



# NBCC SERVICES LIMITED

(A wholly owned subsidiary of NBCC (India) Limited)



# 7<sup>TH</sup> ANNUAL REPORT

2020-21

***Driving Sustainable  
Developments***  
*- Making a Difference*



**Mazagon Dock Shipbuilders Limited (MDL)**



**Pravasi Bharatiya Kendra , G 20 Summit**



**Registered & Corporate Office**

## **NBCC SERVICES LIMITED**

A Govt. of India Enterprise

(A wholly owned Subsidiary of NBCC (India) Ltd.)

CIN-U74900DL2014GOI272532

Regd. Office: NBCC Centre, Ground Floor, Plot No. 2,  
Community Center, Okhla Phase-1, Delhi-110020

E-mail: [nsl@nbccindia.com](mailto:nsl@nbccindia.com), Website: [www.nslindia.in](http://www.nslindia.in)

Phone: 011-24360907





Pravasi Bharatiya Kendra , G 20 Summit



Delimitation Commission of India

## NBCC SERVICES LIMITED at Glance

NBCC Services Ltd (NSL), set up in October 16, 2014, is a wholly owned subsidiary of NBCC with mandate to extend maintenance services in respect of projects completed by the parent company, NBCC so as to provide end to end services to its customers. NSL has earned a niche for itself in the field of Post Construction Maintenance Services, consistently ensuring quality, sustainability, innovation and cost-effectiveness for its clients. The maintenance projects earlier being handled by NBCC, have now become the responsibility of NSL. In addition, the company, of late, has also secured some renovation/furnishing projects directly from the clients such Sushma Swaraj Bhawan, TRIFED, Bharat Electronics Ltd., MOAFW, MCA etc.

NSL is also extending maintenance support to Real Estate Projects completed by NBCC and delivered to its customers.

### **BUSINESS OPERATIONS:**

**Business operations of the company at present, comprise three verticals :**

- **Post Construction Maintenance:** The nature of work in the maintenance includes Facility Management Service; Operation-cum-Maintenance of buildings including civil and plumbing works; Electrical, HVAC Works; Fire Fighting Works; Operation of DG Sets; Pumps ; Lifts etc.
- **Renovation & Furnishing:** All types of renovation, re-furbishing of old buildings and also interiors & furnishing of new buildings for various clients.
- **CSR:** Pertains to CSR works of the parent company at various locations as per requirement.

### **MAIN OBJECTIVES:**

- Attaining Global Standards in post construction business with professional outlook.
- To provide highly effective and cost efficient services to the clients.
- To create a niche in the market for interior renovation and furnishings of new buildings.
- Value for Money Customer Delight.
- Exploring new areas with the objective to diversify.
- Upgradation of skill and knowledge with the changing scenario to remain in reckoning. NSL also looks for business opportunities from Ministries, Govt./Semi Govt. Departments, PSUs, Autonomous Bodies. Of late, Central/State Govt. Agencies have started availing expert services of NSL for their maintenance works, renovation of their office premises.



## VISION

To be the best post construction business company known for its state of art quality at a bare minimum cost and immediate responsiveness.

## OUR MISSION

To be leading pioneer world class Company attaining global standards in post construction business, offering quality, sustainable, innovative and cost-effective services.

## OBJECTIVE

To carry on business in respect of residential as well as commercial projects and provide any type of services e.g. – post construction services, layout structural work, renovation, modification, designing of civil works, improve security and safety provisions To supply logistic support, manpower or services. To act as execution and implementation agency to undertake corporate social responsibilities projects, sustainability development projects, heritage building restoration works and other infrastructure projects.



## REFERENCE INFORMATION

### Registered Office

Regd. Office: NBCC Centre, Ground Floor, Plot No.2,  
Community Center, Okhla Phase -1, Delhi-110020

### Board of Directors

Smt. B.K. Sokhey | Shri Rakesh Gupta | Shri M B Singhal

### Senior Managerial Personnel

Shri Novman Ahmed, CEO | Shri Amarnath Mourya, CFO

### Statutory Auditors

M/s Arun Malhotra & Associates

### Bankers

Syndicate Bank | Canara Bank | Indusind Bank | HDFC Bank







**Tribal Cooperative Marketing Development**



**Export Import Bank Of India (GRIHA Platinum rated Project)**



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## BOARD OF DIRECTORS



**Smt. B.K. Sokhey**  
(Chairperson)



**Shri Neelesh M Shah**  
(Chairman)  
(upto May 30, 2021)



**Shri Rakesh Gupta**  
(Director)



**Shri M B Singhal**  
(Director)



## DIRECTOR'S PROFILE

### **Smt. B.K. Sokhey** (Chairperson)

Smt. Baldev Kaur Sokhey is the Chairperson on the Board of NBCC Services Limited and Director (Finance) in NBCC (India) Limited. A B.Com (Hons.) from the prestigious Shree Ram College of Commerce of Delhi University and a Fellow of the Institute of Cost Accountants of India, she started her career with Peerless General Finance. After serving there for approx. two years (from 1987 to 1989) she joined NBCC as Accounts Officer in the Finance Department at Corporate Office, New Delhi, on January 15, 1990.

Smt. B.K. Sokhey has, to her credit, more than 33 years of rich experience of working in different capacities in all the areas of Accounts and Finance. She has wide exposure in Treasury Management, Corporate Accounts, Tendering, Merger & Acquisition, Investor Relations & IPO Management and has played a key role in the development and introduction of ERP system in NBCC. In addition to her present assignment, Smt. B.K. Sokhey is also on the Board of Real Estate Development & Construction Corporation of Rajasthan Limited (REDCC), as a Director, a JV Company of NBCC.

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### **Shri Neelesh M Shah** (Chairman upto May 30, 2021)

Shri Neelesh Shah joined NBCC on 20th September, 1985 as Assistant Engineer. He holds a Bachelor's Degree in Civil Engineering (with Hons.) from Ravishankar University, Raipur (MP), now a Deemed University. His knowledge and expertise in the field is manifested by many landmark projects he has undertaken and successfully executed. He has vast & varied experience of more than 35 years holding several key positions in NBCC (India) Limited and manifested many landmark projects for NBCC (India) Limited in India and abroad. He is also the Chairman of NBCC Engineering & Consultancy Limited a and (India) Limited hold additional charge of Managing Director & Director (Fin.) for a long time in HSCL (A Subsidiary of NBCC (I) Limited). He is also Director (Projects) of NBCC (India) Limited and have played a vital role in NBCC's journey of growth.

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### **Shri Rakesh Gupta** (Director)

Shri Rakesh Gupta is Director on the Board of NBCC Services Limited. Shri Rakesh Gupta joined NBCC on 01.10.1985 as Asst. Engineer Gr. 1 and subsequently climbed up the ladders of success to become Senior Executive Director (Engg). He holds B.E. (Civil Engineering) degree from Government Engineering College, Ujjain (MP). Presently, he is heading the company's Regional Business Group (ITPO), looking after various prestigious projects like International Exhibition-Cum-Convention Centre at Pragati Maidan; South Delhi Municipal Corporation HQ works; Institute of Public Administration; Up-gradation of National Centre for Disease Control; 600 Bedded Hospital at Ambedkar Nagar, Delhi; Residential Accommodation of Liver and Biliary Sciences work at Vasant Kunj; 90 Dwelling Units and PTS Jharoda Kalan Work, Delhi.

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### **Shri M B Singhal** (Director)

Shri M B Singhal is a Director on the Board of NBCC Services Limited. He is a chartered accountant with more than 25 years of experience to his credit, Shri M B Singhal joined as director of NBCC Services Limited w.e.f. 01.02.2021. He is currently serving as Chief General Manager (Finance) with NBCC (India) Limited.

## SENIOR MANAGERIAL PERSONNEL



**Shri Novman Ahmed**  
(Chief Executive Officer)

### **Shri Novman Ahmed** (Chief Executive Officer)

Mr. Novman Ahmed, a Civil Engineer by profession, did his AMIE and ME (Civil) from MBM Engineering College, Jodhpur. He joined NBCC in September 2015 and is currently holding the position of Chief Executive Officer (CEO) with NBCC Services Limited (NSL), a wholly owned subsidiary of NBCC. Prior to joining NSL, Mr. Ahmed served as Zonal Head of NBCC, Chhattisgarh; SBG-Lara Super Thermal Power Project as also as CGM (HQ) with Hospital Services Consultancy Corporation (HSCC), another subsidiary of NBCC, on secondment basis. A career spanning over 22 years, Mr. Ahmed has also worked with Govt. Departments and Organizations of repute such as Military Engg. Services, National Bank for Agriculture and Rural Development (NABARD), IFCI Ltd. and Steel Authority of India Limited (SAIL). During his stint at the above organizations, he handled various assignments involving project planning, monitoring and implementation in almost all types of Real Estate projects besides conducting several important Project Feasibility Studies (Technical and Financial). Presently, Mr. Ahmed is pursuing PhD in Management from AMU and his research interest includes Project Management with specific emphasis on Project Risk Analysis and Management.



**Shri Amarnath Mourya**  
(Chief Financial Officer)

### **Shri Amarnath Mourya** (Chief Financial Officer)

Shri Amarnath Mourya (Chief Financial Officer) Shri Amarnath Mourya is a fellow member of Institute of Cost Accountants of India. He is having wide and diversified experience of Budgeting, Accounting, Costing and Tax. Prior to NSL he was working with NBPPL.



## MAJOR ACHIEVEMENTS UNDER CSR ACTIVITIES

NSL is committed to nation building and shall contribute to the society that will sustain its growth. This section provides information on our corporate social responsibility activities:-

### CONTRIBUTING TO THE CAUSE OF HEALTH

Contribution to the PM CARES FUND in wake of COVID-19 for the FY 2020-21.



### VACCINATION DRIVE CONDUCTED BY NSL



## CHAIRPERSON'S ADDRESS





## *Dear Shareholders,*

On behalf of the Board of Directors of NBCC Services Limited (NSL), I extend a warm welcome to all of you in the 7th Annual General Meeting of your Company. The Boards Report, audited accounts for the financial year 2020-21 together with the report of Statutory Auditors and the report and review of the Comptroller and Auditor General of India, are already before you. Your Company has earned best ever top line gross Revenue from Operation of Rs. 14853.05 lakhs during the financial year 2020-21.

### **Financial Highlights**

Since its inception in 2014, your company has worked incessantly in its endeavour to create wealth for our shareholders. The total final dividend proposed for the FY 2020-21 is Rs. 2.75 crores in addition to interim dividend already paid by the Company of Rs. 1 crore. At this juncture, I would like to appreciate the efforts and hard work made by the employees of NSL, despite an otherwise difficult business year due to on-going pandemic.

The performance has enabled your Company to emerge as a unique player in the facilities management and providing post building construction services to its esteemed clients. Your Company is now poised to grow from strengths to strengths riding on the improved business environment, strategic alliances, repeat business from a wide customer base and a committed workforce.

### **Business Strategy**

The interior design and fit-out works business has grown exponentially. Many orders were booked and executed in a short span of time. They included works like G20 Secretariat at Sushma Swaraj Bhawan, TRIFED office at NSIC Okhla, Delimitation commission at Ashoka Hotel etc.

The company is getting many requests to execute projects in other areas apart from New Delhi. Your company is now looking forward to extend its geographical footprint and striving to get projects in places like Jammu, Chennai, Mumbai etc.

NSL has signed the MoU with the holding company and targets on various strategic parameters have been fixed. It is expected that the company will get 'Excellent' rating of outstanding performance in its evaluation.

### **Tackling COVID-19 Pandemic**

Your company has always connected to the society and continues to do so for helping the marginalized section. In these tough times arising out of spread of pandemic "COVID-19", your company has been at the forefront for fight against the disease and providing support to the stake holders.

Vaccination camp arranged by NSL for contractual staff on 05.06.2021 in which 390 nos. of persons were vaccinated with first dose.

NSL being a good corporate citizen has constantly focused on safety. During 1st surge of Covid-19 pandemic which hit NSL and its command areas, NSL helped the employees and the nearby communities by guiding them with SoP's as circulated from time to time by the Govt of India. NSL helped its employees and their dependents by providing health care in hospitals whenever they needed specialized care.

### **IT, CSR Initiatives**

NSL has successfully implemented the Enterprise Resource Planning (ERP) software which helps in the integration of core business processes in real time.

Under the CSR initiatives, your company contributed Rs. 19.56 lakhs to the PM CARE funds of the Gol.

### **Corporate Governance**

NSL is committed to achieve highest level of transparency, openness and accountability and fairness in all areas of operation, meeting the aspirations of all its stakeholders with primary objective of enhancing shareholders value, timely and balanced disclosure of all material information to all the stakeholders.

The Company has put in place a sound system of internal control to mitigate the risks and comply with the laws of land, rules & regulations in true letter and spirit with a view to provide oversight and guidance to management in strategy implementation. As required under Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India, a separate section on Corporate Governance has been added in the Boards' Report and a Compliance Certificate has been obtained from the statutory auditors.

As per DPE in the field of Corporate Governance, as per self-evaluation, your company's Corporate Governance compliance also stood at "Excellent Rating".

### **Conclusion:**

I express my sincere thanks to our holding Company i.e. NBCC (India) Limited, the Ministry of Housing and Urban Affairs, various Departments of Government of India/State Governments and Clients Organizations, PSUs etc. for their valued support and look forward to continued support in future. I would also wish to place on record the invaluable support and guidance from all members of the Board of Directors.

I would like to place on record the commitment and hard work put in by our executives and staff in achieving the growth and attaining corporate goals of the Company.

**B.K.Sokhey**  
**Chairperson**  
**DIN No 06955670**

## NOTICE

Notice is hereby given that the **7<sup>th</sup> Annual General Meeting** (“AGM”) of the members of NBCC Services Limited (NSL) will be held on September 28, 2021 (Tuesday) at **12:45 P.M. Indian Standard Time (“IST”), through Video Conferencing (V’C’)/other Audio Visual Means (‘OVAM’) facility** to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon.
2. To confirm an interim Dividend paid by the company of Rs. 3.33 per paid up equity share of Rs. 10 each and also to declare a final Dividend of Rs. 9.17 per paid up equity shares of Rs. 10 each for the financial year ended March 31, 2021. (i.e. Dividend of Rs. 12.50 per paid up share capital)
3. To appoint a Director in place of Shri Rakesh Gupta (DIN 08094064), who retires by rotation and being eligible, offer himself for re-appointment.
4. To authorize Board of Directors to fix the remuneration of Statutory Auditor(s) of the Company for the FY 2020-21.

### SPECIAL BUSINESS

5. To regularize the appointment of Shri Mukat Bihari Singhal (DIN 07282642) as Director of the Company and to consider and if thought fit, to pass with or without modification (s), the following resolution as **Ordinary Resolution**:  
**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Mukat Bihari Singhal (DIN:07282642), who was appointed as the Additional Director, w.e.f. February 01, 2021 be and is hereby appointed as Director of the Company.”
6. To regularize the appointment of Smt. Baldev Kaur Sokhey, DIN No (06955670) as Chairperson of the Company and to consider and if thought fit, to pass with or without Modification (s), the following resolution as **Ordinary Resolution**:  
**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Baldev Kaur Sokhey, DIN No (06955670), who was appointed as the Additional Director, w.e.f. June 10, 2021 be and is hereby appointed as Director of the Company.”

**By order of the Board of Directors  
For NBCC Services Limited**

**Place: New Delhi  
Date: 02.09.2021**

**Sd/-  
BK Sokhey  
Chairperson  
DIN: 06955670**



## NOTES

1. The Explanatory Statement pursuant to the provisions of the Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars, the 7th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 7th AGM shall be the Registered Office of the Company.
3. As the physical attendance of members at the 7th AGM is not required, hence members are requested to attend and participate the meeting through VC/OAVM. Further, the facility of appointment of proxies by members has also been dispensed with.

However, pursuant to Section 112 and Section 113 of the Companies Act, 2013, the President of India, Body Corporate(s) may appoint their representative to attend and participate at the Annual General Meeting through the VC/OAVM facility and to cast their votes through e-voting;

4. In line with the MCA Circular, the Notice of the 7th AGM will be available on the website of the Company at [www.nslindia.com](http://www.nslindia.com).
5. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice. The proceedings of the meeting conducted through VC shall be deemed to have been made at such place.
6. When the Poll is required to be taken during the meeting for any resolution, the members can convey their vote by sending email from their registered mail id at [www.nsl@nbccindia.com](mailto:www.nsl@nbccindia.com).
7. Final Dividend of Rs. 9.17 per paid up equity shares of Rs. 10/- each for the financial year ended March 31, 2021 has been recommended by the Board of Directors subject to the approval of the Shareholders at ensuing Annual General Meeting.

8. **COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION:**

As you may be aware w.e.f. 1st April 2020, Dividend Distribution Tax u/s 115-O of the Income-tax Act, 1961 ("the IT Act") payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment and certain consequential amendments brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from dividend distributed on or after 1st April 2020.

9. The record date for the purpose of dividend is September 22, 2021. The final dividend on equity shares, if declared at the Annual General Meeting, will be paid before October 28, 2021 to the Members whose names appear on the Company's Register of Members on September 22, 2021.
10. Where less than 50 members are present in a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with section 109 of the Act.

11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. In compliance with the aforesaid MCA Circulars Notice of the AGM along with the Annual Report 2020-21 is being sent also through electronic mode to those Members whose email addresses are registered with the Company.
13. The Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India and their remuneration is to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. It is proposed that the Members may authorize the Board of Directors to fix the remuneration in addition to applicable taxes and reimbursement of actual travelling and out of pocket expenses of the Statutory Auditors duly appointed by the Comptroller and Auditors General of India.
14. The members intending to seek any information on annual accounts at the meeting are requested to kindly inform the Company at least 7 days before the date of the AGM by sending request at [nsl@nbccindia.com](mailto:nsl@nbccindia.com).
15. Brief profile of the Directors seeking appointment/re-appointment forms part of the Notice.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC / OAVM at the link given below:  
[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_ZDJiNGY0NjMtYzMyNC00MDU1LTg0MzltOTM5MGFkZGJkYjM5%40thread.v2/0?context=%7b%22Tid%22%3a%22b1bd00e9-299f-4205-91a0-e0f28b1735aa%22%2c%22Oid%22%3a%229c30e903-5d21-48d0-b7d2-e0a698e6ae45%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDJiNGY0NjMtYzMyNC00MDU1LTg0MzltOTM5MGFkZGJkYjM5%40thread.v2/0?context=%7b%22Tid%22%3a%22b1bd00e9-299f-4205-91a0-e0f28b1735aa%22%2c%22Oid%22%3a%229c30e903-5d21-48d0-b7d2-e0a698e6ae45%22%7d)

**The above Link of the meeting will be also be sent to the Members at their registered email id separately and on registered mobile number atleast 48 hours before the scheduled date of AGM.**

2. The facility for joining the meeting will be kept open for 30 minutes before the scheduled time to start the meeting and will be closed on expiry of 15 minutes after such scheduled time.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, PAN and mobile number at [nsl@nbccindia.com](mailto:nsl@nbccindia.com) from September 22, 2021 (9:30 a.m. IST) to September 27, 2021 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. Members who need assistance before or during the Annual General Meeting can contact **Mr. Krishan Pal Chauhan on [itd@nbccindia.com](mailto:itd@nbccindia.com) or contact him at +91 7303233277.**

**By order of the Board of Directors  
For NBCC Services Limited**

**Place: New Delhi  
Date: 02.09.2021**

**Sd/-  
BK Sokhey  
Chairperson  
DIN: 06955670**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

### **Item No 5:**

#### **To regularize the appointment of Shri MB Singhal (DIN: 07282642) as Director of the Company**

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri. MB Singhal, who was appointed as an Additional Director by the Board of Directors of Company and in respect of whom the Company has received a Notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Rakesh Gupta for the office of Director, be and is hereby appointed as a Director and the Chairman of the Company and whose office shall, henceforth, be liable to retire by rotation.”

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri MB Singhal, who was appointed as an Additional Director by the Board of Directors of Company and in respect of whom the Company has received a Notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Mr. MB Singhal for the office of Director, be and is hereby appointed as a Director and the Chairman of the Company and whose office shall, henceforth, be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to do all such acts, deeds, things that are necessary to give effect to the above said resolution.”

### **Item No 6:**

#### **To regularize the appointment of Smt. Baldev Kaur Sokhey, DIN No (06955670) as Director (Chairperson) of the Company**

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri. Baldev Kaur Sokhey, who was appointed as an Additional Director by the Board of Directors of Company and in respect of whom the Company has received a Notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Shri Baldev Kaur Sokhey for the office of Director, be and is hereby appointed as a Director and the Chairperson of the Company and whose office shall, henceforth, be liable to retire by rotation.”

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri MB Singhal, who was appointed as an Additional Director by the Board of Directors of Company



and in respect of whom the Company has received a Notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Smt. B.K. Sokhey for the office of Director, be and is hereby appointed as a Director and the Chairperson of the Company and whose office shall, henceforth, be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to do all such acts, deeds, things that are necessary to give effect to the above said resolution.”

**ANNEXURE-A**

**BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT  
7<sup>th</sup> ANNUAL GENERAL MEETING**

Name	Smt B K Sohkey	Shri Rakesh Gupta	Shri MB Singhal
Date of Birth	03/06/1964	10/02/1962	10/06/1969
Date of first appointment at the Board	10/06/2021	08/03/2018	01/02/2021
Experience	33 years	34 Years (approx)	25 years
Terms and Conditions of Appointment	As per Nominated by Holding Company	As per Nominated by Holding Company	As per Nominated by Holding Company
Remuneration sought to be paid and the remuneration last drawn	NIL	NIL	NIL
No. of shares held in NSL	150	150	NIL
Relationship with Other Directors and KMP	No inter-se relationship		
Number of meetings of the Board attended during the FY2020-21	Six (6)	Six (6)	NA
Expertise in Specific functional area	Smt Baldev Kaur Sokhey holds the B.Com (Hons.) degree from the prestigious Shree Ram College of Commerce of Delhi University. She is also a Fellow Member of Institute of Cost Accountants of India.  Smt Sokhey has a rich experience of over three decades in the field of Finance, Accounting, Taxation and Investor Relations and IPO NBCC India Limited Management.	Shri Rakesh Gupta joined NBCC on 01.10.1985 as Asst. Engineer Gr. 1 and subsequently climbed up the ladders of success to become Senior Executive Director (Engg). He holds B.E. (Civil Engineering) degree from Government Engineering College, Ujjain (MP).	Shri MB Singhal is a Chartered Accountant with more than 25 years of experience to his credit, Shri Singhal has wide exposure in compilation, preparation of balance sheet, tendering and establishment etc.
Directorship held in other companies	-NBCC (India) Limited -Real Estate Development & Construction Corporation of Rajasthan Limited;	NIL	NBCC Environment Engineering Limited
Memberships/ Chairmanship of Committees of other Companies**	1	NIL	NIL

\*On behalf of NBCC (India) Limited

\*\*Membership of the Audit Committee and Stakeholder's Relationship Committee have only been taken into consideration.

## DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors are pleased to share the achievements and highlights of the Company for the financial year ended March 31, 2021 and to present the 7th Annual Report on the business and operations of NBCC Services Limited and its Audited Financial Statements with the Auditor's Report as follows:

### FINANCIAL HIGHLIGHTS

The financial highlights for the year under review are as follows:

(₹ in lakh)

Particulars	Financial year 2020-21	Financial year 2019-20
Total Income	14914.63	12127.98
Total Expenses	13694.56	11459.07
Profit before Exceptional and Extraordinary items and Tax	1220.07	668.91
Net Profit/(Loss) After Tax	955.22	412.99

### Operations and Business Performance

Total income from operations was Rs. 14914.63 lacs and Profit after Tax was Rs. 955.22 lacs.

### Reserves

The Company did not transfer any amounts to its general reserve during the financial year ended March 31, 2021.

### Dividend

During the financial year 2020-21, your Company paid/recommended following dividend (s):

#### Interim Dividend

Interim Dividend of Rs. 3.33 per equity share of Rs 10/- each paid by the Company.

#### Final Dividend

Your Directors have recommended a final dividend of Rs. 12.50 per paid-up equity share of face value of Re. 10/- each for the financial year 2020-21, subject to the approval of the Members in the ensuing Annual General Meeting.

### Share Capital

The paid-up Equity Shares Capital of the Company is Rs. 3 Cr. divided into 30 Lakhs Equity Shares of Re. 10/- each. NSL being the wholly owned subsidiary of NBCC its all shares are held by NBCC.

### Bonus Shares

No bonus shares declared during the financial year 2020-21.



### **MoU Performance:**

Board on the MoU parameters, signed between NBCC (India) Limited, holding Company of NSL for financial year 2020-21. NSL self evaluated to be slated “Excellent”

### **Business Review**

The Company has been incorporated as wholly owned subsidiary of NBCC (India) Limited with an objective to provide post construction maintenance services to clients and to act as execution and implementation agent for carrying out CSR activities of its own and on behalf of other Organizations.

### **Fixed Deposits**

During the year under review, your Company has not accepted any deposit and no principal or interest was outstanding as on March 31, 2021.

### **Loan, Guarantees and Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements forming part of this Annual Report.

### **Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any subsidiary, associates or joint venture companies as per the Companies Act, 2013.

### **Human Resource Development**

All the employees in NSL are on secondment basis from its holding company i.e. NBCC (India) Limited.

HR plays a vital & Strategic role in NSL and the HR Practices were in line with the organization and emphasis on HR vision of Building a Team of Competent , Committed and Dedicated Professionals for Providing Quality Services to the Clients and Make Valuable Contribution in the Infrastructure Development of the Country. The success of NSL depends on the high level of skills and professionalism of employees.

### **Industrial Relations**

Harmonious industrial relations were maintained during the year resulting in no loss of man days on account of strike or labour unrest.

### **Safeguard of Women at Workplace**

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company has been employing 03 women employees in various cadres at the Project and office premises. There were No cases filed during the financial year ended 31st March, 2021.

## **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report as required under DPE Guidelines forms part of this Report as **Annexure - I**.

## **Directors' Responsibility Statement**

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- in the preparation of annual accounts for the financial year ended March 31, 2021, all the applicable Indian Accounting Standards were followed with proper explanation relating to material departure;
- the Directors had selected such accounting policies and applied them consistently 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/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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and such internal controls are adequate and are operating effectively and
- the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **Corporate Governance Report**

The Company complies with the guidelines issued by DPE on Corporate governance. The requisite certificate from M/s Mohit Jain & Co. Practicing Company Secretaries confirming compliance with the conditions of corporate governance as stipulated aforesaid is attached to Corporate Governance Report.

The Corporate Governance Report for the year ended March 31, 2021 forms part of this report as **Annexure- II**.

## **Contracts and Arrangements with Related Parties**

During the period under review, your Company had not entered into any material transaction with any of its related parties. The Company's related party transactions are generally with its Holding and sister subsidiaries. All related party transactions were in the ordinary course of business and were negotiated on an arm's length basis.

The remuneration paid to Key Managerial Personnel is disclosed in the MGT-9 annexed to Annual Report. The related party contracts referred in section 188 of the Companies Act, 2013 in Form AOC-2 and enclosed as **Annexure –III**.

## **Corporate Social Responsibility Committee (CSR) & Sustainability Development**

The company has Corporate Social Responsibility (CSR) committee pursuance. During the financial year 2020-21 the Company spent an amount of Rs. 19.56 lakh as CSR expenditure.

An Annual Report on CSR activities is attached as **Annexure-IV**

## **Compliance of DPE Guidelines and Policies**

The guidelines and policies issued by Department of Public Enterprises from time to time are duly complied with by the Company.

## **MSME Implementation**

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012. It always has been endeavour of NBCC to support Micro and Small Enterprises (MSEs) and local suppliers. As mandated in the Public Procurement Policy-2012 for MSMEs (issue by Ministry of MSME- Govt. of India), the actual procurement from MSEs during the year was NIL.

**NSL has on-boarded on GeM, TReDS portal. Efforts are made for procurement as per guidelines.**

## **Risk Management**

The Company with the approval of its Board of Directors formulated its own Risk Management Policy and monitors the principal risks and uncertainties that may affect the functioning of the Company.

## **Internal Financial Control**

The Company has in place adequate internal financial controls with reference to financial reporting in compliance with the provisions of Section 134(5) (e) of the Companies Act'2013 and such internal financial controls over financial controls were operating effectively.

In addition to the above, the Company has a well-defined delegation of financial powers to its various officers through its Sub-Delegation of Power book. Internal audit is conducted through external audit firms and reports are deliberated with the management. The Statutory Auditors and Board regularly reviews significant audit findings covering operational, financial and other areas.

## **Vigilance Activities and Initiatives**

Pursuant to the provisions of Section 177(9) read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, the company has followed the Vigil Mechanism Policy as framed by its holdings company viz. NBCC (India) Limited under which protected disclosures can be made by a whistle blower.

## **IT Division**

With the aim of Digital NSL, management envisaged the concept of "Paper Less Office" towards creating more efficient, seamless, transparent work environment. IT division is providing following services:

- ERP Module

- E-office services
- Website administration
- Hardware administration

## **Auditors and Auditor's Report**

### **Statutory Auditors**

M/s Arun Malhotra & Associates, Chartered Accountants, was appointed as Statutory Auditors for the financial year 2020-21 by the Comptroller & Auditor General of India (C&AG). The notes on financial statement referred in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report is attached with financial statements and forms part of this Annual Report.

The Statutory Auditors of the Company have given an un-qualified report on the financial statements of the Company for the financial year 2020-21.

### **Comments of C&AG**

The Company has received a letter from Comptroller & Auditor General of India (C&AG) regarding no Supplementary Audit on the financial statements of the Company for the financial year 2020-21 and the same is forms part of this report.

### **Number of Meeting of Board of Directors**

Pursuant to the Companies Act, 2013 and the Rules framed there under, Six (6) Board meetings were held in the financial year 2020-21. The details of the meeting are at Corporate Governance Report forming part of this Annual Report.

### **Board of Directors and Key Managerial Personnel**

#### **Appointments/Cessations**

During the FY 2020-21, Smt BK Sokhey ceased to be Director from of NSL with effect from February 01, 2021 and Shri MB Singhal was appointed as Director of the Company.

The strength of the Board of Directors of NSL as on March 31, 2021 was three, comprising three (3) Non Executive Directors.

#### **Details of Key Managerial Personnel**

The following are the Key Managerial Personnel of the Company for the FY 2020-21 are:

- Shri Novman Ahmed, CEO (w.e.f. 01.02.2020)
- Shri Amarnath Mourya, CFO (w.e.f. March 12, 2018)

#### **Performance Evaluation of the Directors and the Board**

Ministry of Corporate Affairs (MCA), through General Circular dated 5th June, 2015, has exempted Government Companies from the provisions of Section 178 (2) of the Companies Act, 2013 which provides about manner of performance evaluation of Board of Directors.

On May 30, 2021 Shri Neelesh Shah, Chairman NSL ceased to be Director on his superannuation.



The aforesaid circular of MCA further exempted listed Govt. Companies from provisions of Section 134 (3) (p) of the Companies Act, 2013 which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government as per its own evaluation methodology.

#### **Declaration by Independent Director**

The company does not have an Independent Directors for the financial year 2020-21.

#### **TRAINING OF DIRECTORS**

The policy on training of Directors adopted in NBCC (Holding company) is applicable to NSL till it adopts its own policy on training of Directors. The presentation to the inductee directors are given by the senior managerial personnel about the Company's strategy, operations, organization structure, human resource, technology, risk management etc. Besides as a part of the continuous learning participation in seminars and conferences designed for Board level executives by renowned institutes is permissible.

#### **POLICY AGAINST SEXUAL AND WORPLACE HARASSMENT**

We are continuously striving towards gender sensitization amongst employees. During the year 2020-21, no complaint is received under Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **RIGHT TO INFORMATION ACT, 2005**

In order to promote transparency and accountability, an appropriate mechanism has been set up across the Company in line with the provisions of the Right to Information Act, 2005.

**The status of RTI received during the year is as follows:**

Mode of application	No of RTI Application received	No. of RTI application				No. of Pending Applications
		Rejected	Information provided	Transferred to other public authority	Returned to Applicant	
Hard Copy	5	NIL	5	0	NIL	NIL
Online	9	NIL	5	4	NIL	NIL
<b>Total</b>	<b>14</b>	<b>NIL</b>	<b>10</b>	<b>4</b>	<b>NIL</b>	<b>NIL</b>

Extract of the Annual Return in Form MGT 9 as provided under section 92 of the Companies Act, 2013, forms part of the Annual Return as **Annexure –V**.

### **Conservation of Energy and Technology Absorption**

The company is conscious about the need for conservation of energy and this aspect is taken care of in consultation with its clients by advocating the maximum use of natural light, solar light and LED installations. The Company has not imported any technology during the year.

### **Foreign Exchange Earnings and Out-go**

The details of foreign exchange earnings or out-go during the period under review are as under:

Foreign Exchange Earning: Nil

Foreign Exchange Outgo: Nil

### **PROGRESSIVE USE OF HINDI**

The Company has been implementing the provisions of Government's Official Language Policy. Employees are encouraged to use Hindi in their day to day working.

### **SIGNIFICANT AND MATERIAL ORDERS**

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

### **GENERAL:**

Directors hereby state that no disclosure or reporting is required in respect of the following during the year under review:

1. There was no issue of shares under ESOP/ESPS to the employees.
2. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future
3. None of the Director is receiving any remuneration, commission or sitting fee from the company.
4. As per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.
5. The company is compliant of the Secretarial Standards issued by the ICSI from time to time.
6. No material change and commitment affected the financial position of the company occurred after the end of the financial year to which this financial statement relate and upto the date of this report.
7. Application to Administrative ministry has been made vide letter dated 13th July 2020 for exemption of paying lower dividend (as prescribed in DPE Guidelines)
8. No disclosure or reporting is required in respect of the following items as there were no

transactions on these items during the year under review:

- I. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- II. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

#### **ACKNOWLEDGEMENT**

The Directors would like to express their sincere appreciation for the assistance and co-operation received from the Holding Company i.e. NBCC, the Government of India, State Governments, different ministries particularly Administrative Ministry i.e. Ministry of Housing and Urban Affairs.

The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of the Company. Your Directors thank all share-owners, business partners and all members of the NBCC Family for their faith, trust and confidence reposed in the Board. We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the company continues to grow and excel.

**For and on behalf of Board of Directors**

**Sd/-**

**BK Sokhey**

Chairperson

DIN: 06955670

**Place: New Delhi**

**Date: 02.09.2021**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

NBCC SERVICES LIMITED (NSL) (A Government of India Enterprises), a wholly owned subsidiary of NBCC, was established with the mandate of extending maintenance services to the clients. NSL has earned good reputation in the field of Post Construction Maintenance Services with quality, sustainable, innovative and cost-effective services to its clients, since its formation on 16.10.2014.

**Highly experienced** team of multi-talented and multi-skilled personnel drawn from the holding company are engaged in providing professional, technical and non-technical support and building maintenance services to clients. The building maintenance service team looks after all areas of building viz. Mechanical, electrical and building structural systems. The team respond to building problems as need arises and perform routine maintenance to building systems for remedial measures besides carrying out preventive maintenance.

NSL is striving to maintain and achieve benchmarks in quality services towards total satisfaction of clients. NSL is also extending maintenance support to the Real Estate Projects completed by NBCC and delivered to its customers.

### **BUSINESS OPERATIONS:**

The business operations of the company are currently in three verticals viz.

#### **1. Post Construction Maintenance**

The nature of work involved in the maintenance includes Facility Management Service, Operation cum Maintenance of buildings including civil and plumbing works, Electrical, HVAC Works, DG Sets, Pumps Operation, Fire Fighting Works, Lift works and renovation, alteration, modification and modernization including ancillary works.

#### **2. Renovation & Furnishing Works**

All types of renovation, re-furbishing of old buildings and also interiors & furnishing of new buildings.

#### **3. CSR Works**

CSR works of the parent company at various locations as per requirement.

### **MAIN OBJECTIVES**

- Attain Global Standards in post construction business with professional outlook.
- To provide highly effective and efficient services to the clients.
- Speedy execution of maintenance work and timely completion of work.
- Cost Effective services to the client.



- Value for Money – Customer Delight.
- Explore new areas - diversification of work.
- Upgradation of skill and knowledge with the changing scenario to remain competitive.

From time to time NSL solicits business from Ministries, Govt./Semi Govt. Departments, PSUs, Autonomous Bodies and currently Central/State Govt. Agencies avail its expertise for their maintenance works, CSR linked activities.

## **VISION**

To be the best post construction business company known for its state of art quality at a bare minimum cost and immediate responsiveness.

## **MISSION**

To be leading pioneer world Class Company attaining global standards in post construction business, offering quality, sustainable, innovative and cost-effective services.

## **FINANCIAL PERFORMANCE**

NBCC Services has posted a impressive Corporate Results during financial year 2020-21. The total income from operations is Rs. 14914.63 lakh with Net Profit of Rs. 955.22 lakh.

## **STRENGTH AND WEAKNESS**

NSL has selected and posted professionally qualified, trained and experienced Engineers from NBCC having wide knowledge and expertise of various key areas of construction and post construction maintenance business.

## **OUTLOOK**

The Indian construction sector has witnessed healthy order inflows over the past few years, supported by the increased pace of infrastructure project awards – particularly from the urban infrastructure segment. NSL always endeavors to attain global standards in post construction business with professional outlook. The company is committed towards improving its execution capabilities with the adoption of latest technologies. It has been a leader in the maintenance/ renovation and interior fit out sector thus far. NSL is continually working towards achieving client satisfaction by providing them the desired quality of services in cost-effective manner within the desired time period. NSL is highly optimistic about the future business prospects and expects to complete the assigned projects in an efficient manner.

## **ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION**

## **FOREIGN EXCHANGE**

Expenditure during 2020-21 was Nil.

## **DISCLOSURE OF ACCOUNTING TREATMENT**

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. NSL has not taken any treatment which is different from the applicable IND AS.

## **CAUTIONARY STATEMENT**

All the statement and claims in the report regarding the projection, estimates, expectation may be forward looking based on the belief of the management of your Company. However results may vary due to various factors, like the change in the general economic and business conditions, inflation, change in government policy and regulations and other statues and incidental factor. The Company, therefore cannot be held responsible in any way for such statement and it undertakes no obligation to publically update to these to reflect subsequent events and consequences.

## **CORPORATE GOVERNANCE REPORT**

### **CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. It is a commitment that is backed by the fundamental belief of maximizing shareholders value, transparency in functioning, values and mutual trust amongst all the constituents of organization. Corporate Governance is a culture that guides the Board, management and employees to function towards the best interest of shareholders. It involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders that are served as end customers of the corporate entity.

NSL is committed to achieving highest level of transparency, openness and accountability and fairness in all areas of operation, meeting the aspirations of all its stakeholders with primary objective of enhancing shareholders value, timely and balanced disclosure of all material information to all the stakeholders and protection of their interest.

The Company has put in place a sound system of internal control to mitigate the risks and comply with the laws of land, rules & regulations in true letter and spirit with a view to provide oversight and guidance to management in strategy implementation. In our Company, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence.

### **Board of Directors**

#### **Composition of the Board**

Presently, the Board comprises of three directors i.e. Smt. BK Sokhey, Chairperson, Shri Rakesh Gupta and Shri MB Singhal as members of the Company.

Shri Neelesh M Shah ceased to be Director of NSL on his superannuation on May 30, 2021.

Further, Shri Novman Ahmed is CEO and Shri Amarnath Mourya is CFO of the Company respectively.

The Company is managed by its Board of Directors, which formulates strategies, policies and reviews its performance periodically. Board of Directors oversees how the management serves and protects the long term interest of the stakeholders.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 Committees across all the Companies in which he is Director (as specified in DPE Guidelines). The necessary disclosures regarding other directorships have been made by the Directors.

## Code of Conduct

As part of NSL's persisting endeavour to set high standard of conduct for its employees, it follows the "Code of Business Conduct and Ethics" was laid down by holding Company i.e. NBCC. The Senior Management of NSL is on secondment basis from holding company, i.e. NBCC. Hence, Code of Conduct applicable to NBCC is being followed.

All Board Members affirm compliances with the Code of Conduct annually. A declaration signed by the Chairman to this effect forms part of this report.

## KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) of the Company as on March 31, 2021:

1. Shri Novman Ahmed, Chief Executive Officer
2. Shri Amarnath Mourya, Chief Financial Officer

## Equity Shares held by Directors:

Smt. BK Sokhey and Shri Rakesh Gupta, Directors of the Company hold 150 equity shares of the Company on behalf of NBCC ((India) Limited as on March 31, 2021.

## BOARD MEETINGS

The Board meets at regular intervals to discuss the physical and financial progress of the Company. Board Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors in time. The members of the Board have complete access to all information of the Company. CEO and CFO are special invitees to all Board meetings and other senior management personnel are also invited to the Board meetings on need basis to provide additional inputs on the items being discussed by the Board. The Board meets at least once in every quarter to review the quarterly results and additional Board meetings are convened as and when considered necessary by giving appropriate notice period along with agenda notes.

## Selection of Agenda items for Board Meetings

The matters placed before the Board of Directors inter alia include:

- Annual operating plans of business and budgets and any update;
- Capital budgets and updates;
- Quarterly results of the Company and its operating divisions or business segment;
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems;



- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order,
- which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like implementation of Voluntary Retirement Scheme, etc;
- Quarterly details of foreign exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others;

### Compliance

While preparing the Agenda, note to agenda and minutes of the meeting(s) adherence to applicable laws, rules and regulations including Companies Act 2013 read with rules issued there under, and secretarial standards issued by the Institute of Company Secretaries of India is ensured.

### Number of Board Meetings

During the year 2020-21, total 06 (Six) Board meetings were held, the details of the Board meetings are as under:

S.No.	Date of Board Meeting	Board's Strength	No of directors present at the meeting
1	June 02, 2020	3	3
2	June 12, 2020	3	3
3	August 14, 2020	3	3
4	October 21, 2020	3	3
5	November 03, 2020	3	3
6	February 01, 2021	3	3

Attendance of Directors at Board meetings, last Annual General Meetings and number of other directorships and Memberships on Boards/Committees of various other Committees are given hereunder:

Name of Director	Board Meetings held during his/her duration (No)	Board Meetings attended (No)	Attendance at the last AGM	No. of other Directorships	Chairmanship/ membership of other Committees
Shri Neelesh Shah (till May 30, 2021)	6	6	Yes	1	-
Smt. BK Sokhey	6	6	Yes	1	-
Shri Rakesh Gupta	6	6	Yes	-	-

- Only membership in Audit Committee and Stakeholders' Relationship Committee of Public Companies are taken into account.
- Directors are not per se related to each other.
- Directors do not have any pecuniary relationship or transaction with the Company
- None of the Director is a member of more than 10 Committees or Chairman of more than 5 Committees across all listed Companies in which she/he is a Director.

## **BOARD LEVEL COMMITTEES**

### **Procedure at Committee meetings**

The procedure followed for Board meetings is also applicable to the Committee meeting. Minutes of all the Committee meetings are placed before the Board of Directors of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

### **Composition**

As on March 2021 the Committee comprises of Smt. BK Sokhey as Chairperson and Shri Neelesh Shah and Shri Rakesh Gupta as members of the Committee

### **Meetings and Attendance:**

The Committee held one meeting(s) during the financial year 2020-21 i.e. on August 14, 2020

### **Attendance during the Financial Year 2020-21**

Name of the Director	Designation	No. of meetings held during his/ her tenure	No. of committee meeting attended
Smt. BK Sokhey	Chairperson	1	1
Shri Neelesh Shah	Member	1	1
Shri Rakesh Gupta	Member	1	1

## **AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE**

Provisions of Companies Act, 2013 with respect to Audit Committee and Nomination & Remuneration Committee are not applicable on the Company. However, according to DPE Guidelines issued by the Ministry of Heavy Industries and Public Enterprises, Company is required to constitute the said Committees.

## **GENERAL BODY MEETING**

Date, time and location where the last three annual general meeting were held, are as under:

Year	Location	Date	Time	Special Resolution, if any
2020	Through Video Conferencing at NBCC Bhawan, Lodhi Road, New Delhi – 110003			NO
2019	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	9th September, 2019	10:00 AM	NO
2018	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	1st September, 2018	12:30 PM	NO

### Means of Communication

The Company communicates with its shareholders through its Annual Report, General Meeting and disclosure through web site. Information and latest updates and announcements made by the Company can be accessed at Company's website: [www.nslindia.in](http://www.nslindia.in).

### Listing on Stock Exchange

The shares of the Company are not listed at any Stock Exchange.

### Shareholding Pattern as on March 31, 2021

Name of Shareholder	31.03.2021
NBCC Ltd. Through its Nominee	29,99,100
Neelesh Manherlal Shah*	150
Baldev Kaur Sokhey*	150
Yogesh Sharma*	150
Rakesh Gupta*	150
Rakesh Garg*	150
A Sabeena*	150

\* Holding shares on behalf of NBCC (India) Limited.

### Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion Date and likely impact on equity

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company.

### UNCLAIMED DIVIDENDS

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

### **Address for correspondence**

NBCC Centre, Ground Floor Plot No.2, Community Center Okhla Phase -1, Delhi -110020

### **Certificate on Corporate Governance**

The Certificate on Corporate Governance is being enclosed as **Annexure-A** to the Directors' Report.

### **COMPLIANCES**

No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital market and guidelines issued by the Government.

### **DISCLOSURES**

- Details of related party transactions are included in the Notes to the Accounts.
- NSL does not have any Subsidiary Company.
- The Chairman of the Company is non Executive Director and no person has been appointed as Independent Director.
- NSL comprises the employees of NBCC who have been deputed on secondment basis by NBCC
- Training policy for Directors as applicable to NBCC being followed by NSL.
- Being a wholly owned subsidiary of NBCC the Policies, Guidelines, etc. of NBCC are applicable to NSL till their own policies are formulated and adopted.
- 

### **Chief Executive Officer Declaration**

I, Novman Ahmed, CEO of NBCC Services Limited, do hereby declare that all the Board members and senior management personnel have affirmed compliance with the code of conduct of the Company for the financial year ended 31st March, 2021.

Place: New Delhi  
Date: September 02, 2021

Sd/-  
Novman Ahmed  
Chief Executive Officer



**To,  
The Members,  
NBCC Services Limited  
New Delhi**

We have examined the compliances of conditions of Corporate Governance by **NBCC Services Limited** ("the Company") for the financial year ended 31st March, 2021 as stipulated 8.2.1 of guidelines issued by Department of Public Enterprise (DPE) and Ministry of Heavy Industries and Public Enterprises, Government of India.

This compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedure and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of corporate governance. It's neither an audit nor an expression of opinion of the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company is in process to comply with conditions of Corporate Governance as stipulated in DPE guidelines on Corporate Governance for CPSE, However, We report that:

- i. The Company is yet to constitute an Audit Committee and Remuneration Committee of the Board as required in DPE guidelines.
- ii. The Company is yet to appoint Independent Directors on the Board as required in DPE Guidelines.
- iii. Being a wholly owned subsidiary of NBCC Ltd., the policies, guidelines, etc of NBCC are being followed by NBCC Services Limited till their own policies are formulated and adopted.

For Mohit Jain & Co. Company Secretaries

**Sd/-**

**(Mohit Jain)**

**Proprietor**

CP- 15198

ACS- 40841

UDIN: A040841B000973234

**Place: Delhi**

**Date: September 01, 2021**

## MANAGEMENT'S REPLY TO AUDITORS' REPORT ON CORPORATE GOVERNANCE (FY 2020-21)

S. No.	AUDITORS' COMMENTS	MANAGEMENTS' REPLY
1.	The company is yet to constitute an Audit & Remuneration Committee of the board as required in DPE guidelines	Pursuant to the notification from Ministry of Corporate Affairs (MCA) dated July 05, 2017, exemption for appointment of Independent Directors provided to the unlisted wholly owned subsidiary companies. Further pursuant to the Companies Act, 2013 the constitution of Audit and Nomination & Remuneration Committee are as follows: Audit Committee (Section 177): The Audit Committee shall consist of minimum three directors with Independent directors forming majority. Nomination and Remuneration Committee: Shall constitute with three or more non-executive Directors out of which not less than one-half shall be independent Directors.
2.	The Company is yet to appoint Independent Directors on the Board as required in DPE Guidelines	As NBCC Services Limited (NSL) being a wholly owned subsidiary of NBCC (India) limited it being exempted from appointment of Independent Directors. Consequently, NSL have been exempted with the requirement of constituting an Audit Committee and Nomination & Remuneration Committees as there is no requirement of appointment of Independent Directors.
3.	Being a wholly owned subsidiary of NBCC Ltd., the policies, guidelines, etc of NBCC are being followed by NSL till their own policies are formulated and adopted.	In NBCC Services Limited (NSL) all manpower were posted on secondment basis by holding company i.e. NBCC, accordingly HR policies of holding company was adapted. However, other policies & guidelines will be developed.

**For and on behalf of Board of Directors**

**Place: New Delhi**  
**Date: September 02, 2021**

**Sd/-**  
**B.K.Sokhey**  
**Chairperson**  
**DIN 06955670**

## CEO/CFO Certification

To

**Board of Directors  
NBCC Services Limited**

We, Novman Ahmed, Chief Executive Officer and Amarnath Mourya, Chief Financial Officer do hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2021 on that date and that to the best of our knowledge and belief:
  - i. the said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. the said statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the auditors and the audit committee:-
  - i. That there are no significant changes in internal control over financial reporting during the year financial year 2020-21
  - ii. The significant changes in accounting policies during the financial year 2020-21 have been disclosed in the notes to the financial statement.
  - iii. That there are no instances of significant fraud of which we have become aware.

Sd/-

Novman Ahmed  
Chief Executive officer

Sd/-

Amarnath Mourya  
Chief Financial Officer

**Place: New Delhi**

**Date: September 02, 2021**

## AOC-2

### Particulars of contracts / arrangements made with related party

Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act,2013

Details of contracts / arrangements or transactions at arms length basis for the FY 2020-21

Name of Related Party and Nature of Contract	Relationship	Duration of Contract	Sailent Features	Amount (Rs in Lacs)
NBCC (INDIA) LIMITED (NBCC)	Holding Company	As per Board approval	Services Rendered	3618.27
			Services received	(217.30)

Sd/-

**B.K.Sokhey**  
Chairperson  
DIN 06955670

Place: New Delhi  
Date: September 02, 2021

## **NSL CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY DEVELOPMENT POLICY 2020**

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

NSL, follows its CSR Policy approved by Board of Directors on 14.08.2020.

### **1. SHORT TITLE AND DEFINITIONS**

1.1 The "Act" Means the Companies Act, 2013.

1.2 "Corporate Social Responsibility" means and includes but is not limited to :-

- i. Projects or programs relating to activities specified in Schedule VII to the Act; or
- ii. Projects or programs relating to activities undertaken by the Board of Directors of a company (Board) in pursuance of recommendations of the Board Level CSR Committee of the Board as per declared CSR & SD Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

1.3 The "Board Level CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

1.4 "CSR & SD Policy" relates to the Activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.

1.5 "Net Profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely :-

- i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- ii. any dividend received from other companies in India, which are covered under and complying with the Provisions of Section 135 of the Act :-

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act

1.6 This policy, which encompasses the company's philosophy for delineating its responsibility



as a corporate citizen and lays down the guidelines and mechanism for undertaking projects and programmes for socio-economic development and empowerment and sustainable development of the community at large, is titled as the 'NSL CSR & SD Policy'.

- 1.7 This policy shall apply to all CSR initiatives and projects taken up at various sites and locations of NSL, for the development and empowerment of deprived and underprivileged sections of the society.
- 1.8 CSR is the process by which an Organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrate its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations.<sup>1</sup>
- 1.9 CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.<sup>2</sup>
- 1.10 Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. Sustainable Development involves an enduring and balanced approach to economic activity, social progress and environmental responsibility.<sup>3</sup>

## **CSR VISION**

“To establish itself and fulfil its role as a socially responsible corporate entity. To act in a socially responsible manner to contribute to the socio-economic development of the communities we operate in, by building stronger, developed, sustainable communities and raise the quality of life of the people of the country.”

## **CSR MISSION**

1. To undertake holistic development initiatives/projects in the community at large
2. To take up CSR projects in the area of quality education, skill development and livelihoods, healthcare, infrastructural development in rural areas, training and awareness, employee sensitisation towards CSR, etc. to improve the quality of life and standard of living of the rural populace as first priority.
3. NSL will act as a good Corporate Citizen, subscribing to the ten principles of United Nations Global Compact for implementation.

## **CSR OBJECTIVES**

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1 Guidelines on Corporate Social Responsibility and Sustainability for CPSEs by DPE  
 2 Corporate Social Responsibility Rules under Section 135 of the Companies Act, 2013  
 3 Guidelines on Sustainable Development for the year 2012-13

- To aim to provide quality education through scholarships, material support, academic support, infrastructural support, teaching aids, etc. majorly focusing on girl child, Scheduled Castes & Tribes and other backward communities
- To aim to provide healthcare services with focus on issues of health, hygiene and sanitation in remote and inaccessible rural as well as urban areas by devising focused strategies as per the needs of different areas
- To provide vocational/skill based trainings to underprivileged youth as per the local market employability / Entrepreneurship with job placements to ensure economic as well as social sustainability of the youth population and their families
- To develop necessary infrastructure in rural areas based on requirement supported with data and documentary evidence to enhance the quality of living
- To sensitise the company officials towards the CSR to imbibe socially responsible values in the DNA of the company through trainings, workshops, seminars, etc.
- To undertake CSR projects largely in and around NSL project sites and offices (any other needy area or backward district can be taken up irrespective of operations of the company)
- To generate, through its CSR initiatives, a community goodwill for NSL and help reinforce a positive and socially responsible image of NSL as a corporate entity
- To ensure environmental sustainability.

## **2. FUNCTIONING OF NSL'S CSR**

- 2.1. NSL will function on the principles of its CSR values (vision, mission and objectives) as laid out in Para 1.
- 2.2. NSL will abide by Section 135 of Companies Act, 2013 in principle for its CSR functioning read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.
- 2.3. NSL shall spend 2% of the average Net Profit in immediately preceding three FYs on CSR Activities / Projects.
- 2.4. The surplus arising out of the CSR Projects / programs / activities shall not form part of the Business profit.
- 2.5. Surplus arising out should immediately be recognised as liability for CSR expenditure
- 2.6. NSL has Board Level CSR Committee consisting of three Directors.
- 2.7. The Board Level CSR Committee should formulate and recommend NSL CSR & SD Policy to the Board and review it periodically. The committee also recommend / approve the CSR Activity and the expenditure to be incurred on the CSR activities.

- 2.8. Based on recommendations of the Board Level CSR Committee, the Board approves NSLCSR & SD Policy, disclose composition of Board Level CSR Committee and contents of CSR & SD Policy in its report and publish it on NSL's website.
- 2.9. The Board shall also ensure that the activities are undertaken as per CSR& SD Policy.
- 2.10. The company shall give preference to local areas and areas around where it operates for spending the amount earmarked for Corporate Social Responsibility activities.
- 2.11. If the company fails to spend earmarked amount for CSR, the Board shall, in its Annual Report, specify the reasons for the same.

### 3.0 FUNDING AND RESOURCE ALLOCATION

- 3.1 NSL will spend 2% of the average of last three year's Net Profit for CSR Projects / Activities.
- 3.2 The expenditure towards Proposal Evaluation / Need Assessment / Baseline Survey, Mid-term Assessment, Impact Assessment, Documentation & Dissemination, Trainings for employees' sensitization towards CSR, Identification of CSR Activities / Projects Monitoring / Coordination Activities, Fee of experts such as Consultants / designers etc. shall form part of CSR expenditure and would be covered under CSR Head.
- 3.3 On the basis of identified CSR Activities / Projects, the CSR Annual Plan will be prepared by the CSR Department

### 4.0 PLANNING AND IMPLEMENTATION OF THE COMPANIES ACT, 2013 ON PAN INDIA BASIS

#### 4.1 THRUST AREAS

In order to channelize CSR resources in a focused and meaningful manner, following thrust areas in accordance to Schedule – VII of the Companies Act, 2013 have been identified by NSL:

- I. Eradicating hunger, poverty and malnutrition; ***promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for the promotion of sanitation and making available safe drinking water;***
- II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- III. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- IV. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and **water including contribution to the 'Clean Ganga Fund' set-up by the Central Government for rejuvenation of river Ganga;**
- V. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional and handicrafts;
- VI. Measures for the benefit of armed forces veterans, war widows and their dependents;
- VII. Promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- VIII. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- IX. Contributions to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- X. Rural development projects;
- XI. Slum Development - any area decided as such by the Central Government or any State Government or any other Competent Authority under any law for the time being in force;
- XII. In line with the Ministry of Corporate Affairs (MCA) Circular No. 21/2014 dated 18.6.2014, one-off events such as marathons / awards / charitable contributions / advertisements / sponsorship of TV programs / events involving celebrities, specifically for entertainment purposes, etc. would not qualify as CSR Activities;
- XIII. any contribution made to the PM CARES Fund<sup>4</sup>

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4 Board approved the same in its meeting dated August 14, 2020

Keeping in mind the need of planned CSR projects, following are key steps to be taken by NSL CSR team:

- 4.2 **Baseline Survey:** As a first step, to assess the impact of any project/programme/activity, there is a need to establish the base. This base establishment will help the company to see the changes after intervening in a specific area. Baseline Survey can be undertaken by an expert agency or by Company itself to assess the needs as well as establish the baseline information and statistics so as to allow a comparison of the 'then' and 'now' situation in the future. This will clearly show the 'impact' the project has created.
- 4.3 **Needs Assessment:** It is also important to conduct an unbiased needs assessment in the area prior to undertaking a CSR project in order to ascertain the specific needs, problems and relevant solutions from the community perspective, as also gain an understanding from the perspectives of the village / Distt. / State authorities, and the concerned HODs of NSL.
- 4.4 **Proposal Evaluation:** A thorough evaluation of proposals should be conducted based on needs. For this purpose, only those proposals that are supported by data, documentary evidence, clearly indicating the need, preferably in thrust areas of the company or as decided by the Competent Authority / Board Level CSR Committee, shall be taken up. Also, there needs to be clear criterion to evaluate the reliability of the proposal as also adherence to the Companies Act, 2013 and adherence to NSLCSR & SD Policy.
- 4.5 All the interventions made by company should be implemented in a project mode with clear objectives and goals mentioned. The goals should be laid on SMART principle which is:  
  
S = SPECIFIC  
  
M = MEASURABLE  
  
A = ATTAINABLE  
  
R = RELEVANT  
  
T = TIME BOUND
- 4.6 In exceptional cases where the interventions made by the company under CSR are not in project mode, and are one-time activities, the reason for doing so should be recorded in writing. These one-time activities should constitute only 5% of NSL's total CSR spending for that year. Rest should be in project-mode as mentioned in section 4.4, Clause 4.2, 4.3 & 4.4
- 4.7 As the projects are related to socio-economic development and environmental protection, specialised agencies should be involved in designing and implementation of the same. In



the absence of in-house expertise in social, economic and environmental areas, partnering with experts in the field is crucial to achieve NSL's CSR vision, mission and objectives.

- 4.8 However, if there are projects related to company's core competency then company should use in-house expertise in implementing the same.
- 4.9 NSL may support Central/State Government and district administration in order to dovetail and synergise with their programmes/projects by its initiatives in last mile approach.
- 4.10 Identification of CSR Projects / activities at Corporate / Zone level will be done by any one of or combination of the following :-
- i. In-house planned projects - for selection of location preferably in local areas by respective HODs.
  - ii. Proposals from District Administration / Govt. Body / any other govt. agency

During identification / selection of the CSR Activity, an undertaking from District Administration / Govt. Body / any other govt. agency shall be obtained in prescribed format , placed at Annexure – A, that for the particular project / activity funding from some other agency has not been taken.

## **5.0 SELECTION CRITERION FOR SPECIALISED AGENCY**

- 5.1 To identify the CSR Activities, ZO / Govt. agencies should forward a formal proposal with complete detail like name of work, availability of land, formal NOC letter from concerned department etc. , approximate cost of Project along with line diagram plan, non-availability of fund in concerned department and recommendations of RBG / SBG / Zonal Incharges / Any other Govt. agencies etc. to CSR Cell, H.O. so that the same could be put up to Board Level CSR Committee for their comments and approval.
- 5.2 The Baseline / Need Assessment, proposal Evaluation, Mid-term Assessment & Impact Assessment for all the approved CSR Activities shall be carried out by Company itself or otherwise as per requirement and as approved by the Board Level CSR Committee.
- 5.3
- i. Care should be exercised in selecting specialised agencies which have the necessary competencies, expertise and capabilities to implement the projects. Duly empanelled list of Organizations available with National CSR Hub, TISS / any other Educational Institution can be availed to identify the credible partners for the implementation of NSL's projects for conducting Baseline Survey and Implementation of Skill & Entrepreneurship Development Programs through NSDC Partners.
  - ii. The Board of the Company may decide to undertake its CSR Activities approved by the Board Level CSR Committee through a Registered Trust or a Registered Society or a Company established by the Company or its holding or subsidiary or associate company

under Section 8 of the Act. Specialised agencies may include Government department, semi-government, autonomous Organizations, professional consultancy Organizations, registered Trusts / Missions, community based Organizations, self-help groups, not-for-profit Organizations, local bodies such as Panchayati Raj Institutions, Academic Institutions, **recognized Body / Agency by the Government (Central / State) etc.**

iii In any other way in accordance with the Companies (Corporate Social Responsibility Policy) Rules 2014, eg. on its own.

5.4 i. The Implementation Agency can be finalised through normal tender procedure of NSL by adopting NIT, GCC, Price Bid and other requirements after NIT approved from TSC members or any other Agency BE approved by the Board Level CSR Committee.

ii The Baseline Survey / Need Assessment / Proposal Evaluation, Mid – term Assessment & Impact Assessment Agency can be finalised, through normal procedure of NSL by calling sealed quotation or agency finalised by the Board Level CSR Committee.

5.5 i. Once the projects/programmes/activities are approved and communicated to the approved agency, they will be required to enter into an agreement with each of the executing/implementing agency as per the NIT and Voluntary Organizations approved by Board Level CSR Committee.

ii. After approval from Board Level CSR Committee / Board of Directors, the concerned Z.O. / Approved Agency should be fully responsible for timely completion, Quality of work, timely handing over and other legalities as per N.I.T. / MOU.

5.6 In case of project/programme execution by Voluntary Organizations, the following minimum criterion needs to be ensured:

- a. The Organization has a permanent office/address in India.
- b. The Organization is a registered society under Societies' Registration Act
- c. The Organization should have an established track record of at least three years in carrying out activities in related areas.
- d. The Organization should possess a valid income-tax exemption certificate.
- e. The antecedents of the Organization are verifiable / subject to confirmation.
- f. Formal MOU / Agreement

All activities should represent the plaque of NSL, engraved / written with paint "A CSR Initiative of NSL" in bold letters clearly visible from all-around.

## **6 MONITORING, EVALUATION AND IMPACT ASSESSMENT**

6.1 Monitoring and Evaluation go hand in hand with the implementation of the project/

activity. Timelines, budgetary expenditures and achievement of milestones can only be assessed by monitoring the project.

- 6.2 Monitoring should be periodic with a checklist of key indicators related to the project which is helpful in understanding the present picture. Monitoring also creates possibilities of mid-term course corrections in the project.
- 6.3 Monitoring should be taken care by NSL CSR team or by any agency appointed for the purpose by the Board for its CSR projects. This ensures the involvement and ownership of CSR projects by the company.
- 6.4 The reporting format by which the implementing Organization submits its weekly/monthly/quarterly/yearly reports should be collaboratively designed by the company and the implementing Organization by keeping all the indicators of the projects in focus. The reporting format should also have a qualitative data section apart from quantitative data section.
- 6.5 In the case of one-time activity, monitoring should take place after handing over the services to Panchayat / State Government/Central Government etc. as this helps the company in understanding the functioning of the services provided. This also helps in taking mid-term course corrections if the services provided are not functional.
- 6.6 For long term sustainability of CSR Activities half yearly visit by the CSR Monitoring Team for a period of 5 years may be undertaken, to ascertain status / progress of the Activity.
- 6.7 **Evaluation** should be conducted by a third party that is not involved in implementation of the project at all. If required, it is advisable to appoint the agency engaged in baseline survey/need assessment for evaluation as the agency can clearly observe and assess whether the implementation is going in right direction as designed. Any new agency can also be recruited for the same.
- 6.8 After completion of the project/programmes/activities, NSL should partner with a third party to conduct **Impact Assessment** study. Impact Assessment study drives to a conclusion whether the objectives of the project have been achieved or not. It also documents the socio-economic improvement and changes in quality of life of the beneficiaries. It also assesses the process of documentation, reporting, implementation, monitoring, beneficiaries' selection in line with the proposal/ needs assessment made beforehand, and all other aspects of the projects and gives a holistic view. It also documents what can be done to replicate the same programme with better results by the company.

## 7 UPKEEP AND MAINTENANCE OF ASSETS CREATED

Maintenance of Assets created under CSR would be the responsibility of the concerned State Governments and local institutions like Gram Panchayats and Govt. Bodies. Before any

capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for regular maintenance of the assets created by NSL. This should be complimented by continuous monitoring & evaluation by NSL of all the assets created.

## **8 POWERS OF APPROVAL**

The Board of Directors on the recommendations of Board Level CSR Committee will approve the CSR & SD Policy for the Company and the same will be displayed on the Company's website. Board of Directors shall also ensure that the activities included in the CSR & SD Policy of the Company are duly undertaken by the Company.

## **9 Reporting**

9.1 Contents of the CSR & SD Policy would be disclosed in Director's report and same shall be displayed in the Company's website, in the prescribed format.

9.2 The Board's report will include the following :

- i. A brief outline of the CSR & SD Policy, including overview of projects proposed to be undertaken and a reference to the web link to the CSR & SD Policy and projects.
- ii. Composition of the Board Level CSR Committee
- iii. Average net profit for last three FYs
- iv. Prescribed CSR Expenditure
- v. Details of CSR Spent during the financial year in the prescribed format.
- vi. In case the company fails to spend the 2% of average net profit of the last three FYs or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- vii. A responsibility statement of the Board Level CSR Committee that the implementation and monitoring of CSR & SD Policy, is in compliance with CSR objectives and Policy of the company.
- viii. The report would be signed by :
  - Chief Executive Officer or Managing Director or Director or;
  - Chairman of the Board Level CSR Committee

## SUSTAINABILITY DEVELOPMENT

Sustainable Development is the need of the hour in today's fragile and natural resource constrained world, the guiding principle of which is balancing of the Environmental, Social and Economic concerns. At NSL, India's largest construction PSU it is our commitment to PROMOTE the nation and our constant endeavour to operate in an environmentally conscious and responsible manner, while catering to the nation's ever increasing demand for infrastructure.

- Support global clean energy economy that is already underway. For the purpose, eliminate air and water pollution, promote technology innovation, energy efficiency and a diversity of renewable resources such as solar, wind, hydro, sustainable biomass and geothermal.
- Affirm its commitment to contributing towards a clean and sustainable environment and continuously enhancing its environment related performance as an integral part of its business philosophy and values.
- Adopt an approach that integrates quality, affordability, and sustainability. Every method / product / design should be safe, effective, good-looking and reasonably priced.
- Inspire Cradle to Cradle approach. C2C calls for waste-free design, raw materials are as natural and as possible it can be reused continuously. C2C stands in direct contrast to the traditional "lab -to-landfill" (L2L) approach.
- The future lies in the energy efficiency, green and renewable energy sector. Bold measures in off-grid to harness wind, solar and hydro power so as to bring about a change / improvement in quality of life of the people. Use, smart windows to control heat & light.
- Smart city initiative – Information, communication and technology – enabled governance. Efficient Utilities – energy, water, solid waste, effluents. Meaningful PPPs. Safety and security. Financial sustainability. Citizen – participative local government. Sufficient social capital. Transit oriented habitats. Green features and minimum population criteria.



# ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

## 1. Brief outline on CSR Policy of the Company.

NSL's CSR & SD Policy is in accordance with the Companies Act, 2013. The main features of CSR & SD Policy of NSL are as under:-

1. NSL will function on the principles of its CSR values (vision, mission and objectives) as laid out in Para 1 OF CSR Policy
2. NSL will abide by Section 135 of Companies Act, 2013 in principle for its CSR functioning read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.
3. NSL shall spend 2% of the average Net Profit in immediately preceding three FYs on CSR Activities / Projects
4. The surplus arising out of the CSR Projects / programs / activities shall not form part of the Business profit
5. Surplus arising out should immediately be recognised as liability for CSR expenditure
6. NSL has Board Level CSR Committee consisting of three Directors
7. The Board Level CSR Committee should formulate and recommend NSL CSR & SD Policy to the Board and review it periodically. The committee also recommend / approve the CSR Activity and the expenditure to be incurred on the CSR activities
8. Based on recommendations of the Board Level CSR Committee, the Board approves NSL CSR & SD Policy, disclose composition of Board Level CSR Committee and contents of CSR & SD Policy in its report and publish it on NSL's website
9. The Board shall also ensure that the activities are undertaken as per CSR & SD Policy
10. The company shall give preference to local areas and areas around where it operates for spending the amount earmarked for Corporate Social Responsibility activities

## 2. Composition of CSR Committee as on March 31, 2021.

S No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Neelesh Shah#	Chairperson	1	1
2	Smt. B.K Sokhey*	Chairperson	1	1
3	Shri Neelesh Shah	Member	1	1
4	Shri MB Singhal**	Member	-	-

#superannuated as on May 31, 2021

\*CSR Committee Reconstituted on February 01, 2021.

\*\*Appointed on February 01, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the web site of the company.- <https://www.nbccindia.com/Subsidiaries/NSL.html>;
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **NA**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
NIL	NIL	NIL	NIL
NIL	NIL	NIL	NIL
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

6. Average net profit of the company as per section 135(5). : **Rs.978.06 lakh**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs.19.56 lakh**
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **NIL**
  - (c) Amount required to be set off for the financial year, If any: **NIL**
  - (d) Total CSR obligation for the financial year (7a+7b-7c). **Rs.19.56 lakh**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second provision to section 135 (5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
19.56 lakh	NIL	-	PM CARES FUNDS	19.56	Rs.18 lakh paid on April 02, 2021 and Rs.1.56Lakh paid on September 11, 2020

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in Rs.).	(8) Amount spent in the current financial Year (in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	(10) Mode of Implementation Direct (Yes/No).	(11) Mode of Implementation-Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Contribution to PM CARES FUND	Schedule-VII Item No.(Viii)	No	-	-	-	19.56	19.56	-	NA	NA	NA
TOTAL							19.56	19.56				

(c) Amount spent in Administrative Overheads: **NIL**

(d) Amount spent on Impact Assessment, if applicable: **NIL**

(e) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs.19.56 Lakh**

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. In Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	19.56
(ii)	Total amount spent for the Financial Year	19.56
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2017-18	NIL	NA	NA	NIL	NA	NIL
2.	2018-19	NIL	NA	NA	NIL	NA	NIL
3.	2019-20	NIL	16.29	PM CARES FUND	16.29	19.10.2020	NIL
<b>TOTAL</b>		-	16.29	-	-	-	-

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed /Ongoing
1.		-	-	-	-	-	-	-
	<b>TOTAL</b>				-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the assets created or acquired through CSR spent in the financial year

**(asset-wise details). Nil assets created or acquired as on 31.03.2021**

- (a) Date of creation or acquisition of the capital asset (s)-**NA**
- (b) Amount of CSR spent for creation or acquisition of capital asset.-**NA**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.-**NA**
- (d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset).-**NA**
11. Specify the reason (s), if the company has failed to spend two per cent of the average net profit as per section 135 (5).-**Due to the unforeseen pandemic COVID-19, incurring of the CSR expenditure is in progress.**

Sd/-  
**Shri Novman Ahmed**  
(Chief Executive Officer)

Sd/-  
**Smt. Baldev Kaur Sokhey**  
(Chairman CSR Committee).

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74900DL2014GOI272532
2	Registration Date	October 16, 2014
3	Name of the Company	NBCC Services Limited
4	Category/Sub-category of the Company	Company Limited by Shares Government Company
5	Address of the Registered office & contact details	NBCC CENTRE, GROUND FLOOR PLOT NO.2, COMMUNITY CENTER OKHLA PHASE -1, Delhi -110020 E-mail: nsl@nbccindia.com, Contact: 011-2438907
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real Estate Services (Project Management & Supervision Services)	9972	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NBCC (India) Limited	L74899DL1960GOI003335	Holding	100	2 (46)



#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2020]				No. of Shares held at the end of the year [As on 31/03/2021]				% Change during the year [Increase/(Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	600	600	0.03%	600	-	600	0.03%	-
b) Central / State Government(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corporate	-	1,999,400	1,999,400	99.97%	2,999,400	-	2,999,400	99.97%	50.00%
d) Financial Institutions / Banks	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any others (specify)									
i) Group companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Directors Relatives	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>		<b>2,000,000</b>	<b>2,000,000</b>	<b>100%</b>	<b>3,000,000</b>	-	<b>3,000,000</b>	<b>100%</b>	<b>50.00%</b>
<b>(2) Foreign</b>									
Bodies Corporate	-	-	-	0.00%	-	-	-	0.00%	0.00%
Individual Institutions	-	-	-	0.00%	-	-	-	0.00%	0.00%
Qualified Foreign Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Any Others (Specify)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (A)(2) :</b>	-	<b>2,000,000</b>	<b>2,000,000</b>	<b>100%</b>	<b>3,000,000</b>	-	<b>3,000,000</b>	<b>100%</b>	<b>50.00%</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2020]				No. of Shares held at the end of the year [As on 31/03/2021]				% Change during the year [Increase/ (Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
Total (A)=(A)(1) + (A)(2)									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Central / State Government(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Financial Institutions / Banks	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Mutual Funds / UTI	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.01%
g) Foreign Venture Capital Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Qualified Foreign Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Any Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Alternate Investment Funds									
j) Foreign Portfolio Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
k) Alternate Investment Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (B)(1):</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2020]				No. of Shares held at the end of the year [As on 31/03/2021]				% Change during the year [Increase/ (Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>2. NON- INSTITUTIONS</b>									
a) Bodies corporate	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individual									
i) (Capital upto to Rs. 1 lakh)	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) (Capital greater than Rs. 1 lakh)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>I) Any others (specify)</b>									
i) Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Clearing Member	-	-	-	0.00%	-	-	-	0.00%	0.00%
iii) Non Resident Indians (NRI)	-	-	-	0.00%	-	-	-	0.00%	0.00%
vi) Directors	-	-	-	0.00%	-	-	-	0.00%	0.00%
Relatives									
vii) Employee	-	-	-	0.00%	-	-	-	0.00%	0.00%
viii) Overseas Bodies Corporate	-	-	-	0.00%	-	-	-	0.00%	0.00%
ix) Unclaimed Suspense Account	-	-	-	0.00%	-	-	-	0.00%	0.00%
(x) HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
(xi) IEPF	-	-	-	0.00%	-	-	-	0.00%	0.00%
(d) Qualified foreign investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
(e) NBFC Registered with RBI	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (B (2):</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>(B)=(B)(1) + (B (2))</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2020]				No. of Shares held at the end of the year [As on 31/03/2021]				% Change during the year [Increase/ (Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>Total (A) + (B) :</b>									
<b>(a)SHARES HELD BY CUSTODIANS</b>									
(i) Promoter and Promoter Group	-	-	-	-	-	-	-	0.00%	0.00%
Public	-	-	-	-	-	-	-	0.00%	0.00%
<b>SUB TOTAL</b>	-	-	-	-	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>(C)(1) :</b>									
(C)=(C)(1)									
<b>Total (A) + (B) :</b>		2,000,000	2,000,000	100%	3,000,000	-	3,000,000	100.00%	50.00 %
<b>Grand Total (A) + (B) + (C)</b>		2,000,000	2,000,000	100%	3,000,000	-	3,000,000	100.00%	50.00%

<b>ii) Shareholding of "Promoter and Promoter Group"</b>									
		Shareholding at the beginning of the year 01/04/2020			Shareholding at the end of the year 31/03/2021			Change in Shareholding During the Year	
Sr. No	Shareholder's Name	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No of Shares	% of total Shares of the Company
1	NBCC (India) Limited	1999400	99.97%	0%	2999100	99.97%	0%	0%	0.00%
2	Shri NP Aggarwal	100	0.005%	0%	-	0.000%	0%	0%	0.00%
3	Shri A.Sabeena	100	0.005%	0%	150	0.005%	0%	0%	0.00%
4	Smt. BK Sokhey	100	0.005%	0%	150	0.005%	0%	0%	0.00%
5	Shri Neelesh M Shah	100	0.005%	0%	150	0.005%	0%	0%	0.00%
6	Shri Rakesh Garg	-	-	0%	150	0.005%	0%	0%	0.00%
7	Shri Yogesh Sharma	100	0.005%	0%	150	0.005%	0%	0%	0.00%
8	Shri Rakesh Gupta	100	0.005%	0%	150	0.005%	0%	0%	0.00%
	<b>Total</b>	<b>2,000,000</b>	<b>100.00%</b>	<b>0%</b>	<b>3,000,000</b>	<b>100.00%</b>	<b>0%</b>	<b>0%</b>	<b>0.00%</b>

iii) Change in Promoters' Shareholding during the financial year 2020-21

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	<b>At the beginning of the year</b>	1-04-2020					
	<b>Changes During The Year</b>	08-06-2020	Due to issue of Bonus share	2,000,000	100	2,000,000	100
	<b>At the end of the year</b>	31-03-2021		3,000,000	100	3,000,000	100

iv) Shareholding pattern of top ten Shareholder (Other than Directors, Promoters)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	<b>At the beginning of the year</b>	1-04-2020					
	<b>Changes During The Year</b>	-		0	0.00	0	0.00
	<b>At the end of the year</b>	31-03-2021		0	0.00	0	0.00

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	NAME	No. of Shares at the beginning the year (01.04.2020)/ No. of Shares at the end of the year (31.03.2021)	Transaction Date	Increase/ Decrease in share-holding	Reason	Cumulative Number of Shares	Percentage of total shares of the company
1	Mrs. BK Sokhey	100	01.04.2020	-	-	100	0.005
		150	01.04.2021	-	-	150	0.005
2	Shri Rakesh Gupta	100	01.04.2020	-	-	100	0.005
		150	01.04.2021	-	-	150	0.005

## V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

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

## VI. REMUNERATION OF MANAGING DIRECTORS, WHOLETIME DIRECTORS AND/OR MANAGER:

There is no Managing Directors/Whole-time Directors or manger in the Company during the FY 2020-21

B. REMUNERATION TO OTHER DIRECTORS:	Mr. Neelesh Shah	Smt. BK Sokhey	Mr. Rakesh Gupta	TOTAL
Gross Salary				
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-
(b) Value of perquisites u/s	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 196	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission as % of profit	-	-	-	-
E.P.F., employers Pension, Contribution	-	-	-	-
Provisions for EI & HPL Leave Encashment, PRMB, Gratuity & PRP	-	-	-	-
<b>Total</b>	-	-	-	-



(Rs in Lakh)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP) OTHER THAN MD/MANAGER/WTD				
S I. no.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Novman Ahmed CEO (w.e.f. 01.02.2021 to 31.03.2021)	Amarnath Mourya CFO	Total
1.	Gross salary	30.31	26.38	56.69
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
	- others, specify...	-	-	-
5.	E.P.F., employers Pension contribution,	2.94	2.77	5.71
6.	Provisions for EI & HPL Leave Encashment, PRMB, Gratuity & PRP	3.41	3.21	6.62
	<b>Total</b>	<b>36.66</b>	<b>32.36</b>	<b>69.02</b>

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

Sd/-

**Baldev Kaur Sokhey**  
Chairperson

DIN:06955670

Place: New Delhi

Date: September 2, 2021

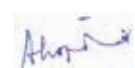
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF THE INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NBCC SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of NBCC SERVICES LIMITED for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **NBCC SERVICES LIMITED** for the year ended 31 March 2021 under section 143 (6)(a) of the Act. This supplementary Audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



**Sd/-**

**(Rina Akoijam)**

Director General of Commercial Audit,  
Infrastructure, New Delhi

**Place: New Delhi  
Date: 12 August 2021**

# FINANCIAL STATEMENT



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NBCC SERVICES LIMITED

#### Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of NBCC Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</i>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p>

<p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures:             <ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.</li> <li>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul>
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2	<p><b><i>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates</i></b></p> <p>Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</li> <li>• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.</li> <li>• Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.</li> <li>• Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.</li> </ul>
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### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating



effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) Being a Government company, pursuant to the Notification No. GSR 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provision of Section 164 (2) of the Companies Act is not applicable to the company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our

separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. We enclose our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the “**Annexure C**” on the directions and sub-directions issued by the Comptroller and Auditor General of India.

For **Arun Malhotra & Associates**  
Chartered Accountants  
(Firm’s Registration No. 002563N)

Sd/-  
**ARUN MALHOTRA**  
Partner  
(M. No. 081452)

UDIN: 21081452AAAAACN3526

Place: New Delhi  
Date: 30.05.2021

## **TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NBCC Services Limited of even date)

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

We have audited the internal financial controls over financial reporting of **NBCC SERVICES LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis

for our audit opinion on the internal financial controls system over financial reporting of the Company.

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

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Arun Malhotra & Associates**  
Chartered Accountants  
(Firm's Registration No. 002563N)

**Sd/-**  
**ARUN MALHOTRA**  
Partner

(M. No. 081452)

UDIN : 21081452AAAAACN3526

**Place: New Delhi**  
**Date: 30.05.2021**

## **TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NBCC Services Limited of even date)**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of the immovable properties, as disclosed in Note 2 on fixed assets to the financial statements, are pending execution. Hence the said immovable properties amounting to Rs. 1910.68 Lakhs are not held in the name of the Company as at the balance sheet date.
- ii. The Company is in the business of providing project management and super-vision services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted, secured loans to companies, firms, LLP's or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and as such provisions of Para 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order regarding granting of loans are not attracted to the company.
- iv. In our opinion and according to the information and explanations given to us, the provisions of Sections 185 and 186 of the Act, with respect to the loans, making investments and providing guarantees and securities, are not attracted to the company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The employees of the Company are on secondment basis from its holding company i.e. NBCC (India) Limited. As explained to us, the holding company is regular in depositing undisputed statutory dues, including Provident Fund with appropriate



authority. According to information and explanations given to us, and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax, Labour Welfare Cess, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the company did not have any dues on account Employees State Insurance and Duties of Excise.

- (b) According to information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except Tax Deducted at Source details as under :-

S No.	Assessment Year	Amount
1.	2015-16	30,190/-
2.	2017-18	9,330/-
3.	2018-19	3,790/-
	<b>TOTAL</b>	<b>43,310/-</b>

- (c) According to information and explanation given to us, that there were no dues of Income Tax and Goods & Service Tax which have not been deposited by the company on account of disputes.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The company is a Government company and such in pursuant to the Notification No. GSR 463 (E) dated 05th June 2015 issued by Ministry of Corporate Affairs, Government of India, the provisions of Section 197 of the Act is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the IndAS financial statements as required by the applicable accounting standards.

- xiii. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xv. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Arun Malhotra & Associates**  
Chartered Accountants  
(Firm's Registration No. 002563N)

Sd/-  
**ARUN MALHOTRA**  
Partner  
(M. No. 081452)  
UDIN: 21081452AAAAACN3526

Place: New Delhi  
Date: 30.05.2021

## TO THE INDEPENDENT AUDITOR'S REPORT

Directions and sub directions indicating the areas to be examined by the Statutory Auditors during the course of audit of Annual accounts of the NBCC Services Limited for the years 2020-2021 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act 2013

S. No.	Directions / Sub-Directions	Action Taken	Impact on Financial Statements
<b>A</b>	<b>Direction</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT System ? If yes, the implications of processing accounting transactions outside IT system on the integrity of the accounts along with the financial implications if any, may be stated	Yes, the company has ERP system in place to record all accounting transactions. The company has adequate internal control systems to process the accounting transactions before recording.	NIL
2.	Whether there is restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the company's inability to repay the loan ? If yes, the financial impact may be stated.	NO	NIL
3.	Whether funds received or receivable for specific schemes from Central / state agencies were properly accounted for / utilized as per its term and conditions? List the case of deviation.	No fund received from Central / state agencies.	NIL
<b>B</b>	<b>Sub-Directions : NIL</b>		

For **Arun Malhotra & Associates**  
Chartered Accountants  
(Firm's Registration No. 002563N)

Sd/-  
**ARUN MALHOTRA**  
Partner  
(M. No. 081452)

Place: New Delhi  
Date: 30.05.2021

UDIN: 21081452AAAAACN3526

## Balance Sheet As at March 31, 2021

(₹ in lakhs)

Particulars		Note No.	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>I.</b>	<b>ASSETS</b>			
<b>1.</b>	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	2	1,891.36	1,928.37
	(b) Other Intangible Assets	2	-	-
	(c) Non Current Tax Assets (Net)	3	73.25	58.54
	(d) Deferred Tax Assets (Net)	4	86.55	96.14
			<b>2,051.16</b>	<b>2,083.05</b>
<b>2.</b>	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Trade Receivables	5	<b>4,093.23</b>	<b>3,188.12</b>
	(ii) Cash and Cash Equivalents	6	<b>2,514.87</b>	<b>1,075.69</b>
	(iii) Other Bank Balances	7	<b>541.36</b>	<b>368.61</b>
	(iv) Other Financial Assets	8	<b>120.10</b>	<b>45.52</b>
	(b) Current Tax Assets (Net)	9	-	66.25
	(c) Other Current Assets	10	<b>600.91</b>	<b>530.66</b>
			<b>7,870.47</b>	<b>5,274.85</b>
	<b>TOTAL ASSETS</b>		<b>9,921.63</b>	<b>7,357.90</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	11	300.00	200.00
	(b) Other Equity		2,845.40	2,130.18
	<b>Total Equity</b>		<b>3,145.40</b>	<b>2,330.18</b>
<b>2</b>	<b>Liabilities</b>			
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables			
	Due to MSMEs	12	0.49	-
	Due to Others	12	4,530.89	2,952.27
	(ii) Other Financial Liabilities	13	1,084.51	1,053.56
	(b) Other Current Liabilities	14	1,056.97	999.72
	(c) Provisions	15	-	22.17
	(d) Current Tax Liabilities(Net)	15A	103.38	-
			<b>6,776.23</b>	<b>5,027.72</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,921.63</b>	<b>7,357.90</b>

Significant Accounting Policies & Notes on Financial Statements 1 to 41

Sd/-  
(N K Shah)  
Chairman  
DIN:07444898

Sd/-  
(Rakesh Gupta)  
Director  
DIN:08094064

Sd/-  
(Mukat Bihari Singhal)  
Director  
DIN:07282642

Sd/-  
(Novman Ahmed)  
C E O

Sd/-  
(Amarnath Mourya)  
C F O

For Arun Malhotra & Associates  
Chartered Accountants  
(FRN:002563N)

Sd/-  
(ARUN MALHOTRA)  
Partner  
Membership No. 081452

Place: New Delhi  
Date: 30.05.2021

## Statement of Profit and Loss For the Year Ended on March 31, 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended on March 31, 2021 (Audited)	For the year ended on March 31, 2020 (Audited)
I. Revenue From Operations			
Revenue From Operation	16	14,684.00	11,842.11
Other Operating Income	16	169.05	214.42
<b>II. Other Income</b>	<b>17</b>	<b>61.58</b>	<b>71.45</b>
<b>III. Total Income (I + II)</b>		<b>14,914.63</b>	<b>12,127.98</b>
IV. Expenses:			
Cost of Work & Consultancy Expenses	18	12,568.43	10,303.96
Employee Benefits Expense	19	802.63	841.59
Depreciation and Amortisation Expense	2	37.22	38.44
Other Expenses	20	175.88	247.93
<b>Write Offs</b>	<b>23</b>	<b>110.40</b>	<b>27.15</b>
<b>Total Expenses (IV)</b>		<b>13,694.56</b>	<b>11,459.07</b>
V. Profit before Exceptional Items and Tax (III-IV)		1,220.07	668.91
<b>VI. Exceptional Items</b>			
VII. Profit before Tax (V - VI)		1,220.07	668.91
VIII. Tax Expense:			
(1) Current Tax	22	306.98	192.29
(2) Deferred Tax	22	9.59	63.64
(3) Provision For earlier Year Written Back	22	(51.72)	-
IX. Profit / Loss for the period from continuing operations (VII-VIII)		955.22	412.99
X. Profit / (Loss) for the discontinued operations		-	-
XI. Tax expenses of discontinued operations		-	-
XII. Profit / (Loss) for the discontinued operations (after tax) (X-XI)		-	-
XIII. Profit / (Loss) for the period (IX-XII)		955.22	412.99
XIV. Other Comprehensive income			
A (i) Items that will not be reclassified into profit/loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit/loss Income Tax effect		-	-
B (i) Items that will be reclassified into profit/loss		-	-
<b>(ii) Income tax relating to items that will be reclassified to profit/loss</b>		<b>-</b>	<b>-</b>
XV. Total comprehensive income for the period (XIII-XIV)		955.22	412.99
XVI. Earnings per Share (Face value of Rs. 10/- per Equity Share)	24		
(1) Basic (in Rs.)		31.84	20.65
(2) Diluted (in Rs.)		31.84	20.65

Significant Accounting Policies & Notes on Financial Statements 1 to 41

For and on behalf of the Board of Directors

Sd/-  
**(N K Shah)**  
Chairman  
DIN:07444898

Sd/-  
**(Rakesh Gupta)**  
Director  
DIN:08094064

Sd/-  
**(Mukat Bihari Singhal)**  
Director  
DIN:07282642

Sd/-  
**(Novman Ahmed)**  
C E O

Sd/-  
**(Amarnath Mourya)**  
C F O

For **Arun Malhotra & Associates**  
Chartered Accountants  
(FRN:002563N)

Sd/-  
**(ARUN MALHOTRA)**  
Partner  
Membership No. 081452

Place: New Delhi  
Date: 30.05.2021

## Cash Flow Statement For the Year Ended as on March 31, 2021

(₹ in lakhs)

Particulars		For the year ended on March 31, 2021 (Audited)	For the year ended on March 31, 2020 (Audited)
A.	<b>Cash flows from operating activities</b>		
	<b>Net profit before tax and extraordinary items</b>	1,220.07	668.91
	Adjustment for:		
	Depreciation	37.22	38.44
	Interest Received	(61.58)	(71.45)
	<b>Operating Profit before Working Capital Changes</b>	<b>1,195.71</b>	<b>635.90</b>
	Adjustment for:		
	(Decrease) /Increase in Other Non-Current Liabilities	-	-
	Decrease/(Increase) in Trade receivables	(905.11)	453.63
	Decrease/(Increase) in Other Financial Assets	(74.58)	(22.54)
	Decrease/(Increase) in Other Current Assets	(70.25)	(53.00)
	(Decrease) /Increase in Trade payables	1,578.62	164.21
	(Decrease) /Increase in Other financial liabilities (Current)	30.95	(1,450.72)
	(Decrease) /Increase in Provisions (Current)	(22.17)	22.17
	(Decrease) /Increase in Other Current Liabilities	160.63	(17.39)
	<b>Cash generated from Operations before Extra Ordinary Items</b>	<b>1,893.78</b>	<b>(267.75)</b>
	Extraordinary Items	-	-
	Direct Taxes Paid	(203.23)	(280.61)
	<b>Net Cash from Operating Activities (A)</b>	<b>1,690.55</b>	<b>(548.36)</b>
B.	<b>Cash Flows from Investing Activities:</b>		
	<b>Purchases of Fixed Assets</b>	<b>(0.20)</b>	(1.47)
	Capital Advance for Property, Plant And Equipment.	-	-
	Fixed deposits placed with Banks having original maturity of more than 3 months	(158.25)	1,939.57
	Interest Accrued on Fixed Deposits	(14.50)	-
	Interest Received (Net of Tax Deducted at Source)	61.58	71.45
	<b>Net Cash from Investing Activities: (B)</b>	<b>(111.36)</b>	<b>2,009.55</b>
C.	<b>Cash Flows from Financing Activities:</b>		
	<b>Dividend on Equity Shares paid</b>	(140.00)	(421.91)
	<b>Net Cash from Financing Activities (C)</b>	<b>(140.00)</b>	(421.91)
	<b>Net Increase in Cash and Cash Equivalent (A) + (B) + (C)</b>	<b>1,439.19</b>	<b>1,039.28</b>
	<b>Cash and Cash Equivalents - Opening</b>	<b>1,075.69</b>	<b>36.41</b>
	<b>Cash and Cash Equivalents - Closing</b>	<b>2,514.87</b>	<b>1,075.69</b>



Particulars		For the year ended on March 31, 2021 (Audited)	For the year ended on March 31, 2020 (Audited)
i)	Cash and Cash Equivalents Includes:		
a)	Cash in Hand & Stamp in Hand	-	-
b)	Remittances in Transit / Cheques in Hand	-	-
c)	Balances / Fixed Deposits/Call Deposits with Banks	<b>2,514.87</b>	1,075.69
d)	Interest Accrued in Flexi Deposits	-	-
e)	Balances with Bank in Unclaimed Dividend Account	-	-
		<b>2,514.87</b>	<b>1,075.69</b>

(ii) Previous year figures have been regrouped and/or reclassified, wherever, necessary to conform to those of the current year grouping and/or classification.

iii) Figures in brackets indicate cash outgo.

For and on behalf of the Board of Directors

Sd/-  
**(N K Shah)**  
Chairman  
DIN:07444898

Sd/-  
**(Rakesh Gupta)**  
Director  
DIN:08094064

Sd/-  
**(Mukat Bihari Singhal)**  
Director  
DIN:07282642

Sd/-  
**(Novman Ahmed)**  
C E O

Sd/-  
**(Amarnath Mourya)**  
C F O

For **Arun Malhotra & Associates**  
Chartered Accountants  
(FRN:002563N)

Sd/-  
**(ARUN MALHOTRA)**  
Partner  
Membership No. 081452

Place: New Delhi  
Date: 30.05.2021

## Statement of changes in Equity as at 31st March, 2021

(₹ in lakhs)

### A.) Equity Share Capital

Equity Share Capital	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Redemption of equity share capital during the year	Balance at the end of reporting period
Balance as at 1 April 2019	200.00	-	-	200.00
Balance as at 31 March 2020	200.00	-	-	200.00
Balance as at 31 March 2021	200.00	100.00	-	300.00

### A.) Other Equity

Other equity	Share application money pending allotment	Reserves and Surplus		Other comprehensive income - Reserve		Total
		General reserve	Retained Earnings			
Balance as at 1 April 2019	-	-	2,139.14	-	-	2,139.14
Profit for the year	-	-	412.99	-	-	412.99
Other Comprehensive Income	-	-	-	-	-	-
Dividends paid including Dividend Distribution tax	-	-	(421.94)	-	-	(421.94)
Transfer from retained earnings	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	-	-	<b>2,130.18</b>	-	-	<b>2,130.18</b>
Profit for the year	-	-	955.22	-	-	955.22
Other Comprehensive Income	-	-	-	-	-	-
Interim Dividend paid	-	-	(140.00)	-	-	(140.00)
Dividend Distribution tax	-	-	-	-	-	-
Transfer from retained earnings (Issue Equity Bonus share)	-	-	(100.00)	-	-	(100.00)
<b>Balance as at 31 March 2021</b>	-	-	<b>2,845.40</b>	-	-	<b>2,845.40</b>

#### For and on behalf of the Board of Directors

Sd/-  
**(N K Shah)**  
Chairman  
DIN:07444898

Sd/-  
**(Rakesh Gupta)**  
Director  
DIN:08094064

Sd/-  
**(Mukat Bihari Singhal)**  
Director  
DIN:07282642

Sd/-  
**(Novman Ahmed)**  
C E O

Sd/-  
**(Amarnath Mourya)**  
C F O

For **Arun Malhotra & Associates**  
Chartered Accountants  
(FRN:002563N)

Sd/-  
**(ARUN MALHOTRA)**  
Partner  
Membership No. 081452

Place: New Delhi  
Date: 30.05.2021

Note 1

**Significant Accounting Policies**

**1. NATURE OF PRINCIPAL ACTIVITIES**

NBCC Services Limited (referred to as “NSL” or “the Company”) is wholly Subsidiary of NBCC (India) Limited. The company engaged in the business of project management and supervision services.

**2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS**

The Company’s registered office is situated at New Delhi, India. The shares of the Company are held by NBCC (India) Limited which is listed company.

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 issued by Ministry of Corporate Affairs (‘MCA’). The Company has uniformly applied the accounting policies during the period presented. Unless otherwise stated, all amounts are stated in Lakhs of Rupees).

The financial statements for the quarter ended 31.03.2021 were authorized and approved for issue by the Board of Directors on 30.5.2021

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared using the accounting policies and measurement basis.

**4. OVERALL CONSIDERATIONS**

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect during the quarter ended 31.03.2021, as summarised below.

**4.1 REVENUE RECOGNITION**

The Company derives revenues primarily from project management and supervision services. Project Management includes planning, designing and construction of Interior (Fit Out) work, maintenance and facility management works, ratification of defects during defect liability period etc. (“together called as Project Management and supervision related services”).

Revenue is recognized to the extent that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the transaction price/ fair value of the consideration received or receivables, excluding applicable taxes or duties collected on behalf of the government and reduced by any rebates, trade discount etc.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

### **Project Management and Supervision services**

In case of contracts which are in nature of cost plus contracts/fixed contracts, revenue is recognised on the basis of percentage completion method and the consideration is to be recognised at transaction price/fair value.

For Project Management and supervision related services, revenue is recognized over time as the customer receives and uses the benefits as the Company performs its obligation.

#### **Revenue includes:**

1. Work done for which only letters of intent have been received, however, formal contracts / agreements are in the process of execution.
2. Work executed and measured by the Company pending certification by the client.
3. Extra / Substituted items and the Claims lodged against clients to the extent considered realizable.
4. Amount retained by clients which is released after commissioning of the project.

#### **Interest and other income**

Interest income is accounted for on an accrual basis using the effective interest rate method. Interest income on financial assistance/mobilisation advances given to contractors recoverable in short term is recognised using simple interest method which approximates the effective interest rate. Other income is recognised when amount and collectability is certain.

## **4.2 INTANGIBLE ASSETS**

### **Recognition**

Intangible assets are initially measured at cost of acquisition thereof. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

### **Subsequent measurement (Amortisation)**

Amortisation of Intangible assets is charged on straight line method and rate of the amortisation is arrived at with reference to the useful life of the assets evaluated by the Management in line with the Ind Accounting Standard 38.

## **4.3 PROPERTY, PLANT AND EQUIPMENT**

### **Recognition**

Properties, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

### **Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method with reference to the useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

Property, plant and equipment individually costing upto INR10, 000/- are fully depreciated in the year of acquisition.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss account when the asset is derecognised.

## **4.4 LEASES**

### **Company as a lessee**

#### **Finance leases**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a Finance Lease. Finance Leases are capitalised as right of use assets at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease.

#### **Subsequent measurement (Depreciation)**

The right of use is depreciated over the useful life of the underlying asset or the validity of the lease term whichever is shorter and is subject to impairment loss.

The residual values, useful lives and methods of depreciation of right of use are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **De-Recognition**

A right of use asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the right of use asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the right of use asset is derecognised.

## **Operating leases**

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases.

### **Recognition**

At the inception of the lease, right of use is recognised at cost including any indirect costs to acquire the asset and dismantling costs (if any), reduced by lease incentives with a corresponding lease liability equal to the present value of unpaid lease payments except in the following cases:

- i. short-term leases; or
- ii. leases for which the underlying asset is of low value

The interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease.

### **Subsequent measurement (Depreciation)**

The right of use is depreciated over the useful life of the underlying asset or the validity of the lease term whichever is shorter and is subject to impairment loss.

The residual values, useful lives and methods of depreciation of right of use are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **Company as a lessor**

#### ***Finance Lease***

The company recognise assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The company further recognises finance income over the lease term, based on straight-line basis reflecting a constant periodic rate of return on the net investment in the lease.

#### **Operating lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

## **4.5 IMPAIRMENT OF NON FINANCIAL ASSETS**

Carrying amount of assets is reviewed at each reporting date where there is any indication of impairment based on internal/ external indicators. An impairment loss is recognised in the statement of profit and loss where carrying amount exceeds recoverable amount of assets. Impairment loss is reversed, if, there is change in recoverable amount and such loss either no longer exists or has decreased or indication on which impairment was recognised no longer exists.



## 4.6 FINANCIAL INSTRUMENTS

### Financial assets

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the financial instrument and are measured initially at fair value adjusted for transaction costs.

#### *Subsequent measurement*

- i. Debt instruments at amortised cost—A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model.

- ii. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on an instrument to instrument basis.
- iii. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

#### *De-recognition of financial assets*

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### Financial liabilities

#### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified as amortised cost.

### **Subsequent measurement**

Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

### **De-recognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. Consequently write back of unsettled credit balances and invoked bank guarantee is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognised in Operating Revenue.

Further when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **4.7 IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### **Trade receivables**

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime expected credit losses

### ***Other financial assets***

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

## **4.8 INCOME TAXES**

Tax expense recognised in Profit and Loss comprises the sum of Current Tax and Deferred Tax and Current Tax not recognised in Other Comprehensive Income or directly in Equity.

Calculation of Current Tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred Income Taxes are calculated using Balance Sheet Approach. The Current Tax and Deferred Tax so calculated are adjusted for the uncertainty of tax treatment by the tax authorities at each reporting date.

Deferred Tax Liabilities are generally recognised in full for all taxable temporary differences

Deferred Tax Assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

## **4.9 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## **4.10 EQUITY, RESERVES AND DIVIDEND PAYMENTS**

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from retained earnings, net of any related income tax benefits.

Other components of equity includes Other Comprehensive Income arising from actuarial gain or loss on re-measurement of defined benefit liability and return on plan assets

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity. Annual dividend distribution to shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

## **4.11 POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS**

The employees of the Company are on secondment basis from the holding company i.e. NBCC (India) Limited. Employee benefits include provident fund, pension, gratuity, post

retirement scheme & other terminal benefits. In term of the arrangement with the Holding Company, the company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the company. Accordingly, these employees' benefits are treated as defined contribution scheme.

#### **4.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on basis of judgment of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when realization of income is virtually certain.

#### **4.13 ARBITRATION AWARDS**

Arbitration/Court's awards, to the extent not taken into accounts at the time of initiation, shall be accounted for after it becomes decree. Interest to / from in these cases are accounted for on actual payment/receipt basis.

#### **4.14 LIQUIDATED DAMAGES**

Liquidated Damages / Compensation for delay in respect of clients/ contractors, if any, are accounted for when payment is probable which is the point when matter is considered settled by management.

#### **4.15 PRIOR PERIOD EXPENDITURE/ INCOME**

Expenditures / incomes relating to prior periods and considered not material has been accounted for in the respective head of accounts in the current year.

#### **4.16 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

Financial Statements are prepared in accordance with GAAP in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income & expenses during the periods. Although these estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of financial statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying financial statements. Any

revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Accounting Standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

#### **Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

**Revenue recognition** – where revenue contracts include deferred payment terms, the management determines the fair value of consideration receivable using the expected collection period and interest rate applicable to similar instruments with a similar credit rating prevailing at the date of transaction.

**Recoverability of advances/ receivables** – The CEO and Unit In charge from time to time review the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

**Contingencies** - Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**Provisions for warranties** - Management's estimate of the warranties is based on engineering estimates and variation in these assumptions may impact the provision amount and the annual warranty expenses.

**Liquidated damages** - Liquidated damages receivables are estimated and recorded as per contractual terms; estimate may vary from actual as levy on contractor.

#### **4.17 STANDARDS ISSUED AND ARE EFFECTIVE**

The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified amendments to certain Ind AS. The Company

applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## 1. Amendments to Ind AS 1 and Ind AS 8

### Definition of Materiality:

The amendments provide a new definition of materiality that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the company.

## 2. Amendments to Ind AS 103:

### Definition of a Business:

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the company, but may impact future periods had the Company enter into any business combinations.

## 3. Amendments to Ind AS 107 and Ind AS 109

### Interest Rate Benchmark Reform:

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

## 4. Amendments to Ind AS 116

### Covid-19 Related Rent Concessions:

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession



the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The company do not observe any such case during the year hence there is no impact of the amendment.

**5. Conceptual Framework for Financial Reporting:**

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

**6. Amendments to CSR requirement**

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated 22 January 2021, These amendments have introduced some significant changes that require better understanding to ensure compliance. The amendments, amongst others, mandatorily require utilisation of the unspent amount earmarked for CSR activities, failing which it would be transferred to a fund specified in Schedule VII of the Companies Act, 2013. Resultantly, the Company will have to make a provision towards unspent CSR spent, if any, at the end of the year, after deducting the provision created for the CSR activity completed, if applicable and as provided.

The amendments also permit a company which spends an amount in excess of the prescribed CSR amount of 2%, to set-off excess amount against the requirement to spend up to immediately succeeding three financial years subject to the fulfilment of certain conditions. As per the guidance issued by the ICAI, in case the Company, decides to adjust excess amount spent against future obligation, then an asset would have to be recognised to the extent of such excess amount spent.

**STANDARDS ISSUED BUT NOT EFFECTIVE**

1. On March 24, 2021, Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet**

- a. Lease liabilities should be separately disclosed under the head duly distinguished as current or non- current.
- b. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of

the current reporting period.

- c. Specified format for disclosure of shareholding of promoters.
- d. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- e. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- f. Specific disclosure under regulatory such as compliance with approved schemes of arrangements compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

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

- a. Additional Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income, and crypto or virtual currency specified under the head “additional information” in the Notes to Accounts forming part of the standalone financial statements.

## Notes to Financial Statements

### Note 2

(₹ in lakh)

S. No	Gross Carrying Amount (At Cost)								Accumulated Depreciation				Accumulated Impairment			Net Book Value	
	As at 1st April 2020	Additions	Disposals	As at 31st March 2021	As at 1st April 2020	Depreciation charge for the period	On Disposals	As at 31st March 2021	As at 1st April 2020	For the year	Reversal	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14			
<b>FIXED ASSETS</b>																	
<b>A</b>																	
<b>Tangible Assets (Not Under Lease)</b>																	
Land And Building	1,910.60			1,910.60	45.50	30.24		75.74					1,834.86	1,865.10			
Furniture and Fixtures	72.32		0.00	72.32	10.95	6.76	0.00	17.71	0.00	0.00	0.00	0.00	54.61	61.37			
Office Equipment	1.60	0.20		1.80	1.01	0.15		1.16					0.65	0.59			
Computers and data processing units	2.92		0.00	2.92	1.61	0.07		1.68					1.24	1.32			
<b>Total (A)</b>	<b>1,987.44</b>	<b>0.20</b>	<b>0.00</b>	<b>1,987.64</b>	<b>59.07</b>	<b>37.22</b>	<b>0.00</b>	<b>96.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,891.36</b>	<b>1,928.38</b>			
<b>B</b>																	
<b>Intangible assets</b>																	
<b>Total (B)</b>	<b>1.51</b>	<b>0.00</b>	<b>0.00</b>	<b>1.51</b>	<b>1.51</b>	<b>0.00</b>	<b>0.00</b>	<b>1.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			
<b>Total (A+B)</b>	<b>1,988.95</b>	<b>0.20</b>	<b>0.00</b>	<b>1,989.15</b>	<b>60.58</b>	<b>37.22</b>	<b>0.00</b>	<b>97.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,891.36</b>	<b>1,928.38</b>			
Previous Year	1,987.48	1.47	0.00	1,988.95	22.14	38.44	0.00	60.58	0.00	0.00	0.00	0.00	1,928.37	1,965.34			

### Note 3

(₹ in lakhs)

Non-Current Tax Assets	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Advance Income Tax Unsecured Considered Good	265.54	472.32
Less : Provision Taken	(192.29)	(413.78)
		-
<b>Total</b>	<b>73.25</b>	<b>58.54</b>

### Note 4

(₹ in lakhs)

Deferred Tax Assets (Net)	Opening Balance as at 1 April 2020	Charged / (Credited) to Profit & Loss	Charged/ (Credited) to Equity	Total As at 31st, March 2021
<b>Deferred Tax Assets</b>				
Provision for Employee Benefits, Depreciation and Impairment Allowances				
Provision for Employee Benefits	24.31	(8.61)		15.70
Provision for Depreciation	(80.77)	(31.12)		(111.89)
Provision for Impairment Allowances	152.61	30.13		182.74
<b>Total</b>	<b>96.14</b>	<b>(9.59)</b>	<b>-</b>	<b>86.55</b>

### Note 5

(₹ in lakhs)

Trade Receivables	As at 31st March, 2021 (audited)		As at 31st March, 2020 (Audited)	
Secured				
Unsecured:				
- Considered good (from Holding Company/Other Related Parties) (Refer Note.28)	2,366.51		2,302.72	
- Considered good (from others)	2,452.80		1,491.77	
Trade Receivables Considered Goods Unsecured				
Trade Receivable which has significant increase in Credit Risk				
Trade Receivable - Credit Impaired				
	-		-	
		4,819.31		3,794.48
Impairment Allowance for :				
Unsecured, Considered good (Refer Note no. 28)	(726.08)	(726.08)	(606.36)	(606.36)
Unsecured, Considered doubtful				
<b>Total</b>		<b>4,093.23</b>		<b>3,188.12</b>

## Note 6

(₹ in lakhs)

Cash and Cash Equivalents	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Balances with Banks in Current Account *	540.63	129.86
Cheques in Hand	21.34	-
Bank deposits upto 3 months Maturity**	1,952.37	945.54
Interest Accrued on Flexi Deposits	0.53	0.28
<b>Total</b>	<b>2,514.87</b>	<b>1,075.69</b>
*Includes balance held in separate bank accounts on behalf of clients/ministries	521.19	51.27
** Client Deposits	507.09	642.95

## Note 7

(₹ in lakhs)

Bank balance other than above	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
<b>Other Bank Balances</b>		
Bank deposits more than 3 months and upto 12 months Maturity *	508.62	350.37
Interest Accrued on Fixed Deposits	32.74	<b>18.24</b>
<b>Total</b>	<b>541.36</b>	<b>368.61</b>

\* FDR in Banks

## Note 8

(₹ in lakhs)

Other Financial Assets	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Advance recoverable from Staff	-	3.13
Unbilled Revenue	-	-
Other Current Assets		
EMD	41.00	19.16
<b>Amount Recoverable</b>		
Holding Company and other Related Party		-
Others Recoverable	79.10	23.23
<b>Total</b>	<b>120.10</b>	<b>45.52</b>

## Note 9

(₹ in lakhs)

Current Tax Assets (Net)	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Advance Income Tax		-
Unsecured, considered good	-	258.54
Less: Provision for taxation	-	(192.29)
(Refer Note No.18)		66.25
<b>Total</b>	<b>-</b>	<b>66.25</b>

## Note 10

(₹ in lakhs)

Other Current Assets	As at 31st March, 2021 (audited)		As at 31st March, 2020 (Audited)	
Advances to PRWs, Suppliers & Others				
-Advance/ Financial Assistance to Contractor				
- Secured Considered Good	-		-	
- Unsecured Considered Good	4.39		14.79	
-Doubtful			-	
Less: Provision		4.39	-	14.79
Prepaid Expenses				1.22
Balance With Govt Authority		596.51		514.65
<b>Total</b>		<b>600.91</b>		<b>530.66</b>

## Note 11

(₹ in lakhs)

Share Capital	As at 31st March, 2021 (audited)		As at 31st March, 2020 (Audited)	
	Number	Amount	Number	Amount
<b>Authorised:</b>				
Equity Shares of Rs. 10/- each (Previous Year Rs.10/- each)	50,00,000	500.00	50,00,000	500.00
<b>Issued, Subscribed &amp; Paid up</b>				
Fully paid up Equity Shares of Rs.10/- each (Previous Year Fully Paid Equity Shares of Rs.10/- each)	30,00,000	300.00	20,00,000	200.00
<b>Total</b>	<b>30,00,000</b>	<b>300.00</b>	<b>20,00,000</b>	<b>200.00</b>

## Note 11 A

(₹ in lakhs)

Share Capital	Equity Shares			
	As at 31st March, 2021 (audited)		As at 31st March, 2020 (Audited)	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,00,000	200.00	20,00,000	200.00
Add : shares issued during the year	10,00,000	100.00	-	-
Shares outstanding at the end of the year	30,00,000	300.00	20,00,000	200.00

## Note 11 B

The Company has only one class of equity shares and the shareholders of the company are entitled to receive dividends as and when declared by the company and enjoy proportionate voting rights in case any resolution is put to vote.



### Note 11 C

Shareholders holding more than 5% of fully paid-up equity shares:

(₹ in lakhs)

Name	As at 31st March, 2021 (audited)		As at 31st March, 2020 (Audited)	
	No. of Shares	Percentage	No. of Shares	Percentage
All Shares are held by Holding Co. i.e NBCC (India) Limited and its nominees	30,00,000	100%	20,00,000	100%

### Note 12

(₹ in lakhs)

Trade Payables	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Due to Micro, Small and Medium Enterprises	0.49	-
Due to others		
- Amount Withheld against work	8.98	29.88
- Trade Payables To NECL	-	2.14
- Trade Payables for Works & Services	4,521.91	2,920.25
<b>Total</b>	<b>4,531.38</b>	<b>2,952.27</b>

# Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

(₹ in lakhs)

Particular	As at 31st March, 2021 (Audited)	As at 31st March, 2020 (Audited)
The principal amount remaining unpaid as at end of year.	0.49	-
Interest Due on above Principal and remaining unpaid as at the end of the year	-	-
The amount interest paid by the buyer in terms of section 16, of the (MSMED) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have paid but beyond the appointed day during the year) but without adding the interest specified under (MSMED) Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the (MSMED) Act, 2006	-	-
<b>Total</b>	<b>0.49</b>	<b>-</b>

### Note 13

(₹ in lakh)

Other financial liabilities (Current)	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Earnest Money & Security Deposits	970.73	835.22
Other Payables	113.78	218.34
<b>Total</b>	<b>1,084.51</b>	<b>1,053.56</b>

## Note 14

(₹ in lakhs)

Other Current Liabilities	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Statutory Dues payable	196.22	70.66
Advance from Clients	813.62	452.00
Amount Received in Advance	-	-
Amount Payable to Holding Company For Purchase of Property (Refer Note 28)	-	449.95
Other Payables to Holding Company (Refer Note 28)	47.12	27.10
<b>Total</b>	<b>1,056.97</b>	<b>999.72</b>

## Note 15

(₹ in lakhs)

Provisions-Current	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Provision for Others		
- Provision For CSR Activities	-	22.17
<b>Total</b>	<b>-</b>	<b>22.17</b>

## Note 15A

(₹ in lakhs)

Current Tax Liabilities(Net)	As at 31st March, 2021 (audited)	As at 31st March, 2020 (Audited)
Current Tax Liabilities	103.38	-
<b>Total</b>	<b>103.38</b>	<b>-</b>

## Note 16

(₹ in lakhs)

Revenue from Operations	For the Year ended March, 2021	For the Year ended March, 2020
<b>Value of Services</b>		
Value of Work Done (Project Management & Supervision Services)	14,684.00	11,842.11
<b>b) Other Operating Revenue</b>		
Tender Fee & Other Receipts	83.33	85.57
Credit balance written back	85.72	128.85
<b>Total</b>	<b>14,853.05</b>	<b>12,056.53</b>

(₹ in lakhs)

The table below presents disaggregated revenues from contracts with customers for the Period ended 31.03.2021 by nature and contract-type:

Disaggregation of Revenue By		For the Year ended March, 2021	For the Year ended March, 2020
Types of Contract	Cost Plus Contracts	13408.78	10551.49
	Fixed Price Contracts	1275.22	1290.62
<b>Total</b>		<b>14684.00</b>	<b>11842.11</b>
Timing of Satisfaction of Performance obligation	Over the Period of Time	<b>14,684.00</b>	<b>11,842.11</b>
	At the point Time		
<b>Total</b>		<b>14,684.00</b>	<b>11,842.11</b>
Method of Measurement of Performance	Input Method	14,684.00	11,842.11
	Output Method		
	Stand Alone Selling Price		
<b>Grand Total</b>		<b>14,684.00</b>	<b>11,842.11</b>

### Note 17

(₹ in lakhs)

Other Income	For the Year ended March, 2021		For the Year ended March, 2020	
Interest Income				
(i) From Banks	61.57		70.66	
(ii) From Contractors			0.80	
(iii) On Income Tax Refund		61.57		71.45
<b>Total</b>		<b>61.57</b>		<b>71.45</b>

### Note 18

(₹ in lakhs)

Cost of Work and Consultancy Expenses	For the Year ended March, 2021	For the Year ended March, 2020
Cost of Work Expenses (without material)	365.61	790.11
Cost of Work Expenses (with material)	12,152.66	9,495.21
Consultancy Expenses	50.16	18.64
<b>Total</b>	<b>12,568.43</b>	<b>10,303.96</b>

### Note 19

(₹ in lakhs)

Employee Benefits Expense	For the Year ended March, 2021	For the Year ended March, 2020
Salaries and incentives	631.86	665.36
Contributions to Provident and other fund	49.23	51.09
Contribution for Pension	28.04	29.32
Gratuity fund contributions	19.27	20.01
Post Retirement Medical Benefit	24.80	25.75
Leave Encashment	44.51	46.22
Staff welfare expenses	4.92	3.82
<b>Total</b>	<b>802.63</b>	<b>841.59</b>

## Note 20

(₹ in lakhs)

Other Expenses	For the Year ended March, 2021	For the Year ended March, 2020
Advertisement	0.02	1.6
Hire Charges	5.70	5.71
Auditor's Remuneration	3.81	3.23
Bank charges & Guarantee Commission	0.05	0.19
Conference & Management Development Expenses	0.48	1.00
CSR Expenditure	19.56	22.17
Internal Audit Fees	0.90	0.90
Legal & Professional Charges	8.93	15.23
Postage & Telephone	2.26	2.29
Printing & Stationery	3.69	3.16
Repairs & Maintenance		
- Others	0.40	1.32
Travelling & Conveyance	2.19	2.29
Water & Electricity	5.14	2.51
Impairment Allowances for Trade Receivables	119.72	184.28
Miscellaneous. Expenses	3.03	2.06
<b>Total</b>	<b>175.88</b>	<b>247.93</b>

## Note 21

(₹ in lakhs)

Payment to Auditors	For the Year ended March, 2021	For the Year ended March, 2020
Audit fee	1.65	1.50
Tax Audit	0.55	0.45
Limited Review	1.62	1.28
<b>Total</b>	<b>3.81</b>	<b>3.23</b>

## Note 22

(₹ in lakhs)

Income tax	For the Year ended March, 2021	For the Year ended March, 2020
<b>Tax expense comprises of:</b>		
Current income tax	306.98	192.29
Deferred tax	9.59	63.64
Provision For earlier Year Written Back	(51.72)	-
<b>Total</b>	<b>264.85</b>	<b>255.93</b>

## Note 23

(₹ in lakhs)

Write Off	For the Year ended March, 2021	For the Year ended March, 2020
Debit Balance Written Off	110.40	27.15
<b>Total</b>	<b>110.40</b>	<b>27.15</b>

## Note 24

### Earnings per share (“EPS”):

The Earnings per Share (“EPS”) is determined based on the net profit attributable to the shareholders’ of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options (using the treasury stock method for options), except where the result would be anti-dilutive.

(₹ in lakhs)

Earnings per share	For the Year ended March, 2021	For the Year ended March, 2020
<b>Profit attributable to equity holders of the Company:</b>		
Continuing operations	955.22	412.98
Discontinued operation	-	-
<b>Profit attributable to equity holders of the Company for basic earnings</b>	955.22	412.98
<b>Profit attributable to equity holders of the Company adjusted for the effect of dilution</b>	955.22	412.98
Weighted average number of Equity shares for basic EPS (in Units)	30,00,000	20,00,000
<b>Earnings per equity share (for continuing operation):</b>		
(1) Basic (₹)	31.84	20.65
(2) Diluted (₹)	31.84	20.65

## Note 25

The Board of Directors of the Company has approved capital expenditure for purchase of office premises in NBCC Centre, Okhla, New Delhi from the holding company admeasuring 7934 sq.ft., containing 7 Units from Unit No G-1 to G-7, at a total cost of Rs. 19.89 cores excluding stamp duty, registration charges. The Approval of Ministry of Housing & Urban Affairs received on 25.06.2019. Out of the above, the company has received allotment letter vide ref no NBCC/REM/OKHLA/AL/2018/1823 dated 25.09.2018 for Unit No G1 and G2 and provisional allotment vide ref no NBCC/REM/OKHLA/AL/2018/1824 dated 28.09.2018 for Unit No G3 to G7. The due amount towards purchase of Office has already released to Holding Company. Title deed in the name of Company is yet to be executed, however, the amount is recognised in the books as Fixed Assets as the company is in possession of all the units and depreciation has been charged accordingly.

## Note 26

As per Indian Accounting Standard -24, the list of the related parties during the period is given below:

- (a) Holding Company  
NBCC (INDIA) Limited
- (b) NBCC Engineering and Consultancy Limited (“NECL”) -Subsidiary of holding Company.
- (c) Key Managerial Personnel:
  - (i) Mr. N K Shah, Director
  - (ii) Mr. Rakesh Gupta, Director
  - (iii) Mr. Mukat Bihari Singhal, Director (Date of Joining: 01.02.2021)
  - (iv) Mr Novman Ahmed, CEO
  - (v) Mr. Amarnath Mourya, CFO
  - (vi) Ms B.K Shokey (Date of Cease to Director: 31.01.2021)

Transactions with the related parties during the period are as under:

(a) NBCC (INDIA) Limited- Holding Company

(₹ in lakhs)

Particulars	For the Year ended on March 31, 2021 (Audited)	For the Year ended on March 31, 2020 (Audited)
Nature of Transaction		
Opening Balance	2,295.95	2,833.48
Add: Service rendered	3,618.27	3,311.38
Less: Rent Paid	-	-
Less: Service Received	(217.30)	(1,675.78)
Less: Amount Received/Adjusted/Advances/TDS (Net)	(3,330.41)	(2,173)
Receivable/(payable) (Refer Note No. 5)	<b>2,366.51</b>	<b>2,295.95</b>
Amount Recoverable (refer Note 8)	-	-
Receivable/(payable) at the end of the period	<b>2,366.51</b>	<b>2,295.95</b>
Amount Payable For Property Purchase (Refer Note 16)	-	(449.95)
(ii) Employee benefit and other payable		
Opening Balance	(27.10)	(34.63)
Less; :Amount Adjusted From Operation	-	-
Less: Amount adjusted/paid	352.61	382.95
Add: Amount payable for fixed contribution	(150.62)	(91.99)
Add: Amount payable to Employee Benefit and Others	(222.00)	(283.43)
Receivable/(payable) at the end of the period	<b>(47.12)</b>	<b>(27.10)</b>
<b>Net Receivable/(Payable)</b>	<b>2,319.39</b>	<b>1,818.90</b>
<b>Impairment allowance (refer Note 5)</b>	<b>726.08</b>	<b>606.36</b>
<b>Security Deposit (refer Note 8)</b>	-	-

(b) NECL

(₹ in lakhs)

Particulars	For the Year ended on March 31, 2021 (Audited)	For the Year ended on March 31, 2020 (Audited)
<b>Opening Balance</b>	4.62	8.37
Service rendered	-	10.28
Less: Amount received/adjusted/TDS	4.62	(11.88)
Less: Services Received	-	(2.14)
Net Receivable/(Payable) (Refer Note No. 5)	-	4.62

**(C) Salary Other employee benefits paid to CEO & CFO during the period**

(₹ in lakhs)

Particulars	For the Year ended on March 31, 2021 (Audited)	For the Year ended on March 31, 2020 (Audited)
Salaries and Incentives	56.69	63.13
Contribution for provident fund & pension fund	5.71	6.92
Other Employee Benefits	6.62	8.01
<b>Total</b>	<b>69.02</b>	<b>78.06</b>

**NOTE 27**

**Indian Accounting Standard-108 “Segment Reporting”**

The Company during the period is engaged in project management and supervision services which is the only primary business segment and as such the requirement of Segment wise reporting is not attracted.

**NOTE 28**

Balances of Trade Receivables , Trade Payables, Other Payables and Loans & Advances are subject to reconciliation and confirmation. Adjustment, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

**NOTE 29**

Contractors’ claims for price variation/extra work etc. are accounted for as cost of work to the extent such claims are accepted and approved by the engineer of the company by certifying the running bills raised by the contractors. The adjustments, if any shall be accounted for at the time of approval/settlement of final bill by the competent authority, which in the opinion of the management will not have a material impact.

**NOTE 30**

During the earlier year, one of the clients had raised a claim on the company for recovery of Rs. 95.60 Lakhs for short deployment of personnel by the contractor and adjustment from the pending payments to the company, though the company had recovered the said amount from the contractor. The company had referred the said matter to Chief Vigilance Officer (“CVO”) to examine irregularities, if any with regard to processing of the bills by the officials, the matter is still under investigation.

**NOTE 31**

In the opinion of the management, the value of current assets on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

**NOTE 32**

The Major Components of Income Tax Expense and the reconciliation of Expected Tax Expense based on the Domestic Effective Tax rate of the Company and the reported Tax Expense in Profit or Loss are as follows

(₹ in lakhs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Profit Before Tax From Continuing Operation	1,220.07	668.91
Accounting Profit Before Income Tax	1,220.07	668.91
Statutory Income Tax Rate	25.17%	25.17%
Income Tax	307.07	168.35
Tax Effect Due to Non Taxable Income	0.00	0.00
Effect of Tax Incentive	0.00	0.00



Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Effect of Non Deductible Expenses	-0.09	23.94
Additional Deduction of Research and Development Expense	0.00	0.00
Effect Due to Change in Deferred Tax Rate	9.59	63.64
Tax in respect of Earlier Years	-51.72	0.00
<b>Tax Expense</b>	<b>264.85</b>	<b>255.93</b>
<b>Actual Tax Expense</b>	<b>264.85</b>	<b>255.93</b>
<b>Effective Tax Rate</b>	<b>21.71%</b>	<b>38.26%</b>

**NOTE-33 - DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY**

The disclosure in respect of CSR Expenditure is as under:

	Mar-21 (₹ lakhs)	Mar-20 (₹ lakhs)
(a) Gross amount required to be spent by the company during the year.	19.56	22.17

(b) Amount spent during the year on:

Particular	Mar-21			Mar-20		
	In cash	*Yet to be paid in cash	Total	In cash	*Yet to be paid in cash	Total
<b>Construction/acquisition of any asset Other Than " Construction/acquisition of any asset"</b>						
<i>Gift Milk Distribution</i>	-	-	-	2.08	-	2.08
<i>Donation to PM CARES</i>	19.56	-	19.56	20.09	-	20.09
<b>Total</b>	<b>19.56</b>	<b>-</b>	<b>19.56</b>	<b>22.17</b>	<b>-</b>	<b>22.17</b>

YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

**1. Brief outline on CSR Policy of the Company.**

- 1) NSL will function on the principles of its CSR values (vision, mission and objectives) as laid out in Para 1 OF csr Policy
- 2) NSL will abide by Section 135 of Companies Act, 2013 in principle for its CSR functioning read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.
- 3) NSL shall spend 2% of the average Net Profit in immediately preceding three FYs on CSR Activities / Projects
- 4) The surplus arising out of the CSR Projects / programs / activities shall not form part of the Business profit
- 5) Surplus arising out should immediately be recognised as liability for CSR expenditure
- 6) NSL has Board Level CSR Committee consisting of three Directors
- 7) The Board Level CSR Committee should formulate and recommend NSL CSR & SD Policy to the Board and review it periodically. The committee also recommend / approve the CSR Activity and the expenditure to be incurred on the CSR activities

- 8) Based on recommendations of the Board Level CSR Committee, the Board approves NSLCSR & SD Policy, disclose composition of Board Level CSR Committee and contents of CSR & SD Policy in its report and publish it on NSL's website
- 9) The Board shall also ensure that the activities are undertaken as per CSR & SD Policy
- 10) The company shall give preference to local areas and areas around where it operates for spending the amount earmarked for Corporate Social Responsibility activities
- 11) If the company fails to spend earmarked amount for CSR, the Board shall, in its Annual Report, specify the reasons for the same.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Neelesh M Shah	Chairman, NSL CSR Committee	1	1
2	Shri Rakesh Gupta	Member NSL CSR Committee	1	1
3	Shri B K Sokhy*	Member NSL CSR Committee	1	1
4	Shri MB Singhal**	Member NSL CSR Committee		

\*CSR Committee re-constituted on February 01, 2021

\*\*appointed on February 01, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by <https://www.nbccindia.in/Subsidiaries/NSL.html> the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable
5. Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1		Not Applicable	
2			
3			
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5). Rs.978.06 Lakh
7. (a) Two percent of average net profit of the company as per section 135(5) Rs.19.56 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
- (c) Amount required to be set off for the financial year, NIL
- (d) Total CSR obligation for the financial year (7a+7b- Rs.19.56 Lakh

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
19.56 Lakhs	Nil	Not Applicable	PM CARES FUND	19.56 Lakhs	Rs. 18 Lakh paid on 2. April. 2020 and Rs. 1.56 Lakh paid on 11.9.2020

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation Direct (Yes/No).	Name	Mode of Implementation - Through Implementing Agency
				State.	District.						CSR Registration number.	
1.	<b>Not Applicable. All Amount of CSR Budget contributed to PM CARES FUND</b>											
2.												
3.												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Name.	Mode of implementation - Through implementing agency.
				State.	District.			CSR registration number.	
1.	<b>Not Applicable. All Amount of CSR Budget contributed to PM CARES FUND</b>								
2.									
3.									

(d) Amount spent in Administrative Overheads

NIL

(e) Amount spent on Impact Assessment, if applicable

NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

Rs.19.56 Lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 19.56 Lakh
(ii)	Total amount spent for the Financial Year	Rs. 19.56 Lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Lakhs)	Amount spent in the reporting Financial Year (in Rs. Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. Lakhs)
				Name of the Fund	Amount (in Rs. Lakhs)	Date of transfer	
1.	2017-18	Nil	Nil		-		Nil
2.	2018-19	Nil	Nil		-		Nil
3.	2019-20	16.29	16.29	PM CARES Fund	16.29	19.10.2020	Nil
	<b>TOTAL</b>	<b>16.29</b>	<b>16.29</b>		<b>16.29</b>		<b>Nil</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	<b>TOTAL</b>							
<b>ALL Amount has been Contributed to PM CARES FUND</b>								

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). NOT APPLICABLE AS Complete Amount is Contributed to PM CARES FUND

(a) Date of creation or acquisition of the capital asset(s). NOT APPLICABLE

(b) Amount of CSR spent for creation or acquisition of capital Assets NOT APPLICABLE

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NOT APPLICABLE

(d) Provide details of the capital asset(s) created or acquired NOT APPLICABLE

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NOT APPLICABLE

## NOTE 34

### Significant changes in contract assets and liabilities

(₹ in lakhs)

<b>Contract liabilities - Advance from customers</b>	<b>31 March 2021</b>
Opening balance of Contract liabilities - Advance from customers	452.00
Less: Amount of revenue recognised against opening contract liabilities	452.00
Add: Addition in balance of contract liabilities for current year	813.62
<b>Closing balance of Contract liabilities - Advance from customers</b>	<b>813.62</b>

<b>Contract liabilities - Deferred income</b>	<b>31 March 2021</b>
Opening balance of Contract liabilities - Revenue received in advance	-
Add: Amount of revenue recognised reversed on Transition	-
Less: Amount of revenue recognised against opening contract liabilities	-
Add: Addition in balance of contract liabilities for current year	-
Closing balance of Contract liabilities - Revenue received in advance	-

<b>Contract liabilities - Security deposit</b>	<b>31 March 2021</b>
Opening balance of Contract liabilities - Security deposit	835.22
Less: Amount of unwinding on Transition	-
Less: Amount of unwinding reversed during the year	-
Less : Deletion in balance of contract liabilities for current year	744.03
Add: Addition in balance of contract liabilities for current year	879.54
Closing balance of Contract liabilities - Security deposit	970.73

<b>Contract assets - Unbilled revenue</b>	<b>31 March 2021</b>
Opening balance of Contract assets - Unbilled revenue	-
Add: Amount of revenue recognised on Transition	-
Less: Amount of unbilled revenue transferred to trade receivables	-
Add: Addition in balance of contract assets for current year	-
Closing balance of Contract assets - Unbilled revenue	-

<b>Contract assets - Security Deposite</b>	<b>31 March 2021</b>
Opening balance of Contract assets - Security deposit	-
Less: Amount of unwinding reversed during the year	-
Add: Addition in balance of contract assets for current year	-
Closing balance of Contract assets - Security deposit	-

### Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

<b>Description</b>	<b>31 March 2021</b>
Amounts included in contract liabilities at the beginning of the year	-
Performance obligations satisfied in previous years	-

### Disaggregation of revenue

There is only stream of revenue from operations i.e. sale of service through engineering, procurement and construction. Same has been disclosed below:

Description	Sale of service
Revenue from contract with customer	14,853.05
Other revenue	61.58
	<b>14,914.64</b>

### Assets and liabilities related to contracts with customers

Description	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of service</b>				
Unbilled revenue	-	-	-	-
Security deposit, if any	-	-	-	-
<b>Contract liabilities related to sale of service</b>				
Advance from customers	-	813.62	-	452.00
Revenue received in advance	-	-	-	-
Security deposit, if any	-	970.73	-	835.22

### Performance obligation of the Company

- The company classifies the right to consideration in exchange for deliverables as either as non-interest bearing receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue from PMC contracts are recognized upon satisfaction of Performance obligation. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. In case of contracts which are in nature of cost plus contracts/fixed contracts, revenue is recognised on the basis of percentage completion method and the consideration is to be recognised at transaction price/fair value. For Project Management and supervision related services, revenue is recognized over time as the customer receives and uses the benefits as the Company performs its obligation. Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet. Performance obligations and remaining performance obligations. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Remaining performance obligation estimates are subject to change and are affected by several factors, such as changes in the scope of contracts, periodic revalidations, terminations, adjustment for revenue that has not materialized and adjustments for exchange rates.
- The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. Consequent upon withdrawal of Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), issued in May 2016 in Real Estate Segment and restructuring of performance obligations in PMC segment, the net cumulative impact of initial application of Ind AS 115 upto March 31, 2018 aggregating to NIL has been appropriated against the retained earnings as at the initial adoption date, as permitted by the standard. Had the company recognised the revenue based on Ind AS 11 and Ind AS 18, the revenue would have been lowered by ` NIL & profit would have been increased by ` NIL respectively for the quarter ending 30.09.2020 & revenue & profit would have been lowered by NIL & NIL respectively for the 12 months ended 30.09.2020. The comparative information is not restated in the financial results.

## NOTE 35

Under Indian GAAP, the Company create provision for Trade Receivable in respect of specific amounts based on management estimate of recoverability. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model (ECL) for Trade Receivables. There is no impact on the Trade Receivable or profit for the year.

### Financial Assets and Liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

#### Financial instruments by category

(₹ in lakhs)

	Note	31 March 2021 (Audited)			31 March 2020 (Audited)		
		FVTPL	Amortised cost	Fair Value	FVTPL	Amortised cost	Fair Value
<b>Financial assets</b>							
Trade receivables	Note 5	-	4,093.23	4,093.23	-	3,188.12	3,188.12
Cash and cash equivalents	Note 6	-	2,514.87	2,514.87	-	1,075.69	1,075.69
Other Bank Balances	Note 7	-	541.36	541.36	-	368.61	368.61
Other financial assets	Note 8	-	120.10	120.10	-	45.52	45.52
<b>Total financial assets</b>		-	<b>7,269.56</b>	<b>7,269.56</b>	-	<b>4,677.94</b>	<b>4,677.94</b>

(₹ in lakhs)

	Note	As at March 31, 2021		As at March 31, 2020	
		FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial liabilities</b>					
Trade payables	Note 14	-	4,531.38	-	2,952.27
Other financial liabilities	Note 15	-	1,084.51	-	1,053.56
<b>Total financial liabilities</b>		-	<b>5,615.89</b>	-	<b>4,005.83</b>

The carrying amount of the financial assets and liabilities carried amortised cost is considered a reasonable approximation of fair value.

### Financial risk management

The Company's activities expose it to credit risk and liquidity risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

#### (A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### (i) Credit risk management

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk



The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expenses credit loss
Low Credit Risk	Cash and cash equivalents, other bank balances and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables and other financial assets	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss

(₹ in lakhs)

Credit rating	Particulars	31 March 2021 (Audited)	31 March 2020 (Audited)
A: Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	3,176.33	1,489.82
B: Moderate credit risk	Trade receivables	4,093.23	3,188.12
C: High credit risk	Trade receivables and other financial assets	-	-

### Concentration of trade receivables

The Company's major exposure to credit risk for trade receivables is towards projects transferred by Holding Company i.e. NBCC (India) Limited.

### Credit risk exposure

### Provision for expected credit losses

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets –

Expected credit loss for trade receivables amounting to ₹ 726.08 lakhs ( on the projects transferred by holding co.) under simplified approach as adopted by holding co.

### 31 March 2021 (Audited)

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Impairment	Carrying amount net of impairment provision
Cash and cash equivalents	2,514.87	-	2,514.87
Other bank balances	541.36	-	541.36
Other financial assets	120.10	-	120.10
Trade Receivables	4,819.31	726.08	4,093.23

31 March 2020 (Audited)

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Impairment	Carrying amount net of impairment provision
Cash and cash equivalents	1,075.69	-	1,075.69
Other bank balances	368.61	-	368.61
Other financial assets	45.52	-	45.52
Trade Receivables	3,794.48	606.36	3,188.12

### Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents which is generated from cash flow from operations. The Company has no outstanding bank borrowings. The Company considers that the cash flows from operations are sufficient to meet its current liquidity requirements.

### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

(₹ in lakhs)

31 March 2021 ( Audited)	Up to one year	More than one year	Total
Trade payable	4,531.38	-	4,531.38
Other Financial liabilities	1,084.51	-	1,084.51

31 March 2020 (Audited)	Up to one year	More than one year	Total
Trade payable	2,952.27	-	2,952.27
Other Financial liabilities	1,053.56	-	1,053.56

### Capital management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

(₹ in lakhs)

Particulars	31 March 2021 (Audited)	31 March 2020 (Audited)
Equity Share Capital	300.00	200.00
Other Equity	2,845.40	2,130.18
Total Equity	3,145.40	2,330.18

**Dividend and reserves**

(₹ in lakhs)

Distribution Made and Proposed	31 March 2021 (Audited)	31 March 2020 (Audited)
Final Dividend	-	350.00
DDT on Final Dividend	-	71.94
<b>Total</b>	-	<b>421.94</b>

**NOTE 36**

Previous year/period figures have been regrouped/ recast/ rearranged wherever deemed necessary to conform to current year's classification.

**NOTE 37**

**"Contingent Liability, Contingent Asset and Commitments (To the extent Not Provided For)"**

(₹ in lakhs)

(A)- Contingent Liabilities	As At 31.3.2021	As at 31.3.2020
Claims against Company Not Acknowledged as Debt. Counter Claim of Corporation against these claims amounting to Rs 655.83 Lakh (Mar 31, 2019 Rs. 650.82 Lakh & Mar 31,2021 Rs 5 Lakhs ) Not accounted for in books	58.31	58.31
(B) - Contingent Assets	Nil	Nil
(C) - Commitments	Nil	Nil

**NOTE 38**

**Ind AS 116 (Leases)**

Adjustments recognised on adoption of Ind-AS 116

There was no contract as on date of adoption of IND AS 116 and hence the effect is Nil.

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021
Operating lease commitments disclosed as at 31 March 2021		-
Recognition exemptions:		
Leases of low value assets		-
Leases with remaining lease term of less than 12 months		-
Variable Lease Payment		-
Other minor adjustments relating to commitment disclosures		-
Discounted using the effective interest rate of at the date of initial application		-
Lease liability recognised as at 1 April 2019		-

**Movement in Lease Liability**

Particulars	Note No.	As at March 31, 2021
Balance at the Beginning		-
Additions		-
Accretion of interest		-
Deletions		-
Payment of Lease Liability		-
<b>Net balance</b>		<b>-</b>

Particulars	Note No.	As at March 31, 2021
Current Lease Liability		-
Non-Current Lease Liability		-
<b>Total</b>		-

#### Contractual maturities of lease liabilities

Particulars	As at March 31, 2021
Within 1 year	-
1-3 years	-
More than 3 years	-

#### NOTE 39

##### Regrouping / Reclassified

Previous year figures have been regrouped and/or reclassified, wherever, necessary to conform to those of the current year grouping and/or classification. have been shown in brackets.

#### NOTE 40

##### Events After Balance Sheet Date

Proposed Dividend ₹ 12.50 per share on face value of ₹ 10.00 per share (previous year ₹ 2.00 per share on face value of ₹ 10 per share)

#### NOTE 41

##### Details of Impact of COVID - 19

1)-Capital and Financial Resources.	The Outbreak of covid -19 did not have a major impact on the business and execution on the company as despite negligible turnover during the First Quarter the company improved its performance during the balance year and posted an increase in Turnover and Net Profit over the previous year.This was also due to caution applied by the management towards fixed costs of the company which bought in cost discipline and improved the profitability of the company.In view of the fact that services rendered by NSL are required by most of the clients,despite lockdown and work from home, it is expected that the lockdown due to the second wave and possible third wave would not have a major impact on the company's earning ability.
2)- Profitability	
3)- Liquidity Position	
4)-Ability to Serve debt and Other Financing arrangements	
5)-Assets	
6)-Internal Financial Reporting And Control.	
7)- Supply Chain	
8)- Demand for Products / Services	













**NBCC SERVICES LIMITED**  
( A wholly owned subsidiary of NBCC (India) Limited)

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