



# NBCC SERVICES LIMITED

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



Moving Forward Together for Achieving  
SUSTAINABLE DEVELOPMENT GOALS



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

2019-20



**Delimitation Commission of India, 3rd Floor, Ashoka Hotel, New Delhi**



**Bharat Broadband Network Limited(BBNL) AT EAST KIDWAI NAGAR**



**Registered & Corporate Office**

## **NBCC SERVICES LIMITED**

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

CIN-U74900DL2014GOI272532

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

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

Phone: 011-24360907





Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) AT EAST KIDWAI NAGAR



Satluj Jal Vidyut Nigam Limited (SJVN Ltd.) AT 6th Floor East Kidwai Nagar

## NBCC SERVICES LIMITED at Glance

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

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

### **BUSINESS OPERATIONS:**

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

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

### **MAIN OBJECTIVES:**

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



## VISION

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

## OUR MISSION

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

## OBJECTIVE

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



## REFERENCE INFORMATION

### Registered Office

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

### Board of Directors

Shri Neelesh M Shah | Smt. B.K. Sokhey | Shri Rakesh Gupta

### Senior Managerial Personnel

Shri Novman Ahmed, CEO | Shri Amarnath Mourya, CFO

### Statutory Auditors

M/s Arun Malhotra & Associates

### Bankers

Syndicate Bank | Canara Bank | Indusind Bank | HDFC Bank





**Department of Investment and public Asset Management (DIPAM)**



**Mazagon Dock Shipbuilders Limited (MDL)**



# CONTENTS

1.	<b>BOARD OF DIRECTORS</b>	<b>10</b>
2.	<b>CHAIRMAN'S ADDRESS</b>	<b>12</b>
3.	<b>NOTICE</b>	<b>15</b>
4.	<b>DIRECTORS' REPORT &amp; ANNEXURES</b>	<b>19</b>
5.	<b>MANAGEMENTS DISCUSSION &amp; ANALYSIS REPORT</b>	<b>27</b>
6.	<b>CORPORATE GOVERNANCE REPORT</b>	<b>32</b>
7.	<b>CEO/CFO CERTIFICATION</b>	<b>40</b>
8.	<b>OTHER ANNEXURES</b>	<b>41</b>
9.	<b>C&amp;AG COMMENTS</b>	<b>62</b>
10.	<b>FINANCIAL STATEMENTS</b>	<b>63</b>
11.	<b>INDEPENDENT AUDITORS REPORTS</b>	<b>64</b>



## BOARD OF DIRECTORS



**Shri Neelesh M Shah**  
(Chairman)



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



**Shri Rakesh Gupta**  
(Director)

## SENIOR MANAGERIAL PERSONNEL



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



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



## DIRECTORS' PROFILE

### **Shri Neelesh M Shah** (Chairman)

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

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

She started her career with NBCC on January 15, 1990 as direct recruit officer in Finance Department. Smt. Sokhey assumed the charge of Director (Finance) of NBCC (India) Limited with effect from August 16, 2019. Mrs. Sokhey has more than 30 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, Corporate Accounts, Tendering Establishment, Investor Relations and IPO Management. She is also on the Boards of NSL and REDCC 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)

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

## SENIOR MANAGERIAL PERSONNEL

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

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

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

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

## CHAIRMAN'S ADDRESS





## *Dear Shareholders,*

I have immense pleasure in welcoming you all to the 6th Annual General Meeting of the Company. The Notice of the meeting together with Directors' Report and Audited Annual Accounts for the financial year ending on March 2020 has already been circulated and with your permission, I take them as read.

The global business environment is facing unprecedented challenges due to ongoing pandemic and as a business entity, we are not immune to its effects. The aftermath of the disease is highly disruptive. Therefore, it is not be business as usual. Nevertheless, with technological interventions, we are sure to maintain the growth trajectory as your company has unparallel resilience and great potential. With the help of technology and digitisation, we have continued operations in all the verticals despite the lockdown and disruptions.

### **Financial Highlights**

I am delighted to share with you, another year of strong business performance by your Company. Driven by robust operational performance and sound fundamentals, your Company has recorded a total Income of Rs. 12127.98 lakhs in the financial year 2019-20. The Net Profit during 2019-20 has been Rs. 412.98 lakhs. The net worth at the close of the financial year 2019-20 stands at approx. Rs. 2330.00 Lakhs.

Creating wealth for our shareholders is our prime objective and we have been successful in doing so far. The total final dividend proposed for the FY 2019-20 is Rs. 40 lakhs. This is indeed satisfying and I would like to appreciate the efforts and hard work put in by the employees of NSL.

The performance has enabled your Company to emerge as a valuable player in the service sector. Your Company has resolved to accelerate growth notwithstanding the challenges and going forward, we are striving to bring about strategic alliances, widen customer base and improve the topline.

### **Business Prospects**

The company has initiated new operations and maintenance projects in SPG Dwarka and NIA Dwarka, New Delhi and as also CBI office building, Lucknow besides other ongoing projects.

The interior design and fit-out works business has grown substantially. Many orders were booked and executed in a short span of time. They included setting up of the Office for M/s Balmer Lawrie & Co. at Okhla and projects of Coal India Ltd, Railtel Ltd and Bharat Electronics Ltd at East Kidwai Nagar, all in New Delhi.

Many orders are already in pipeline. Your company has procured business of approx. Rs. 54.65 crores for maintenance projects and approx. Rs. 52.17 crores for interior/renovation works till date. The CSR business procured stands at Rs. 2.64 crores. The business development is growing at a rapid pace in your company to achieve higher growth prospects in the coming years.

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 MoU for FY with the holding company, NBCC and targets on various dynamic and static parameters have been fixed.

### **IT, CSR Initiatives**

NSL has improvised the Enterprise Resource Planning (ERP) software which helps in the integration of management of core business processes in real time by incorporating various modules for better efficiency.

Under the CSR initiatives, your company allocated a total of Rs 22.17 Lakhs as CSR expenditure for the FY 2019-20 towards distribution / supply of 'Giftmilk' to the students studying in government schools in Gadchiroli (Maharashtra) / Bokaro (Jharkhand). However, due to COVID-19 outbreak, schools remained closed and NSL paid only Rs. 5.87 lakhs to the NDDDB Foundation for distribution of giftmilk to school children of which, Rs. 2.08 lakhs has been spent. Even through, the said project could not be completed due to COVID-19 that led to closure of schools, NSL contributed remaining CSR amount of FY 2019-20 to PM CARES Fund raised by the Govt. for citizen's relief in the face of COVID-19 pandemic outbreak and making the fund eligible CSR activity under item no (viii) of Schedule VII of Companies Act, 2013.

### **Corporate Governance**

Your Company believes in the policy of a strong Corporate Governance system that is anchored upon transparency, conscience, team work, professionalism and accountability, thereby implementing the best available standards and boosting stakeholders confidence.

Going forward, the Company commits itself in upholding this order while continuously striving to scale new heights and horizon.

I express my sincere thanks to our holding Company- NBCC (India) Limited, the Ministry of Housing and Urban Affairs, various Departments of Government of India/State Governments and Clients Organizations, PSUs for their valuable support, co-operation and look forward to having the same indulgence in future. I also place on record, the invaluable support and guidance from all members of the Board of Directors.

Last but not least, I would like to place on record, the commitment and hard work put in by our executives and staff in achieving the growth and attaining corporate goals of the Company.

**Neelesh M Shah**  
**Chairman**



## NOTICE

Notice is hereby given that the **6<sup>th</sup> Annual General Meeting** (“AGM”) of the members of NBCC Services Limited will be held on November 24, 2020 (Tuesday) at **12:30 P.M. Indian Standard Time (“IST”), at NBCC Bhawan, Lodhi Road, New Delhi 110003 through Video Conferencing (V’C’)/other Audio Visual Means (‘OVAM’) facility** to transact the following businesses:

### ORDINARY BUSINESS

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

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

**Sd/-**

**Neelesh Manherlal Shah**

Chairman

DIN: 07444898

**Place: New Delhi**

**Date: October 21, 2020**

## NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of section 112 and section 113 of the Act, representatives of the members may be appointed for the purpose of voting or for participation and voting in the meeting held through VC or OAVM.**

3. In line with the MCA Circulars, the Notice of the 6th AGM will be available on the website of the Company at [www.nslindia.in](http://www.nslindia.in).
4. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
5. Attendance of the Members participating in the 6th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. When the Poll is required to be taken during the meeting for any resolution, the members can convey their vote by sending email from their registered mail id at [nsl@nbccindia.com](mailto:nsl@nbccindia.com).
7. Final Dividend of Rs. 2 per paid up equity shares of Rs. 10/- each for the financial year ended March 31, 2019 (i.e. @ 20%) has been recommended by the Board of Directors in its Board Meeting held on June 12, 2020 subject to the approval of the Shareholders at ensuing Annual General Meeting.
8. COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION : As you may be aware w.e.f. 1st April 2020, Dividend Distribution Tax u/s 115-O of the Income-tax Act, 1961 ("the IT Act") payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment and certain consequential amendments brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from dividend distributed on or after 1<sup>st</sup> April 2020.
9. Where less than 50 members are present in a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with section 109 of the Act.
10. In compliance with the aforesaid MCA Circulars Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.
11. The Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India and their remuneration is to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. It is proposed that the Members may authorize the Board of Directors to fix the remuneration in addition to applicable taxes and reimbursement of actual travelling and out of pocket expenses of the Statutory Auditors duly appointed by the Comptroller and Auditors General of India.
12. The members intending to seek any information on annual accounts at the meeting are requested to kindly inform the Company at least 7 days before the date of the AGM by sending request at [nsl@nbccindia.com](mailto:nsl@nbccindia.com)

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

1. Members will be able to attend the AGM through VC / OAVM at the link given below:

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_NDBhZDEwYWYtOWE1Yy000TU0LWFhYTQtYzdjMTVjNjk4NDY0%40thread.v2/0?context=%7b%22Tid%22%3a%22b1bd00e9-299f-4205-91a0-e0f28b1735aa%22%2c%22Oid%22%3a%228cec9141-8233-4e05-9bf2-9c6c62327043%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_NDBhZDEwYWYtOWE1Yy000TU0LWFhYTQtYzdjMTVjNjk4NDY0%40thread.v2/0?context=%7b%22Tid%22%3a%22b1bd00e9-299f-4205-91a0-e0f28b1735aa%22%2c%22Oid%22%3a%228cec9141-8233-4e05-9bf2-9c6c62327043%22%7d)

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

2. The facility for joining the meeting will be kept open for 30 minutes before the scheduled time to start the meeting and will be closed on expiry of 15 minutes after such scheduled time.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, PAN and mobile number at [nsl@nbccindia.com](mailto:nsl@nbccindia.com) from November 17, 2020 (9:30 a.m. IST) to November 20 2020 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. Members who need assistance before or during the Annual General Meeting can contact **Mr. Krishan Pal Chauhan on [itd@nbccindia.com](mailto:itd@nbccindia.com) or contact him at +91 7303233277.**

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

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

**Place: New Delhi  
Date: October 21, 2020**



**BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/  
RE-APPOINTMENT AT 6<sup>TH</sup> ANNUAL GENERAL MEETING**

<b>Name</b>	<b>Shri Rakesh Gupta (DIN: 08094064)</b>
Date of Birth	10/02/1962
Qualifications	B.E. (Civil Engineering)
Date of first appointment at the Board	08/03/2018
Experience	34 Years (approx)
Terms and Conditions of Appointment	As per Nominated by Holding Company
Remuneration sought to be paid and the remuneration last drawn	NIL
No. of shares held in NSL	150
Relationship with Other Directors and KMP	No inter-se relationship
Number of meetings of the Board attended during the FY 2019-20	Five (5)
Expertise in Specific functional area	Shri Rakesh Gupta joined NBCC on 01.10.1985 as Asst. Engineer Gr. 1 and subsequently climbed up the ladders of success to become Senior Executive Director (Engg). He holds B.E. (Civil Engineering) degree from Government Engineering College, Ujjain (MP).
Directorship held in other companies	NIL
Memberships/ Chairmanship of Committees of other Companies*	NIL

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

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors are pleased to share the achievements and highlights of the Company for the financial year ended March 31, 2020 and to present the 6<sup>th</sup> Annual Report on the business and operations of NBCC Services Limited and its Audited Financial Statements with the Auditor's Report as follows:

### FINANCIAL HIGHLIGHTS

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

(₹ in lakh)

Particulars	Financial year 2019-20	Financial year 2018-19
Total Income	12127.98	12838.90
Total Expenses	11459.07	11695.20
Profit before Exceptional and Extraordinary items and Tax	668.91	1143.70
Net Profit/(Loss) After Tax	412.98	863.08

### Operations and Business Performance

Total income from operations was Rs.12056.53 lacs and Profit after Tax was Rs. 412.98 Lacs.

### Reserves

The Company did not transfer any amounts to its general reserve during the financial year ended March 31, 2020.

### Dividend

Your Directors have recommended a final dividend of Rs. 2per paid-up equity share of face value of Re.10/- each (i.e. @20%) for the financial year 2019-20, subject to the approval of the Members in the ensuing Annual General Meeting.

### Share Capital

The paid-up Equity Shares Capital of the Company is Rs. 2 Cr. divided into 20 Lakhs Equity Shares of Re. 10/- each. NSL being the wholly owned subsidiary of NBCC its all shares are held by NBCC Revised paid up details Rs.3.00 Crores (after issue of bonus share of Rs.1 Crores which get approve in EoGM dated 05th June 2020)

### Bonus Shares

Board of NSL on 04.11.2019 recommended to appropriate the sum of Rs. 1 crore for distribution to and amongst the shareholders of the Company in paying up 10 lakh equity share (Bonus share) of the Company of Rs. 10 each at par in the proportion of One Bonus share for every two existing fully paid up Equity Share held by shareholder. The company got approval of DIPAM on 16.03.2020 and also received approval of Administrative Ministry on 19.03.2020. Further, approval of shareholders, was also obtained in an Extraordinary General Meeting held on 05.06.2020.

### **Business Review**

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

### **Fixed Deposits**

During the year under review, your Company has not accepted any deposit and no principal or interest was outstanding as on March 31, 2020.

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

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

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

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

### **Human Resource Development**

All the employees in NSL are on secondment basis from its holding company i.e. NBCC (India) Limited. HR plays a vital & Strategic role in NSL and the HR Practices were in line with the organization and emphasis on HR vision of Building a Team of Competent , Committed and Dedicated Professionals for Providing Quality Services to the Clients and Make Valuable Contribution in the Infrastructure Development of the Country. The success of NSL depends on the high level of skills and professionalism of employees.

### **Industrial Relations**

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

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

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

The Company has been employing 4 women employees in various cadres at the Project and office premises. There were No cases filed during the financial year ended 31st March, 2020.

### **Management Discussion and Analysis Report**

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



## **Directors' Responsibility Statement**

Your Directors confirm that:

- in the preparation of annual accounts for the financial year ended March 31, 2020, the applicable Indian 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 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 Directors have laid down internal financial controls to be followed by the Company and such internal controls are adequate and are operating effectively and
- the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **Corporate Governance Report**

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

The Corporate Governance Report for the year ended March 31, 2020 forms part of this report as **Annexure- II.**

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

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

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

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

The company has Corporate Social Responsibility (CSR) committee pursuance. During the financial year 2019-20 the Company spent an amount of Rs. 5.87 lakh as CSR expenditure. The company made the CSR expenditure toward financial Assistance to NFN to supply / distribute flavoured milk

200 ml per child on all working days to approx. 80 government school children in Gadchiroli district of Maharashtra under NSL CSR assistance for one year.

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

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

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

### **MSME Implementation**

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

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

### **Risk Management**

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

### **Internal Financial Control**

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

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

### **Vigilance Activities and Initiatives**

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

### **IT Division**

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

- ERP Module
- E-office services
- Website administration
- Hardware administration

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

### **Statutory Auditors**

M/s Arun Malhotra & Associates, Chartered Accountants, was appointed as Statutory Auditors for the financial year 2019-20 by the Comptroller & Auditor General of India (C&AG). The notes on financial statement referred in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report is attached with financial statements and forms part of this Annual Report.

The Statutory Auditors of the Company have given an un-qualified report on the financial statements of the Company for the financial year 2019-20.

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

The Comptroller and Auditor General of India, has given 'NIL' Comments on the Financial Statements of the Company for the year ended March 31, 2020 after conducting supplementary audit under Section 143 (6) (b) of the Companies Act, 2013. The copy of the same forms part of this Report.

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

Pursuant to the Companies Act, 2013 and the Rules framed there under, Five (5) Board meetings were held in the financial year 2019-20. The details of the meeting are at Corporate Governance Report forming part of this Annual Report.

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

### **Appointments/Cessations**

During the FY 2019-20, there was not any appointment or cessation of Directors on the Board of Directors of the Company. Since, the company is a wholly owned subsidiary of NBCC India Limited, the appointment of Directors are made by holding Company.

The strength of the Board of Directors of NSL as on March 31, 2020 was three, comprising three (3) Non Executive Directors

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

During the year, Shri Novman Ahmed has been appointed on the Board of Company as Chief Executive Officer in place of Shri MC Sharma. The following are the Key Managerial Personnel of the Company for the FY 2019-20 are:



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

The Board places on record deep appreciation for the valuable contribution of Shri MC Sharma.

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

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

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

### **Declaration by Independent Director**

The company does not have an Independent Directors for the financial year 2019-20.

### **TRAINING OF DIRECTORS**

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

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

We are continuously striving towards gender sensitization amongst employees. During the year 2019-20, no complaint is received under Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

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

Mode of application	No of RTI Application received	No. of RTI application				No. of Pending Applications
		Rejected	Information provided	Transferred to other public authority	Returned to Applicant	
Hard Copy	17	1	13	3	NIL	NIL
Online	11	NIL	10	1	NIL	NIL
Total	28	1	23	4	NIL	NIL

### EXTRACT OF ANNUAL RETURN

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

### Conservation of Energy and Technology Absorption:-

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

### Foreign Exchange Earnings and Out-go

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

Foreign Exchange Earning: Nil

Foreign Exchange Outgo: Nil

### PROGRESSIVE USE OF HINDI

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

### SIGNIFICANT AND MATERIAL ORDERS

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

### GENERAL:

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

1. There was no issue of shares under ESOP/ESPS to the employees.

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

#### **ACKNOWLEDGEMENT**

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

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

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

**Sd/-**

**Neelesh Manherlal Shah**

Chairman

DIN: 07444898

**Place: New Delhi**

**Date: October 21, 2020**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**NBCC Services Limited” (NSL)** was established in 2014 with an objective to provide post construction maintenance services to clients. It is a wholly owned subsidiary of NBCC (India) Limited. 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 Cental Bureau of Investigation (CBI), Bharat Broadband Nigam Ltd. (BBNL), Dr Ambedkar International Centre (DAIC), Special Protection Group (SPG), 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:**

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

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

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

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

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

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

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

### **MAIN OBJECTIVES**

- Attain Global Standards in post construction business with professional outlook.
- To provide highly effective and efficient services to the clients.
- Speedy execution of maintenance work and timely completion of work.
- Cost Effective services to the client.
- Value for Money – Customer Delight.
- Explore new areas - diversification of work.
- Upgradation of skill and knowledge with the changing scenario to remain competitive.

From time to time NSL solicits business from Ministries, Govt./Semi Govt. Departments, PSUs,



Autonomous Bodies and currently Central/State Govt. Agencies avail its expertise for their maintenance works, CSR linked activities.

### **VISION**

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

### **MISSION**

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

### **FINANCIAL PERFORMANCE**

Strengthened by operational performance and remarkable growth, NBCC Services has posted a impressive Corporate Results during financial year 2019-20. The total income from operations is Rs. 12056.53 lacs with Net Profit of Rs. 412.98 lacs

### **STRENGTH AND WEAKNESS**

#### **Strengths :-**

- 1) NSL has the advantage of being the only PSU in construction sector which has been created to cater to the post construction requirements of the clients for the entire design life of a building/ infrastructure asset.
- 2) Has a brand value for being a wholly subsidiary of NBCC (I) Limited
- 3) Experience in implementation of innovative technologies in maintenance/ Interior renovation works.
- 4) A team of qualified, dedicated and experienced engineers
- 5) Ability to deliver projects with speed and quality while following all the laid down procedures.

#### **Weakness :-**

1. Majority of the business of NSL is confined to Delhi NCR region.
2. Limited capacity to handle large scale residential projects
3. Removal of PWO tag in GFR 2017.
4. Present only as a PMC company and has not ventured into other forms of business such as contracting/ EPC.
5. Limited or no presence in health, education and infrastructure sector.

### **OPPORTUNITIES AND THREATS**

#### **Opportunities :-**

- 1) Interior fit outs and maintenance of Projects completed by NBCC (I) Ltd have a good brand values and create repeat business.
- 2) The business model and mandate of the company has immense potential for geographical and sectoral diversification.

- 3) Exploring other stream of businesses like EPC works, conducting Structural Audit/ fire audit/ retrofitting etc for various clients.

**Threats:-**

- 1) Not Getting Works on Nomination Basis Due To Change In GFR Rule 2017.
- 2) Cut Throat Competition with PSUs like UTI, HPL, RITES etc. (to the tune of 3% to 4% as PMC Charges.) coupled with ever increasing overheads.

It is evident from the above that Strengths and opportunities of the company easily outweigh the weaknesses and the threats.

**BUSINESS PERFORMANCE**

S. No.	DESCRIPTION	Target in FY 2019-20	Achievement in FY 2019-20
1	Post Construction Maintenance	Rs. 38.89 Cr.	Rs. 58.25 Cr.
2.	Renovation & Furnishing Works	Rs. 94.03 Cr.	Rs. 60.17 Cr.
3	<b>TOTAL</b>	<b>Rs.132.92 Cr.</b>	<b>Rs. 118.42 Cr.</b>
	Tender fees & Other Receipts		Rs. 0.85 Cr.
4	Credit Balance Written back		Rs. 1.29 Cr.
	<b>TOTAL</b>		<b>Rs. 120.56 Cr.</b>

**OUTLOOK**

The Indian construction sector has witnessed healthy order inflows over the past few years, supported by the increased pace of infrastructure project awards – particularly from the urban infrastructure segment.

NSL always endeavors to attain global standards in post construction business with professional outlook. The company is committed towards improving its execution capabilities with the adoption of latest technologies. It has been a leader in the maintenance/ renovation and interior fit out sector thus far.

NSL is continually working towards achieving client satisfaction by providing them the desired quality of services in cost-effective manner within the desired time period. NSL is highly optimistic about the future business prospects and expects to complete the assigned projects in an efficient manner.

**RISKS AND CONCERNS**

S. No.	Source	Risk Description
1	Securing Orders	The Company does not enjoy any price protection in securing orders.
2	Execution of secured orders	The Company is responsible for execution of secured orders to the complete satisfaction of the client within time schedule and adhering to the specified quality standards.
3	Maintenance during the defect liability period	Maintenance through the defect liability period to the satisfaction of the client protecting the envisaged business interest of the Company.

4	Selection of project execution strategy	Selection of project execution strategy is the most vital decision the Company has to take before executing a project. Wrong selection of project execution strategy will definitely lead to either failure in implementation or financial loss to the Company.
5	Selection of modalities of execution	Risk of different natures and magnitudes are involved in the available options for execution modalities of any project. Normally, selection of modalities of execution depends on the following factors: <ul style="list-style-type: none"> <li>• Nature of work</li> <li>• Volume of work</li> <li>• Sector of work</li> <li>• Availability of required equipment</li> <li>• Requirement of fund</li> <li>• In house capabilities</li> </ul>
7	Project Management	Success of implementation of any project depends largely on efficient Project Management. About 60% of the projects fail due to bad Project Management.
8	Safety of men and materials	In execution of projects, protection of working personnel from occupational hazards and safety of materials involved as project inputs, stores, tools & tackles etc. carry huge amount of risk.
9	Realisation of payment from client	This is one of the most sensitive areas on which the success and failure of any project depends. For execution of any project, adequate cash flow for project inputs and other cost centres is essential at proper time.
10	Protection of envisaged profit margin	Ultimate success in execution of any project is reflected in its financial results. It is a daunting challenge to the Project Manager to protect the envisaged margin and if possible to maximize it beyond the targeted outcome.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Adequate and suitable for its size and nature of business, the internal control procedure of company have been designed to ensure competent and advantageous utilization and protection of vital resources, accuracy in financial reporting and due compliances with statues, procedures and protocol. The system involves well-structured work instructions and comprehensive procedures to ensure proper authorization, maintenance of records, reporting of all transactions. Continuous efforts are being made to upgrade the system and procedures as well as to improve compliances at all levels. The internal control is supplemented by extensive program of Internal Audits, review by management, documented policies, guidelines and procedures.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.**

Your Company has been keenly interested in developing Human Capital of the employees through training and coaching. NSL adopts HR Policies of NBCC, being the holding company

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

The Company takes up implementation of projects on behalf of various clients. The norms provided as per the clause of the contract in respect of Environment Protection and Conservation and Renewable energy development are strictly adhered to. The interior fit out projects designed by NSL are undertaken considering the norms of GRIHA (Green Rating for Integrated Habitat Assessment) and LEED (Leadership in Energy and Environmental Design).

### **FOREIGN EXCHANGE**

Expenditure during 2019-20 was Nil.

### **SIGNIFICANT INITIATIVES**

Enterprise Resource Planning (ERP) – NSL has implemented ERP Finance module, in line with holding company, that gathered financial data and generate reports for external partners such as Auditors and agencies, whenever required and for management..

### **DISCLOSURE OF ACCOUNTING TREATMENT**

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

### **CAUTIONARY STATEMENT**

Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of the Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including among others, changes in the general economic and business conditions affecting the segment in which the Company operates, changes in business strategy, changes in interest rates, inflation, deflation, foreign exchange rates, competition in the industry, changes in Governmental regulations, tax laws and other Statutes & other incidental factors. The Company does not undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



## **CORPORATE GOVERNANCE REPORT**

### **CORPORATE GOVERNANCE PHILOSOPHY**

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

At NSL, Corporate Governance is more than just adherence to the statutory and regulatory regulations. Your Company traverses the extra mile to incorporate practices that underlie the highest levels of transparency, integrity, respect & propriety. To improve efficiency, we have adopted good corporate practices ensures transparency at large.

### **Board of Directors**

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

Being a wholly owned subsidiary of NBCC (India) Limited, all the Directors on the Board of NSL are appointed by the Holding Company i.e. NBCC (India) Limited. As on March 31, 2020, Board of the Company has three (3) Directors, i.e. Shri Neelesh Shah, as Chairman of the Company and Smt B K Sokhey and Shri Rakesh Gupta as Directors.

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

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which they are directors. Necessary disclosures regarding committee positions in other public companies as on March 31, 2020 have been made by the directors. None of the Directors were inter-se related to each other.

### **Selection of Directors**

Being a wholly owned subsidiary, all its Directors are appointed by NBCC (India) Limited. There were no Independent Directors on the Board of NSL as being a wholly owned subsidiary of NBCC it being exempted from appointment of Independent Directors and consequently, NSL have been exempted with the requirement of constituting an Audit Committee and Nomination & Remuneration Committees.

### **Disclosures about Directors**

Every Director has disclosed his/her concern or interest in other company or companies, bodies corporate, firms or other association with individuals, by giving a notice in writing.

## **Code of Conduct**

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

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

## **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel (KMP) of the Company as on March 31, 2020:

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

## **Equity Shares held by Directors:**

Shri Neelsh Shah, Smt. BK Sokhey and Shri Rakesh Gupta, Directors of the Company hold 100 equity shares of the Company on behalf of NBCC (India) Limited as on March 31, 2020.

## **BOARD MEETINGS**

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

## **Selection of Agenda items for Board Meetings**

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

- Annual operating plans of business and budgets and any update;
- Capital budgets and updates;
- Quarterly results of the Company and its operating divisions or business segment;
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order,
- which may have passed strictures on the conduct of the Company or taken an adverse view

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

### Compliance

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

### Number of Board Meetings

During the year 2019-20, total 05 (five) Board meetings were held, the details of the Board meetings are as under:

S.No.	Date of Board Meeting	Board's Strength	No of directors present at the meeting
1	May 10, 2019	3	3
2	August 06, 2019	3	3
3	November 04, 2019	3	3
4	December 17, 2019	3	3
5	February 01, 2020	3	3

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

Name of Director	Board Meetings held during his/her duration (No)	Board Meetings attended (No)	Attendance at the last AGM	No. of other Directorships	Chairmanship/ membership of other Committees
Shri Neelesh Shah	5	5	Yes	2	2
Smt. BK Sokhey	5	5	Yes	3	-
Shri Rakesh Gupta	5	5	No	-	-

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

## BOARD LEVEL COMMITTEES

### Procedure at Committee meetings

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### Composition

The Committee comprises of Smt. BK Sokhey as Chairperson and Shri Neelesh Shah and Shri Rakesh Gupta as members of the Committee

### Meetings and Attendance:

The Committee held two meeting(s) during the financial year 2019-20 i.e. on November 04, and December 17, 2019.

### Attendance during the Financial Year 2019-20

Name of the Director	Designation	No. of meetings held during his/ her tenure	No. of committee meeting attended
Smt. BK Sokhey	Chairperson	2	2
Shri Neelesh Shah	Member	2	2
Shri Rakesh Gupta	Member	2	2

## AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE

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

## GENERAL BODY MEETING

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

Year	Location	Date	Time	Special Resolution, if any
2019	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	9 <sup>th</sup> September, 2019	10:00 AM	NO
2018	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	1 <sup>st</sup> September, 2018	12:30 PM	NO
2017	NBCC Bhawan, 1st Floor, Lodhi Road, New Delhi-110003	6 <sup>th</sup> September, 2017	12:00 Noon	NO

### Postal Ballot

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing through postal ballot.



### Means of Communication

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

### Listing on Stock Exchange

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

### Shareholding Pattern as on March 31, 2020

Name of Shareholder	31.03.2020
NBCC Ltd. Through its Nominee	19,99,400
Neelesh Manherlal Shah*	100
Baldev Kaur Sokhey*	100
Yogesh Sharma*	100
Rakesh Gupta*	100
Nirmal Prakash Aggarwal*	100
A Sabeena*	100

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

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

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

### UNCLAIMED DIVIDENDS

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

### Address for correspondence

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

### Certificate on Corporate Governance

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

### COMPLIANCES

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

### DISCLOSURES

- Details of related party transactions are included in the Notes to the Accounts.
- NSL does not have any Subsidiary Company.

- The Chairman of the Company is non Executive Director and no person has been appointed as Independent Director.
- NSL comprises the employees of NBCC who have been deputed on secondment basis by NBCC
- Training policy for Directors as applicable to NBCC being followed by NSL.
- Being a wholly owned subsidiary of NBCC the Policies, Guidelines, etc. of NBCC are applicable to NSL till their own policies are formulated and adopted.

#### **Chief Executive Officer Declaration**

I, Novman Ahmed, CEO of NBCC Services Limited, do hereby declare that all the Board members and senior management personnel have affirmed compliance with the code of conduct of the Company for the financial year ended 31st March, 2020.

Place: New Delhi

Date: October 21 ,2020

Sd/-

Novman Ahmed

Chief Executive Officer

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

We have examined the compliances of conditions of Corporate Governance by NBCC Services Limited (“the Company”) for the financial year ended 31<sup>st</sup> March, 2020 as stipulated 8.2.1 of guidelines issued by Department of Public Enterprise (DPE) and Ministry of Heavy Industries and Public Enterprises, Government of India.

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

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

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

For Mohit Jain & Co. Company Secretaries

**Sd/-**  
(Mohit Jain)  
Proprietor  
CP- 15198  
ACS- 40841

**Place: Delhi  
Date: October 16, 2020**

## MANAGEMENT'S REPLY TO AUDITORS' REPORT ON CORPORATE GOVERNANCE (FY 2019-20)

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

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

**Place: New Delhi**  
**Date: October 21, 2020**

Sd/-  
Neelesh Manherlal Shah  
Chairman  
DIN: 07444898



## CEO/CFO Certification

To  
**Board of Directors**  
**NBCC Services Limited**

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

- a. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2020 on that date and that to the best of our knowledge and belief:
  - i. the said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. the said statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the auditors and the audit committee:-
  - i. That there are no significant changes in internal control over financial reporting during the year financial year 2019-20
  - ii. The significant changes in accounting policies during the financial year 2019-20 have been disclosed in the notes to the financial statement.
  - iii. That there are no instances of significant fraud of which we have become aware.

Sd/-  
Novman Ahmed  
Chief Executive officer

Sd/-  
Amarnath Mourya  
Chief Financial Officer

**Place: New Delhi**  
**Date: October 21, 2020**

**Annexure-III**

## AOC-2

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

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

Details of contracts / arrangements or transactions at arms length basis for the FY 2019-20

Name of Related Party and Nature of Contract	Relationship	Duration of Contract	Sailent Features	Amount (Rs in Lacs)
NBCC (INDIA) LIMITED (NBCC)	Holding Company	As per Board approval	Services Rendered	3311.38
			Services received	(1675.78)
NBCC ENGINEERING & CONSULTANCY LIMITED (NECL)	Subsidiary of NBCC	As per Board approval	Services rendered	10.28
			Services received	(2.14)

Sd/-  
Neelesh Manherlal Shah  
Chairman  
DIN-07444898

**Place: New Delhi**  
**Date: October 21, 2020**

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

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

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

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

- 1.1 The "Act" Means the Companies Act, 2013.
- 1.2 "Corporate Social Responsibility" means and includes but is not limited to :-
  - i. Projects or programs relating to activities specified in Schedule VII to the Act; or
  - ii. Projects or programs relating to activities undertaken by the Board of Directors of a company (Board) in pursuance of recommendations of the Board Level CSR Committee of the Board as per declared CSR & SD Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- 1.3 The "Board Level CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- 1.4 "CSR & SD Policy" relates to the Activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.
- 1.5 "Net Profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely :-
  - i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
  - ii. any dividend received from other companies in India, which are covered under and complying with the Provisions of Section 135 of the Act :-

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

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

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

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

## **CSR VISION**

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

## **CSR MISSION**

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

## **CSR OBJECTIVES**

---

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

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

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

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

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

### **3.0 FUNDING AND RESOURCE ALLOCATION**

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

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

#### **4.1 THRUST AREAS**

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

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



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

---

<sup>4</sup> Board approved the same in its meeting dated August 14, 2020

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

4.2 **Baseline Survey:** As a first step, to assess the impact of any project/programme/activity, there is a need to establish the base. This base establishment will help the company to see the changes after intervening in a specific area. Baseline Survey can be undertaken by an expert agency or by Company itself to assess the needs as well as establish the baseline information and statistics so as to allow a comparison of the 'then' and 'now' situation in the future. This will clearly show the 'impact' the project has created.

4.3 **Needs Assessment:** It is also important to conduct an unbiased needs assessment in the area prior to undertaking a CSR project in order to ascertain the specific needs, problems and relevant solutions from the community perspective, as also gain an understanding from the perspectives of the village / Distt. / State authorities, and the concerned HODs of NSL.

4.4 **Proposal Evaluation:** A thorough evaluation of proposals should be conducted based on needs. For this purpose, only those proposals that are supported by data, documentary evidence, clearly indicating the need, preferably in thrust areas of the company or as decided by the Competent Authority / Board Level CSR Committee, shall be taken up. Also, there needs to be clear criterion to evaluate the reliability of the proposal as also adherence to the Companies Act, 2013 and adherence to NSLCSR & SD Policy.

4.5 All the interventions made by company should be implemented in a project mode with clear objectives and goals mentioned. The goals should be laid on SMART principle which is:

S = SPECIFIC

M = MEASURABLE

A = ATTAINABLE

R = RELEVANT

T = TIME BOUND

4.6 In exceptional cases where the interventions made by the company under CSR are not in project mode, and are one-time activities, the reason for doing so should be recorded in writing. These one-time activities should constitute only 5% of NSL's total CSR spending for that year. Rest should be in project-mode as mentioned in section 4.4, Clause 4.2, 4.3 & 4.4

4.7 As the projects are related to socio-economic development and environmental protection, specialised agencies should be involved in designing and implementation of the same. In

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 7 UPKEEP AND MAINTENANCE OF ASSETS CREATED

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



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

## **8 POWERS OF APPROVAL**

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

## **9 Reporting**

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

9.2 The Board's report will include the following :

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

## SUSTAINABILITY DEVELOPMENT

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

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

## Brief Outline of the Company's CSR Policy

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

1. Covers all the projects enumerated in Schedule VII of Companies Act, 2013.
2. All the Proposals/Requests should come through the District Administration/ District Authorities in prescribed formats.
3. The proposals are recommended by the Board level CSR Committee and approved by the Board of Directors of NSL for implementation
4. After Implementation, Impact Assessment is carried out.
5. The Composition of the CSR Committee:

S No.	Name of member	Designation
1.	Smt. B.K. Sokhey	Chairperson
2.	Shri Neelesh Shah	Member
3.	Shri Rakesh Gupta	Member

### a) 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.1108.29 lakh and 2% of the same would be Rs 22.17 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.5.87 Lakh towards CSR Activities.

### b) Prescribed CSR Expenditure : Rs. 22.17 Lakh

### c) Details of CSR spent during the financial year

- (i) Total amount to be spent for the financial year; Rs 22.17 Lakh
- (ii) Amount unspent, if any; Rs. 16.30 lakhs
- (iii) Manner in which the amount spent during the financial year is as per table given below.

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 as undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects pr programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads (Rs. In lakh)	Cumulative expenditure upto the reporting period (Rs in lakhs)	Amount Spent : Direct or through implementing agency
1	Contribution to the CSR Activity regarding distribution/ supply of "Giftmilk" to students in government schools in Gadchiroli	Healthcare and Nutrition	Maharashtra	-	5.87 lakhs	5.87 lakhs	Through Implementation Agency
<b>Total</b>					<b>5.87 Lakh</b>	<b>5.87 Lakh</b>	

d) 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:

Due to the unforeseen pandemic COVID-19, incurring of the CSR expenditure is in progress.

e) A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

### 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**

Sd/-

**B.K. Sokhey**

**Chairman (CSR Committee)**

**Place: New Delhi**

**Date: October 21, 2020**

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

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

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

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

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



#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2019 ]				No. of Shares held at the end of the year [As on 31/03/2020]				% Change during the year [Increase/ (Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	600	600	0.03%	600	-	600	0.03%	-
b) Central / State Government(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corporate	-	1,999,400	1,999,400	99.97%	1,999,400	-	1,999,400	99.97%	0.00%
d) Financial Institutions / Banks	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any others (specify)									
i) Group companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Directors Relatives	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>		<b>2,000,000</b>	<b>2,000,000</b>	<b>100%</b>	<b>2,000,000</b>	-	<b>2,000,000</b>	<b>100%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
Bodies Corporate	-	-	-	0.00%	-	-	-	0.00%	0.00%
Individual	-	-	-	0.00%	-	-	-	0.00%	0.00%
Institutions	-	-	-	0.00%	-	-	-	0.00%	0.00%
Qualified Foreign Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Any Others (Specify)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (A)(2) :</b>	-	<b>2,000,000</b>	<b>2,000,000</b>	<b>100%</b>	<b>2,000,000</b>	-	<b>2,000,000</b>	<b>100%</b>	<b>0.00%</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2019 ]				No. of Shares held at the end of the year [As on 31/03/2020]				% Change during the year [Increase/ (Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
Total (A)=(A)(1) + (A)(2)									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Central / State Government(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Financial Institutions / Banks	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Mutual Funds / UTI	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) FII's	-	-	-	0.00%	-	-	-	0.00%	0.01%
g) Foreign Venture Capital Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Qualified Foreign Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Any Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Alternate Investment Funds									
j) Foreign Portfolio Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
k) Alternate Investment Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (B)(1):</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2019]				No. of Shares held at the end of the year [As on 31/03/2020]				% Change during the year [Increase/ (Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>2. NON- INSTITUTIONS</b>									
a) Bodies corporate	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individual									
i) (Capital upto to Rs. 1 lakh)	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) (Capital greater than Rs. 1 lakh)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>I) Any others (specify)</b>									
i) Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Clearing Member	-	-	-	0.00%	-	-	-	0.00%	0.00%
iii) Non Resident Indians (NRI)	-	-	-	0.00%	-	-	-	0.00%	0.00%
vi) Directors Relatives	-	-	-	0.00%	-	-	-	0.00%	0.00%
vii) Employee	-	-	-	0.00%	-	-	-	0.00%	0.00%
viii) Overseas Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Corporate									
ix) Unclaimed Suspense Account	-	-	-	0.00%	-	-	-	0.00%	0.00%
(x) HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
(xi) IEPF	-	-	-	0.00%	-	-	-	0.00%	0.00%
(d) Qualified foreign investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
(e) NBFC Registered with RBI	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (B (2):</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>(B)=(B)(1) + (B (2))</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2019]				No. of Shares held at the end of the year [As on 31/03/2020]				% Change during the year [Increase/ (Decrease)]
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>Total (A) + (B) :</b>									
<b>(a)SHARES HELD BY CUSTODIANS</b>									
(i) Promoter and Promoter Group	-	-	-	-	-	-	-	0.00%	0.00%
Public	-	-	-	-	-	-	-	0.00%	0.00%
<b>SUB TOTAL</b>	-	-	-	-	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>(C)(1) : (C)=(C)(1)</b>									
<b>Total (A) + (B) :</b>		2,000,000	2,000,000	100%	2,000,000	-	2,000,000	100.00%	0.00 %
<b>Grand Total (A) + (B) + (C)</b>		2,000,000	2,000,000	100%	2,000,000	-	2,000,000	100.00%	0.00%

**ii) Shareholding of "Promoter and Promoter Group"**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			Change in Shareholding During the Year	
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No of Shares	% of total Shares of the Company
1	NBCC (India) Limited	1999400	99.97%	0%	1999400	99.97%	0%	0%	0.00%
2	Shri NP Aggarwal	100	0.005%	0%	100	0.005%	0%	0%	0.00%
3	Shri A.Sabeena	100	0.005%	0%	100	0.005%	0%	0%	0.00%
4	Smt. BK Sokhey	100	0.005%	0%	100	0.005%	0%	0%	0.00%
5	Shri Neelesh M Shah	100	0.005%	0%	100	0.005%	0%	0%	0.00%
6	Shri Yogesh Sharma	100	0.005%	0%	100	0.005%	0%	0%	0.00%
7	Shri Rakesh Gupta	100	0.005%	0%	100	0.005%	0%	0%	0.00%
	<b>Total</b>	<b>2,000,000</b>	<b>100.00%</b>	<b>0%</b>	<b>2,000,000</b>	<b>100.00%</b>	<b>0%</b>	<b>0%</b>	<b>0.00%</b>

### iii) Change in Promoters' Shareholding during the financial year 2019-20

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	<b>At the beginning of the year</b>	1-04-2019					
	<b>Changes During The Year</b>	-	No Change was occurred in the promoters holding during the FY 2019-20	2,000,000	100	2,000,000	100
	<b>At the end of the year</b>	31-03-2020		2,000,000	100	2,000,000	100

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	<b>At the beginning of the year</b>	1-04-2019					
	<b>Changes During The Year</b>	-		0	0.00	0	0.00
	<b>At the end of the year</b>	31-03-2020		0	0.00	0	0.00

### (V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	NAME	No. of Shares at the beginning the year (01.04.2019)/ No. of Shares at the end of the year (31.03.2020)	Transaction Date	Increase/ Decrease in share-holding	Reason	Cumulative Number of Shares	Percentage of total shares of the company
1	Mr. Neelash M Shah	100	01.04.2019	-	-	100	0.005
		100	01.04.2020	-	-	100	0.005
2	Mrs. BK Sokhey	100	01.04.2019	-	-	100	0.005
		100	01.04.2020	-	-	100	0.005
3	Shri Rakesh Gupta	100	01.04.2019	-	-	100	0.005
		100	01.04.2020	-	-	100	0.005



## V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

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

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

There is no Managing Directors/Whole-time Directors or manger in the Company during the FY 2019-20

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

(Rs in Lakh)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP) OTHER THAN MD/MANAGER/WTD					
S I . no.	Particulars of Remuneration	Key Managerial Personnel			
		Shri MC Sharma, CEO (from 01.04.2019 to 31.01.2020)	Shri Novman Ahmed CEO (w.e.f. 01.02.2020 to 31.03.2020)	Amarnath Mourya CFO	Total
1.	Gross salary	3,904,448	377,562	2,030,581	6,312,591
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	-
2.	Stock Option	-		-	-
3.	Sweat Equity	-		-	-
4.	Commission as % of profit	-		-	-
	- others, specify...	452,145	55,250	294,101	692,201
5.	E.P.F., employers Pension contribution,	390,489	47,716	253,996	801,496
6.	Provisions for EI & HPL Leave Encashment, PRMB, Gratuity & PRP				
	<b>Total</b>	<b>4,747,082</b>	<b>480,528</b>	<b>2,578,678</b>	<b>7,806,288</b>

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

Sd/-

**Neelesh Manherlal Shah**  
Chairman

DIN-07444898

Place: New Delhi  
Date: October 21, 2020

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF THE INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NBCC SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of NBCC SERVICES LIMITED for the year ended 31 March 2020 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 & Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 June 20.

I, on behalf of the Comptroller and Auditor General of India, have conducted the supplementary audit of the financial statements of **NBCC SERVICES LIMITED** for the year ended 31 March 2020 under section 143 (6)(a) of the Act. This supplementary Audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

**Sd/-**

**(Rina Akoijam)**

**Place: New Delhi**

**Date: August 28, 2020**

Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I, New Delhi

# FINANCIAL STATEMENT



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NBCC SERVICES LIMITED

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

We have audited the accompanying financial statements of NBCC Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

<p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period</p>	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures:             <ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in the se contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.</li> <li>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul>
---	---



2	<p><b><i>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates</i></b></p> <p>Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</li> <li>• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.</li> <li>• Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.</li> <li>• Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.</li> </ul>
---	---	--

**Information Other than the Financial Statements and Auditor’s Report Thereon**

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

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

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

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

**Management’s Responsibility for the Financial Statements**

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

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

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

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

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

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

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

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

up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

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

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

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. We enclose our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the “Annexure C” on the directions and sub-directions issued by the Comptroller and Auditor General of India.

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

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

UDIN : 20081452AAAAAH3883

Place: New Delhi  
Date: 12.06.2020

## TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **NBCC SERVICES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

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

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

(M. No.81452)

UDIN : 20081452AAAAAH3883

**Place: New Delhi**  
**Date: 12.06.2020**



## TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of the immovable properties, as disclosed in Note 2 on fixed assets to the financial statements, are pending execution. Hence the said immovable properties amounting to Rs. 1910.68 Lakhs are not held in the name of the Company as at the balance sheet date.
- ii. The Company is in the business of providing project management and super-vision services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According the information and explanations given to us, the Company has not granted, secured loans to companies, firms, LLP's or other parties covered in the register maintained under section 189 of the Companies Act,2013, and as such provisions of Para 3(iii)(a), 3(iii)(b) and 3(iii)(c ) of the order regarding granting of loans are not attracted to the company.
- iv. In our opinion and according to the information and explanations given to us, the provisions of Sections 185 and 186 of the Act, with respect to the loans, making investments and providing guarantees and securities, are not attracted to the company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The employees of the Company are on secondment basis from its holding company i.e. NBCC (India) Limited. As explained to us, the holding company is regular in depositing undisputed statutory dues, including Provident Fund with appropriate authority.

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

- (b) According to information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except Tax Deducted at Source details as under :-

S No.	Assessment Year	Amount
1.	2015-16	1,79,230/-
2.	2017-18	19,100/-
3.	2018-19	3,790/-
	<b>TOTAL</b>	<b>2,02,120/-</b>

- (c) According to information and explanation given to us, that there were no dues of Income Tax and Goods & Service Tax which have not been deposited by the company on account of disputes.

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

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

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

Sd/-

**ARUN MALHOTRA**

Partner

(M. No.81452)

UDIN : 20081452AAAAAH3883

Place: New Delhi

Date: 12.06.2020

## TO THE INDEPENDENT AUDITOR'S REPORT

Directions and sub directions indicating the areas to be examined by the Statutory Auditors during the course of audit of Annual accounts of the NBCC Services Limited for the years 2019-20 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act 2013

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

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

**Sd/-**  
**ARUN MALHOTRA**  
Partner  
(M. No.81452)

UDIN : 20081452AAAAAH3883

Place: New Delhi  
Date: 12.06.2020

## Balance Sheet As at March 31, 2020

(₹ in lakh)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	1,928.37	1,964.98
(b) Other Intangible Assets	2	-	0.38
<b>2 Non-Current Tax Assets (Net)</b>	3	58.54	-
<b>3 Deferred Tax Assets (Net)</b>	4	96.14	159.78
		<b>2,083.05</b>	<b>2,125.14</b>
<b>4 Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	5	3,188.12	3,641.74
(ii) Cash and Cash Equivalents	6	1,075.69	36.41
(iii) Other Bank Balances	7	368.61	2,308.18
(iv) Other Financial Assets	8	45.52	22.98
(b) Current Tax Assets (Net)	9	66.25	36.47
(c) Other Current Assets	10	530.66	477.66
		5,274.85	6,523.45
<b>TOTAL ASSETS</b>		<b>7,357.90</b>	<b>8,648.59</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	11	200.00	200.00
(b) Other Equity	12	2,130.18	2,139.14
<b>Total Equity</b>		<b>2,330.18</b>	<b>2,339.14</b>
<b>2 Liabilities</b>			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
Due to MSMEs	13	-	-
Due to Others	13	2,952.27	2,788.06
(ii) Other Financial Liabilities	14	1,053.56	1,070.95
(b) Other Current Liabilities	15	999.72	2,450.44
(c) Provisions	16	22.17	-
		<b>5,027.72</b>	<b>6,309.45</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7,357.90</b>	<b>8,648.59</b>

Significant Accounting Policies &

Notes on Financial Statements 1 to 40

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

Sd/-  
(Rakesh Gupta)  
Director  
DIN:08094064

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

Sd/-  
(Novman Ahmed)  
C E O

Sd/-  
(Amarnath Mourya)  
C F O

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

Sd/-  
(ARUN MALHOTRA)  
Partner  
Membership No. 81452

Place : New Delhi  
Date : 12.06.2020

## Statement of Profit and Loss For the period ended on 31st March 2020

(₹ in lakh)

Particulars		Note No.	For the year ended on March 31, 2020	For the year ended on March 31, 2019
I.	Revenue From Operations			
	Revenue From Operation	17	12,056.53	12,669.05
II.	Other Income	18	71.45	169.85
III.	<b>Total Income (I + II)</b>		<b>12,127.98</b>	<b>12,838.90</b>
IV.	<b>Expenses:</b>			
	Cost of Work & Consultancy Expenses	19	10,303.96	10,541.59
	Employee Benefits Expense	20	841.59	835.82
	Depreciation and Amortisation Expense	2	38.44	20.21
	Other Expenses	21	247.93	271.13
	Write Offs	22	27.15	26.45
	<b>Total Expenses (IV)</b>		<b>11,459.07</b>	<b>11,695.20</b>
V.	<b>Profit before Exceptional Items and Tax (III-IV)</b>		<b>668.91</b>	<b>1,143.70</b>
VI.	Exceptional Items			
VII.	<b>Profit before Tax (V - VI)</b>		<b>668.91</b>	<b>1,143.70</b>
VIII	Tax Expense:			
	(1) Current Tax	23	192.29	413.78
	(2) Deferred Tax	23	63.64	(71.08)
	(3) Provision for earlier year written back		-	(62.07)
IX	Profit / Loss for the period from continuing operations (VII-VIII)		412.98	863.08
X	Profit / (Loss) for the discontinued operations		-	-
XI	Tax expenses of discontinued operations		-	-
XII	Profit / (Loss) for the discontinued operations (after tax) (X-XI)		-	-
XIII	Profit / (Loss) for the period (IX-XII)		412.98	863.08
XIV	Other Comprehensive income			
	A (i) Items that will not be reclassified into profit/loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit/loss Income Tax effect		-	-
	B (i) Items that will be reclassified into profit/loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit/loss		-	-
XV	<b>Total comprehensive income for the period (XIII-XIV)</b>		<b>412.98</b>	<b>863.08</b>
XVI	Earnings per Share (Face value of Rs. 10/- per Equity Share)	24		
	(1) Basic (in ₹)		20.65	43.15
	(2) Diluted (in ₹)		20.65	43.15

Significant Accounting Policies &

Notes on Financial Statements 1 to 40

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

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

As per our Review Report attached  
For **Arun Malhotra & Associates**  
Chartered Accountants  
(FRN:002563N)



## Statement of Cash Flows For the year ended on 31st March 2020

(₹ in lakh)

Particulars		For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>A.</b>	<b>Cash flows from operating activities</b>		
	<b>Net profit before tax and extraordinary items</b>	668.91	1,143.70
	Adjustment for:		
	Depreciation	38.44	20.21
	Interest Received	(71.45)	(169.85)
	<b>Operating Profit before Working Capital Changes</b>	<b>635.90</b>	<b>994.07</b>
	Adjustment for:		
	(Decrease) /Increase in Other Non-Current Liabilities		
	Decrease/(Increase) in Trade receivables	453.63	(125.49)
	Decrease/(Increase) in Other Financial Assets	(22.54)	(209.68)
	Decrease/(Increase) in Other Current Assets	(53.00)	(284.53)
	(Decrease) /Increase in Trade payables	164.21	(1,276.40)
	(Decrease) /Increase in Other Current Liabilities	(1,450.72)	(302.89)
	(Decrease) /Increase in Provisions (Current)	22.17	7.97
	(Decrease) /Increase in Other financial liabilities (Current)	(17.39)	1,663.07
	<b>Cash generated from Operations before Extra Ordinary Items</b>	<b>(267.75)</b>	<b>466.11</b>
	Extraordinary Items		-
	Direct Taxes Paid	(280.61)	(487.47)
	<b>Net Cash from Operating Activities (A)</b>	<b>(548.36)</b>	<b>(21.37)</b>
<b>B.</b>	<b>Cash Flows from Investing Activities:</b>		
	<b>Purchases of Fixed Assets</b>	<b>(1.47)</b>	(1,980.95)
	Capital Advance for Property, Plant And Equipment.	-	64.31
	Fixed deposits placed with Banks having original maturity of more than 3 months	<b>1,939.57</b>	1,722.74
	Interest Accrued on Fixed Deposits		34.54
	Interest Received (Net of Tax Deducted at Source)	<b>71.45</b>	169.85
	<b>Net Cash from Investing Activities: (B)</b>	<b>2,009.55</b>	<b>10.49</b>
<b>C.</b>	<b>Cash Flows from Financing Activities:</b>		
	Dividend on Equity Shares paid	<b>(421.91)</b>	-
	<b>Net Cash from Financing Activities (C)</b>	<b>(421.91)</b>	-
	<b>Net Increase in Cash and Cash Equivalent (A) + (B) + (C)</b>	<b>1,039.28</b>	<b>(10.87)</b>
	<b>Cash and Cash Equivalents - Opening</b>	<b>36.41</b>	47.28
	<b>Cash and Cash Equivalents - Closing</b>	<b>1,075.69</b>	36.41

Particulars		For the year ended on March 31, 2020	For the year ended on March 31, 2019
i)	Cash and Cash Equivalents Includes:		
a)	Cash in Hand & Stamp in Hand		-
b)	Remittances in Transit / Cheques in Hand		-
c)	Balances / Fixed Deposits/Call Deposits with Banks	1,075.69	36.41
d)	Interest Accrued in Flexi Deposits		
e)	Balances with Bank in Unclaimed Dividend Account		-
		<b>1,075.69</b>	<b>36.41</b>

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

iii) Figures in brackets indicate cash outgo.

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

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

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

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

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

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

As per our Review Report attached  
For **Arun Malhotra & Associates**  
Chartered Accountants  
(FRN:002563N)

Place : New Delhi  
Date : 12.06.2020

Sd/-  
**(ARUN MALHOTRA)**  
Partner  
Membership No. 81452

## **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 31st Mar 2020 were authorized and approved for issue by the Board of Directors on 12th June 2020.

#### **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 period ended 31st Mar 2020, as summarised below.

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

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

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

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

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

In case of contracts which are in nature of cost plus contracts/fixed contracts, revenue is

recognised on the basis of percentage completion method and the consideration is to be recognised at transaction price/fair value.

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

***Revenue includes:***

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

***Interest and other income***

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

## **4.2 INTANGIBLE ASSETS**

### **Recognition**

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

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

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

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

### **Recognition**

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

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

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

Property, plant and equipment individually costing upto INR 10,000/- are fully depreciated in the year of acquisition.

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

#### **De-recognition**

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

### **4.4 LEASES**

#### **Company as a lessee**

##### ***Finance leases***

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

The interest element of lease payments is charged to statement of profit and loss, as finance costs over the period of the lease.

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

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

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

##### **De-Recognition**

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

##### ***Operating leases***

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

##### **Recognition**

At the inception of the lease, right of use is recognised at cost including any indirect costs to acquire the asset and dismantling costs (if any), reduced by lease incentives with a

corresponding lease liability equal to the present value of unpaid lease payments except in the following cases:

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

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

Subsequent measurement (Depreciation)

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

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

### **Company as a lessor**

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

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

#### ***Operating lease***

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

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

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

## **4.6 FINANCIAL INSTRUMENTS**

### **Financial assets**

#### ***Initial recognition and measurement***

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



### ***Subsequent measurement***

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

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

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

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

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

### **Financial liabilities**

#### ***Initial recognition and measurement***

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

#### ***Subsequent measurement***

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

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

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

Operating Revenue.

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

#### ***Offsetting of financial instruments***

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

### **4.7 IMPAIRMENT OF FINANCIAL ASSETS**

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

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

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

#### ***Trade receivables***

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

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

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

### **4.8 INCOME TAXES**

Tax expense recognised in profit and loss comprises the sum of current tax and deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or

substantively enacted by the end of the reporting period. Deferred income taxes are calculated using balance sheet approach. *The Current Tax and Deferred Tax so calculated are adjusted for the uncertainty of tax treatment by the tax authorities at each reporting date.*

Deferred tax liabilities are generally recognised in full for all taxable temporary differences.

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

#### **4.9 CASH AND CASH EQUIVALENTS**

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

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

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

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

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

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

The employees of the Company are on secondment basis from the holding company i.e. NBCC (India) Limited. Employee benefits include provident fund, pension, gratuity, post retirement scheme & other terminal benefits. In term of the arrangement with the Holding Company, the company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the company. Accordingly, these employees' benefits are treated as defined contribution scheme.

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

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of

the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

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

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

#### **4.13 ARBITRATION AWARDS**

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

#### **4.14 LIQUIDATED DAMAGES**

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

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

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

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

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

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

### ***Significant management judgements***

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

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

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

### ***Estimation uncertainty***

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

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

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

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

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

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

# Notes to Financial Statements

## Note 2

(₹ in lakh)

S. No	Gross Carrying Amount (At Cost)				Accumulated Depreciation				Accumulated Impairment			Net Book Value		
	As at 1st April 2019	Additions	Disposals	As at 31st March 2020	As at 1st April 2019	Depreciation charge for the period	On Disposals	As at 31st March 2020	As at 1st April 2019	For the year	Reversal	As at 31st March 2020	As at 31st March 2020	As at March 31, 2019
	1	2	3	4	5	6	7	8				13		14
<b>A</b>														
<b>Tangible Assets (Not Under Lease)</b>														
Land And Building	1,910.60			1,910.60	15.17	30.33		45.50				1,865.10		1,895.48
Furniture and Fixtures	70.86	1.47	-	72.32	4.08	6.87	-	10.95	-	-	-	61.37		66.72
Office Equipment	1.60			1.60	0.71	0.30		1.01				0.59		0.89
Computers and data processing units	2.92		-	2.92	1.05	0.56		1.61				1.32		1.87
<b>Total (A)</b>	<b>1,985.97</b>	<b>1.47</b>	<b>-</b>	<b>1,987.44</b>	<b>21.00</b>	<b>38.07</b>	<b>-</b>	<b>59.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,928.37</b>	<b>-</b>	<b>1,964.97</b>
<b>B</b>														
<b>Intangible assets</b>														
	1.51			1.51	1.13	0.38		1.51				-		0.37
<b>Total (B)</b>	<b>1.51</b>	<b>-</b>	<b>-</b>	<b>1.51</b>	<b>1.13</b>	<b>0.38</b>	<b>-</b>	<b>1.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.37</b>
<b>Total (A+B)</b>	<b>1,987.48</b>	<b>1.47</b>	<b>-</b>	<b>1,988.95</b>	<b>22.14</b>	<b>38.44</b>	<b>-</b>	<b>60.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,928.37</b>	<b>-</b>	<b>1,965.34</b>
<b>Previous Year</b>	<b>6.54</b>	<b>1,980.94</b>	<b>-</b>	<b>1,987.48</b>	<b>1.92</b>	<b>20.21</b>	<b>-</b>	<b>22.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,965.34</b>	<b>-</b>	

### Note 3

(₹ in lakh)

Non-Current Tax Assets (Net)	As at March 31, 2020		As at March 31, 2019	
Advance Income Tax				
Unsecured, considered good	472.32		-	
Less: Provision for taxation	(413.78)		-	
		58.54		-
		<b>58.54</b>		-
<b>Total</b>		<b>58.54</b>		-

### Note 4

(₹ in lakh)

Deferred Tax Assets (Net)	Opening Balance as at 1 April 2019	Charged / (Credited) to Profit & Loss	Charged / (Credited) to Equity	Total As at 31 March 2020
Deferred Tax Assets				
Provision for Employee Benefits, Depreciation and Impairment Allowances				
Provision for Employee Benefits	40.35	(16.04)		24.31
Provision for Depreciation	(3.48)	(77.29)		(80.77)
Provision for Impairment Allowances	122.91	29.70		152.61
<b>Total</b>	<b>159.78</b>	<b>(63.64)</b>	-	<b>96.14</b>

### Note 5

(₹ in lakh)

Trade Receivables	As at March 31, 2020		As at March 31, 2019	
Secured				
Unsecured:				
- Considered good (from Holding Company/Other Related Parties) (Refer Note.26)	2,302.72		2,928.00	
- Considered good (from others)	1,491.77		1,135.83	
Trade Receivables Considered Goods Unsecured				
Trade Receivable which has significant increase in Credit Risk				
Trade Receivable - Credit Impaired				
		3,794.48		4,063.83
Impairment Allowance for :				
Unsecured, Considered good (Refer Note no. 26)	(606.36)	(606.36)	(422.09)	(422.09)
Unsecured, Considered doubtful				
<b>Total</b>		<b>3,188.12</b>		<b>3,641.74</b>

### Note 6

(₹ in lakh)

Cash and Cash Equivalents	As at March 31, 2020	As at March 31, 2019
Balances with Banks in Current Account	129.86	36.41
Cheques in Hand		-



Cash and Cash Equivalents	As at March 31, 2020	As at March 31, 2019
Bank deposits upto 3 months Maturity	945.54	-
Interest Accrued on Flexi Deposits	0.28	-
<b>Total</b>	<b>1,075.69</b>	<b>36.41</b>

## Note 7

(₹ in lakh)

Bank balance other than above	As at March 31, 2020	As at March 31, 2019
<b>Other Bank Balances</b>		
Bank deposits more than 3 months and upto 12 months Maturity *	350.37	2,259.50
Interest Accrued on Fixed Deposits	18.24	48.68
<b>Total</b>	<b>368.61</b>	<b>2,308.18</b>

## Note 8

(₹ in lakh)

Other Financial Assets	As at March 31, 2020	As at March 31, 2019
Advance recoverable from Staff	3.13	3.82
Unbilled Revenue	-	-
Other Current Assets		
Security Deposit with Holding Co. (Refer Note No. 26)	-	-
EMD	19.16	19.16
Amount Recoverable		
Holding Company and other Related Party	-	-
Others Recoverable	23.23	-
<b>Total</b>	<b>45.52</b>	<b>22.98</b>

## Note 9

(₹ in lakh)

Current Tax Assets (Net)	As at March 31, 2020		As at March 31, 2019	
Advance Income Tax			-	
Unsecured, considered good	258.54		450.26	
Less: Provision For Taxation	(192.29)		(413.78)	
		66.25		36.47
		66.25		36.47
<b>Total</b>		<b>66.25</b>		<b>36.47</b>

## Note 10

(₹ in lakh)

Other Current Assets	As at March 31, 2020		As at March 31, 2019	
Advances to PRWs, Suppliers & Others				
-Advance/ Financial Assistance to Contractor				
- Secured Considered Good	-		-	
- Unsecured Considered Good	14.79		19.67	
-Doubtful			-	
Less: Provision		14.79	-	19.67

Other Current Assets	As at March 31, 2020		As at March 31, 2019	
Prepaid Expenses		1.22		0.12
Balance With Govt Authority		514.65	457.87	457.87
<b>Total</b>		<b>530.66</b>		<b>477.66</b>

### Note 11

(₹ in lakh)

Share Capital	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
<b>Authorised:</b>				
Equity Shares of Rs. 10/- each (Previous Year Rs.10/- each)	50,00,000	500.00	50,00,000	500.00
<b>Issued ,Subscribed &amp; Paid up</b>				
Fully paid up Equity Shares of Rs.10/- each (Previous Year Fully Paid Equity Shares of Rs.10/- each)	20,00,000	200.00	20,00,000	200.00
<b>Total</b>	<b>20,00,000</b>	<b>200.00</b>	<b>20,00,000</b>	<b>200.00</b>

### Note 11 A

(₹ in lakh)

Share Capital	Equity Shares			
	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,00,000	200.00	20,00,000	200.00
Add : shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	20,00,000	200.00	20,00,000	200.00

### Note 11 B

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

### Note 11 C

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

(₹ in lakh)

Name	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
All Shares are held by Holding Co. i.e NBCC (India) Limited and its nominees	20,00,000	100%	20,00,000	100%

## Note 12

# Statement of changes in Equity as at 31st March, 2020

### Equity Share Capital

(₹ in lakh)

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 2018	200.00	-	-	200.00
Balance as at 31 March 2019	200.00	-	-	200.00
Balance as at 31 Mar 2020	200.00	-	-	200.00

(₹ in lakh)

Other equity	Share application money pending allotment	Reserves and Surplus		Other comprehensive income - Reserve		Total
		General Reserve	Retained Earnings			
Balance as at 1 April 2018	-	-	1,276.06	-	-	1,276.06
Profit for the year	-	-	863.08	-	-	863.08
Other Comprehensive Income	-	-	-	-	-	-
Dividends paid including Dividend Distribution tax	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	-	-	<b>2,139.14</b>	-	-	<b>2,139.14</b>
Profit for the year	-	-	412.98	-	-	412.98
Other Comprehensive Income	-	-	-	-	-	-
Interim Dividend paid	-	-	(350.00)	-	-	(350.00)
Dividend Distribution tax	-	-	(71.94)	-	-	(71.94)
Transfer from retained earnings	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	-	-	<b>2,130.18</b>	-	-	<b>2,130.18</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/-  
**(Novman Ahmed)**  
C E O

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

As per our Review Report attached  
For **Arun Malhotra & Associates**  
Chartered Accountants  
(FRN:002563N)

Sd/-  
**(ARUN MALHOTRA)**  
Partner  
Membership No. 81452

Place : New Delhi  
Date : 12.06.2020

### Note 13

(₹ in lakh)

Trade Payables	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises		-
Due to others	-	
- Amount Withheld against Work	29.88	
- Trade Payables to NECL	2.14	0.18
- Trade Payables for Works & Services	2,920.25	2,787.88
<b>Total</b>	<b>2,952.27</b>	<b>2,788.06</b>

### Note 14

(₹ in lakh)

Other financial liabilities (Current)	As at March 31, 2020	As at March 31, 2019
Earnest Money & Security Deposits	835.22	882.98
Other Payables	218.34	187.96
<b>Total</b>	<b>1,053.56</b>	<b>1,070.95</b>

### Note 15

(₹ in lakh)

Other Current Liabilities	As at March 31, 2020	As at March 31, 2019
Statutory Dues payable	70.66	249.64
Advance from Clients	452.00	1,225.87
Amount Payable to Holding Company For Purchase of Property (Refer Note 26)	449.95	940.31
Other Payables to Holding Company And Other Related Party (Refer Note 26)	27.10	34.63
<b>Total</b>	<b>999.72</b>	<b>2,450.44</b>

### Note 16

(₹ in lakh)

Provisions-Current	As at March 31, 2020	As at March 31, 2019
Provisions for others		
- Provision for CSR Activities	22.17	-
<b>Total</b>	<b>22.17</b>	<b>-</b>

### Note 17

(₹ in lakh)

Revenue from Operations	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Value of Services</b>		
Value of Work Done (Project Management & Supervision Services)	11,842.11	12,580.87
<b>b) Other Operating Revenue</b>		
Tender Fee & Other Receipts	85.57	57.67
Credit balance written back	128.85	30.51
<b>Total</b>	<b>12,056.53</b>	<b>12,669.05</b>

The table below presents disaggregated revenues from contracts with customers for the year ended 31.03. 2020 by nature and contract-type:

Dissagregation of Revenue By	Type of Services By Nature	Amt (Rs)
Type of Contract	Cost Plus Contract	10,551.49
	Fixed Price Contract	1,290.62
	<b>Total</b>	<b>11,842.11</b>
Times of Satisfaction of Performance Obligation	Over the Period of Time	11,842.11
	At the Point of Time	
Method Of Measurement of Performance Obligation	Input Method	11,842.11
	Output Method	
	Stand alone Selling Price	
<b>Grand Total</b>		<b>11,842.11</b>

## Note 18

(₹ in lakh)

Other Income	For the year ended on March 31, 2020		For the year ended on March 31, 2019	
Interest Income				
(i) From Banks	70.66		167.00	
(ii) From Contractors	<b>0.80</b>		2.85	
(iii) On Income Tax Refund			-	
		71.45		169.85
<b>Total</b>		<b>71.45</b>		<b>169.85</b>

## Note 19

(₹ in lakh)

Cost of Work and Consultancy Expenses	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Cost of Work Expenses (without material)	790.11	-
Cost of Work Expenses (with material)	9,495.21	10,514.63
Consultancy Expenses	18.64	26.96
<b>Total</b>	<b>10,303.96</b>	<b>10,541.59</b>

## Note 20

(₹ in lakh)

Employee Benefits Expense	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Salaries and incentives	665.36	668.16
Contributions to Provident and other fund	51.09	48.67
Contribution for Pension	29.32	30.70
Gratuity fund contributions	20.01	18.64
Post Retirement Medical Benefit	25.75	23.99
Leave Encashment	46.22	42.74
Staff welfare expenses	3.82	2.91
<b>Total</b>	<b>841.59</b>	<b>835.82</b>

**Note 21**

(₹ in lakh)

Other Expenses	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Advertisement	1.60	-
Auditor's Remuneration	3.23	2.69
Bank charges & Guarantee Commission	0.19	1.20
Conference & Management Development Expenses	1.00	6.38
CSR Expenditure	22.17	20.26
Internal Audit Fees	0.90	1.65
Legal & Professional Charges	15.23	12.34
Postage & Telephone	2.29	1.79
Printing & Stationery	3.16	2.64
Rent, Rates & Taxes	-	2.68
Repairs & Maintenance		
- Others	1.32	9.17
Travelling & Conveyance	8.00	9.59
Water, Electricity & Allied Charges	2.51	-
Impairment Allowances for Trade Receivables	184.28	199.77
Miscellaneous. Expenses	2.06	0.99
<b>Total</b>	<b>247.93</b>	<b>271.13</b>

**Note 21 A**

(₹ in lakh)

Payment to Auditors	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Audit fee	1.50	1.30
Tax Audit	0.45	0.39
Limited Review	1.28	1.00
<b>Total</b>	<b>3.23</b>	<b>2.69</b>

**Note 22**

(₹ in lakh)

Write Offs	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Debit Balance Written Off	27.15	26.45
<b>Total</b>	<b>27.15</b>	<b>26.45</b>

**Note 23**

(₹ in lakh)

Income Tax	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Tax expense comprises of:		
Current income tax	192.29	413.78
Deferred tax	63.64	(71.08)
<b>Total</b>	<b>255.93</b>	<b>342.70</b>

## Note 24

### Earnings per share ("EPS"):

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

(₹ in lakh)

Income tax	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Profit attributable to equity holders of the Company:</b>		
Continuing operations	412.98	863.08
Discontinued operation	-	-
<b>Profit attributable to equity holders of the Company for basic earnings</b>	412.98	863.08
<b>Profit attributable to equity holders of the Company adjusted for the effect of dilution</b>	412.98	863.08
Weighted average number of Equity shares for basic EPS*	20,00,000	20,00,000
<b>Earnings per equity share (for continuing operation):</b>		
(1) Basic	20.65	43.15
(2) Diluted	20.65	43.15

## Note 25

The Board of Directors of the Company has approved capital expenditure for purchase of office premises in NBCC Centre, Okhla, New Delhi from the holding company admeasuring 7934 sq.ft., containing 7 Units from Unit No G-1 to G-7, at a total cost of Rs. 19.89 cores excluding stamp duty, registration charges. The Approval of Ministry of Housing & Urban Affairs received on 25.06.2019. Out of the above, the company has received allotment letter vide ref no NBCC/REM/OKHLA/AL/2018/1823 dated 25.09.2018 for Unit No G1 and G2 and provisional allotment vide ref no NBCC/REM/OKHLA/AL/2018/1824 dated 28.09.2018 for Unit No G3 to G7. Out of total payment of Rs.19.89 Cr, Rs.4.50 Cr is payable to NBCC India Ltd. Title deed in the name of Company is yet to be executed , however, the amount is recognised in the books as Fixed Assets as the company is in possession of all the units and depreciation has been charged accordingly.

## Note 26

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

- (a) Holding Company  
NBCC (INDIA) Limited
- (b) NBCC Engineering and Consultancy Limited ("NECL") -Subsidiary of holding Company.
- (c) Key Managerial Personnel:
  - (a) Mr. N K Shah, Chairman
  - (b) Ms. B.K Sokhey, Director
  - (c) Mr. Rakesh Gupta, Director
  - (d) Mr. Novman Ahmed, CEO
  - (e) Mr. Amarnath Mourya, CFO
  - (f) Mr. M.C Sharma, CEO (cease to CEO w.e.f 31/01/2020)

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



(a) NBCC (INDIA) Limited- Holding Company

(₹ in lakh)

Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Nature of Transaction		
Opening Balance	2,833.48	2,412.24
Add: Service rendered	3,311.38	2,497.99
Less: Rent Paid	-	(2.59)
Less: Service Received	(1,675.78)	-
Less: Amount Received/Adjusted/Advances/TDS (Net)	(2,173.13)	(2,074)
Receivable/(payable) (Refer Note No. 5)	<b>2,295.95</b>	<b>2,833.48</b>
Amount Recoverable (refer Note 8)		
Receivable/(payable) at the end of the period	<b>2,295.95</b>	<b>2,833.48</b>
Amount Payable For Property Purchase (Refer Note 16)	(449.95)	(940.31)
(ii) Employee benefit and other payable		
Opening Balance	(34.63)	(728.87)
Less; :Amount Adjusted From Operation		
Less: Amount adjusted/paid	382.95	939.97
Add: Amount payable for fixed contribution	(91.99)	(85.38)
Add: Amount payable to Employee Benefit and Others	(283.43)	(160.35)
Receivable/(payable) at the end of the period	<b>(27.10)</b>	<b>(34.63)</b>
<b>Net Receivale/(Payable)</b>	<b>1,818.90</b>	<b>1,858.54</b>
<b>Impairment allowance (refer Note 5)</b>	<b>606.36</b>	<b>422.09</b>

(b) NECL

(₹ in lakh)

Particulars	For the year ended on March 31, 2020	For the Year ended on March 31,2019
<b>Opening Balance</b>	8.37	5.61
Service rendered	10.28	8.03
Less: Amount received/adjusted/TDS	(11.88)	(5.09)
Less: Services Received	(2.14)	(0.18)
Net Receivable/(Payable) (Refer Note No. 5)	4.62	8.37

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

(₹ in lakh)

Particulars	For the year ended on March 31, 2020	For the Year ended on March 31,2019
Salaries and Incentives	63.13	67.19
Contribution for provident fund & pensiiion fund	6.92	6.46
Other Employee Benefits	8.01	7.44
<b>Total</b>	<b>78.06</b>	<b>81.09</b>

#### **NOTE 27**

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

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

#### **NOTE 28**

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 period, which in the opinion of the management will not have a material impact.

#### **NOTE 29**

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 30**

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 31**

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

#### **NOTE 32**

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 33**

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

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Profit Before Tax From Continuing Operation	668.91	1,143.70
Accounting Profit Before Income Tax	668.91	1,143.70
Statutory Income Tax Rate	25.17%	29.12%
Income Tax	168.35	333.05
Tax Effect Due to Non Taxable Income	0.00	0.00
Effect of Tax Incentive	0.00	0.00
Effect of Non Deductible Expenses	23.94	80.74
Additional Deduction of Research and Development Expense	0.00	0.00
Effect Due to Change in Deferred Tax Rate	63.64	-71.08
Tax in respect of Earlier Years	0.00	-62.07
Tax Expense	255.93	280.63
Actual Tax Expense	255.93	280.63
Effective Tax Rate	38.26%	24.54%

The Company has elected to exercise the option permitted under section 115BA of the Income Tax Act 1961. Accordingly, the company has recognised tax provision and re-measured its deferred tax assets/liabilities, basis at the rates prescribed in the said section and taken the full effect. As a result, tax expenses for the quarter and year ended as on March 31, 2020 lower by Rs. 4.24 Lakh and 45.29 Lakhs.

**NOTE 34-DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY**

The disclosure in respect of CSR Expenditure is as under:

	Mar-20 Rs in Lacs	Mar-19 Rs in Lacs
(a) Gross amount required to be spent by the company during the year.	22.17	20.26

(b) Amount spent during the year on:

Particular	Mar-20			Mar-19		
	In cash	*Yet to be paid in cash	Total	In cash	*Yet to be paid in cash	Total
(A) - Construction/acquisition of any asset			-			
(B) - Other Than " Construction/acquisition of any asset"						
Gift Milk Distribution		22.17	22.17			
Donation to Swachh Bharat Kosh		-	-	6.68	-	6.68
Donation to Swachh Kumbh Kosh, Prayagraj Mela Pradhikaran		-	-	13.58		13.58

## NOTE 35

### Significant changes in contract assets and liabilities

<b>Contract liabilities - Advance from customers</b>	<b>31 March 2020</b>
<b>Opening balance of Contract liabilities - Advance from customers</b>	1,225.87
Less: Amount of revenue recognised against opening contract liabilities	1,225.87
Add: Addition in balance of contract liabilities for current year	452.00
<b>Closing balance of Contract liabilities - Advance from customers</b>	<b>452.00</b>

<b>Contract liabilities - Deferred income</b>	<b>31 March 2020</b>
Opening balance of Contract liabilities - Revenue received in advance	-
Add: Amount of revenue recognised reversed on Transition	-
Less: Amount of revenue recognised against opening contract liabilities	-
Add: Addition in balance of contract liabilities for current year	-
<b>Closing balance of Contract liabilities - Revenue received in advance</b>	<b>-</b>

<b>Contract liabilities - Security deposit</b>	<b>31 March 2020</b>
Opening balance of Contract liabilities - Security deposit	882.98
Less: Amount of unwinding on Transition	-
Less: Amount of unwinding reversed during the year	-
Less : Deletion in balance of contract liabilities for current year	120.92
Add: Addition in balance of contract liabilities for current year	73.16
<b>Closing balance of Contract liabilities - Security deposit</b>	<b>835.22</b>

<b>Contract assets - Unbilled revenue</b>	<b>31 March 2020</b>
Opening balance of Contract assets - Unbilled revenue	-
Add: Amount of revenue recognised on Transition	-
Less: Amount of unbilled revenue transferred to trade receivables	-
Add: Addition in balance of contract assets for current year	-
<b>Closing balance of Contract assets - Unbilled revenue</b>	<b>-</b>

<b>Contract assets - Security Deposite</b>	<b>31 March 2020</b>
Opening balance of Contract assets - Security deposit	-
Less: Amount of unwinding reversed during the year	-
Add: Addition in balance of contract assets for current year	-
<b>Closing balance of Contract assets - Security deposit</b>	<b>-</b>

### Revenue recognised in relation to contract liabilities

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

<b>Description</b>	<b>Year ended 31 March 2020</b>
Amounts included in contract liabilities at the beginning of the year	-
Performance obligations satisfied in previous years	-

### Disaggregation of revenue

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

Description	Sale of service
Revenue from contract with customer	11,842.11
Other revenue	214.42
	<b>12,056.53</b>

**Assets and liabilities related to contracts with customers**

Description	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of service</b>				
Unbilled revenue	-	-	-	-
Security deposit, if any	-	-	-	-
<b>Contract liabilities related to sale of service</b>				
Advance from customers	-	452.00	-	1,226
Revenue received in advance	-	-	-	-
Security deposit, if any	-	835.22	-	882.98

**Performance obligation of the Company**

1. "1.The company classifies the right to consideration in exchange for deliverables as either as non-interest bearing receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue from PMC contracts are recognized upon satisfaction of Performance obligation. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. In case of contracts which are in nature of cost plus contracts/fixed contracts, revenue is recognised on the basis of percentage completion method and the consideration is to be recognised at transaction price/fair value. For Project Management and supervision related services, revenue is recognized over time as the customer receives and uses the benefits as the Company performs its obligation. Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet. Performance obligations and remaining performance obligations. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Remaining performance obligation estimates are subject to change and are affected by several factors, such as changes in the scope of contracts, periodic revalidations, terminations, adjustment for revenue that has not materialized and adjustments for exchange rates.
2. The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. Consequent upon withdrawal of Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), issued in May 2016 in Real Estate Segment and restructuring of performance obligations in PMC segment, the net cumulative impact of initial application of Ind AS 115 upto March 31, 2018 aggregating to NIL has been appropriated against the retained earnings as at the initial adoption date, as permitted by the standard. Had the company recognised the revenue based on Ind AS 11 and Ind AS 18, the revenue would have been lowered by ` NIL & profit would have been increased by ` NIL respectively for the quarter ending 31.3.2020 & revenue & profit would have been lowered by NIL & NIL respectively for the 12 months ended 31.3.2020. The comparative information is not restated in the financial results.

## NOTE 36

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

### Financial Assets and Liabilities

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

#### Financial instruments by category

(₹ in lakh)

	Note	As at March 31, 2020			As at March 31, 2019		
		FVTPL	Amortised cost	Fair Value	FVTPL	Amortised cost	Fair Value
<b>Financial assets</b>							
Trade receivables	Note 5	-	3,188.12	3,188.12	-	3,304.86	3,304.86
Cash and cash equivalents	Note 6	-	1,075.69	1,075.69	-	36.41	36.41
Other Bank Balances	Note 7	-	368.61	368.61	-	2,308.18	2,308.18
Other financial assets	Note 8	-	45.52	45.52	-	359.86	359.86
<b>Total financial assets</b>		-	<b>4,677.94</b>	<b>4,677.94</b>	-	<b>6,009.31</b>	<b>6,009.31</b>

(₹ in lakh)

	Note	As at March 31, 2020		As at March 31, 2019	
		FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial liabilities</b>					
Trade payables	Note 12	-	2,952.27	-	2,788.06
Other financial liabilities	Note 13	-	1,053.56	-	587.29
<b>Total financial liabilities</b>		-	<b>4,005.83</b>	-	<b>3,375.34</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 lakh)

Credit rating	Particulars	As at March 31, 2020	As at March 31, 2019
A: Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	1,489.82	2,704.45
B: Moderate credit risk	Trade receivables	3,188.12	3,304.86
C: High credit risk	Trade receivables and other financial assets	-	-

### Concentration of trade receivables

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

#### Credit risk exposure

### Provision for expected credit losses

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

Expected credit loss for trade receivables amounting to ₹ 606.36 lakhs ( on the projects transferred by holding co.) under simplified approach as adopted by holding co.

### As at March 31, 2020

(₹ in lakh)

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



As at March 31, 2019

(₹ in lakh)

Particulars	Estimated gross carrying amount at default	Impairment	Carrying amount net of impairment provision
Cash and cash equivalents	36.41	-	36.41
Other bank balances	2,308.18	-	2,308.18
Other financial assets	359.86	-	359.86
Trade Receivables	4,063.83	422.09	3,641.74

### 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 lakh)

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

As at March 31, 2019	Up to one year	More than one year	Total
Trade payable	2,788.06	-	2,788.06
Other Financial liabilities	587.29	-	587.29

### 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 lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	200.00	200.00
Other Equity	2,130.18	1,276.06
Total Equity	2,330.18	1,476.06

**Dividend and reserves**

(₹ in lakh)

Distribution Made and Proposed	As at March 31, 2020	As at March 31, 2019
Cash Dividends on equity share declared and paid	-	-
Final Dividend	350.00	-
DDT on Final Dividend*	71.94	-
Interim Dividend including DDT	-	397.18
<b>Total</b>	<b>421.94</b>	<b>397.18</b>

**NOTE 37**

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

**NOTE 38**

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

(A)- Contingent Liabilities	As At 31.3.2020	As at 31.3.2019
Claims against Company Not Acknowledged as Debt. Counter Claim of Corporation against these claims amounting to Rs 650.82 Lakh (Mar 31, 2019 Rs. 650.82 Lakh) Not accounted for in books	58.31	58.31
(B) - Contingent Assets	Nil	Nil
(C) - Commitments	Nil	Nil

**NOTE 39**

**Ind AS 116 (Leases)**

Adjustments recognised on adoption of Ind-AS 116

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

Particulars	Note No.	As at March 31, 2020
Operating lease commitments disclosed as at 31 March 2019		-
Recognition exemptions:		
Leases of low value assets		-
Leases with remaining lease term of less than 12 months		
Variable Lease Payment		
Other minor adjustments relating to commitment disclosures		-
Discounted using the effective interest rate of at the date of initial application		-
Lease liability recognised as at 1 April 2019		-

**Movement in Lease Liability**

Particulars	Note No.	As at March 31, 2020
Balance at the Beginning		-
Additions		-
Accretion of interest		-
Deletions		-
Payment of Lease Liability		-
Net balance		-

Particulars	Note No.	As at March 31, 2020
Current Lease Liability		-
Non-Current Lease Liability		-
Total		-

#### Contractual maturities of lease liabilities

Particulars	Note No.	As at March 31, 2020
Within 1 year		-
1-3 years		-
More than 3 years		-

## NOTE 40

#### Details of Impact of COVID - 19

1)-Capital and Financial Resources.	<p>The Outbreak of COVID 19 has impacted the business &amp; execution of the Company in Short term as almost negligible turnover is booked during the lockdown period. It is difficult at this stage to assess the impact Of COVID 19 on the revenue and profitability for the whole of FY 2019 - 20 .However, enough Caution is applied towards costs especially Fixed Cost so as to bring in Cost Discipline. Further, NSL is Zero Debt Company and only non fund based facility are availed. The Impact of COVID 19 on NSL service is Temporary due to Lockdown restrictions, however the demand for the services rendered by NSL will be continue.</p>
2)- Profitability	
3)- Liquidity Position	
4)- Ability to Serve debt and Other Financing arrangements	
5)- Assets	
6)-Internal Financial Reporting And Control.	
7)- Supply Chain	
8)- Demand for Products / Services	













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

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