the corporation primarily operates in one segment i.e. construction only.

**39) Related Party Disclosures**

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

1) Related Parties				
	(a)	Subsidiary Companies		NIL
	(b)	Key management personnel during the F.Y. 2012-13		
	1	Sh A.K. Jhamb 01.04.12 to 04.09.12	CMD (Addl. Charge)	
	2	Sh A.K. Jhamb 04.09.12 to 31.03.13	CMD	
	3	Sh A.K. Jhamb 01.04.12 to 04.09.12	Director (E)	
	4	Sh. Ravendra Garg Full year (under suspension w.e.f.22.02.13)	Director (F)	
	5	Sh Sudhir Garg, Jt. Secretary up to 06.08.12	Govt. Director (Part-Time)	
	6	Sh. Sunil Kohli, JS & FA w.e.f. 27.06.12	Govt. Director (Part-Time)	
	7	Sh. N. S. Samant w.e.f. 29.10.12	Govt Director (Part Time)	
	8	Dr. M.K. Soni Full year	Non Official Part Time Independent Director	
	9	Sh Rihan Ahmad Full year	Non Official Part Time Independent Director	
	2)	Relatives of key management personnel and their enterprises where transactions have taken place		Nil
	3)	Other related parties where control exists		Nil

**40)** Particulars of Transactions relating to key Management Personnel during the year Ended 31st March, 2013 are as under:-

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31-03-2013	Year ended 31-03-2012
A)	Salary & Allowance	4707253	2865767
B)	Leave Encashment	1376483	210322
C)	Travelling Expenses	605713	245818
D)	Contribution to PF/CPF	349256	366279
E)	Group Insurance	200	200
F)	Rent paid to directors/ net of recoveries	0	0
G)	Gratuity	0	395176
I)	Sitting fees	350000	300000

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

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

	2012-2013	2011-2012
b) Value of Imports of CIF Value	NIL	NIL
c) Expenditure in Foreign Currency	NIL	NIL
d) Earning in Foreign Currency	NIL	NIL

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

The principal assumptions used in actuarial valuation are as follows:-

Particulars	31.03.2013	31.03.2012
-Discount Rate	8.00% / 7.95%	8.50%
-Expected Rate of future Salary increases	5.00%	5.00%






(Amount in Rupees)

	Gratuity Regular Staff		Gratuity Work charged		Leave Encashment	
	Unfunded		Unfunded		Unfunded	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Change in the present value of obligations						
- Present value of obligations as at 01.04.2012	257929918	196899129	204641556	141703366	166824734	127696362
- Interest Cost	20577861	16736426	15154938	11525052	12295184	10315325
- Current Service Cost	10091097	9750965	6817301	6861193	25237397	25148298
- Benefits paid	(45603254)	(25006114)	(28026804)	(12229039)	(24336657)	(12679199)
- Actuarial (Gain)/Loss on obligations	28083462	59549512	19929889	56780984	(18316823)	16343948
- Present value of obligations as at 31.03.2013	<b>271079084</b>	<b>257929918</b>	<b>218516880</b>	<b>204641556</b>	<b>161703835</b>	<b>166824734</b>
Change in Fair Value of Plan		Not Applicable		Not Applicable		Not Applicable
Liability recognized in the balance sheet		--		--		--
- Present value of obligations as at 31.03.2013	271079084	257929918	218516880	204641556	161703835	166824734
- Fair value of obligations as at the end of the year.	17985830	17338209		--		--
- Funded status [Surplus/(Deficit)]	(253093254)	(240591709)	(218516880)	(204641556)	(161703835)	(166824734)
- Unrecognized Actuarial (Gain)/Loss	--	--	--	--	--	--
- Net assets/(liability) recognized in the Balance Sheet	<b>253093254</b>	<b>(240591709)</b>	<b>(218516880)</b>	<b>(204641556)</b>	<b>(161703835)</b>	<b>(166824734)</b>
Expenses recognized in the Profit and Loss Account		--		--		--
- Current Service cost	10091097	9750965	6817301	6861193	25237397	25148298
- Past Service cost				--		--
- Interest cost	20577861	16736426	15154938	11525052	12295184	10315325
- Expected return on plan assets	(1457117)	(1571350)		--		--
- Net Actuarial (Gain)/Loss recognized during the year	28016515	59738716	19929889	56780984	(18316823)	16343948
- Total expenses recognized in Profit and Loss Account	<b>57228356</b>	<b>84654757</b>	<b>41902128</b>	<b>75167229</b>	<b>19215758</b>	<b>51807571</b>

- 42) Fixed Assets at written down value of Rs.65.68 lakh in respect of Kanchipuram (MRTS), NER (W), Guwahati (Karbi Langpi), Dholaitabi and Northern Zone (MIP) are impounded and under the custody of clients.
- 43) Previous year's figures have been regrouped /rearranged wherever considered necessary with effect from 1st April 2011. Revised Schedule VI has become applicable which has not affected the profitability. However, it has impacted the disclosure significantly. The company has accordingly reclassified the figures of 2011-12 to correspond to the current year's presentation.
- 44) 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 44**

  
(RAJNI AGARWAL)  
COMPANY SECRETARY

  
(Dr. M.K. SONI)  
DIRECTOR  
**As per our Audit report of even date**  
**FOR L C Kailash and Associates**  
Chartered Accountants

  
(N.S. SAMANT, IAS)  
CHAIRMAN & MANAGING DIRECTOR

Place : New Delhi  
Date : 16-08-2013

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




## CASH FLOW STATEMENT

(₹ in lac)

PARTICULARS	Figures for the current reporting year ended 31.3.2013	Figures for the previous reporting year ended 31.3.2012
<u>Cash flow from Operating Activities</u>		
Receipts from customers	98,443.63	103,468.32
Paid to sub-contractors, suppliers & employees	(118,561.14)	(96,151.21)
Mobilization advance received from Project authority shown under the head of unsecured loans	1,486.07	537.73
Interest on mobilization advance given to Sub contractor	292.01	544.79
Cash generated from operations	(18,339.44)	8,399.63
<u>Cash flow from Investing activities</u>		
Sale proceeds of Fixed Assets	36.57	59.89
Purchase of Fixed Assets	(137.13)	(214.14)
Interest on Bank deposits	3,025.11	2,736.57
	2,924.56	2582.32
<u>Cash flow from financing activities</u>		
Reduction of Losses	-	
Reduction of Share Capital	-	
Interest paid	(128.54)	(43.36)
	(128.54)	(43.36)
Net increase/(decrease) in cash & cash equivalents.	(15,543.41)	10,938.59
Cash & cash equivalent at the beginning of the year	71,288.59	60,350.00
Cash & cash equivalent at the end of the year	55,745.18	71,288.59

Note: 1. Cash and cash equivalents consist of cash in hand Rs.9.41 lac and balances with banks Rs.55735.77 lac inclusive of FDR of Rs.886.90 lac against Bank Guarantee  
2. Figures in brackets represent outflow of cash.  
3. Figures of the previous year have been regrouped wherever necessary.

  
(RAJNI AGARWAL)  
COMPANY SECRETARY

  
(Dr. M.K. SONI)  
DIRECTOR

  
(N.S. SAMANT, IAS)  
CHAIRMAN & MANAGING DIRECTOR

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

  
( L.C.GUPTA)

Partner  
M.No.005122  
FRN-01811N

Place : New Delhi  
Date : 16-08-2013

## INDEPENDENT CENTRAL STATUTORY AUDITOR'S REPORT

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

### Report on the Financial Statements

We have Audited the accompanying Financial Statements of National Project Construction Corporation Ltd. ("The Corporation") which comprises the Balance Sheet as at 31st March, 2013, statement of Profit & Loss Account in which the accounts of Units, Branches and other offices audited by Branch Auditors in accordance with the letter of appointment issued by Comptroller and Auditor General of India are incorporated and the Cash Flow, Statement for the year then ended and a summary of significant Accounting Policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit

evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Corporation's preparation and fair presentation of the Financial Statements in order to design

audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

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

- i) Accounting of Contracts' income only on the basis of work done measured by the Engineer Incharge of the Corporation is not as per the Accounting Standard (AS) – 7 and Accounting Standard (AS) - 9 notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006 as amended] of the Companies Act, 1956.
- ii) a) Against outstanding trade receivables for more than 6 months and disputed including amount lying in value of work done Suspense Account, a provision for doubtful debts of Rs. 7024.20 Lacs has been created by the Corporation, although the corporation has already created liability for contract expenses equivalent to the amount payable to the Contractors. Since the work awarded to Sub-Contractors is either on PMC or Back to Back basis i.e, the payment to the Sub-contractor is dependent on the payment received by the Corporation from the clients. Therefore, in our opinion the maximum loss of the corporation shall be to the extent of its profit margin. Thus, we are unable to comment on the accounting estimates made by the management for making provision for doubtful debts.



- b) There is no documented policy for determining the amount outstanding as doubtful and creating provisions. Agewise and billwise analysis of outstanding amount was not made available in respect of several units/branches.
- iii.) Against the amount of security deposit Rs. 6851.51 Lacs deducted by the clients from the work bills raised by the Corporation, a provision for Rs. 1203.55 Lacs has been created towards amount doubtful of recovery, although the corporation has deducted and/or retained the amount equivalent to the security deducted by the client from the Sub-Contractors bills amounting to Rs. 16374.96 Lacs. Thus the provision so created for doubtful of recovery is superfluous resulting into understatement of profit and overstatement of the liability of the Corporation.
- iv) a) The amount of Contingent liability on account of Liquidated Damages has not been ascertained in respect of projects where the clients have not extended the time of completion.
- b.) Liability on account of Liquidated damages of Rs. 113.97 Lacs levied and recovered from the work bills by the clients-Central Reserve Police Force (CRPF), Vasant Kunj has not been provided in the books.
- v) No provision has been made in the accounts in respect of demand raised by various authorities towards Sales Tax, Commercial Tax, Income Tax, Service Tax, etc amounting to Rs. 3138.24 Lacs as per details given in Annexure –III and enclosed with the Annual Accounts as the same are disputed before various Accessing and Appellate Authorities/Courts as indicated therein.
- vi) a) In respect of demand for Service Tax given in Annexure –III, no liability has been worked out towards interest as the Service Tax cases pending decisions by the concerned authorities.
- b) The Corporation has executed many other such works where Service Tax is applicable. The management has neither worked out nor charged in the bills raised on the clients, the amount of Service Tax which has neither been ascertained nor provided in the books.
- c) Some of the Working units, as reported by Branch Auditor have not obtained Service Tax Registration.
- vii.) Fixed Deposit Receipts (FDR) in various banks taken several years back to the tune of Rs. 1.23 Lacs are neither traceable nor any details like address of the Bank branch, date of issue, maturity date, rate of interest, etc are available. Therefore it is a total loss and needs to be written off instead of making provision for doubtful of recovery.
- viii) a) In respect of Sardar Sarovar Narmada Valley Project (SSNVP) excess provision of interest of Rs. 1782.66 Lacs has been made in the books of the Corporation which has not been reversed based on the joint meeting between the Zonal Authority of the Corporation and the Claim Committee of the Client.
- b) In case of Karbilangbi Project of ASEB which was terminated in 1997, the Corporation has provided interest liability of Rs. 56.44 Lacs upto 2010 on the advance received from ASEB. It has been informed by the Management that ASEB has already sold this project alongwith the machinery and materials of the Corporation to the third party. The ASEB has not demanded the interest on the advance given till date. Thus in the view of above situation, interest liability does not exist.
- In respect of interest amounting to Rs. 1839.10 Lacs provided in item (viii) a & (viii) b the profit of the Corporation to that extent has been understated and liability has been overstated.
- ix.) In respect of Mahakali Irrigation Project (MIP) of Govt. of Nepal and Karbilangbi Project (Guwhati Zone) given by ASEB which have closed more than 15 years before, we are informed that in respect of MIP the inventory of Stores & materials of Rs. 106.72 Lacs and gross value of Plant & Machinery of Rs. 597 Lacs (WDV Rs. 32.32 Lacs) has been confiscated by Govt of Nepal and similarly Plant & Machinery of Gross Value of Rs. 96.89 Lacs (WDV Rs. 4.82 Lacs) has been confiscated and sold to third party by the ASEB (Project Authority). In the absence of Physical existence of stores and Plant & Machinery as on 31.03.2013, the Current Assets and Fixed Assets are overstated.

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

- x) The Corporation gave Secured Loans to Contractors of Bansagar HR Project against hypothecation of Machinery. As on 31.3.2013 the outstanding balance of loan is Rs. 39209, but the machine hypothecated is not available and as such outstanding loan is a total loss and no provision has been made towards doubtful of recovery. Thus to that extent the profits of the company is overstated.
- xi) The cash in hand, balance in Current Account with banks and Fixed Deposits receipts from banks which pertains to the extents of advance from Project Authorities against PMC and Deposit Account Works has not been shown separately in Note No- 14 of Financial Statement so as to give clear picture of the Financial health of the Corporation.
- xii) Inventory of Stores/ Spares / Materials / Assets which are lying with third parties have neither been physically verified by the Management nor has any certificate been obtained from the parties holding the same. Thus the conditions of such assets is not ascertained and the impact on the Profit or Loss of the Corporation for the difference in the value shown in the Financial Statement and the present Market Value of such assets is not ascertainable.
- xiii) Debit and Credit Balance of Rs.77746.26 Lacs and Rs.77584.40 lacs respectively outstanding in remittance account and adjusting Head Account maintained for Inter Unit Transaction (which includes old balances as well) has not been reconciled. The consequential impact, if any on the financial statement is not presently ascertainable.
- xiv) a) There is lack of internal control Mechanism thereby resulting in heavy outstanding Debit/ Credit balances appearing in Clients A/c, Sub-Contractors Accounts, Creditors, Loans and Advances and deposits for a very long time which needs to be reconciled and adjusted in regular heads of accounts. Parties debit/credit balances in so far as these have not been subsequently realized or discharged are subject to confirmation / reconciliation and consequential revenue impact if any is presently not ascertained. Thus the internal control system needs to be strengthened.
- b) Debit and credit balances are outstanding in the name of the employees who have either retired / expired or transferred to the other unit. Such balances have neither been recovered from their final payments nor transferred to transferee unit.
- xv) Lease rental payable for current year as well as for earlier years (since acquisition) for leasehold plot of land at Matiagara, Siliguri purchased in 1995 on 99 years lease, has not been provided.
- xvi) The Units have not carried out the assessment of impairment of Fixed Assets as required by AS-28 notified under Section 211 (3C) of the Companies Act, 1956. Consequential revenue impact is not ascertained.
- xvii) The method and procedure adopted for physical verification of fixed assets is not found to be satisfactory.
- xviii) No verification report is on record in respect of inventory lying with third parties or at site which were under the custody of Clients.
- xix) Debit and Credit balances shown under Trade Receivables, loan and advances taken and given, Sundry Creditors, Secured and Unsecured Loans and Security Deposits are subject to reconciliation / confirmation and adjustments.
- xx) In cases where contracts have been terminated resulting into disputes between Corporation / Sub-Contractors / Clients, the Corporation has raised various claim bills on the clients based on the claim from the Sub-Contractor, such bills have neither





been accounted in the books as per accounting policy No – 6 (vi) of the Corporation nor any details have been provided to us for checking and verification of such bills.

- xxi) There is a difference of Rs. 166.41 Lacs between the amount of advance given to Provident Fund Trust appearing in the books of the Corporation and the advance credited to the Corporation in books of PF Trust.
- xxii) In respect of the matters described under basis of qualified opinion, paragraphs (i) to (xxi) above from the available information, we are unable to express our opinion as to the extent of their effect on the profit or loss for the period under report and the net assets / liabilities as on 31.03.2013. Subject to these, in our opinion, and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the State of Affairs of the Corporation as at 31.03.2013;
  - b) in the case of the Statement of Profit and Loss of the Corporation for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

- xxiii) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- xxiv) Subject to our observations as described in the Basis for Qualified Opinion paragraph, as required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the

Corporation, so far as it appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) Except for the matters described in the basis for qualified opinion in paras- (i) to (xxi), in our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Sub Section – 3(c) of the Section 211 of the Companies Act, 1956 to the extent applicable.
- e) As per G.S.R. 829 (E) dated 21st Oct, 2003, the provisions / disqualifications under section 274(1)(g) of the Companies Act, 1956 shall not apply to directors of a Government Corporation and hence is not applicable to the Corporation.
- f) Since the Central Government has not issued any notification as to the rate at which the Cess is to be paid under Section 441(A) of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such Cess is to be paid, no Cess is due and payable by the Corporation.

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

**L.C.Gupta**

Place – Delhi

Date:- 16th Aug, 2013

*Sr. Executive Partner*  
(M. No – 005122)

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

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

- i). a.) The Corporation has maintained records of Fixed Assets, showing full particulars including quantitative details but do not contain the details as prescribed under the CARO like, situation, identification marks, year of purchase, etc.
- b.) According to the information and explanations given to us, the Fixed Assets have been physically verified by the Management during the year except those which are under custody of the Clients and Inter Unit Transfer in Transit. In our opinion, the methods and procedures adopted for physical verification was not satisfactory, although there exists a system for physical verification, yet in most of the units audited, the reports were not produced before us.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Corporation and such disposals has, in our opinion, not effected the going concern status of the corporation.
- ii) a) As informed to us, physical verification of its inventory has been conducted by the Management at the end of the year excluding materials in transit and inventory lying with third parties at some of the sites, locations or under custody of Contractees.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are not satisfactory and adequate in relation to the size of the Corporation and nature of its business.
- c) The Corporation has generally maintained proper records of inventory. As explained to us, discrepancies noticed between physical verification as compared to the Book records have been charged/credited to Contract Account.
- iii) According to the information and explanations given to us, the Corporation has neither granted nor taken any secured or unsecured loan from/to Companies, firms or the other parties covered in the register maintained under section -301 of the Companies Act, 1956. Therefore the provision of clause iii (a) to iii (g) of the said orders are not applicable to the Corporation.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations thereof. We are informed that there exists an adequate internal control system commensurate with the size of the Corporation and nature of its business for the purchase of inventory and fixed assets. There is lack of internal Control Mechanism thereby resulting in heavy outstanding Debit / Credit balances appearing in the Accounts of Clients and Sub-Contractors Accounts and in Remittances and Adjusting Account for a very long time which needs to be reconciled and adjusted in regular heads of accounts. Thus the internal control system needs to be strengthened.
- v) According to the information and explanations given to us, we are of the opinion that there are no such type of particulars of contracts or arrangements that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rs. 5,00,000 in respect of any party during the year.
- vi) According to the information and explanations given to us, the Corporation has not accepted any Deposits from the Public in terms of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Thus we are not required to express our opinion. We are informed that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.



vii) As informed, the Corporation has an internal audit system. However, in our opinion, considering the size and nature of the business, the system needs to be strengthened specially with regard to verification, identification and proper accounting of unusable fixed assets, reconciliation of Debit & credit balances lying in various accounting heads and remittance account. The Scope of the System should be considered to cover all activities of all units.

viii) We have been informed that the Central Government has not prescribed the Maintenance of Cost records under the Provisions of Section 209(1)(d) of the Companies Act, 1956, for the business carried on by the Corporation.

ix) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Corporation is not regular in depositing with appropriate authorities undisputed statutory dues including, Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues. However there exists difference of Rs. 166.61 Lakhs between figures as per Books of PF Trust and that of Corporation which need reconciliation.

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

According to the information and explanations given to us, undisputed statutory dues payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, and Cess which were in arrears, as at 31st March, 2013 amounting to Rs. 106.21 lacs are given in Annexure – II to our report.

b) According to the information and explanations given to us, the details of disputed dues of Sales Tax, Income Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute amounting to Rs 3138.24 lacs. The details of outstanding amount and The Authorizes where cases are pending given in annexure III to this report.

x) As at 31st March, 2013, the accumulated losses of the Corporation are more than Fifty percent of its net worth. The Corporation has not incurred cash losses during the reporting financial year as well as in the immediately preceding financial year.

xi) Based on our audit procedures and as per the information and explanations given by the management, the Corporation has not raised any loan from financial institution, banks or debenture holders.

xii) The Corporation has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Corporation is not a chit fund or a nidhi / mutual benefit fund/society and as such clause 4(xiii) of companies (Auditor's Report) order, 2003 is not applicable.

xiv) The Corporation is not dealing or trading in shares, securities, debentures and other investments and as such clause 4(xiv) of companies (Auditor's Report) order, 2003 is not applicable.

xv) According to the information and explanations given to us, the Corporation has not given any guarantee for loans taken by others from Banks or Financial Institutions.


xvi) In our opinion and according to the information and explanations given to us by the management no term loans were obtained by the Corporation.

xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Corporation, we are of the opinion that, funds raised on short term basis have not, prima facie, been used for long-term investment.

- xviii) The Corporation has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Corporation has not issued any debentures during the period under report and therefore the question of creating security or charge in respect thereof does not arise.
- xx) The Corporation has not raised any money by public issue during the year.
- xxi) Based on our audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Corporation has been noticed or reported during the course of our audit.

**For LC Kailash and Associates**

Chartered Accountants  
(Firm Reg. No – 01811N)



**L.C. Gupta**

**Sr. Executive Partner**

**M.No.-05122**

Place: Delhi

Date: August 16, 2013



**Undisputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited (Outstanding for more than six months) are :-**

Annexure II

Name of statute	Nature of dues	Department	Amount (Rs.)	Unit	Paid vide Challan
Income Tax Act	TDS	Income Tax Dept, Siliguri	103677	Teesta PH III	
Income Tax Act	TDS	Income Tax Dept, Siliguri	121747	Ramam	
Income Tax Act	TDS	Income Tax Dept, Maida	266639	FSTPP II	
Income Tax Act	TDS	Income Tax Dept,Durgapur	51389	Bondel Gate	
Income Tax Act	TDS	Income Tax Dept,Asansol	56299	Bakreshwar	
Income Tax Act	TDS	Income Tax Deptt.	61119	RZO(Anicut/pmgsv/ignou)	paid during 4/13-7/13
Income Tax Act	TDS	Income Tax Deptt.	2068754	RZO(Anicut/pmgsv/ignou)	paid during 4/13-7/13
Income Tax Act	TDS	Income Tax Deptt.	3312743	RZO(Anicut/pmgsv/ignou)	paid during 4/13-7/13
Income Tax Act	TDS	Income Tax Deptt.	911149	RZO(Anicut/pmgsv/ignou)	paid during 4/13-7/13
Income Tax Act	TDS	Income Tax Deptt.	39027	Sipat Unit	paid in 4/2013
Income Tax Act	TDS	Income Tax Deptt.	79170	Sipat Unit	paid in 4/2013
Income Tax Act	Income Tax	I.T.Dppt., Dhanbad	177318	Maithon Complex	
Income Tax Act	Income Tax	I.T.Dppt., Dhanbad	185277	Tailpool Dam	00003 dt.16.05.12=623/-
Income Tax Act	Income Tax	I.T.Dppt., Dhanbad	32683	Tailpool Dam	
Income Tax Act	Income Tax	Income Tax Deptt.	444549	N(W)Z	
Income Tax Act	Income Tax	Income Tax Deptt.	65	Kolkata(cisd)	
Income Tax Act	TDS	Income Tax Dept, Kopili	81716	kopili	
Income Tax Act	TDS	Income Tax Dept, Karbi	1529	karbi langpi	
Income Tax Act	Income Tax	Income Tax Deptt.	4166	Pasighat	00159 dt.9.04.13
Income Tax Act	TDS	Income Tax Dept, Manipur	235680	Khuga Dam	
Income Tax Act	TDS	Income Tax Dept, Manipur	138362	Singda/Loktak	
Sales Tax Act	Sales Tax	Sales Tax Deptt., Bihar	394319	Dehri-on-sonne	
Sales Tax Act	Sales Tax	Sales Tax Deptt., Bihar	55370	BTPS,Bihar	

**Undisputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited (Outstanding for more than six months) are :-**

Annexure II

Name of statute	Nature of dues	Department	Amount (Rs.)	Unit	Paid vide Challan
Sales Tax Act	Sales Tax	Sales Tax Deptt.	32828	VSTPP (Jayant)	
Sales Tax Act	Sales Tax	Sales Tax Deptt.	29272	Maneribhali	
Sales Tax Act	Sales Tax	Sales Tax Deptt.	134197	N(W)Z	
Sales Tax Act	Sales Tax	Sales Tax Deptt., Bihar	102579	Maithon Complex	
Sales Tax Act	sales tax	sales tax deptt. Maida	534080	FSTPP II	
sales tax Act	sales tax	sales tax deptt., Durgapur	264156	Durgapur	
Sales Tax Act	Sales Tax	Sales Tax Deptt., Dhanbad	293798	Tailpool Dam	
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax, Siliguri	42321	Ramam	
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax	130830	Bondel Gate	
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax, Kopili	19593	kopili	
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax Deptt.	632	NER(w)	496105 dt.5.04.13
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax, Karbi	29899	karbi langpi	
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax Deptt.	1848	Pasighat	496106 dt. 5.04.13=600/-
State Tax on professional trades, callings & employment Act	Professional Tax	Professional Tax Deptt.	15	Bakreshwar	
Royalty	Royalty	Royalty Deptt.	27482	Pasighat	496112 dt.22.04.13
Cess	Labour Cess	Deptt. of Labour Cess	86689	Pasighat	496111 dt.22.04.13
Finance Act	Service Tax	Deptt. Of Revenue	8760	Teesta PH III	00004 dt. 5-06-13
Finance Act	Service Tax	Deptt. Of Revenue	26080	TRB Falakata	00018 dt.5-06-13
Finance Act	Service Tax	Deptt. Of Revenue	33254	Farakka	32 & 34-42 dt.12-07-13
		<b>Total</b>	<b>10621060</b>		





**Disputed Dues of Sales Tax/Income Tax/ Custom Duty/Wealth Tax/ Excise Duty/ Cess/ Service Tax which have not been deposited up to 31/03/2013 on account of any dispute are as follows: -**

Annexure III

Name of statute	Nature of dues	Authority before whom case is pending	Tax Amount	PENALTY AMOUNT	TOTAL AMOUNT	UNIT
Chattisgarh Sales Tax/ E T	Sales Tax Penalty, 1984-1987	Appeal before High Court, Bilaspur		1583000	1583000	GGDU, Koni
Sales Tax	Sales Tax Demand 1999-2000	Asstt/ Commissioner of Sales Tax Bhubaneswar	692015		692015	Water Technology Center for Eastern Region, Odisha
Sales Tax	Sales Tax Demand 1997-1998	Sales Tax Tribunal, Cuttack	130183		130183	Water Technology Center for Eastern Region, Odisha
Sales Tax	Sales Tax Demand 1997-1998	Commissioner of Commercial Tax, Cuttack	345203		345203	Rourkela, Odisha
Sales Tax	Sales Tax Demand 1997-1998	Sales Tax Tribunal, Cuttack	1729423		1729423	NALCO, Cuttack
Sales Tax	Sales Tax	Sales Tax Tribunal, Patna	2101000		2101000	Chapra Unit
Sales Tax	Sales Tax	Sales Tax Tribunal, Lalitpur	43615		43615	MAP, Jhansi
West Bengal State Tax	Interest on Liability of Profession tax for 2001-02	Jt. Commissioner Professional tax WB WR Asansol WB	67,842		67842	Bakreshwar Dam, West Bengal
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Delhi	40430900	40430900	80861800	Sipat
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	9607459	9607459	19214918	Silcher
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	40269070	40269070	80538140	Kahalgaoon
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	11737136	11737136	23474272	Bhubaneswar
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	918596	918596	1837192	Silcher
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	36474478	36474478	72948956	Silcher
Central Excise / Service Tax	Service Tax	Central Excise Service Tax Appellate Tribunal, Kolkata	3919499	3919499	7838998	Shilong
Central Excise / Service Tax	Service Tax	Commissioner (Appeals) Central Excise Service Tax Appellate Tribunal, Kolkata	10208839	10208839	20417678	Sipat
		<b>TOTAL</b>	<b>158,675,258</b>	<b>155,148,977</b>	<b>313,824,235</b>	

## MANAGEMENT REPLY TO AUDITOR'S REPORT 2012-13

- i) Broadly company is following the Accounting Standard 7 & 9. Contract income booked as per approved Accounting Policy.
- ii) a) Provisions for expenditure are created on accrual basis against the revenue recognition. Provisions for doubtful debts are created as precautionary measures considering the age and other factors of dues. Cases are further reviewed and noted.  
b) Formulation of Policy is under process. Age wise details given in Note 13 as required.
- iii) Provisions created as a precautionary measures. Taken up for review.
- iv) a) Time extensions are under process and being followed regularly.  
b) Amount recoverable and under correspondence with the client.
- v) In the opinion of the Management liability needs to be created only if required on settlement of disputes.
- vi) a) Since the matter is under dispute, liability needs to be created on settlement of the disputes.  
b) No comments as there are no details. Liability needs to be created on settlement of disputes or if required in other cases.  
c) In the absence of details no comments. Observation noted and units are instructed to ensure Service Tax registration.
- vii) Adequate provisions are created to reflect the correct position. Disclosed under note 14 (f). Efforts are under process to trace the details.
- viii) a) Matter is under settlement. Provisions are continued as a prudence basis. Only on reaching the final settlement necessary required book adjustment will be carried out.  
b) Noted for further action for settlement of the case with clients in totality. Provision continues as a prudence basis.
- ix) Noted for action.  
Since the Corporation taken loan no loss to the Corporation is anticipated. Noted.
- x) Noted
- xi) Noted
- xii) No comments in the absence of specific reference.
- xiii) Noted. Reconciliation is under process.
- xiv) a) Noted  
b) In the absence of specific details no comments. However noted for review.
- xv) Refer note 8 (e)
- xvi) Refer note 8 (d)
- xvii) In the opinion of the Management procedure adopted is satisfactory. In the absence of specific comments or suggestions no comments offered.
- xviii) Noted.
- xix) Noted
- xx) As a principle of conservatism it is considered appropriate not to account them in the books in the disputed matters.
- xxi) Refer disclosure under note 16 (a).



## **MANAGEMENT REPLY TO ANNEXURE TO AUDITOR'S REPORT 2012-13**

- I) a) Noted for compliance
- b) Procedures adopted are satisfactory. In the absence of specific comments or suggestions no comments are offered.
- c) No comments required.
- ii) a) No comments required.
- b) The company is following Standard Procedures. In the absence of specific cases, no comments are offered.
- c) No comments required.
- iii) No comments required.
- iv) Noted for compliance.
- v) No comments required.
- vi) No comments required.
- vii) Professional Chartered Accountant firms were appointed for conducting the internal audit.  
Noted the suggestions.
- viii) No comments required.
- ix) a) CPF reconciliation is under process.  
Noted.
- b) No comments required.
- x) No comments required.
- xi) No comments required.
- xii) No comments required.
- xiii) No comments required.
- xiii) No comments required.
- xiv) No comments required.
- xv) No comments required.
- xvi) No comments required.
- xvii) No comments required.
- xviii) No comments required.
- xix) No comments required.
- xx) No comments required.
- xxi) No comments required.

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

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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2013**

The preparation of financial statements of National Projects Construction Corporation Limited (NPCC) for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the standards on auditing prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 16 August 2013.

I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3)(b) of the Companies Act, 1956 of the financial statements of NPCC for the year ended 31 March 2013. 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, the Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**I Balance Sheet**

**ASSETS**

**1. Non Current Assets**

**(a) Fixed Assets (Note 8)**

**(i) Tangible assets Rs.96392600**

The above includes a sum of Rs.2.79 crore on account of capital work in progress which should have been depicted separately on the face of the Balance Sheet as required under revised Schedule VI of the Companies Act, 1956. This resulted in understatement of capital work in progress and overstatement of tangible assets by Rs.2.79 crore each

**Current Assets:**

**(c) Cash and Bank Balances**

**(i) Other Balances with Scheduled Banks:{Note 14 (c)} Rs.1855652311**

The above includes fixed deposits of Rs.0.74 crore having maturity period of more than a year (12 months) and pledged to Bank/Project Authority for Security Deposits/Bank Guarantee. This should have been depicted as 'Other non-current assets' (Note 11) since first charge on fixed deposits is with the Banks/Project authority and the maturity period of these deposits is more than 12 months.

**(ii) In Current Account Note 14(a) (iii) Rs.3278997801**



The above includes Rs.108.25 crore received from the Ministry of Home Affairs, Government of India for Indo-Bangladesh border fencing & road works, flood lighting and construction of border outposts for Border Security Force along the Indo-Bangladesh border.

The amount of Rs.108.25 crore lying in above current account meant for executing dedicated projects of the Government is not disclosed suitably.

## **II Statement of Profit and Loss**

### **Revenue from Operations**

### **Other Income (Note No.17)**

### **Provision/liabilities written back Rs.261400181**

The above includes a sum of Rs.19.98 crore being the provisions written back for Bad and Doubtful Debts. Since, the amount written back is material it is required to be disclosed as exceptional item as per Accounting Standard-5. Further, revised Schedule VI prescribes depiction of exceptional item as a line item; as such the amount should have been depicted under exceptional items. This resulted in overstatement of other income and 'profit before exceptional and extraordinary items and tax' and understatement of exceptional items by Rs.19.98 crore

## **EXPENSES-**

### **(i) Prior Period Expenditure/Income (-) (Note 22)**

#### **Total Expenses**

#### **Profit (Loss) before exceptional, extraordinary items and tax Rs.616369234**

As per requirement of Accounting Standard-5, prior period items are required to be disclosed in the statement of Profit and Loss in a manner that their impact on current profit or loss can be perceived. NPCC instead of showing prior period adjustments after 'Profit/(Loss) before prior period adjustments and tax' in the statement of Profit and Loss depicted the same under total expenses. This resulted in overstatement of total expenses and understatement of 'profit/(loss) before prior period adjustments and tax' by Rs. 0.91 crore each in violation of Accounting Standard-5.

## **III Note No.26**

Estimated amount of contracts remaining to be executed on capital account is Rs.0.45 crore instead of Rs.2.79 crore as inadvertently depicted in the above Note. This resulted in overstatement of estimated amount of contracts remaining to be executed on capital account by Rs.2.34 crore.

**( Atreyee Das)**

Date : 21.10.13

Place : New Delhi

**Pr. Director of Commercial Audit &**

**Ex-Officio Member, Audit Board-IV**

## **REPLIES TO THE COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) ON THE ACCOUNTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2013**

I) 1. (a) (i) Expenditure incurred is pertain to the construction of building to be used for office purpose. Since the part of the building which has been constructed had not been put to use the same was shown in capital work in progress and is shown separately in Note No.8.of fixed assets and clubbed as a part of Tangible assets. Noted for review.

I) 1. (c) (i) Noted

I) 1. (c) (ii) Amount in current account is payable to sub-contractors against work executed. An amount of Rs.512 crore is due from Client and as such amount lying in current account pertains to Corporation only.

Noted for review.

II) Since the provision written back is only 1.6% of the total revenue the amount is clubbed with other income. However Provision/liability written back disclosed in Note No.17 so as to enable the reader of the financial statement of the enterprise to form an opinion about the performance and financial position of the Corporation.

II) (i) Prior period items disclosed as a separate head on the face of the Statement of Profit and loss account in compliance to AS-5. Suggestion noted.

III) Noted.





## NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

### TEN YEARS AT A GLANCE

(Rs. in lac)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Authorised Capital	3000.00	3000.00	3000.00	3000.00	3000.00	70000.00	70000.00	70000.00	70000.00	70000.00
Paid up Capital										
A. Equity Shares	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	67673.75	9453.16	9453.16	9453.16
B. Non-cumulative Preference Shares	---	---	---	---	---	---	---	---	---	---
Reserves & Surplus	---	---	---	---	---	---	---	---	---	---
<b>SOURCES OF FUNDS</b>										
A. Capital	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	67673.75	9453.16	9453.16	9453.16
B. Loan Funds	53041.71	65001.05	62726.23	64593.28	67648.57	67954.48	1323.86	9923.62	6373.06	7859.13
<b>TOTAL</b>	<b>56025.91</b>	<b>67985.25</b>	<b>65710.43</b>	<b>67577.48</b>	<b>70632.77</b>	<b>70938.68</b>	<b>68997.61</b>	<b>19376.78</b>	<b>15826.22</b>	<b>17312.29</b>
<b>APPLICATION OF FUNDS</b>										
Net Fixed Assets	912.35	865.61	830.94	894.06	834.53	801.38	761.84	737.85	890.00	963.93
Investment	0.30	0.30	0.30	0.30	0.30	0.15	0.15	0.15	0.00	0.00
Net Current Assets	-6534.71	-1611.38	-3610.47	-9416.18	-10009.99	-13117.36	-11921.53	-88.41	1551.80	8768.34
Deferred expenses/Revenue Assets	15.93	14.87	0.00	2.04	0.00	576.80	608.29	4673.33	3548.77	2840.98
Cummulative Loss	61632.04	68715.85	68489.66	76097.26	79807.93	82677.71	79548.86	14053.86	9835.65	4739.04
<b>TOTAL</b>	<b>56025.91</b>	<b>67985.25</b>	<b>65710.43</b>	<b>67577.48</b>	<b>70632.77</b>	<b>70938.68</b>	<b>68997.61</b>	<b>19376.78</b>	<b>15826.22</b>	<b>17312.29</b>
<b>INCOME</b>										
Value of Workdone	30274.35	30545.83	57746.08	72194.25	71152.87	82556.38	99110.64	106130.18	116736.87	115503.36
Value of Workdone for Corp.	13.15	19.14	20.33	-13.96	5.61	3.80	11.71	2.25	0.83	1.43
Other Income	569.44	448.10	5063.05	4070.19	1784.33	1544.49	1439.27	3501.74	5661.99	6552.56
<b>TOTAL</b>	<b>30856.94</b>	<b>31013.07</b>	<b>62829.46</b>	<b>76250.48</b>	<b>72942.81</b>	<b>84104.67</b>	<b>100561.62</b>	<b>109634.17</b>	<b>122399.69</b>	<b>122057.35</b>
<b>EXPENDITURE</b>										
Constuction & Work exp.	29375.23	28652.62	54086.71	66790.16	66238.54	77685.03	92637.36	100838.36	107940.37	106523.18
Personnel	2890.81	2211.99	2719.61	3012.87	2569.33	2961.77	2808.03	3860.75	7409.85	7391.73
Administration	244.62	258.03	291.44	345.10	367.28	346.84	421.48	393.76		
Bank Charges	37.90	31.66	29.40	12.63	8.59	9.08	5.99	6.28	5.80	8.85
Other Expenses	376.59	430.90	463.68	520.19	311.29	327.19	503.55	563.67	1657.54	2103.07
Provisions	373.46	1068.48	535.94	8463.50	1771.50	1818.45	666.10	534.21		
Prior Period Adjustment	30.62	129.58	74.31	52.01	264.42	53.50	23.22	63.24		91.02
<b>TOTAL</b>	<b>33329.23</b>	<b>32783.26</b>	<b>58201.09</b>	<b>79196.46</b>	<b>71530.95</b>	<b>83201.86</b>	<b>97065.73</b>	<b>106133.79</b>	<b>117013.56</b>	<b>116117.85</b>
Profit / - Loss before Interest and Tax (PBIT)	-2472.29	-1770.19	4628.37	-2945.98	1411.86	902.81	3495.89	3500.38	5386.13	5939.50
Interest	4644.87	5313.62	4388.94	4693.73	5059.19	4333.95	398.54	291.01	43.36	128.53
Tax (FBT)	0.00	0.00	13.24	16.23	14.99	15.44	0.00	0.00	0.00	0.00
Tax (Income)										6.57
Profit / - Loss after Interest and Tax	-7117.16	-7083.81	226.19	-7655.94	-3662.32	-3446.58	3097.35	3209.37	5342.77	5804.40
Deferred Tax Revenue/Expenditure(-)	0.00	0.00	0.00	0.00	0.00	576.80	31.49	4065.04	-1124.56	-707.79
Net profit/-Loss after deferred tax revenue	-7117.16	-7083.81	226.19	-7655.94	-3662.32	-2869.78	3128.84	7274.41	4218.21	5096.61

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

## ZONAL OFFICES

### **NORTHERN ZONAL OFFICE**

*National Projects Construction Corporation Ltd.*  
P.O. Reasi,  
Distt. Reasi -182 311  
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Tele Fax: 01991-245200

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### **NORTHERN (WEST) ZONAL OFFICE**

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### **NER (IBBW) ZONAL OFFICE**

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### **NER (CENTRAL) ZONAL OFFICE**

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### **WESTERN ZONAL OFFICE**

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### **BIHAR ZONAL OFFICE**

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Patna – 800 001  
**BIHAR**  
Ph: 0612 – 2525989, Fax: 0612 – 2526011

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*National Projects Construction Corporation Ltd.*  
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**JHARKHAND**  
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### **CHATTISGARH ZONAL OFFICE**

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Lucknow - 226 010  
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Tele Fax: 0522-2304421, 0120-2433155

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### **ITANAGAR ZONAL OFFICE**

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Techitopu Complex, Model village,  
Nahar Lagun (Itanagar)  
**ARUNACHAL PRADESH - 791110**  
Ph: 0360 - 2361941

*Registered Office :* NPCC Ltd, Raja House, 30-31, Nehru Place, Delhi-110 019,  
Ph: 011-26484842, Fax: 011-26468699

*Corporate Office:* NPCC Ltd., Plot No. 67-68, Sector - 25, Faridabad - 121 004, Haryana,  
Ph: 0129-4062856-59, Fax: 0129-2230891

*Website :* [www.npcc.gov.in](http://www.npcc.gov.in)



NPCC Website launch



Hon'ble Minister, MOWR at NPCC review meeting

# Certificate of Registration

This is to Certify that  
Quality Management System of

## NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

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

has been assessed and found to confirm to the requirements of

**ISO 9001:2008**

For the following scope :

CORPORATE OFFICE, ZONAL OFFICES AND PROJECT SITES

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

Certificate No. 1012/QJ/031

Initial Registration Date : 19.03.2012  
Date of Expiry\* : 18.03.2015  
1st Surveillance on or before : 18.03.2013  
2nd Surveillance on or before : 18.03.2014

Issuance Date : 19.03.2012

Managing Director



JAS-ANZ



M4579101N

Absolute Quality Certification Pvt. Ltd.

Accredited By: Joint Accreditation System of Australia & New Zealand (JAS-ANZ)

405, Ashok Bhawan, Indira Place, New Delhi - 110 001, India. Tel: 011-2612 2447 / e-mail: info@absolutequalitycertification.com, www.absolutequalitycertification.com

The Registration is valid & Product Quality Certificate

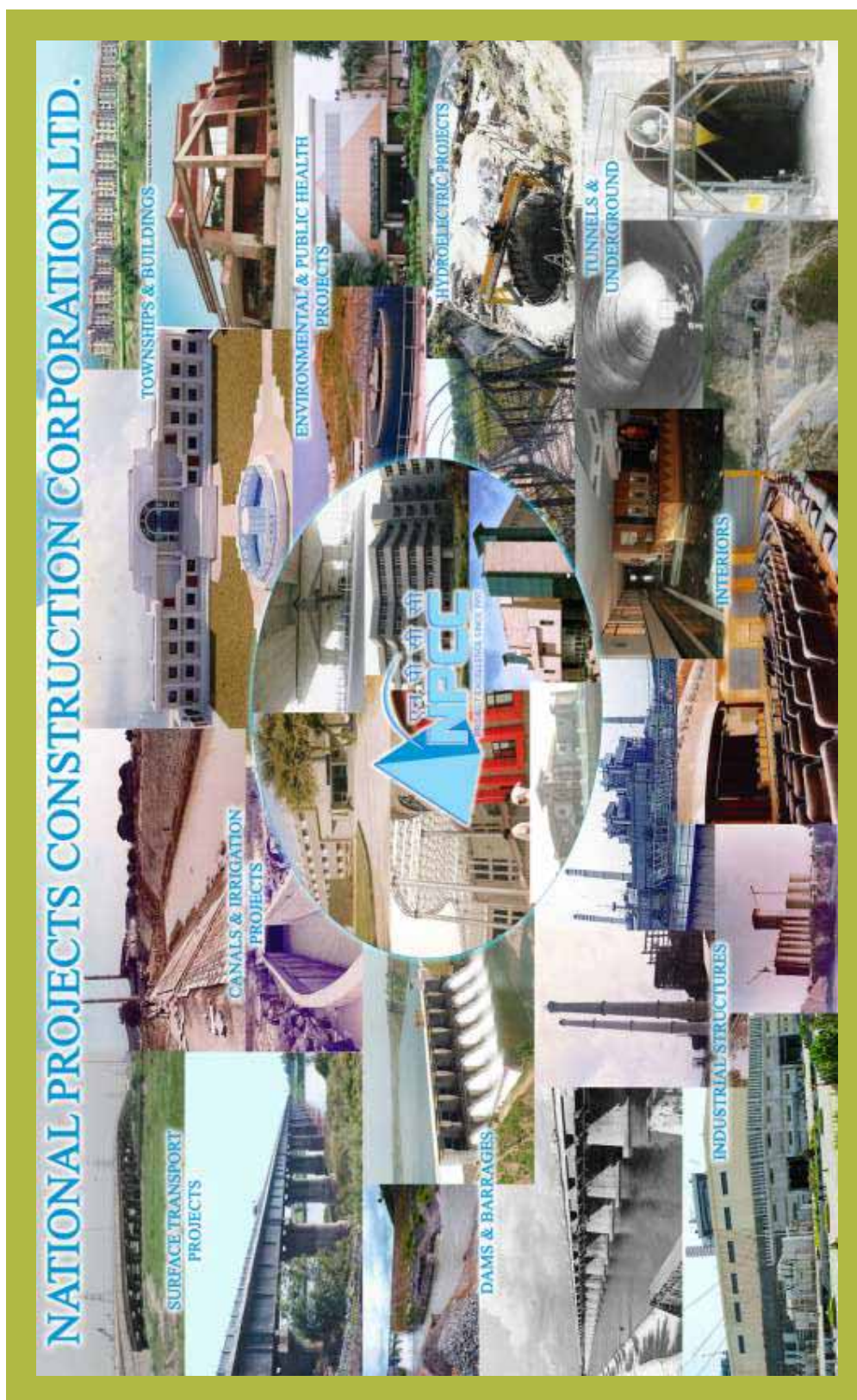
\* Subject to successful completion of surveillance audits

Visit the website for more information





AREA OF OPERATIONS



## Construction of High Altitude Roads along Indo - China Border - Leh Ladakh (Jammu & Kashmir)

### PACKAGE-1: KARZOK TO CHUMAR

Date of Start 25th August 2010  
Site Handed Over On 25th August 2010  
Scheduled Date 23rd April 2014

#### SALIENT FEATURES

Length of 10.200 Kms  
Carriage way 7.75 m  
Earthwork 10 m both sides

#### STATUS OF WORK:

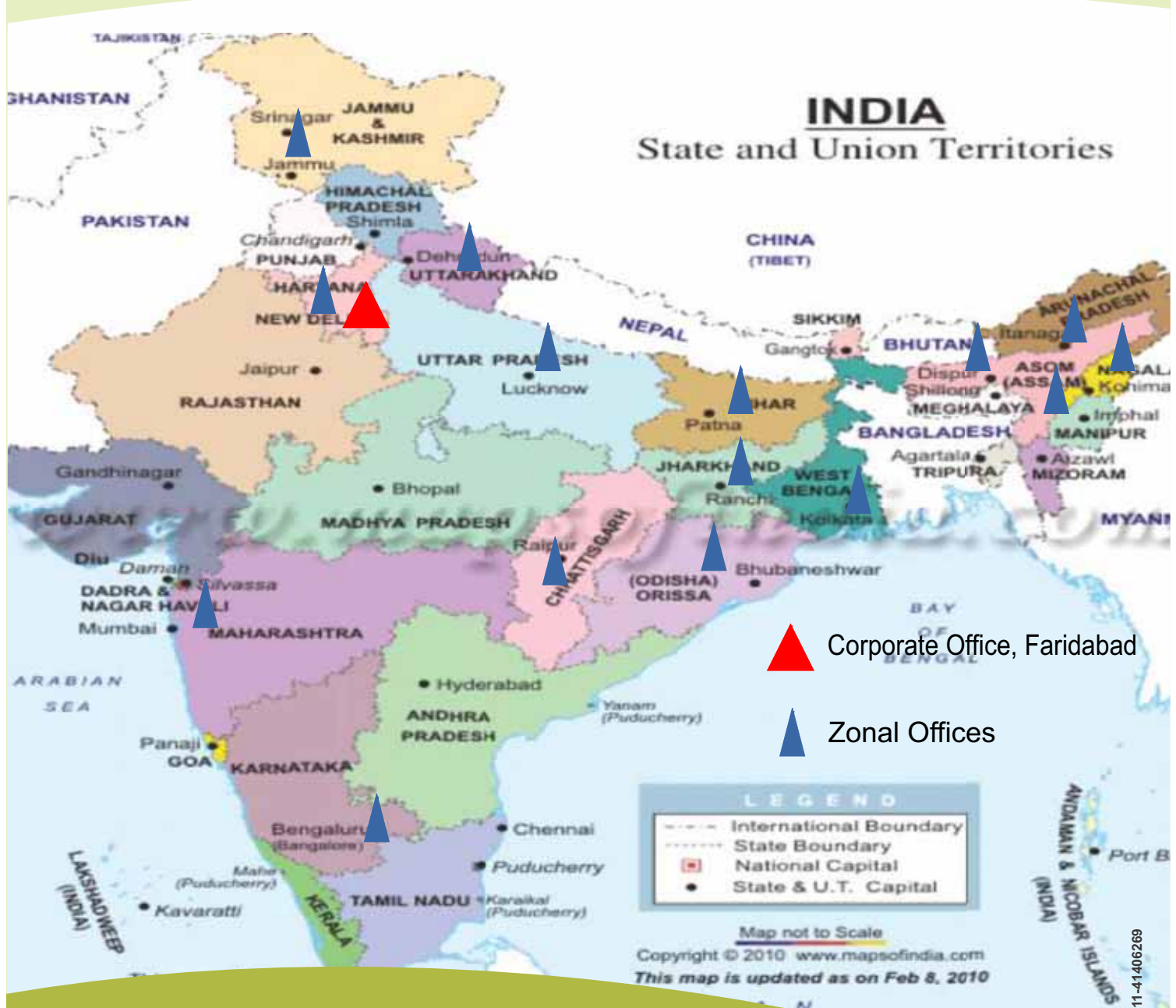
PROGRESS  
Excavation/ 0+200 Kms  
Subgrade 0+200 Kms  
GSB 58+000 Kms  
MM +000 Kms  
M/BT 0+200 Kms  
PSS 0+200 Kms

### Package-2: Phobrang - Chartse -





# NPCC 's - Corporate Office and Zonal Offices



## Registered Office:

Raja House, 30-31, Nehru Place,  
New Delhi-110019  
Phone:011-26484842, 011-26416190  
Tele-Fax: 011-26468699  
E-Mail: [info.npcc@nic.in](mailto:info.npcc@nic.in)  
Web Site: [www.npcc.gov.in](http://www.npcc.gov.in)

## Corporate Office:

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Faridabad - 121 004(Haryana)  
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Tele-Fax: 0129-2230891  
E-Mail: [info.npcc@nic.in](mailto:info.npcc@nic.in)  
Web Site: [www.npcc.gov.in](http://www.npcc.gov.in)