

**NATIONAL
BUILDINGS
CONSTRUCTION
CORPORATION
LIMITED**



52nd annual
R E P O R T
2011 - 2012



Gong Ceremony on April 12, 2012 at BSE Limited, Mumbai

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register the same with National Buildings Construction Corporation Limited or our R & T Agent (M/s Bigshare Services Private Limited) to enable the Company to send the Annual Reports through e-mail instead of physical form.

Registered & Corporate Office

National Buildings Construction Corporation Limited

(A Government of India Enterprise)
NBCC Bhawan, Lodhi Road,
New Delhi - 110003
Tel. : 011-24367314, 43591555 (EPABX)
Fax: 91-11-24366995
e-mail: info.nbcc@nic.in
Website: www.nbccindia.gov.in

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Bankers

State Bank of India
Punjab National Bank
Union Bank of India
Corporation Bank
Axis Bank
Syndicate Bank

Auditors

M/s. Amit Ray & Co
Chartered Accountants
709-710, Ansal Chamber-II
6, Bhikaji Cama Place
New Delhi-110066

CHAIRMAN'S ADDRESS....



Dear Shareholders,

I have immense pleasure in welcoming you all at the 52nd Annual General Meeting of the Company after listing on NSE & BSE in the second week of April this year. Memories are fresh in my mind about the historic Gong Ceremony marking the commencement of trading in company's shares on these stock exchanges. The Notice of the meeting together with Directors' Report and Audited Annual Accounts for the financial year ending on 31.3.2012 has already been circulated and with your permission, I take them as read.

I would like to begin with the unique characteristic of your Company which is the only Public Sector Undertaking operating in three segments viz., (i) Project Management Consultancy; (ii) Civil Construction for Infrastructure Power Projects; and (iii) Real Estate Development. The Company's prime engagement remains confined in the core area of Project Management Consultancy occupying more than 90% of its top line. The Company has obtained ISO Certification 9001:2008 from the Bureau of Indian Standards in respect of the Project Management & Consultancy Division.

The Company's client base is restricted to Central Government organizations, departments, ministries. Also, the Company is executing infrastructure and other developmental projects in few 'States' under the centrally sponsored schemes/projects. The slow down of economy with GDP growth sliding to 5.3% in the three months to March, from a robust positioning of 9.2% in the same period last year, has not made any major impact on the Company either on its working operations or upon the development of new business. Here, I would like to share with you that a few old government colonies have been identified for re-development to build different category of accommodation for officials of the central government. Re-development of such localities in the capital is expected to generate sizeable volume of business to the Company in coming times. Already, one work of this type having project cost of Rs.4264 crore has been entrusted to the Company at a project management fee of 10% for building 4747 dwelling units of different categories upon demolishing

around 2330 old houses at East Kidwai Nagar, New Delhi. Similarly, three other projects of this kind are in pipeline for which the Company has taken up initiatives for preparation of DPRs.

The performance of the Company has been impressive during fiscal 2011-12. Net profit increased by 36% from Rs. 140.34 crore to Rs. 190.17 crore with top line upwardly moving by 10% from Rs.3126.77 crore to Rs. 3429.32 crore in comparison to previous year. The Company issued fully paid bonus shares of Rs. 30 crore during the financial year 2011-12 whereby the paid-up capital increased from Rs. 90 crore to Rs. 120 crore and earning per share on the expanded capital was maintained slightly higher at Rs. 15.85 as against Rs. 15.59 in the previous year. The net worth at the close of the financial year 2011-12 stood at Rs. 795.49 crore being 6.63 times of the paid-up capital of the Company. The Comptroller and Auditor General of India has conducted a supplementary audit and offered 'nil' comments on the accounts of the Company for the year ended 31st March, 2012.

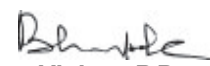
Your Company has been signing Memorandum of Understanding with the Government of India every year. Based on MoU parameters, the performance has been rated 'Excellent' since the year 2003-2004.

The Company has comfortable work order in hand of Rs. 13200 crore excluding real estate turnover. An eight storied commercial complex, NBCC Centre, Okhla, New Delhi having 225833 sqft. built up space is likely to be completed by March, 2013. Part sale of office space and shops in NBCC Centre and partial sale of dwelling units in two other residential complexes in Gurgaon is expected to generate fair revenue thereby improving the overall margins of the Company during the current fiscal.

Geographically, the operations of the Company are spread in almost all parts of the country through its on-going projects numbering around 150. The Company has developed expertise in execution of hospitals on turn key basis for esteemed client like ESIC and other state Governments. Few clients such as MHA, DVC, NTPC, EPFO etc. having reposed their confidence in your Company, have given repeat orders from time to time. I would like to make a mention about first Green Building project executed with captive solar power, solar heating and energy saving system, iconic Gold Rated - Green Building, executed by your Company, for Ministry of Corporate Affairs at Manesar, Haryana was inaugurated by the Hon'ble Prime Minister of India in April, 2012. Your Company would continue to construct more Green Buildings and environmental projects. The Green Building having 5-Star GRIHA rating for Ministry of New and Renewable Energy (MNRE) and Platinum rating for Coal India Limited at Kolkata are under execution.

Your Company is committed to implement best practices of corporate governance to observe total transparency and complete disclosures to all the stakeholders. Annual financial results of the Company have been drawn in conformity with the Accounting Standards, meetings of the audit committee and other sub-committees of the board of directors are being regularly convened. The Company has adopted Code of Business Ethics and Conduct and all board members and key management personnel have affirmed compliance to the 'Code of Conduct' for the financial year ending on March 31, 2012. As per directives of the Department of Public Enterprises, fixed percentage of the net profit of the Company has been allocated under a non-lapsable fund for undertaking CSR activities. Similarly, budget allocation has been provided for and policy formulation are under way for 'Sustainable Development' and 'Research & Development' programmes.

I express my sincere thanks to the Ministry of Urban Development, Ministry of Housing & Urban Poverty Alleviation, Ministry of Home Affairs, Ministry of Defence, Ministry of Rural Development, Ministry of Commerce, Ministry of Finance, various Departments of Government of India/State Governments and Clients Organizations, PSUs etc. for their valued support and look forward to continued support in future. I would also wish to place on record the invaluable support and guidance from all members of the Board of Directors. I would also place on record my appreciation to the employees for their commitment in the progress of the Company.


Vishnu P. Das

Chairman-cum-Managing Director

BOARD OF DIRECTORS



Vishnu P. Das
Chairman-cum-Managing Director



D. Diptivilasa
Addl. Secretary (UD), MoUD



Ms. Sudha Krishnan
Joint Secretary & FA, MoUD



Anoop K. Mittal
Director (Projects)



Brijeshwar Singh
Director



K L Mehrotra
Director



Subhash C Saraf
Director



Dr. K Chandrashekhhar Iyer
Director



Prof. V K Gupta
Director

NOTICE

Notice is hereby given that the **52nd Annual General Meeting** of the members of National Buildings Construction Corporation Limited will be held on Saturday, the **September 8, 2012** at **1030 hrs** at **Air Force Auditorium, Subroto Park, New Delhi-110010**, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts as at March 31, 2012 and the reports of the Directors' and Auditors' thereon.
2. To declare dividend for the financial year 2011-12.
3. To fix and/or determine the payment of remuneration to the Auditors of the Company to be appointed by the Comptroller and Auditor General of India for auditing the accounts of the Company for the financial year 2012-13.

SPECIAL BUSINESS

4. To consider and pass the following resolution with or without modification as special resolution:

"RESOLVED THAT pursuant to the provision of Section 31 and such other applicable provisions, if any of the Companies Act, 1956, the Articles of Association of the Company be altered by inserting the following new Clause 59A after existing Clause 59 in the Articles of Association:-

"The sitting fee payable to a Director (excluding Managing Director and Whole Time Director) of the Company for attending a meeting of the Board or Committee thereof shall be fixed by the Board of Directors or Committee of the Board from time to time within the maximum limit of such fee (subject to provision of tax deduction at source under the Income Tax Act or Service tax as applicable from time to time) that may be prescribed under the proviso to Section 310 of the Companies Act, 1956 and rules made thereunder."

RESOLVED FURTHER THAT Mr. A.K. Singh, Company Secretary of the Company, be and is hereby authorized to sign and file e-forms, documents etc. as may be required to be filed with the Registrar of Companies NCT of Delhi & Haryana on behalf of the Company"

By order of the Board of Directors

Place : New Delhi
Date : August 13, 2012

Sd/-
A.K.Singh
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and the Proxy need not to be a member of the Company. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting. (Form of Proxy is Annexed).**
2. The explanatory statement pursuant to the provisions of the Section 173(2) of the Companies Act, 1956, in respect of above resolution is at Annexure -I.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, September 1, 2012 to Saturday, September 8, 2012 (both days inclusive)**. The dividend on equity shares, as recommended by the Board of Directors, is subject to the provisions of Section 206(A) of the Companies Act, 1956.
4. Shareholders, who are holding shares in identical order of name in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio.
5. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
6. The members intending to seek any information on Annual Accounts at the meeting are requested to kindly inform the Company at least 7 days before the date of the meeting.
7. In view of SEBI requirement of compulsory delivery of shares of the Company in dematerialized form, members are requested to convert their physical share certificates into electronic form.
8. The Securities and Exchange Board of India (SEBI) vide Circular dated April 27, 2007, had made PAN mandatory for all securities market transaction. Thereafter, vide Circular dated May 20, 2009 it was clarified that for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for

the transferee(s) to furnish copy of PAN Card to the Company/Registrar & Share Transfer Agents for registration of such transfer of shares.

9. The Company is concerned about the environment and utilizes natural resources in a sustainable way. In the year 2011, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, Company henceforth propose to send documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc. to the email address provided by the members with their depositories/ depository participants (DP).

Members are requested to update their email address with the depository participants to ensure that the annual report and other documents reach them at their preferred email address.

The members holding shares in physical mode may also send their request to the company by letter or by email at investors.nbcc@hotmail.com to receive the soft copy of the annual report by email instead of hard copy.

10. As per directive from Securities and Exchange Board of India (SEBI), Companies use Electronic Clearing Service (ECS) facility, introduced by Reserve Bank of India (RBI), for distributing dividends and other cash benefits to investors, wherever available. In this system, the investor's bank account is directly credited with the dividend amount based on the information provided by the Company, under advice to the investor.

Members holding shares in electronic form in demat account are requested to furnish their bank account numbers and details along with photocopy of a cheque pertaining to the concerned bank account, to their Depository Participant (DP) to avail the said ECS facility.

Members holding shares in physical mode are requested to **send the duly filled and signed mandate form** in the annual report for payment of dividend through ECS and to register their e-mail id.

11. All documents referred to in the accompanying Notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 1400 hrs to 1600 hrs. upto September 7, 2012.

12. Members are requested to note:

- a. Copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report, Notice and Attendance Slip.
- b. Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry to the Hall will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the Attendance Slip .
- c. Quote their Folio/Client ID & DP ID Nos. in all correspondence.
- d. Due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium.
- e. No gifts/coupons will be distributed at the Annual General Meeting.

13. Pursuant to section 205A read with section 205C of the Companies Act, 1956 the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatsoever on the said amount. Therefore, Members are advised to encash their dividend warrants immediately on receipt.

14. Pursuant to Section 619(2) of the Companies Act, 1956 the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India(C&AG) and in terms of Clause(aa) of sub section (8) of section 224 of the Companies Act, 1956 their remuneration is to be fixed by the company in General Meeting or in such manner as the company in General Meeting may determine. It is proposed that the Members may authorize the Board of Directors to fix the remuneration in addition to applicable service tax and reimbursement of actual traveling and out of pocket expenses of the Statutory Auditors duly appointed by the Comptroller and Auditors General of India.

Sd/-
A.K.Singh
Company Secretary

- Encl:
1. **Directors' Report**
 2. **Statutory Auditors' Report**
 3. **Annual Accounts 2011-12**

Annexure-I

Explanatory Statements pursuant to the provisions of the Section 173 (2) of the Companies Act, 1956.

Item No. 1

As per DPE guidelines issued vide OM No. 18(8)/2005-GM dated 14.05.2010 in Para 3.2, all fees/compensation paid to part-time Directors including Independent Directors are required to be fixed by the Board of Directors subject to the provisions in the DPE Guidelines and the Companies Act, 1956. Accordingly, the Board of Directors of the Company approved the sitting fees of Rs. 10,000/- for each meeting of the Board & Rs. 7,500/- for each committee meeting or sub-committee meeting to part-time Non-official Directors in its 397th Board meeting held on May 24, 2011. Independent Directors were notified for appointment by the Government on 'Board' of the Company vide Office Order No. O-17031/1/2000-PS dated December 5, 2011. Sitting fees to the non-official part-time directors for attending each meetings of the Board of Directors/ meetings of the Committee of directors has been released as earlier decided by the 'Board' in its meeting on May 24, 2011.

Subsequently, the Company was converted from private limited company into a public limited company and listed with the National Stock Exchange of India Limited (NSE) and BSE Limited w.e.f. April 12, 2012.

The Companies Act, 1956 provides that a public company or a subsidiary of a public company shall include the provision for payment of sitting fees to part time directors for attending Board and sub-committee meetings in its Articles of Association.

Presently, the Articles of Association of the Company has no separate provisions for regulating sitting fees. The alteration proposed by adding a new Clause 59 A is to enable the Company to comply with the provisions of The Companies Act, 1956 and rules made there under.

All Directors (except Managing Director and Whole Time Directors) are directly or indirectly concerned or interested in the proposed business.

By order of the Board of Directors

Place : New Delhi
Date : August 13, 2012

Sd/-
A.K.Singh
Company Secretary

DIRECTORS' REPORT

To the members,

Your Directors take pleasure in presenting their 52nd Annual Report together with the audited statement of accounts for the financial year ended March 31, 2012.

FINANCIAL RESULTS

(₹ in crore)

INCOME	2011-2012	2010-2011
Turnover	3429.32	3126.77
Other Operating Revenue	18.36	19.28
Other Income	134.62	85.41
Extra Ordinary Items (Insurance claims)	13.52	-
Total Revenue (1)	3595.82	3231.46
EXPENDITURE		
Prime Cost	3051.24	2840.15
Increased/(decrease) in stock	47.19	-
Overheads		
i) Employees Benefit Expenses	157.21	128.97
ii) Other Expenses	41.25	34.21
iii) Write offs	2.88	11.18
iv) Prior Period Expenses	(3.13)	(0.21)
Total (2)	3296.64	3014.30
Gross Margin (1-2)	299.18	217.16
Less : Depreciation	1.96	3.21
Less: Exceptional Item (Interest)	7.39	4.32
Net Profit Before Tax (PBT)	289.83	209.63
Less :		
i) Provision for Current Tax	102.85	69.15
ii) Deferred Tax (Assets)/Liabilities	(3.19)	0.14
Net Profit After Tax (PAT)		
For the year	190.17	140.34
New Business secured	3933.72	3055.82
Balance work in hand	8162.21	7657.81

Your Company registered a growth of 10% in turnover from Rs. 3126.77 crore in 2010-11 to Rs. 3429.32 crore in 2011-12, Gross margin increased from Rs. 217.16 crore in 2010-11 to Rs.299.18 crore in 2011-12 before interest and depreciation. After deducting interest of Rs. 7.39 crore, providing a sum of Rs. 1.96 crore towards depreciation, income tax provision of Rs. 102.85 crore and Deferred Tax (Assets) of Rs.3.19 crore; the Company operations resulted in a Net Profit of Rs. 190.17 crore in 2011-12 as against Rs. 140.34 crore in 2010-11.

DIVIDEND

Your directors have recommended equity dividend of Rs. 3.50 per share of face value of Rs. 10/- (35% on the paid up equity share capital) for the approval of the members for the financial year 2011-12.

After approval by the members, the dividend will be paid to those equity shareholders whose names appear in the Register of Members at the close of the 52nd Annual General Meeting.