



# NBCC SERVICES LIMITED

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



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

2017-18



**Interior work of GST council**



**INAUGURATION OF CCI ON 30.08.18**



**Registered & Corporate Office**

## **NBCC SERVICES LIMITED (NSL)**

(A Government of India Enterprise)

CIN-U74900DL2014GOI272532

Shop No. 25/2, Basement, NBCC Place

Bishma Pitamah Marg, Pragati Vihar, New Delhi – 110 003

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Phone: 011-24360907







**EXPORT IMPORT BANK OF INDIA, 7<sup>TH</sup> FLOOR,  
EAST KIDWAI NAGAR**



**SECRETARY ROOM, DIPAM**

## NBCC SERVICES LIMITED – A BRIEF PROFILE

**N**BCC 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 as National Informatics Centre Services Inc. (NICSI), Bharat Broadband Nigam Ltd. (BBNL), National Informatics Centre (NIC), Neyvelli Lignite Corporation (NLC), National Commission of Women (NCW), Ministry of Corporate Affairs (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.

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## CORPORATE 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.

## OBJECTIVES

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.

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## REFERENCE INFORMATION

### **Registered Office**

Shop No. 25/2, Basement, NBCC Place,  
Bishma Pitamah Marg,  
Pragati Vihar, New Delhi – 110003

### **Statutory Auditors**

M/s Aiyar & Company

### **Bankers**

Syndicate Bank  
Canera Bank



**CONFERENCE ROOM, NORTH BLOCK**



**OFFICE OF CHAIRMAN, NATIONAL ANTI- PROFITEERING  
AUTHORITY, MINISTRY OF FINANCE**



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# BOARD OF DIRECTORS



**Shri Neelesh Shah**  
Chairman

Shri Neelesh Shah is the chairman of NBCC services Ltd. w.e.f. 23rd March, 2018. He 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 32 years holding several key positions in NBCC (India) Limited and manifested many landmark projects for NBCC (India) Limited in India and abroad.



### **Smt B K Sokhey**

Director, NBCC Services Ltd

Mrs. B. K. Sokhey is director on the Board of NBCC Services Ltd. She assumed the charge of Executive Director (Finance) of NBCC (India) Limited on October 1, 2016. She started her career with NBCC on January 15, 1990.

Mrs. Sokhey has more than 26 years of rich experience of working in different capacities in all the sections and departments of Accounts and Finance. She has wide exposure in Treasury, Compilation & Preparation of Balance Sheet, Tendering, Establishment, Investor Relations and IPO Management. Presently, she oversees the functions of Treasury Management, CPG, MIS, Financial Review of RBG/SBG, CPF, Establishment, Co-ordination.

She is also on the Boards of NBCC International Ltd. and Real Estate Development & Constructions Corporation of Rajasthan Limited, as a Director. Mrs. B.K. Sokhey holds the B.Com (Honours) degree from the prestigious Shree Ram College of Commerce of Delhi University and is a Fellow of Institute of Cost Accountants of India.



### **Shri Rakesh Gupta**

Director, NBCC Services Ltd

Shri Rakesh Gupta is Director on the Board of NBCC Services Limited . He joined NBCC on 01.10.1985 and subsequently climbed up the ladders of success to become Executive Director (Engg). He holds B.E. (Civil Engineering) degree from Government Engineering College, Ujjain (MP). In his initial years of professional career, he has worked as Graduate Engineer (Civil) in Himachal Pradesh Public Works Department from October, 1983 to September, 1985 in the field of designing, water supply schemes, bridges and buildings.



### **Shri M C Sharma**

Chief Executive Officer, NBCC Services Ltd

Shri Mahesh Chandra Sharma is the Chief Executive Officer of NBCC Services Limited . He joined NSL on 08.05.2018. He graduated in Civil Engineering from RIT (now NIT), Jamshedpur in 1983, started his career with Shapooji Pallonji as Site Engineer with their prominent project of Pelletron Accelerator at TIFR Mumbai.

Shri Sharma has served the Organization for more than 32 Years in various capacities in Domestic as well as Overseas Projects. During his tenure, he has worked in various projects such as ITDC Hotel in Guwahati, Stilt+20 Storied Towers in Mumbai, Mass Housing Project using Tunnel form Technology in Turkey, 2X500 MW Main Plant Civil & Structural works at Rihand, DHP Ahmednagar besides working in Coordination Division in Head Office, and 5 years in Republic of Yemen.



## CHAIRMAN'S ADDRESS

*Dear Shareholders,*

On behalf of the Board of Directors, I am glad to present the 4th Annual Report on performance of NBCC Services Limited (NSL) along with audited statement of accounts, auditor's report and review of accounts by the Comptroller and Auditor General of India for financial year 2017-18.

NSL was set up on October 16, 2014 as a wholly-owned subsidiary of NBCC (India) Limited with a mandate to extend maintenance services as well as interior design and planning services to clients of projects completed by the parent company.

During the initial one-and-a-half years, NSL was mainly dependent on the holding company. The scenario has changed now, and the company is now getting direct orders from clients. NSL performed extremely well during 2017-18 and earned a name for itself in maintenance as well as interior renovation projects.

It secured orders from various organizations like Competition Commission of India, Export Import Bank of India, Agriculture Insurance Company of India, Bharat Broadband Network Limited, Central Registry of Securitization Asset Reconstruction and Security Interest of India, Central Bureau of Investigation, National Insurance Company Limited, National Textile Corporation Limited and Energy Efficiency Services Limited.

### Financial Highlights

During financial year 2017-18, your company achieved a turnover of Rs 88.6 crore against Rs 108.78 crore in the previous year. It was less than the targeted turnover of Rs 101 crore due to adjustment of GST @18%.

However, the net profit after tax increased to Rs 6.97 crore in FY 2017-18 compared to Rs 6.81 crore in the previous year, Company's performance has shown improvement as the PAT has been increased to Rs.6.96 Cr (7.85% of Total Income) from Rs. 6.81 Cr of previous Year (6.26% of Total Income) even after slight reduction in Turnover due to GST.

### Business Prospects

The company has initiated new operation and maintenance projects of Central Information Commission at the old JNU campus, Civil Services Officers' Institute, NBCC Heights Sector 89 and NBCC Green Valley Sector 37-D besides the existing 15 projects.

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 conference rooms at the North Block, Pharmacy Council of India, Coal India Limited and office of the 15th Finance Commission.

Your company also executed the Sahara Widow Hostel at Vasant Kunj in New Delhi, which is a joint CSR initiative of NBCC and the Indian Navy. The project initiated in March 2017 has been completed and the hostel is ready for use. The Sainik Rest House at Betul in Madhya Pradesh is another CSR project completed by NSL.

The company is getting many requests to execute projects in Kolkata, Jaipur, Lucknow, Hyderabad and Mumbai besides New Delhi. It can extend operations across the country.

NSL signed the first MoU with the holding company on August 4, 2016. Targets on various dynamic and static parameters have been fixed. It is expected that the company will get 'Excellent' rating of outstanding performance in evaluation by the Department of Public Enterprises.

### IT, CSR Initiatives

NSL in the final stage of implementing Enterprise Resource Planning (ERP) software which will go a long way in integrating management of core business processes in real time. Under the CSR initiatives, your company contributed to the Swachh Bharat Kosh of the government. It also contributed to the Red Cross Society for purchase of an ambulance.

### Dividend

I am extremely glad to announce that the company paid the dividend of Rs 3.3 crore on March 31, 2018 for FY 2017-18 to the holding company. I would like to congratulate NSL and its team on this momentous occasion, and wish everyone good luck in future endeavours.

With this, I would like to conclude my speech. I once again thank you for your continued support and cooperation.

Date : 06 August, 2018  
Place : New Delhi

Sd/-  
**Neelesh Shah**  
Chairman  
DIN: 07444898



## NOTICE

Notice is hereby given that the 4th Annual General Meeting of the members of **NBCC Services Limited** will be held on **Saturday, the September 01, 2018 at 1230 hrs** at NBCC Bhawan, Conference Room, 1st Floor, New Delhi -110003 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, 2018 along with reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of interim dividend amounting to Rs. 10/- (Rupees Ten) per equity share of Rs. 16.5/- each for the FY ended March 31, 2018.
3. To appoint a Director in place of Shri Neelesh Shah (DIN 07444898), who retires by rotation and being eligible, offers herself for re-appointment.
4. To fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller & Auditor General of India for auditing the accounts of the Company for the financial year 2018-19. In this connection to pass with or without modifications the following resolution, as an Ordinary **Resolution**:  
“**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed by Comptroller and Auditor General of India for the financial year 2018-19, as may be deemed fit.”

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

#### **Regularization of Mr. Rakesh Gupta (DIN:08094064 as the Director of the Company)**

#### **REGULARISATION OF APPOINTMENT OF ADDITIONAL DIRECTOR**

“**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. Rakesh Gupta, 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), Mr. Rakesh Gupta, 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. 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 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.”

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

**Sd/-  
Neelesh Shah  
Chairman  
DIN: 07444898**

Place: New Delhi  
Date: 06.08.2018

## NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING (FORM OF PROXY IS ANNEXED).**
2. A person can act as proxy on behalf of members not exceeding fifty (50) & holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.
3. THE 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 MEETING IS ANNEXED HERETO.
4. THE AUDITORS OF A GOVERNMENT COMPANY ARE TO BE APPOINTED OR RE-APPOINTED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) 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 service tax and reimbursement of actual traveling and out of pocket expenses of the Statutory Auditors duly appointed by the Comptroller and Auditors General of India.
5. All documents referred to in the accompanying Notice and statement pursuant to Section 102(1) of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 1000 hrs to 1600 hrs. upto September 05, 2017.
6. 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 meeting.
7. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the 4th Annual General Meeting.
8. Brief profile of the Directors seeking reappointment forms part of the Notice. The directors have furnished consent/declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

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

#### **ITEM NO. 5**

Shri Rakesh Gupta (DIN 08094064), was appointed as Additional Director on 08.03.2018 pursuant to Section 161 of the Companies Act, 2013 and holds office up to the date of the forthcoming Annual General Meeting of the Company and is eligible for re-appointment.

None of the Directors or Key Managerial Personnel (KMP) or their relative is interested or concerned in the resolutions except the Director being re-appointed. The Board recommends the Ordinary Resolution set out at item no. 5 for approval of members.

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

**Sd/-  
Neelesh Shah  
Chairman  
DIN: 07444898**

Place: New Delhi  
Date: 06.08.2018

**Annexure-A**

**BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT  
4th ANNUAL GENERAL MEETING**

Name	Shri Rakesh Gupta (DIN: 08094064)
Date of Birth	10.02.1962
Qualifications	BE (Civil Engineer)
Date of Appointment	08.03.2018
Experience	35 Years
Terms and Conditions of Appointment	As per Central Government Guidelines
Remuneration sought to be paid and the remuneration last drawn	Nil
Date of first appointment at the board	08.03.2018
No. of shares held in NBCC SERVICES LIMITED	-
Relationship with Other Directors and KMP	NA
Number of meetings of the board attended	Two
Expertise in Specific functional area	In his initial years of professional career, he has worked as Graduate Engineer (Civil) in Himachal Pradesh Public Works Department from October, 1983 to September, 1985 in the field of designing, water supply schemes, bridges and buildings. During his tenure in NBCC, he has led implementation of many important projects like UD Projects, Meghalaya; PMGSY works, Tripura; Housing and Development Works, Noida; Oil India Works, Noida; Construction of New Exhibition Centre, Pragati Maidan; Construction of Museum-cum-Documentation Centre, Hetauda, Nepal; Construction of CPRF School and DDA flats in Rohini, Delhi. Besides this, he has worked upon some specialized projects and has also headed Project Management Group (PMG) Division. Presently, he is heading the company's RBG (Delhi-1), looking after various prestigious projects like International Exhibition-Cum-Convention Centre at Pragati Maidan; various projects for IIT, Delhi; Headquarter Building of NIA, New Delhi; SDMC HQ works; works of WHO, IIPA, NTRO, Gujarat and Madhya Pradesh Bhawan's building work; up-gradation of NCDC; and 600 Bedded Hospital at Ambedkar Nagar, Delhi.
Directorship held in other companies	Nil
Memberships/ Chairmanship of Committees of other Companies	Nil

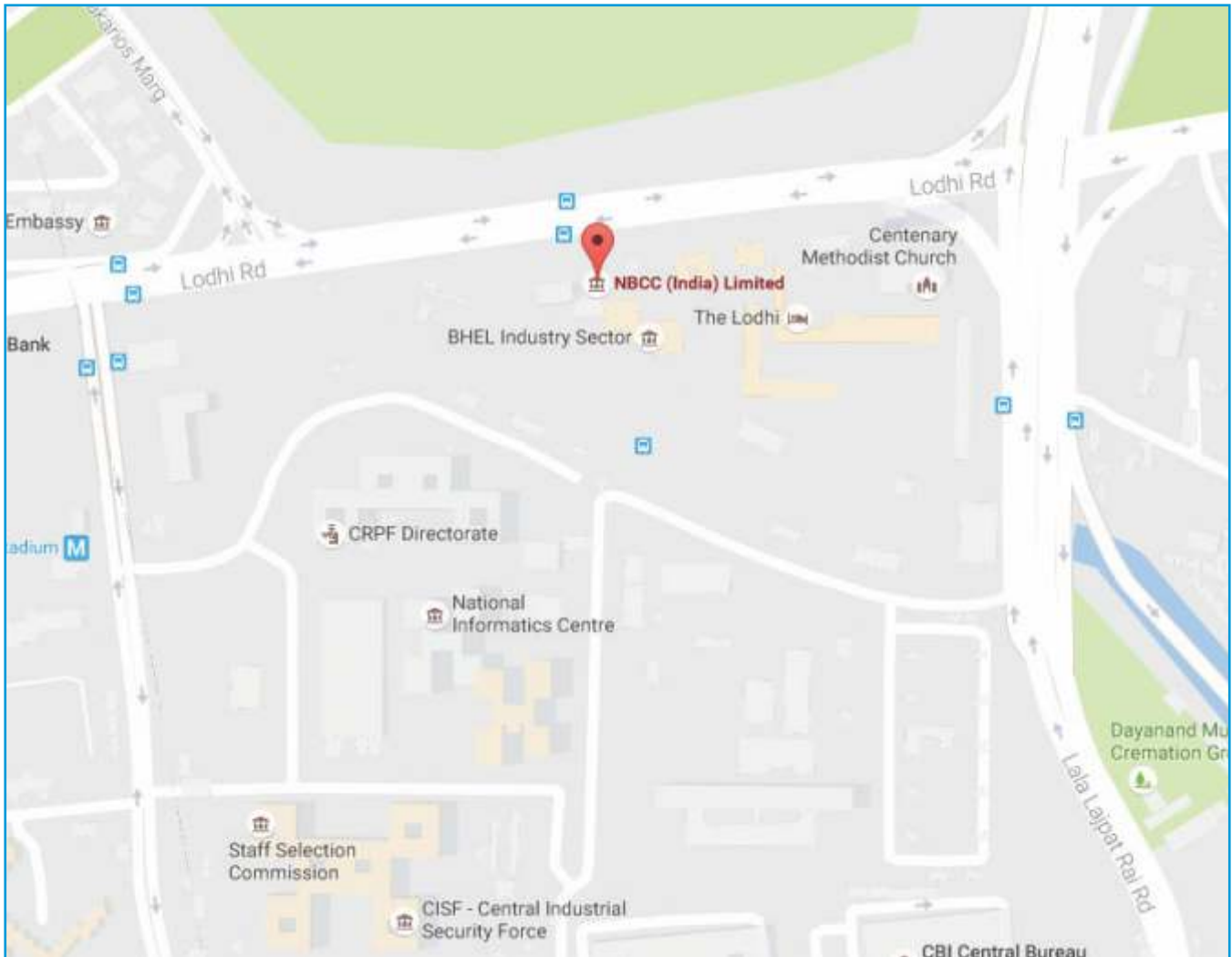
# NSL'S 4<sup>th</sup> ANNUAL GENERAL MEETING

**Date:** September 01, 2018

**Time:** 12:30 HRS

**Venue:** NBCC Bhawan, Lodhi Road, New Delhi - 110003

## Route - Map





## DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present the Forth (4th) Annual Report and the Audited Financial Statements of 'NBCC Services Ltd.'(NSL) for the Financial Year ended March 31, 2018.

### FINANCIAL HIGHLIGHTS

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

(₹ in lakhs)

Particulars	Financial year 2017-18	Financial year 2016-17
Total Income	8860.38	10877.51
Total Expenses	7738.82	9817.90
Profit before Exceptional and Extraordinary items and Tax	1121.56	1059.62
Net Profit/(Loss) After Tax	696.56	681.02
Work in hand as on 1.4.2018	13998.00	

### OPERATIONS AND BUSINESS PERFORMANCE

The total revenue from operations till March 31, 2018 was Rs.8637.34 lacs and Net profit after tax was Rs. 696.56 Lacs

### SHARE CAPITAL

The paid-up share capital of NSL is Rs. 2 Crore divided into Rs 20,00,000 equity shares of Rs 10/- each. NSL being the wholly owned subsidiary of NBCC its all shares are held by NBCC.

### RESERVES

No amount is proposed to be carried to or transferred to any type of reserves.

### DIVIDEND

During the FY 2017-18, An interim dividend of Rs.3.30 Cr. /- i.e Rs.16.50 per equity share of face value of Rs. 10/- each has paid.

### 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.

### ORDER BOOK

Order book of NSL stands at Rs. 139.98 Crores as on March 31, 2018.

### 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, 2018.

### MOU Performance

Based on the MOU Parameters, NSL is expected to be slatted "Excellent". The company has achieved Revenue from Operation Rs. 8637.34 Lakh (Rs. 1856.95 Lakh pre- GST era turnover, Rs. 6780.39 Lakh – Post GST Turnover). During the FY 2017-18, against MOU Target excellent of Rs. 10500 Lakh. The under achievement is mainly attributable towards the restructuring of Indirect Taxes, forming a part of cost of operation, Thus included in Turnover in pre-GST era. After introduction of GST, the biggest Tax reforms in India after independence, wef 01st July 2017, the indirect taxes earlier forming part of cost of operation were subsumed in GST which no longer included in cost of operation.

The cascading effect of Indirect taxes in built in the pricing structure was estimated around 25% on adhoc basis, which was removed in post GST regime, resulting in reduce turnover of Rs.6780.39 Lakh from period 01st July 2017 to 31st March 2018.

The company has achieved the operating profit as a percentage of revenue from operation at 10.40% during the FY 2017-18 as against the target of 6.70 (Excellent).

The Company has achieved PAT as a percentage of Average Net Worth at 52.02% during the FY 2017-18 against the target of 45% which is mainly due to increase in maintenance billing rate to Rs.34.56/- per sq ft from Rs.28.80 per sq ft. w. e. f. 01st May 2017 in NBCC Plaza Project.

#### **LOAN, GUARANTEES AND INVESTMENTS**

The Company has not provided for any Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

#### **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**

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.

#### **PARTICULARS OF EMPLOYEES**

During the year under report, none of the employees was in receipt of remuneration in excess of the limits prescribed under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **INDUSTRIAL RELATIONS**

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

#### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

No such complaints have been received from any employee during the year under report.

#### **OFFICIAL LANGUAGE**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as per DPE Guidelines, forms part of this Annual Report as Annexure - I.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- in the preparation of annual accounts for the financial year ended March 31, 2018, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departure from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the period ended on that date;
- 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 Director has 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 Board firmly believes that good Corporate Governance is fundamental in ensuring that the Company is well managed in the interests of all of its stakeholders. Therefore, the Board will continue to seek to identify and formalise best practice for adoption by the Company.

Through NBCC Services Limited is not a listed company, but keeping the underlying principles of Corporate Governance i.e. value, ethics, and commitment to follow best practice. Corporate Governance Report for the year ended March 31, 2018 forms part of this report as Annexure- II.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR) & SUSTAINABILITY DEVELOPMENT**

During the financial year 2017-18 the Company spent an amount of Rs. 12.67 lakh as CSR expenditure. The company made the CSR expenditure toward contribution in Swachh Bharat Kosh set up by the Central Govt. of India and contribution to Red Cross Society toward the purchase of multipurpose vehicle. An Annual Report on CSR is attached as Annexure-IV.

#### **RISK MANAGEMENT**

The Company is in process to formulate its own Risk Management Policy to manage and monitor the principal risks and uncertainties that may affect the functioning of the Company.

#### **INTERNAL FINANCIAL CONTROL**

The Company's Internal Financial Control Systems are commensurate with the nature of its business and the size and complexity of operations. The Company has in place adequate internal financial controls with reference to financial statements.

#### **VIGILANCE ACTIVITIES**

Till the company formulate its own vigil mechanism the procedure for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation to the Companies Code of conduct established by the NBCC (holding Company) which includes the duly adopted Whistle Blower Policy will be applicable to the company.

#### **TRANSPARENT DEALINGS AND VIGILANCE AWARENESS**

Good governance plays a very significant role in building the trust of the Stakeholders and eventually in making an organization successful and sustainable. With this goal, your Company strives to focus mainly on preventive Vigilance and achieve good governance by emphasizing transparency, integrity, accountability, fairness, equity and adherence to rules, regulations and the laws of the land.

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 formerly National Buildings Construction Corporation Limited under which protected disclosures can be made by a whistle blower.

#### **AUDITORS AND AUDITOR'S REPORT**

##### **Statutory Auditors**

M/s Aiyar & Co, Chartered Accountants, was appointed as Statutory Auditors for the financial year 2017-18 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 and forms part of this Annual Report.

**COMMENTS OF C&AG**

The comments of Comptroller & Auditor General of India (C&AG) on the financial statements of the Company for the financial year 2017-18 are attached and forms part of this report.

**NUMBER OF MEETING OF BOARD OF DIRECTORS**

The Board met seven (7) times during the financial year 2017-18, i.e. May 19, 2017 August 10, 2017, September 15, 2017 November 09, 2017, February 03, 2018, March 08, 2018, and March 23, 2018. The intervening gap between the two Board Meetings was within the period prescribed under the Companies Act, 2013.

**BOARD OF DIRECTORS**

Policy on Directors appointment etc.: NSL being a Government Company, the provisions of section 134(3) (e) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.2015 issued by Government of India, Ministry of Corporate Affairs.

Performance Evaluation: NSL being a Government Company, the provisions of section 134(3)(p) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.2015 issued by Government of India, Ministry of Corporate Affairs.

**Appointment / Cessation of Directors**

During the period under review, company has appointed Mr. Neelesh Shah (DIN: 07444898) as Chairman and Mr. Rakesh Gupta (DIN 08094064) as additional director of the company.

**CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)**

During the year, Shri MC Sharma has been appointed on the Board of Company as Chief Executive Officer in place of Smt. A.Sabeena. Shri Amarnath Mourya appointed as Chief Financial Officer (CFO) in place of Shri Tejpal Garg.

The Board places on record deep appreciation for the valuable contribution of Smt. A. Sabeena and Shri Tejpal Garg.

**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.

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

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 and there was no foreign exchange earnings or outgo during the financial year under review.

**CEO/CFO CERTIFICATION**

As required under Clause 4.5 of the DPE Guidelines on Corporate Governance, the Certificate signed by Shri MC Sharma, CEO and Shri Amarnath Mourya, CFO as placed before Board of Directors is enclosed as Annexure – III.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

Particulars of contracts/arrangements/transactions referred in prescribed Form AOC-2 as enclosed to this Report as Annexure – IV.

**EXTRACT OF ANNUAL RETURN**

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

**SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material order passed by the regulator or court or tribunal impacting the going concern status and operations of the company.



## GENERAL

Directors hereby state that 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:

1. None of the Director is receiving any remuneration, commission or sitting fee from the company.
2. 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.
3. During the year under consideration no employee was in receipt of remuneration in excess of limits prescribed under the revised provisions of section 197(12) of the Companies Act, 2013 read with Rule5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. The company is compliant of the Secretarial Standards issued by the ICSI from time to time.

## ACKNOWLEDGMENTS

The Directors would like to express their sincere appreciation for the assistance and co-operation received from the Holding Company i.e. NBCC, Government Authorities, Government Agencies and employees of the Company. The Directors also wish to place on record their appreciation of the whole hearted and continued support extended by the members which has been a source of inspiration and strength to the Board.

For and on behalf of the Board NBCC Services Limited.

Place : New Delhi  
Dated : 06.08.2018

For and on behalf of the Board  
NBCC Services Limited  
**Neelesh Shah**  
Chairman, NSL

# 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. The maintenance projects earlier being handled by NBCC have been now transferred to NSL and in addition some new renovation projects have been secured directly from clients for NICS, BBNL, NIC, NLC, NCW, MCA etc. 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 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.

"NBCC Services Limited" distributed aids to beneficiaries identified by Artificial Limbs Manufacturing Corporation of India (ALIMCO) under its CSR initiative on 22.3.2017 at Local Shopping Centre, East Kidwai Nagar, New Delhi. Fifteen nos. of beneficiaries as identified by ALIMCO were given motorized tri cycle, hearing aids.

The company has also funded for purchase of battery operated vehicle to National Culture Fund (under ASI) to assist senior citizens/differently abled persons to visit RED Fort.

NBCC Services Ltd has also contributed towards Swachh Bharat Kosh under its CSR initiative.

## **VISION**

To be one of the best post construction business company known for its state of art quality customer satisfaction and prompt 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**

Strengthened by operational performance and remarkable growth, NBCC Services has posted a impressive Corporate Results during financial year 2017-18. The total income from operations is Rs. 8637.34 lacs with Net Profit of Rs. 696.56 lacs.

### **STRENGTH**

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.

### **HUMAN RESOURCES**

NSL adopts H R Policies of NBCC being the holding company.

### **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

## THE COMPANY'S GOVERNANCE PHILOSOPHY

The Board and Management of “NBCC Services Limited” (NSL), believe that operating to the highest level of transparency and integrity in everything we do is integral to the culture of our Company. The Company has a visionary culture of ensuring that all our activities are for the mutual benefit of the Company and all our stakeholders, our customers, our regulators, our employees, and the communities in India of which we are an integral part and are privileged to serve. The Board and management of Company are committed to the highest standards of accountability, transparency, social responsiveness, operational efficiency and good ethics.

## BOARD OF DIRECTORS

### Size of the Board

“NBCC Services Limited” (NSL), being the wholly owned subsidiary Company of NBCC (India) Limited is a Government Company within the meaning of Section 394 of the Companies Act, 2013. Board of NSL consists of three (3) Directors.

### Composition of the Board

The Board comprise of Shri Neelesh Shah, Smt B K Sokhey and Shri Rakesh Gupta as Directors of the Company. Shri Neelesh Shah is the Chairman of NSL. Shri MC Sharma is the CEO and Shri Amarnath Mourya, is the CFO of the Company.

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 and committees positions have been made by the Directors.

### Number of Board Meetings

During the year 2017-18, seven (7) Board meetings were held, details of which are given below:

S No.	Date of Meeting	Board Strength (No.)	Directors Present (No.)
1.	May 19, 2017	3	3
2.	August 10, 2017	3	3
3.	September 15, 2017	3	3
4.	November 09, 2017	3	3
5.	February 03, 2018	3	2
6.	March 08, 2018	3	3
7.	March 23, 2018	3	3

Memberships of the Directors on other Boards/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
Shri Rajendra Ramsharan Chaudhari (upto 23.03.2018)	6	6	Yes	-
Shri Neelesh Shah (w.e.f 23.03.2018)	7	6	Yes	1
Smt. B.K. Sokhey	7	7	Yes	-
Shri Rakesh Gupta	1	1	-	-

\* Only membership in Audit Committee and Stakeholders' Relationship Committee of other Listed Public Companies are taken into account.

### Board Meetings and Attendance

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 is a special invitee 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.

### Information placed before the Board of Directors

- The Board has complete access to any information with the Company. The information regularly supplied to the Board includes:
- Annual operating plans and budgets and any updates.
- Annual Accounts, Directors' Report, etc.
- Quarterly results of the Company.
- Disclosure of Interest by directors about directorship and committee positions occupied by them in other Companies.
- Compliance of regulatory or statutory provisions
- Other materially important information.

### Certificate on Corporate Governance

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

### AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE

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.

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,

### CODE OF CONDUCT

The Board of Directors of NBCC, the Holding Company has laid down Code of Business Conduct and Ethics for Board Members and Senior Management. 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.



## GENERAL BODY MEETING

Annual General Meetings

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

Year	Location	Date	Time	Special Resolution, if any
2017	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	6th September, 2017	12:30 PM	NO
2016	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	7th September, 2016	12:00 Noon	NO
2015	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	14th September, 2015	11:00 A.M.	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

Name of Shareholder	31.03.2018
NBCC Ltd. Through its Nominee	19,99,400
Baldev Kaur Sokhey*	100
Yogesh Sharma*	100**
Neelesh Manherlal Shah*	100
Rakesh Gupta*	100
Nirmal Prakash Aggarwal*	100
A Sabeena*	100***

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

\*\* Share was transferred from Mr. Hemraj to Mr. Yogesh Sharma on 19th May, 2018

\*\*\*Share was transferred from Mr. R L Mehra to Mrs. A. Sabeena on 19th May, 2018

### 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.

### Address for correspondence

NBCC Services Limited. Shop No. 25/2, Basement, NBCC Place, Bhisma Pitamah Marg, Pragati Vihar, New Delhi – 110003.

### 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. 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, MC Sharma, 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, 2018.

Place: New Delhi  
Date: August 6, 2018

Sd/-  
**M. C. Sharma**  
Chief Executive Officer



**MINISTRY OF CORPORATE AFFAIRS, JEEWAN VIHAR**

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. 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, being the wholly owned subsidiary of the NBCC (India) Limited, follow the NBCC CSR and Sustainable policy Further, the CSR Policy and details of the projects/programmes may be accessed on [www.nbccindia.com](http://www.nbccindia.com)

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

S. No.	Name Of Member	Designation
1	Smt. B.K. Sokhey	Chairman
2	Shri Rajendra Chaudhari	Director
3	Neelesh Shah	Director

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

The average net profit of the Company for the last three financial years is Rs. 633.36 lakh and 2% of the same would be 12.67 lakh. Accordingly, the same was required to be spent during the year under review as per the provisions of the Companies Act, 2013. In continuing with the endeavour towards being a socially responsible business entity, the Company has incurred a sum of Rs. 12.67 Lakh towards CSR Activities.

4. **Prescribed CSR Expenditure : Rs. 12.67 Lakh**

5. **Details of CSR spent during the financial year**

- (i) Total amount to be spent for the financial year; Rs. 12.67 Lakh
- (ii) Amount unspent, if any; Not Applicable
- (iii) Manner in which the amount spent during the financial year is as per table given below.
- (iv) In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

S. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Rs. In lakh)	Cumulative expenditure upto to the reporting period (Rs. In lakh)	Amount Spent: Direct or through implementing agency
1	Contribution to the Swachh Bharat Kosh set-up by the Central Government	Healthcare (Item No. (i) of Schedule-VII)	Local Areas	-	4.18 lakh	4.18 lakh	Direct

S. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Rs. In lakh)	Cumulative expenditure upto to the reporting period (Rs. In lakh)	Amount Spent: Direct or through implementing agency
2	Contribution to the red-cross society, purchase of Multipurpose vehicle.	livelihood enhancement projects (Item No. (ii) of Schedule-VII)	Red cross H.Q delhi	-	8.49 Lakh	8.49 Lakh	Direct
<b>Total</b>					<b>12.67 Lakh</b>	<b>12.67 Lakh</b>	

#### RESPONSIBILITY STATEMENT

We hereby affirm that the CSR policy as approved by the Board of NBCC Services Limited has been implemented & the CSR committee monitors the implementation of CSR projects and activities in compliance with CSR objective and policy of the Company.

For and on behalf of the Board  
NBCC Services Limited

Date: 06.08.2018  
Place: New Delhi

B.K. Sokhey  
Chairman (CSR Committee)

## CEO/CFO CERTIFICATION

To,  
Board of Directors  
NBCC Services Limited

We, M.C. Sharma, 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 31.03.2018 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 financial year 2017-18
  - ii. The significant changes in accounting policies during the financial year 2017-18 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/-  
**M. C. Sharma**  
Chief Executive Officer

Sd/-  
**Amarnath Mourya**  
Chief Financial Officer

Place: New Delhi  
Date: August 6, 2018



## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
NBCC SERVICES LIMITED  
CIN: U74900DL2014GOI272532

We have examined the compliances of conditions of Corporate Governance by NBCC SERVICES LIMITED (“the Company”) for the financial year ended 31st March, 2018 as stipulated in 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprise (DPE), Government of India.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of the procedures 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 statements 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 has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines.

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

**For Sharma Rahul & Associates  
Company Secretaries**

**Date:06/08/2018  
Place: New Delhi**

**(Rahul Sharma)  
Proprietor  
CP-1733**

# MANAGEMENT'S REPLY TO AUDITORS' REPORT ON CORPORATE GOVERNANCE (FY 2017-18)

S. No.	AUDITORS' COMMENTS	MANAGEMENTS' REPLY
1.	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.	Noted

Place: New Delhi  
Date: August 06, 2018

Sd/-  
**M. C. Sharma**  
Chief Executive Officer

Annexure-IV

## 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 not at arms length basis

Name of Related Party and Nature of Contract	Relationship	Duration of Contract	Salient Features	Amount (Rs in Lacs)
NBCC (India) Limited	Holding Company	As per Board Approval	Service Charges	3377.00
			Rent Charges	3.50

Place: New Delhi  
Date: August 6, 2018

Sd/-  
**M. C. Sharma**  
Chief Executive Officer

# FORM NO MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

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

i	CIN	U74900DL2014GOI272532
ii	Registration Date	16.10.2014
iii	Name of the Company	NBCC Services Limited
iv	Category/Sub-category of the Company	Government Company (Limited By shares)
v	"Address of the Registered office & contact details"	Shop No. 25/2, Basement, NBCC Place, Bhisma Pitamah Marg, Pragati Vihar, New Delhi – 110003.
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

## 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

SL No	Name & 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 & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	"HOLDING/ SUBSIDIARY /ASSOCIATE"	"% OF SHARES HELD"	"APPLICABLE SECTION"
1	NBCC (India) Limited Formerly National Buildings Construction Corporation Limited, NBCC Bhawan, Lodhi Road	L74899DL1960GOI003335	Holding	100	2(46)

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31-03-2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) Indian									
a) Individual/HUF*	0	600	600	0.00	0	600	600	0.00	0
"b) Central Govt. or State Govt."	0	0	0	0	0	0	0	0.00	0
c) Bodies Corporates	19,99,400	19,99,400	100.00	0	19,99,400	19,99,400	100.00	0	
d) Bank/FI	0	0	0	-	0	0	0	0.00	0
e) Any other	0	0	0	-	0	0	0	0.00	0
							0.00	0	
<b>SUB TOTAL:(A) (1)</b>	0	2000000	2000000	100.00	0	2000000	2000000	100.00	0
<b>(2) Foreign</b>									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
<b>SUB TOTAL (A) (2)</b>									
<b>"Total Shareholding of Promoter"</b>									
<b>(A)= (A)(1)+(A)(2)"</b>	<b>0</b>	<b>2000000</b>	<b>2000000</b>	<b>100.00</b>	<b>0</b>	<b>2000000</b>	<b>2000000</b>	<b>100.00</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
"h) Foreign Venture Capital Funds"									
i) Others (specify)- Other Insurance Companies									
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
(2) Non Institutions									
a) Bodies corporate									
i) Indian									
ii) Overseas									
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31-03-2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	NIL								
c) Others (specify)									
NRIs									
Clearing Members									
Foreign National									
Foreign Bank									
Unclaimed									
Suspense A/c									
Trust Holders									
<b>SUB TOTAL (B)(2):</b>	0	0	0	0	0	0	0	0.00	0
"Total Public Shareholding (B)= (B)(1)+(B)(2)"	0	0	0	0	0	0	0	0.00	0
"C. Shares held by Custodian for GDRs & ADRs"									
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>2000000</b>	<b>2000000</b>	<b>100.00</b>	<b>0</b>	<b>2000000</b>	<b>2000000</b>	<b>100.00</b>	<b>0.00</b>

\*holding shares on behalf of NBCC (India) Limited



**(ii) SHARE HOLDING OF PROMOTERS**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in share holding during the year
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	NBCC (India) Limited formerly National Buildings Construction Corporation Limited (NBCC)	1,999,400	99.97	1,999,400	99.97	NIL
2	BALDEV KAUR SOKHEY (for and on behalf of NBCC)	100*	0.005	100	0.005	NIL
3	YOGESH SHARMA (for and on behalf of NBCC)	100*	0.005	100	0.005	NIL
4	NEELES MANHERLAL SHAH (for and on behalf of NBCC)	100*	0.005	100	0.005	NIL
5	RAKESH GUPTA (for and on behalf of NBCC)	100*	0.005	100	0.005	NIL
6	NIRMAL PRAKASH AGGARWAL (for and on behalf of NBCC)	100*	0.005	100	0.005	NIL
7	A.SABEENA (for and on behalf of NBCC)	100*	0.005	100	0.005	NIL
	<b>TOTAL</b>	<b>2,000,000</b>	<b>100</b>	<b>2,000,000</b>	<b>100</b>	<b>NIL</b>

\*holding shares on behalf of NBCC (India) Limited

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.	NBCC (India) Limited formerly National Buildings Construction Corporation Limited	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	1999400	99.97	1999400	99.97
2	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / or decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change			
3	At the end of the year	1999400	99.97	1999400	99.97

**(iv) SHAREHOLDING PATTERN OF TOP TEN PROMOTERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sl. No.	NBCC (India) Limited formerly National Buildings Construction Corporation Limited	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year 01.04.2017				
2	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No Change			
3	At the end of the year 31.03.2018				

**(v) SHAREHOLDING OF DIRECTORS**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2017		Shareholding at the end of the year 31/03/2018		Change in Shareholding During the Year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	NEELES MANHERLAL*	100	0.005	100	0.005	0	0
2.	BALDEV KAUR SOKHEY*	100	0.005	100	0.005	0	0
3.	RAKESH GUPTA*	100	0.005	100	0.005	0	0

\*On behalf of NBCC (India) Limited

**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT (Rs.)**

	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>				
Additions		NIL		
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 DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager
1.	<b>Gross Salary</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Company Does not have any MD/WTD/Manager
3.	Stock option	
4.	Sweat Equity	
5.	Commission as % of profit others (specify)	
6.	Others, please specify	
	<b>Total (A)</b>	

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of the Directors
1	<b>(a) Fee for attending board committee meetings</b> (b) Commission (c) Others, please specify <b>Total (1)</b>	No remuneration is paid to any director
2	Other Non Executive Directors" (a) Fee for attending board committee meetings" (b) Commission (c) Others, please specify. <b>Total (2)</b> <b>Total (B)=(1+2)</b> <b>Total Managerial Remuneration</b> <b>Overall Ceiling as per the Act.</b>	

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

(in Rs.)

Sl. No.	Particulars of Remuneration	CEO	CFO	Total
1.	<b>Gross Salary</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	32,79,112	21,17,569	53,96,681
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify			
5.	Others, please specify PF Contribution			
	<b>Total</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					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## C&AG COMMENTS

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF 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 2018

The preparation of financial statements of NBCC SERVICES LIMITED for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor 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 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 17 May 2018.

I, on the behalf of the Comptroller and Auditor General of India, Have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of NBCC SERVICES LIMITED for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**Place : New Delhi  
Dated: 2 August 2018**

**Sd/-  
(Prachi Pandey)  
Principal Director of Commercial Audit  
& Ex-Officio Member Audit Board-I,  
New Delhi.**

# Independent Auditor's Report

**To the Members of NBCC SERVICES LIMITED**

## **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **NBCC SERVICES LIMITED ("the Company")**, which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information. (herein after referred to as "Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements read together with notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018, and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. 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 B" on the directions and sub directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
  - (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, 2013 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 C"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the company does not have any pending litigations as at March 31, 2018 which would impact its financial position;
    - 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 were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company during the year ended March 31, 2018.

**For Aiyar & Co.**  
**Chartered Accountants**  
**FRN: 001174N**

**Place : New Delhi**  
**Date : 17.05.2018**

**(C. Chuttani)**  
**Partner**  
**M.No. 90723**



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the company does not have any immovable properties and as such provisions of para 3 (i) (c) of the order is not attracted to the Company.
- (ii) As explained to us there were no inventories at any time during the year and as such provisions of para 3 (ii) of the order regarding inventory verification is not attracted to the company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Act, and as such the provisions of para 3 (iii)(a), 3 (iii)(b) & 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 section 185 and 186 of the Act, with respect to the loans, investment, guarantees and security made are not attracted to the company.
- (v) The company has not accepted any deposits from the public.
- (vi) According to the information and explanations given to us, the provision relating to maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Act is not attracted to the company.
- (vii) (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 the 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, Sales Tax (WCT), Service tax, Goods and Service Tax (GST) , Labour welfare cess etc. with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Value added tax, Service tax, Goods and Service Tax (GST), Cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable except WCT/VAT/Professional Tax payable amounting to Rs. 5,57,174/- which is outstanding for more than six month as at 31st March 2018.
- (b) According to information and explanations given to us, that there were no dues of Income tax, Sales tax, Service tax, Goods and Service Tax (GST) and Value added tax which have not been deposited by the Company on account of disputes.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. The company had referred one of the matters to Chief Vigilance Officer to examine irregularities, if any, with regard to processing of the bills by the officials, the matter is stated to be still under investigation. Refer Note 33 to Ind AS Financial Statements.
- (xi) The company is a Government Company and as such in pursuant to the Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, the provision of section 197 of the Act is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the provision of section 177 is not applicable to the company and transactions with the related parties are in compliance with section 188 of the Act where applicable. The details of related parties' transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Aiyar & Co.**  
**Chartered Accountants**  
**Firm's Reg. No. 001174N**

**Place : New Delhi**  
**Date: 17.05.2018**

**(C. Chuttani)**  
**Partner**  
**M.No. 90723**

## ANNEXURE B TO INDEPENDENT AUDITORS' 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 year 2017-18 issued by the Comptroller & Auditor General of India under section 143 (5) of the Companies Act, 2013.

Sl. No.	Directions/Sub Directions	Action Taken	Impact on Financial Statement
1.	Whether the company has clear title/ lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	As per the information and explanations given to us there is no freehold or leasehold land held by the company. Therefore, this clause is not applicable on the Company.	Not Applicable
2.	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.	There are no cases of waiver/ write off of debts/loans/interest etc., during the year.	NIL
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	As per information and explanation given to us there is no inventory lying with third parties and no assets received as gift/grant from Government or other authorities.	NIL
<b>B.</b>	<b>Sub Directions: NIL</b>		

**For Aiyar & Co.**  
**Chartered Accountants**  
**Firm's Reg. No. 001174N**

**Place : New Delhi**  
**Date: 17.05.2018**

**(C.Chuttani)**  
**Partner**  
**M.No. 90723**

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **NBCC SERVICES LIMITED ("the Company")** as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Institute of Chartered Accountant of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, we noticed that verification of contractor's bills, its supervision, documentation thereon and process of obtaining balance confirmation from parties needs improvement although they do not form any internal control deficiency.

**For Aiyar & Co.**  
**Chartered Accountants**  
**Firm's Reg. No. 001174N**

**Place: New Delhi**  
**Date: 17.05.2018**

**C. Chuttani**  
**Partner**  
**M. No. 090723**

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# FINANCIAL STATEMENT

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# Balance Sheet As at March 31, 2018

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	3.74	2.62
(b) Other Intangible Assets	2	0.88	1.38
2 Deferred Tax Assets (Net)	3	88.70	36.41
3 Other Non Current Assets	4	64.31	
		<b>157.63</b>	<b>40.42</b>
<b>4 Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	5	3,179.37	2,455.58
(ii) Cash and Cash Equivalents	6	47.28	1,779.09
(iii) Other Bank Balances	7	4,065.46	2,362.42
(iv) Other Financial Assets	8	150.18	96.97
(b) Current Tax Assets (Net)	9	-	-
(c) Other Current Assets	10	193.13	53.22
		7,635.43	6,747.28
<b>TOTAL ASSETS</b>		<b>7,793.06</b>	<b>6,787.70</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	11	200.00	200.00
(b) Other Equity	12	1,276.06	976.68
<b>Total Equity Total equity</b>		<b>1,476.06</b>	<b>1,176.68</b>
<b>2 Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Other Financial Liabilities	13	60.30	
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	14	4,064.46	3,396.65
(ii) Other Financial Liabilities	15	890.18	815.21
(b) Other Current Liabilities	16	1,117.19	1,280.83
(c) Provisions	17	85.57	64.92
(d) Current Tax Liabilities (Net)	18	99.29	53.41
		6,317.00	5,611.02
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7,793.06</b>	<b>6,787.70</b>

Significant Accounting Policies &amp; Notes on Financial Statements 1 to 36

For and on behalf of the Board of Directors

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

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

 Sd/-  
**(B.K. Sokhey)**  
 Director  
 DIN: 06955670

 Sd/-  
**(A. Sabeena)**  
 CEO

 Sd/-  
**(Amarnath Mourya)**  
 CFO

 As per our Report of even date attached  
 For **Aiyar & Co.**  
 Chartered Accountants  
 (FRN: 001174N)

 Sd/-  
**(C. Chuttani)**  
 Partner  
 Membership No. 090723

 Place: New Delhi  
 Date : 17.05.2018

## Statement of Profit and Loss for the year ended on March 31, 2018

(₹ in lakhs)

Particulars	Note No.	For the year ended on March 31, 2018	For the year ended on March 31, 2017
I. Revenue From Operations	19	8,637.34	10,725.97
II. Other Income	20	223.03	151.54
<b>III. Total Income (I + II)</b>		<b>8,860.38</b>	<b>10,877.51</b>
<b>IV. Expenses:</b>			
Cost of Work & Consultancy Expenses	21	6,723.20	9,119.24
Employee Benefits Expense	22	743.99	651.67
Depreciation and Amortisation Expense	2	1.38	0.39
Other Expenses	23	270.24	46.60
<b>Total Expenses (IV)</b>		<b>7,738.82</b>	<b>9,817.90</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>		<b>1,121.56</b>	<b>1,059.62</b>
VI. Exceptional Items			
<b>VII. Profit before Tax (V - VI)</b>		<b>1,121.56</b>	<b>1,059.62</b>
<b>VIII Tax Expense:</b>			
(1) Current Tax	24	477.28	415.00
(2) Deferred Tax	24	(52.29)	(36.41)
<b>IX Profit / Loss for the period from continuing operations (VII-VIII)</b>		<b>696.56</b>	<b>681.02</b>
X Profit / (Loss) for the discontinued operations			-
XI Tax expenses of discontinued operations			-
<b>XII Profit / (Loss) for the discontinued operations (after tax) (X-XI)</b>		-	-
<b>XIII Profit / (Loss) for the period (IX-XII)</b>		<b>696.56</b>	<b>681.02</b>
<b>XIV Other Comprehensive income</b>			
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		-	-
B (i) Items that will be reclassified into profit/loss			-
(ii) Income tax relating to items that will be reclassified to profit/loss		-	-
<b>XV Total comprehensive income for the period (XIII-XIV)</b>		<b>696.56</b>	<b>681.02</b>
<b>XVI Earnings per Share (Face value of Rs. 10/- per Equity Share)</b>	25		
(1) Basic (in Rs.)		34.83	34.05
(2) Diluted (in Rs.)		34.83	34.05
Significant Accounting Policies & Notes on Financial Statements 1 to 36			

Significant Accounting Policies & Notes on Financial Statements 1 to 36

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

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

Sd/-  
**(A. Sabeena)**  
CEO

Place: New Delhi  
Date : 17.05.2018

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

Sd/-  
**(Amarnath Mourya)**  
CFO

Sd/-  
**(B.K. Sokhey)**  
Director  
DIN: 06955670

As per our Report of even date attached

For **Aiyar & Co.**  
Chartered Accountants  
(FRN: 001174N)

Sd/-  
**(C. Chuttani)**  
Partner  
Membership No. 090723

# Cash Flow Statement

## For the year ended on March 31, 2018

(₹ in lakhs)

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax and extraordinary items</b>	<b>1,121.56</b>	<b>1,059.62</b>
Adjustment for:		
Depreciation	1.38	0.39
Interest Received	(223.03)	(151.55)
<b>Operating Profit before Working Capital Changes</b>	<b>899.91</b>	<b>908.46</b>
Adjustment for:		
Decrease /(Increase) in Other Financial Assets (Non Current)		
Decrease/(Increase) in Trade receivables	(723.79)	(865.46)
Decrease/(Increase) in Other Financial Assets	(53.21)	(1.01)
Decrease/(Increase) in Other Current Assets	(139.91)	(143.76)
(Decrease)/Increase in Trade payables	667.81	2,284.68
(Decrease)/Increase in Other financial liabilities (Current)	74.97	323.91
(Decrease)/Increase in Provisions (Current)	20.65	64.92
(Decrease)/Increase in Other Current Liabilities	(163.64)	661.13
(Decrease)/Increase in Other Non-Current Liabilities	60.30	-
<b>Cash generated from Operations before Extra Ordinary Items</b>	<b>643.10</b>	<b>3,232.87</b>
Extraordinary Items		-
Direct Taxes Paid	(498.58)	(412.71)
<b>Net Cash from Operating Activities (A)</b>	<b>144.52</b>	<b>2,820.16</b>
<b>B. Cash Flows from Investing Activities:</b>		
Purchases of Fixed Assets	(1.99)	(2.25)
Capital Advance for Property, Plant And Equipment.	(64.31)	
Fixed deposits placed with Banks having original maturity of more than 3 months	(1,657.24)	(1,075.00)
Interest Accrued on Fixed Deposits	(45.80)	(12.60)
Interest Received (Net of Tax Deducted at Source)	223.03	151.55
<b>Net Cash from Investing Activities: (B)</b>	<b>(1,546.32)</b>	<b>(938.30)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Interim Dividend on Equity Shares paid	(330.00)	(220.00)
<b>Net Cash from Financing Activities (C)</b>	<b>(330.00)</b>	<b>(220.00)</b>
<b>Net Increase in Cash and Cash Equivalent (A) + (B) + (C)</b>	<b>(1,731.80)</b>	<b>1,661.86</b>
<b>Cash and Cash Equivalents - Opening</b>	<b>1,779.09</b>	<b>117.23</b>
<b>Cash and Cash Equivalents - Closing</b>	<b>47.28</b>	<b>1,779.09</b>

(₹ in lakhs)

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
<b>i) Cash and Cash Equivalents Includes:</b>		
a) Cash in Hand & Stamp in Hand	-	-
b) Remittances in Transit / Cheques in Hand	-	174.67
c) Balances / Fixed Deposits/Call Deposits with Banks	47.28	1,604.14
d) Interest Accrued in Flexi Deposits		0.28
e) Balances with Bank in Unclaimed Dividend Account	-	-
	<b>47.28</b>	<b>1,779.09</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.

Significant Accounting Policies & Notes on Financial Statements 1 to 36

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

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

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

Sd/-  
**(B.K. Sokhey)**  
Director  
DIN: 06955670

Sd/-  
**(A. Sabeena)**  
CEO

Sd/-  
**(Amarnath Mourya)**  
CFO

As per our Report of even date attached  
For **Aiyar & Co.**  
Chartered Accountants  
(FRN: 001174N)

Sd/-  
**(C. Chuttani)**  
Partner  
Membership No. 090723

Place: New Delhi  
Date : 17.05.2018

# Statement of changes in Equity for the year ended 31st March, 2018

**A Equity Share Capital**

(₹ in lakhs)

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 31 March 2017	200.00	-	-	200.00
Balance as at 31st March 2018	200.00	-	-	200.00

**A Other Equity**

(₹ in lakhs)

Other equity	Share application money pending allotment	Reserves and Surplus		Other comprehensive income - Reserve		Total
		General Reserves	Retained Earnings			
Balance as at 1 April 2016	-	-	560.45	-	-	560.45
Profit for the year	-	-	681.02	-	-	681.02
Other Comprehensive Income	-	-	-	-	-	-
Dividends paid including Dividend Distribution tax	-	-	(264.79)	-	-	(264.79)
Transfer from retained earnings	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	-	-	<b>976.68</b>	-	-	<b>976.68</b>
<b>Balance as on 1 April 2017</b>	-	-	<b>976.68</b>	-	-	<b>976.68</b>
Profit for the year	-	-	696.56	-	-	696.56
Other Comprehensive Income	-	-	-	-	-	-
Interim Dividend paid including Dividend Distribution Tax	-	-	(397.18)	-	-	(397.18)
Transfer from retained earnings	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	-	-	<b>1,276.06</b>	-	-	<b>1,276.06</b>

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

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

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

 Sd/-  
**(B.K. Sokhey)**  
 Director  
 DIN: 06955670

 Sd/-  
**(A. Sabeena)**  
 CEO

 Sd/-  
**(Amarnath Mourya)**  
 CFO

 As per our Report of even date attached  
 For **Aiyar & Co.**  
 Chartered Accountants  
 (FRN: 001174N)

 Place: New Delhi  
 Date : 17.05.2018

 Sd/-  
**(C. Chuttani)**  
 Partner  
 Membership No. 090723

## **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 year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 17th May 2018.

#### **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 year ended 31 March 2018, as summarised below.

##### **4.1 REVENUE RECOGNITION**

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 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.

##### **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 fair value. The stage of completion is determined by the proportion that contract costs incurred for work performed up to the reporting date bear to the total estimated contract cost of each contract.

##### **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. Work executed but not measured/partly executed is accounted for at engineering estimated cost.
4. Extra and substituted items to the extent considered realizable.
5. Claims lodged against clients to the extent considered realizable.
6. Amount retained by the clients which is released after the 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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**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 depreciation 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 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 or loss, as finance costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.

**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. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

**Company as a lessor****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 or loss comprises the sum of 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).

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.

## Notes to Financial Statements

**Note 2**
**(a) Property, Plant & Equipment**

(₹ in lakhs)

S. No.	FIXED ASSETS	Gross Carrying Amount (At Cost)				Accumulated Depreciation				Net Book Value	
		As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1 April 2017	Depreciation charge for the period	On Disposals	As at 31st March 2018	As at 31st March 2018	As at March 31, 2017
		1	2	3	4	5	6	7	8	9	10
	<b>Tangible Assets (Not Under Lease)</b>										
	Furniture and Fixtures	2.30	0.18	-	2.48	0.37	0.22	-	0.59	1.89	1.93
	Office Equipment	0.74	0.24	-	0.98	0.04	0.25	-	0.30	0.68	0.69
	Computers and data processing units	-	1.57	-	1.57	-	0.40	-	0.40	1.17	-
	<b>Total (A)</b>	<b>3.03</b>	<b>1.99</b>	<b>-</b>	<b>5.03</b>	<b>0.41</b>	<b>0.88</b>	<b>-</b>	<b>1.29</b>	<b>3.74</b>	<b>2.62</b>
	<b>(b) Other Intangible assets</b>										
	Intangible assets	1.51	-	-	1.51	0.13	0.50	-	0.63	0.88	1.38
	<b>Total (B)</b>	<b>1.51</b>	<b>-</b>	<b>-</b>	<b>1.51</b>	<b>0.13</b>	<b>0.50</b>	<b>-</b>	<b>0.63</b>	<b>0.88</b>	<b>1.38</b>
	<b>Total (A+B)</b>	<b>4.54</b>	<b>1.99</b>	<b>-</b>	<b>6.54</b>	<b>0.54</b>	<b>1.38</b>	<b>-</b>	<b>1.91</b>	<b>4.62</b>	<b>4.01</b>

(₹ in lakhs)

S. No.	FIXED ASSETS	Gross Carrying Amount (At Cost)				Accumulated Depreciation				Net Book Value	
		As at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1 April 2016	Depreciation charge for the period	On Disposals	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
		1	2	3	4	5	6	7	8	9	10
<b>A</b>	<b>Tangible Assets (Not Under Lease)</b>										
	Furniture and Fixtures	2.30	-	-	2.30	0.15	0.22	-	0.37	1.93	2.15
	Office Equipment	-	0.74	-	0.74	-	0.04	-	0.04	0.69	-
	<b>Total (A)</b>	<b>2.30</b>	<b>0.74</b>	<b>-</b>	<b>3.03</b>	<b>0.15</b>	<b>0.26</b>	<b>-</b>	<b>0.41</b>	<b>2.62</b>	<b>2.15</b>
<b>B</b>	<b>Intangible assets</b>										
	Intangible assets	-	1.51	-	1.51	-	0.13	-	0.13	1.38	-
	<b>Total (B)</b>	<b>-</b>	<b>1.51</b>	<b>-</b>	<b>1.51</b>	<b>-</b>	<b>0.13</b>	<b>-</b>	<b>0.13</b>	<b>1.38</b>	<b>-</b>
	<b>Total (A+B)</b>	<b>2.30</b>	<b>2.25</b>	<b>-</b>	<b>4.54</b>	<b>0.15</b>	<b>0.39</b>	<b>-</b>	<b>0.54</b>	<b>4.01</b>	<b>2.15</b>

**Note 3**

(₹ in lakhs)

Deferred Tax Assets (Net)	Opening Balance as at 1 April 2017	Charged / (Credited) to Profit & Loss during the year ended 31.3.18	Charged/ (Credited) to Equity	Total As at 31st March, a2018
<b>Deferred Tax Assets</b>				
Provision for Employee Benefits, Depreciation and impairment allowance				
Provision for Employee Benefit	36.53	(11.86)		24.67
Provision for Depreciation	(0.12)	0.03		(0.09)
Provision for impairment allowance	-	64.12		64.12
<b>Total</b>	<b>36.41</b>	<b>52.29</b>	<b>-</b>	<b>88.70</b>

**Note 4**

(₹ in lakhs)

Other Non-Current Assets	As at March 31, 2018	As at 31st March, 2017
Capital Advance to holding co.(Refer Note No.27 & 28)	64.31	-
<b>Total</b>	<b>64.31</b>	<b>-</b>

**Note 5**

(₹ in lakhs)

Trade Receivables	As at March 31,2018		As at 31st March,2017	
Secured				
Unsecured:				
- Considered good (from Holding Company/ Other Related Parties) (Refer Note 28)"	1,942.33		1,874.58	
- Considered good (from others)	1,459.36		581.00	
- Considered doubtful			-	
		3,401.69		2,455.58
Impairment Allowance for :				
Unsecured, Considered good (Refer Note No. 28)	222.32	-	-	-
Unsecured, Considered doubtful	-		-	
		222.32		-
<b>Total</b>		<b>3,179.37</b>		<b>2,455.58</b>

**Note 6**

(₹ in lakhs)

Cash and Cash Equivalents	As at March 31, 2018	As at 31st March, 2017
Balances with Banks in Current Account	47.28	7.85
Cheques in Hand		174.67
Bank deposits upto 3 Months maturity	-	1,596.29
Interest Accrued on Flexi Deposits	-	0.28
<b>Total</b>	<b>47.28</b>	<b>1,779.09</b>



**Note 7**

(₹ in lakhs)

Bank balance other than above	As at March 31, 2018	As at 31st March, 2017
Other Bank Balances		
Bank deposits more than 3 months and upto 12 months Maturity *	3,982.24	2,325.00
Interest Accrued on Fixed Deposits	83.22	37.42
<b>Total</b>	<b>4,065.46</b>	<b>2,362.42</b>

\*Fixed Deposits Receipt with Bank includes some FDR of Rs. 1021.27 Lakhs kept under lien towards issuance of Bank Guarantee in favour of various clients against advance received (Refer Note 16)

**Note 8**

(₹ in lakhs)

Other Financial Assets	As at March 31, 2018	As at 31st March, 2017
Advance recoverable from Staff	3.74	1.93
Unbilled Revenue	-	93.39
Other Current Assets	-	-
Security Deposit with Holding Co. (Refer Note No. 28)	1.65	1.65
Earnest Money Deposit	4.16	-
<b>Amount Recoverable</b>	<b>-</b>	<b>-</b>
Holding Co. (Refer Note No...28)	32.44	-
Others	108.19	-
<b>Total</b>	<b>150.18</b>	<b>96.97</b>

**Note 9**

(₹ in lakhs)

Current Tax Assets (Net)	As at March 31, 2018		As at 31st March, 2017	
Advance Income Tax	-	-	-	-
Unsecured, considered good	792.99	-	406.38	-
Less: Transferred to Note 18 under current tax liabilities (Refer Note No.18)	(792.99)	-	(406.38)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 10**

(₹ in lakhs)

Other Current Assets	As at March 31, 2018		As at 31st March, 2017	
Advances to PRWs, Suppliers & Others				
- Advance/ financial assistance to Contractor	-	-	-	-
- Secured Considered Good	-	-	-	-
- Unsecured Considered Good	4.10	-	53.22	-
-Doubtful	-	-	-	-
Less: Provision	-	4.10	-	53.22
Taxes Recoverable from government authorities	-	189.03	-	-
<b>Total</b>	<b>-</b>	<b>193.13</b>	<b>-</b>	<b>53.22</b>

**Note 11**

(₹ in lakhs)

Share Capital	As at March 31, 2018		As at 31st March, 2017	
	Number	Amount	Number	Amount
<b>Authorised:</b>				
Equity Shares of Rs. 10/- each (Previous Year Rs. 10/- each)	5,000,000	500.00	5,000,000	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)	2,000,000	200.00	2,000,000	200.00
<b>Total</b>	<b>2,000,000</b>	<b>200.00</b>	<b>2,000,000</b>	<b>200.00</b>

**Note 11 A**

(₹ in lakhs)

Share Capital	Equity Shares			
	As at March 31, 2018		As at 31st March, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,000,000	200.00	2,000,000	200.00
Add : shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,000,000	200.00	2,000,000	200.00

**Note 11B**

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**

(₹ in lakhs)

Name	As at March 31, 2018		As at 31st March, 2017	
	No. of Shares	Percentage	No. of Shares	Percentage
All Shares are held by Holding Co. i.e NBCC (India) Limited and its nominees	2,000,000	100%	2,000,000	100%

**Note 11 D**

**Equity Share Capital**

(₹ in lakhs)

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 2016	200.00	-	-	200.00
Balance as at 31 March 2017	200.00	-	-	200.00
Balance as at March 31 2018	200.00	-	-	200.00

**Note 12**
**Equity Share Capital**

(₹ in lakhs)

Other equity	Share application money pending allotment	Reserves and Surplus	Other comprehensive Income - Reserve	Total
		General reserve		
Balance as at 1 April 2016	-	-	-	560.45
Profit for the year	-	-	-	681.02
Other Comprehensive Income	-	-	-	-
Dividends paid including Dividend Distribution tax	-	-	-	(264.79)
Transfer from retained earnings	-	-	-	-
<b>Balance as at 31 March 2017</b>	-	-	-	<b>976.68</b>
Balance as on 1 April 2017	-	-	-	976.68
Profit for the year ended on 31.03.2018	-	-	-	696.56
Other Comprehensive Income	-	-	-	-
Dividend paid including Dividend Distribution tax	-	-	-	(397.18)
Transfer from retained earnings	-	-	-	-
Balance as at 31st March 2018	-	-	-	1,276.06

**Note 13**

(₹ in lakhs)

Non Current Liabilities	As at March 31, 2018	As at 31st March, 2017
<b>Other Financial Liabilities</b>		
Security Deposit	60.30	-
<b>Total</b>	<b>60.30</b>	<b>-</b>

**Note 14**

(₹ in lakhs)

Trade Payables	As at March 31, 2018	As at 31st March, 2017
Due to Micro, Small and Medium Enterprises	-	-
Due to others	-	-
- Trade Payables for Material/Supplies	-	-
- Trade Payables for Works & Services	4,064.46	3,396.65
<b>Total</b>	<b>4,064.46</b>	<b>3,396.65</b>

In the terms of Section 22 of The Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In absence of information about registration of the enterprises under the above Act, the required information couldn't be furnished.

**Note 15**

(₹ in lakhs)

Other financial liabilities (Current)	As at March 31, 2018	As at 31st March, 2017
Earnest Money & Security Deposits	761.21	745.29
Expenses Payables	48.04	29.27
Salary Payable	80.93	40.65
<b>Total</b>	<b>890.18</b>	<b>815.21</b>

**Note 16**

(₹ in lakhs)

Other Current Liabilities	As at March 31, 2018	As at 31st March, 2017
Statutory Dues payable	132.00	263.96
Advance from Clients*	731.84	947.18
Amount Received in Advance		1.18
Other Payables to Holding Company (Refer Note 28)	253.35	8.51
<b>Total</b>	<b>1,117.19</b>	<b>1,280.83</b>

\* The Bank Guarantees submitted against Advance from Clients of Rs. 1021.27 Lakhs (Refer Note 6)

\* Advance from Client includes Rs. 56.18 lakhs (Previous year Rs. 137.84 Lakhs) from Holding company against works. (Refer Note 28)

**Note 17**

(₹ in lakhs)

Provisions-Current	As at March 31, 2018	As at 31st March, 2017
Provision for employee benefits		
- Performance Related Pay/Productivity Linked Incentive	85.57	64.92
<b>Total</b>	<b>85.57</b>	<b>64.92</b>

**Note 18**

(₹ in lakhs)

Current Tax Liabilities (Net)	As at March 31, 2018		As at 31st March, 2017	
Provision for Taxation				-
Unsecured, considered good	892.28		415.00	
		892.28		415.00
Less: Advances Taxes/Tax Deducted (Refer Note 9)	(792.99)		(406.38)	
		(792.99)	-	(406.38)
		99.29		8.62
Dividend Distribution Tax		-		44.79
<b>Total</b>	<b>99.29</b>			<b>53.41</b>

**Note 19**

(₹ in lakhs)

Revenue from Operations	For the Year ended March, 2018	For the Year ended March, 2017
<b>a) Value of Services</b>		
Value of Work Done (Project Management & Supervision Services)	8,597.61	10,685.05
<b>b) Other Operating Revenues</b>		
Tender Fee & Other Receipts	39.73	40.92
<b>Total</b>	<b>8,637.34</b>	<b>10,725.97</b>

**Note 20**

(₹ in lakhs)

Other Income	For the Year ended March, 2018		For the Year ended March, 2017	
Interest Income				
(i) From Banks	211.67		140.54	
(ii) From Contractors	11.36		10.36	
(iii) On Income Tax Refund	-		0.64	
<b>Total</b>		<b>223.03</b>		<b>151.54</b>

**Note 21**

(₹ in lakhs)

Cost of Work and Consultancy Expenses	For the Year ended March, 2018		For the Year ended March, 2017	
Cost of Work Expenses (without material)		-		
Cost of Work Expenses (with material)	6,697.59		9,088.94	
Consultancy Expenses	25.60		30.30	
<b>Total</b>		<b>6,723.20</b>		<b>9,119.24</b>

**Note 22**

(₹ in lakhs)

Employee Benefits Expense	For the Year ended March, 2018		For the Year ended March, 2017	
Salaries and incentives	594.64		521.52	
Contributions to Provident and other fund	39.84		37.70	
Contribution for Pension	21.48		19.76	
Gratuity fund contributions	17.54		15.58	
Post Retirement Medical Benefit	25.97		20.06	
Leave Encashment	40.11		36.03	
Staff welfare/training expenses	4.40		1.02	
<b>Total</b>		<b>743.99</b>		<b>651.67</b>

**Note 23**

(₹ in lakhs)

Other Expenses	For the Year ended March, 2018		For the Year ended March, 2017	
Advertisement			7.37	
Auditor's Remuneration	2.00		2.00	
Bank charges & Guarantee Commission	-		0.31	
Conference & Management Development Expenses	2.27		0.73	
CSR Expenditure	12.67		17.31	
Interest on TDS	0.55			
Legal & Professional Charges	3.12		3.70	
Postage & Telephone	2.08		1.93	
Printing & Stationery	2.21		1.74	
Rent, Rates & Taxes	3.30		3.31	
Repairs & Maintenance				
- Others	13.81		2.95	
Travelling & Conveyance	6.26		4.20	
Impairment allowance for Trade Receivables	222.32		-	
Miscellaneous. Expenses	0.20		0.50	
<b>Total</b>		<b>270.24</b>		<b>46.60</b>

**Note 23 A**

(₹ in lakhs)

Payment to Auditors	For the Year ended March, 2018	For the Year ended March, 2017
Audit fee	1.00	1.00
Tax Audit	0.25	0.25
Limited Review	0.75	0.75
<b>Total</b>	<b>2.00</b>	<b>2.00</b>

**Note 24**

(₹ in lakhs)

Income tax	For the Year ended March, 2018	For the Year ended March, 2017
Tax expense comprises of:		
Current income tax	477.28	415.00
Deferred tax	(52.29)	(36.41)
<b>Total</b>	<b>425.00</b>	<b>378.59</b>

**Note 25**

**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)

Particulars	For the Year ended March, 2018	For the Year ended March, 2017
<b>Profit attributable to equity holders of the Company:</b>		
Continuing operations	696.56	681.02
Discontinued operation	-	-
<b>Profit attributable to equity holders of the Company for basic earnings</b>	<b>696.56</b>	<b>681.02</b>
<b>Profit attributable to equity holders of the Company adjusted for the effect of dilution</b>	<b>696.56</b>	<b>681.02</b>
Weighted average number of Equity shares for basic EPS*	2,000,000	2,000,000
<b>Earnings per equity share (for continuing operation):</b>		
(1) Basic Per Share	34.83	34.05
(2) Diluted Per Share	34.83	34.05

**NOTE 26**

The Company's significant leasing arrangement are in respect of operating leases relating to its leased office premises. The aggregate lease rentals paid is disclosed under rent in Note No. 23

**NOTE 27**

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. at a total cost of Rs. 23.53 cores excluding stamp duty, registration charges. This is subject to the approval of Ministry of Housing & Urban Affairs. Out of the above, the company has entered into an agreement to sell for purchase of office premises at NBCC Centre, Okhla, New Delhi admeasuring 1446 sq.ft. at a consideration of Rs. 4,28,74,262/- against which token amount of Rs. 64,31,139/- has been paid (Refer Note No.4).

**NOTE 28**

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:
  - (a) Mr. N K Shah, Director
  - (b) Ms. B.K Sokhey, Director
  - (c) Mr. Rajendra Chaudhari (ceases to Director w.e.f 23/03/2018)
  - (d) Mr. Rakesh Gupta, Director w.e.f 23/03/2018
  - (e) Ms.A.Sabeena, CEO
  - (f) Mr. Tejpal Garg, CFO (cease to CFO w.e.f 23/03/2018)
  - (g) Mr. Amarnath Mourya, CFO w.e.f 23/03/2018

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, 2018	For the Year ended on March 31, 2017
Nature of Transaction		
Opening Balance	1,874.57	1,514.81
Add: Service rendered	3,377.00	8,117.75
Less: Rent Paid	(3.50)	(3.30)
Less: Amount Received/Adjusted/Advances/TDS (Net)	(3,311.35)	(7,754.69)
Receivable/(payable)	<b>1,936.72</b>	<b>1,874.57</b>
(Refer Note 5)		
Amount recoverable (refer Note 8)	32.44	
Advance Received (refer Note 16)	56.18	137.84
Receivable/(payable) at the end of the period	<b>1,912.98</b>	<b>1,736.73</b>
(ii) Employee benefit and other payable		
Opening Balance	(68.51)	(40.91)
Less: Amount adjusted/paid	68.51	40.91
Add: Amount payable for employee benefit & others	(167.07)	(92.92)
Add: Amount payable for fixed contribution	(86.28)	(68.51)
Receivable/(payable) at the end of the period	<b>(253.35)</b>	<b>(68.51)</b>
(Refer Note 16)		
<b>Net Receivable/(Payable)</b>	<b>1,659.63</b>	<b>1,668.22</b>
<b>Capital Advance (refer note 4)</b>	<b>64.31</b>	-
<b>Impairment allowance (refer note 5)</b>	<b>222.32</b>	-
<b>Security Deposit (refer note 8)</b>	<b>1.65</b>	<b>1.65</b>



**(b) NECL**

(₹ in lakhs)

Particulars	For the Year ended on March 31, 2018	For the Year ended on March 31, 2017
Opening Balance	(0.64)	-
Service rendered	14.02	3.57
Less: Amount received/adjusted/TDS	7.78	4.21
Net Receivable/(Payable) refer Note No. 5	5.61	(0.64)

**(C) Salary and other employee benefits paid to CEO & CFO during the year**

(₹ in lakhs)

Particulars	For the Year ended on March 31, 2018	For the Year ended on March 31, 2017
Salaries and Incentives	53.97	33.29
Contribution for provident fund & pension fund	4.82	4.46
Other employees benefits	5.59	5.17
<b>Total</b>	<b>64.38</b>	<b>42.92</b>

**NOTE 29**

Indian Accounting Standard-108 "Segment Reporting"

The Company during the year 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 30**

The reconciliation of Goods and Service Tax (GST) as per financial books with GST returns filed with the authorities is under preparation. The adjustment, if any, arising out of the reconciliation shall be carried out in the subsequent year, which in the opinion of the management will not have a material impact.

**NOTE 31**

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 32**

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 33**

"During the previous 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 34**

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 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. During the year the company has created provision for impairment allowance amounting to Rs. 222.32 Lakhs.

### 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	FVTPL	Amortised cost	Fair Value	FVTPL	Amortised cost	Fair Value
<b>Financial assets</b>							
Trade receivables	Note 5	-	3,179.37	3,179.37	-	2,455.58	2,455.58
Cash and cash equivalents	Note 6	-	47.28	47.28	-	1,779.09	1,779.09
Other Bank Balances	Note 7	-	4,065.46	4,065.46	-	2,362.42	2,362.42
Other financial assets	Note 8	-	150.18	150.18	-	96.97	96.97
<b>Total financial assets</b>		-	<b>7,442.29</b>	<b>7,442.29</b>	-	<b>6,694.06</b>	<b>6,694.06</b>

(₹ in lakhs)

		31 March 2018		31 March 2017	
		FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Non-current Liabilities</b>					
Other financial liabilities	Note 13	-	60.30	-	-
<b>Financial liabilities</b>					
Trade payables	Note 14	-	4,064.46	-	3,396.65
Other financial liabilities	Note 15	-	890.18	-	815.21
<b>Total financial liabilities</b>		-	<b>5,014.95</b>	-	<b>4,211.86</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 2018	31 March 2017
A: Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	4,262.91	4,238.48
B: Moderate credit risk	Trade receivables	3,179.37	2,455.58
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 on the projects which are through 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 Rs.222.32 lakhs (on the projects transferred by holding co.) under simplified approach as adopted by the holding co.

#### 31 March 2018

(₹ in lakhs)

Particulars	Estimated gross	Impairment	Carrying amount net of impairment
Cash and cash equivalents	47.28	-	47.28
Other bank balances	4,065.46	-	4,065.46
Other financial assets	150.18	-	150.18
Trade Receivables	3,401.69	222.32	3,179.37

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Impairment	Carrying amount net of impairment provision
Cash and cash equivalents	1,779.09	-	1,779.09
Other bank balances	2,362.42	-	2,362.42
Other financial assets	96.97	-	96.97
Trade Receivables	2,455.58	-	2,455.58

### 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 2018	Up to one year	More than one year	Total
Trade payable	4,064.46	-	4,064.46
Other Financial liabilities	890.18	-	890.18
Non-current financial liabilities	-	60.30	60.30

(₹ in lakhs)

31 March 2017	Up to one year	More than one year	Total
Trade payable	3,396.65	-	3,396.65
Other Financial liabilities	815.21	-	815.21

### 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 2018	31 March 2017
Equity Share Capital	200.00	200.00
Other Equity	1,276.06	976.68
Total Equity	1,476.06	1,176.68

The Company has no outstanding debt as at the end of the respective years. Accordingly, the Company has Nil capital gearing ratio as at 31 March 2018 and 31 March 2017

### Dividend and reserves

Distribution Made and Proposed	31 March 2018	31 March 2017
Cash Dividends on equity share declared and paid	-	-
Final Dividend	-	-
DDT on Final Dividend	-	-
Interim Dividend paid during dividend distribution tax	397.18	264.79
<b>Total</b>	<b>397.18</b>	<b>264.79</b>

### NOTE 36

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



**Registered & Corporate Office**  
**NBCC SERVICES LIMITED (NSL)**

(A Government of India Enterprise)  
 CIN-U74900DL2014GOI272532

Regd. Office: Shop No. 25/2, Basement, NBCC Place  
 Bishma Pitamah Marg, Pragati Vihar, New Delhi – 110 003  
 E-mail: nsl@nbccindia.com, Website: www.nslindia.in Phone: 011-24360907

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
 Joint shareholders may obtain additional Slip at the venue of the meeting

<b>DP ID*</b>		<b>Folio No.</b>	
<b>Client ID*</b>		<b>No. of shares</b>	

Name and address of the shareholders .....

I hereby record my presence at the 4th ANNUAL GENERAL MEETING of the Company held on Saturday, September 01, 2018 at 1230 hrs at NBCC Bhawan, Conference Room, 1st Floor, Lodhi Road, New Delhi – 110003.

.....  
 Signature of Member/Proxy

\*Applicable for investors holding shares in electronic form  
 .....







Registered & Corporate Office  
**NBCC SERVICES LIMITED (NSL)**

(A Government of India Enterprise)

CIN-U74900DL2014GOI272532

Regd. Office: Shop No. 25/2, Basement, NBCC Place,  
Bishma Pitamah Marg, Pragati Vihar, New Delhi – 110 003

E-mail: nsl@nbccindia.com, Website: www.nslindia.in Phone: 011-24360907

## PROXY FORM

Name of the member (s):		e-mail Id:	
Folio No/ DP Id*, Client Id*:			
Registered Address:			

I/We, being the member(s), holding ..... shares of NBCC (India) Limited, hereby appoint:

- 1 ..... Resident of.....having e-mail id  
.....or failing him
- 2 ..... Resident of.....having e-mail id  
.....or failing him
- 3 ..... Resident of.....having e-mail id  
.....or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4th Annual General Meeting of the Company to be held on Saturday, September 01, 2018 at 1230 hrs at NBCC Bhawan, Conference Room, 1st Floor, Lodhi Road, New Delhi – 110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business Resolutions	For	Against
1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2018		
2. To confirm the payment of interim dividend amounting to Rs. 10/- (Rupees Ten) per equity share of Rs. 16.5/- each for the FY ended March 31, 2018.		
3. To appoint a Director in place of Shri Neelesh Shah (DIN 07444898), who retires by rotation and being eligible, offers herself for re-appointment.		
4. To fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller & Auditor General of India for the FY 2018-19		
Special Business Resolutions		
5. Regularisation Of Shri Rakesh Gupta DIN 08094064 as Director		

Signed this .....day of .....2018

Signature of Shareholder.....

Signature of Proxy holder(s).....

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, please refer to the Notice of the 4TH Annual General Meeting.
- This is only optional. Please put '( )' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

Affix  
Revenue  
Stamp

\*Applicable for investors holding shares in electronic form.







**WIDOWS HOSTEL, INDIAN NAVY**



**WIDOWS HOSTEL, INDIAN NAVY**



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

Shop No.25/2, Basement, NBCC Place, Bhishma Pitamah Marg, Pragati Vihar, New Delhi – 110003

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