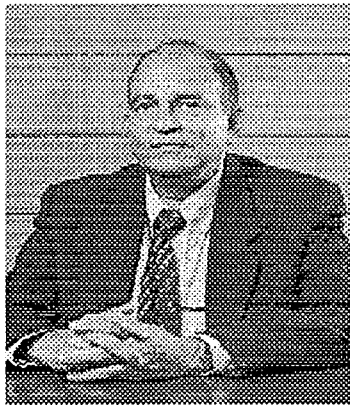


National Buildings Construction Corporation Ltd

**BOARD OF DIRECTORS
AS ON 30-06-2007**



SHRI ARUP ROY CHOUDHURY
Chairman-cum-Managing Director



SHRI S.M. ACHARYA
Additional Secretary
Ministry of Urban Development



DR. R.K. VATS
Joint Secretary
Ministry of Urban Development



SHRI V.P. DAS
Director (Projects)



SHRI AJAY K. GARG
Director (Finance)

CHAIRMAN'S ADDRESS



Dear Shareholders,

It gives me immense pleasure to welcome you to the 47th Annual General Meeting of your Corporation. The Annual Accounts together with the Directors' Report have already been circulated. At the outset, I would like to share with you the good news that your Corporation joined the select band of dividend paying Central public sector undertakings for the first time since its inception in the year 1960.

Economic Scenario

Indian economy registered an impressive GDP growth rate of 8.9% in the first quarter of current fiscal. Construction sector in the country contributes about 6% of GDP and is growing @ 9.5%, which is comparatively higher than GDP. Considering that ours is a developing economy, much higher investment into construction and building activity is required. Construction activity remains the second largest activity after agriculture and accounts for 50% of the total investment in infrastructure. The report on the 11th Five Year Plan (2007-12) states the need to give high priority to infrastructure development in both urban and rural areas. Domestic construction sector is expected to grow @15% per annum. During the last decade, there has been a phenomenal change in ' Real Estate' and it has emerged as a lucrative incentive activity for a company like yours. The other major sector seeking larger investment is the Power Sector and your company is already making inroads in that sector.

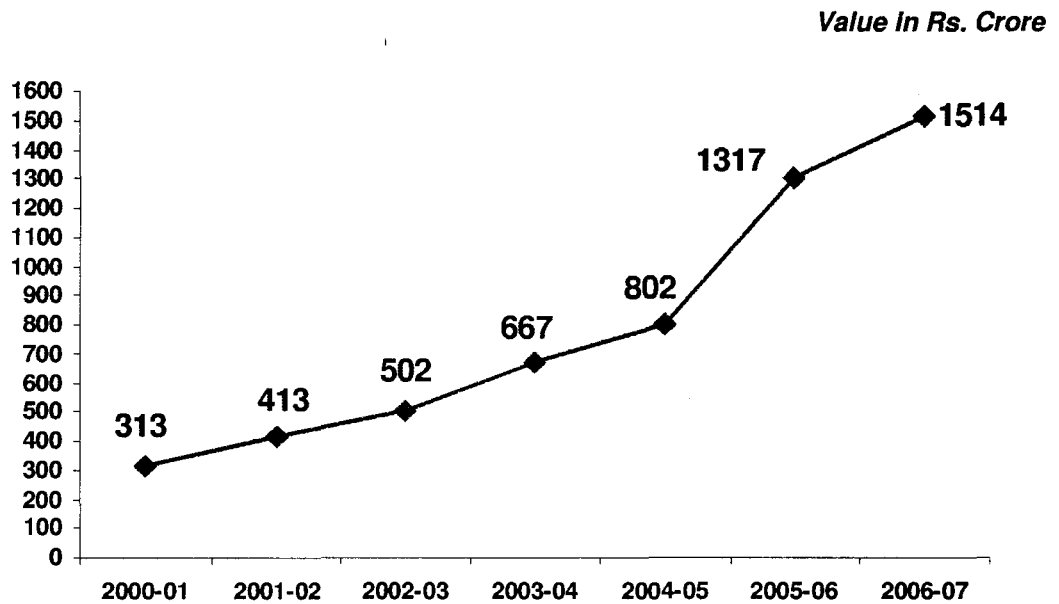
Your Corporation has grown at a higher rate in the last six years and has decided to explore the power sector and tap opportunities for growth in real estate so as to maintain its lead in the future.

Financial Performance

The performance of your Corporation during the year 2006-07 was remarkable in as much as the highest turnover ever of Rs.1514 crore was recorded. Gross margin improved by 149% and Net Profit after tax registered an increase of 189% over the previous year and all the accumulated losses have been wiped out. Further on appropriation of profits, a Capital Redemption Reserve of Rs.30 crore has been created for redemption of preference shares. In view of the improved financial results

continuously over the past six years, the stage has reached where your Directors have recommended dividend, both on the equity shares and preference shares. Therefore, your approval is now sought to pay dividend @ 1% on equity shares and @7% on redeemable preference shares in the Annual General Meeting.

INCOME FOR THE LAST SIX YEARS



Business Outlook

A five-years' Corporate Plan (2007-2012) has been drawn under which the present turnover is slated to witness a three fold rise from a turnover of Rs.1514 crore to over Rs.4500 crore in the year 2011-12. With these projections in mind, the Corporation's endeavour will constantly remain on development of adequate business in potential areas such as Real Estate and Power Sector apart from other traditional areas. Simultaneously, all efforts will be continued for executing more real estate projects to reap the benefit of booming market. The private players occupy the dominant role in the real estate sector, competing with them in quality of product while maintaining affordable pricing will be a major challenge to your company in times to come. You will be glad to know that the first such module launched by your company at the New Township Kolkatta has been a runaway success with more than 600 flats being sold in less than half a day. You will also be glad to know that 50% of these flats have been offered to central/state government and public sector employees at discounted rate despite the fact that the launch rates were 30 % lower than the market.

Your Corporation has been awarded works of more than Rs1,500 crore for construction / upgradation of rural roads under the Bharat Nirman in states of Bihar and Tripura where the task is progressing well. Further, a project valued at Rs.2,000 crore has been signed with the Haryana Government to implement Jawaharlal Nehru National Urban Renewal Mission (JNNURM) schemes of urban infrastructure and basic services for urban poor over a period of five years. Other State Governments like Assam, Meghalaya, Jammu and Kashmir and Tripura are in advance stage of project formulation under the JNNURM schemes.

Awards from the Prime Minister



Your Corporation bagged the SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management under the Special Institutional (Turnaround) Categories for the year 2005-06 and this award was presented to the Corporation by the Hon'ble Prime Minister of India on 8.3.2007.

Your Corporation performed excellent on all the MOU parameters and found place amongst the Top Ten Central Public Sector Enterprises and earned MOU Excellence Award of the Government of India for the years 2004-05 and 2005-06 where this achievement was also recognized by the Hon'ble Prime Minister of India by presenting 'MOU Excellence Award' for both the years on 08.03.2007.

Project Management & Consultancy Services

Your Corporation is working as an extended arm of Ministry of Urban Development, Ministry of Housing & Urban Poverty Alleviation, Ministry of Defence, Ministry of Home Affairs and various other Central/State Government Ministries. Project Management &

Consultancy work of ONGC Energy Centre and Corporate Office of ONGC Group of Companies is also being executed by NBCC. PMC Services entails implementation of the projects from Concept to Commissioning by ensuring Cost & Quality competitiveness.

Computerization and Transparency

Towards establishing good corporate practices for total transparency, timely decision making and avoiding redundancy / duplicity, emphasis is on the development of ERP Software System. LAN has already been implemented in the Corporate Office, RBG / SBG Offices and majority of the Zonal Offices. Critical projects are monitored through Web. Existing web site of your Corporation has been re-developed and hosted on the Government portal 'nbccindia.gov.in' which is linked with the website of Ministry of Urban Development, Sarkari website, GOI directory and also major search Engines viz. google, yahoo and msn. The website has dynamic link with NIC Tender Portal to facilitate posting of all tenders/NITs on web. The web site has secured web based e-mail facility.

Recently your Corporation has successfully used the e-auction for real estate projects, resulting in record realization in a most transparent manner.

Towards Customer Satisfaction

Emphasis of the Corporation during the last couple of years has been towards meeting the stated & implied confidence of the customers and we thank our customers for reposing their confidence time & again.

Your company's approach is towards Total Customer Management (TCM) in a very structured form. It is compulsory that in every project a customer feedback is taken at a regular interval. Your Company's priority is to provide value addition to clients by implementing the projects within time and cost while maintaining high level of quality. This has resulted in customers having reposed their confidence on your Corporation time and again by awarding repeat order to your Corporation.

Social Responsibilities

NBCC is committed to the principles of Corporate Social Responsibilities and continuing its membership with the Global Compact Society. In case of any disaster, our staff is always ready to move in any affected part of the country for providing rehabilitation services to the needy. In the past, your Corporation has undertaken the rehabilitation

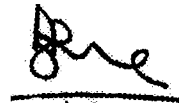
work for the earthquake affected people of J&K and victims of Tsunami in Andaman & Nicobar Islands.

Acknowledgements

I would like to place on record 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, Ministry of Information & Broadcasting, and various Departments of the Government of India and the State Governments and various client Organisations, PSUs etc. for continuously reposing their faith in NBCC. I must mention the trust, support and encouragement that I have received from the Hon'ble Urban Development Minister and the Secretary, Urban Development.

I also extend my thanks and deep appreciation to all the predecessors and the present colleagues on the Board for their valuable participation and mature advice in the decision making processes of your Corporation.

Last but not the least I would like to thank the entire spectrum of the employees of the Corporation for their devotion and team spirit, resulting in achievement of new milestones every year, for the Corporation.



(Arup Roy Choudhury)
Chairman-cum-Managing Director

Place: New Delhi

Dated: August 17, 2007

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the 47th Annual Report of your Corporation together with audited accounts for the year ended 31st March, 2007.

During the year 2006-2007, the turnover of your Corporation increased from Rs.1235.70 crores to Rs. 1459.93 crore representing an increase of 18.15% over the previous year. Net Profit after tax has shown significant improvement of 188.55% over the previous year as the increase is from Rs. 28.03 crore to Rs. 80.88 crore.

FINANCIAL PERFORMANCE		(Rs. in crore)	
INCOME	2006-2007	2005-2006	
Turnover			
Domestic	1459.93	1235.70	
Overseas	--		
Other Income	71.03	84.64	
Increase/(Decrease) in stock	(17.48)	(3.90)	
Prior Period Income	0.83	0.28	
Total (1)	1514.31	1316.72	
EXPENDITURE			
Prime Cost	1246.33	1106.57	
Overheads			
i) Salary and wages	44.77	45.94	
ii) Ex-gratia	1.51	1.21	
iii) Write off Sundry Debtors	8.98	52.75	
iv) Others	83.30	58.20	
Total (2)	1384.89	1264.67	
Gross Margin (1-2)	129.42	52.05	
Less : Depreciation	2.94	4.50	
Less: Interest	2.13	7.88	
Net Profit Before Tax (PBT)	124.35	39.67	
Less :			
i) Income Tax (Overseas)	--	0.05	
ii) Provision for Current Tax	42.96	9.72	
iii) Shortfall in provision for Income Tax in previous year	0.20	0.61	
iv) Provision for Fringe Benefit Tax	0.22	0.20	
v) Provision for Deferred Tax	0.09	1.06	

Net Profit After Tax (PAT)		
- For the year	80.88	28.03
Profit available for Appropriation		
Preference Share Redemption Reserve	30.00	--
Proposed Dividend on Preference Shares	2.10	--
Proposed Dividend on Equity Share	0.90	--
Dividend Distribution Tax	0.51	--
Balance carried forward to Balance Sheet	47.37	28.03
Cumulative	(+)1.04	(-) 46.33
New Business secured	2198.35	1250.11
Balance work in hand	3430.13	2691.71

Gross margin increased by 148.65% to Rs. 129.42 crore (previous year Rs. 52.05 crore). During the same period Net Profit before tax has risen from Rs. 39.67 crore to Rs.124.35 crore.

DIVIDEND

For the first time in the history, your Corporation would be declaring a dividend. Your Directors have recommended dividend of 7% on Redeemable Preference Shares. The dividend will be paid after approval of the Shareholders in the Annual General Meeting. Reserve has been created for redemption of Preference Shares of Rs. 300 million during the financial year 2006-07.

TURNAROUND AWARD

Your Corporation won the **SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management - Special Institutional (Turnaround) Category 2005-06**. The Scope Award was presented by the Hon'ble Prime Minister of India on 8.3.2007.

ORDER BOOK

Opening balance of workload in hand was Rs. 2691.71 crore. Works of Rs 2198.35 crore were secured from Ministry of Home Affairs, Ministry of Urban Development, Ministry of Information & Broadcasting, Ministry

of Women & Child Welfare; other State Governments Ministries/Departments and public sector undertakings viz. BHEL, ONGC & NTPC. Works of Rs. 1459.93 crore were executed during the year 2006-07. Workload in hand at the close of the financial year ended 31.3.2007 was Rs. 3430.13 crore.

OVERSEAS DUES

The outstanding dues in respect of works executed in Libya amounting to Rs. 22.64 crore and have not been realised due to US Sanctions. Outstandings from Iraq of Rs. 48.53 crore are due against Deferred Payment Agreement Projects and Cash Contracts. Sequel to the meeting held at Delhi in May, 2007 between the Petroleum Ministers of Iraq and India, information desired for settlement of Project Exporters claims has since been submitted to the Ministry of Petroleum.

MEMORANDUM OF UNDERSTANDING

Your Corporation has been selected amongst the Top Ten Central Public Sector Enterprises by the Ministry of Heavy Industries and Public Enterprises for **MoU Excellence Award** of the Government of India for the years 2004-05 and 2005-06. The Hon'ble Prime Minister of India presented the award to the Chairman-cum-Managing Director on 8.3.2007 in New Delhi.

MOU for the year 2007-08 has been signed with the Ministry of Urban Development on 19.3.2007. Targets laid down in the MOU are as under:-

(Rs. in crore)

Turnover	1650
Order Book	3856
Gross Margin	70.98
Net Profit	40.38

During the year 2006-07, the Corporation is likely to achieve 'excellent' rating.

VISION

- Our vision is to be a widely admired and preferred construction services company by setting the highest standards in customer service, reliability, safety and environment stewardship, and cost containment.

Corporate Mission :

MISSION

- To supply customers with practical, secure, innovative and cost-efficient construction products and services that meet their needs as well as providing the necessary supporting infrastructure.
- To act in a socially responsible way to contribute to national wealth, whilst upholding our responsibility for the environment and promoting the well-being of our customers, employees, shareholders and other stakeholders.
- To achieve a premier position by developing and adopting best practices and state-of-the art technology in construction services and related activities for gaining a competitive advantage.
- To deliver value to projects through cost and planning optimization and effective risk management.
- To retain our status as the first ranked company of the Government of India in the field of Contract and Construction Services.
- To become a Mini Ratna company with international standards of excellence.
- To become a Rs. 5,000 crore company by 2011-12.

BUSINESS STRATEGIES

Timely completion of projects, quality assurance, cost reduction have achieved greater customer satisfaction and also helped in repeat orders from your valued clients through the following business strategies:

1. Implementation of the concept of "Cost to Completion" (CTC).
2. Introduction of Computerised Project Management and Web based monitoring system.
3. 'A', 'B', 'C' categorisation of projects and close monitoring of projects depending upon their criticality.
4. Proactive approach and constant liaison with clients.
5. Implementation of Funds Management at the Corporate level for effective utilisation and exercising better control on financial resources.
6. Introduction of 'Labour in Prime Cost' concept, making it obligatory on contractor to engage departmental labour resulting in utilisation of surplus labour and reducing overheads on account of idle wages.

ISO CERTIFICATION

NBCC obtained ISO 9001 Certification for its Project Management and Consultancy Divisions. The Corporate Mission enshrines building a high degree of customer satisfaction and providing services conforming to ISO 9001: 2000 series. Licence for quality management system issued by the Bureau of Indian Standards is valid upto 28.3.2008.

SAFETY MANAGEMENT

Management is fully committed to ensure safe working conditions at all work sites. A full fledged and dedicated "Safety Management Cell" is operational at the Corporate Office to spread the awareness of "Safety" in all spheres of activity.

The statutory requirement for ensuring safe working conditions at the construction sites, is being propagated to all NBCC Officials. Lectures/Presentations on "Safety" were organized in the "Annual Review Meeting" attended by all Zonal Heads and Heads of Strategic Business Group & Regional Business Group. A two day workshop on "Safety in Construction Industry" was also organized at the Corporate Office on 29th -30th June, 2007 wherein outside faculty was invited.

CORPORATE GOVERNANCE

Your Corporation is committed to implement the best practices on Corporate Governance with philosophy based on transparency, disclosures and reporting which conforms fully with laws, regulations and guidelines. Objective is to create value for the stakeholders while being a responsible corporate citizen. In preparation of Annual Report, all the Accounting Standards issued by the Institute of the Chartered Accountants of India have been followed. Project Incharges and other functionaries in the Corporation are required to comply with provisions of the works manual. In view of the organizational changes, Delegation of Powers have been suitably modified from time to time. Guidelines are also being issued by the Vigilance Division for proper execution of works at project sites. On matters of strategic importance involving high stakes, the Sub-committee of Directors with association of experts/consultants have been constituted.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As a policy, your Corporation is committed to support the principles of Global Compact. Several initiatives in this direction have been taken for execution of works in remote and difficult areas & providing job avenues to the locals; rehabilitation/reconstruction of infrastructure works in areas devastated by natural calamities; border fencing works for national security; and construction of water supply distribution system etc.

TECHNOLOGY UPGRADATION

Your Corporation for successful execution of various construction projects has adopted the following technologies:

- Upflow Anaerobic Sludge Blanket Technology for Sewage Treatment Plant.
- Slip-form & Sliding form technology for high rise structures.
- Incremental launching of girder for bridges and elevated tracks.
- Segmental construction of superstructure in bridges.
- Use of hydraulic rig for piling.

- Use of Tunnel Form Technology for mass housing.
- Horizontal slipping for large dia circular cast-in-situ pipes.
- Adoption of ready mix concrete for major construction projects.

CONSERVATION OF ENERGY

While engaged in service sector, there is limited scope for energy conservation. Emphasis is being laid on employing techniques which result in conservation of energy, such as use of solar energy devices in buildings. At work place, emphasis is more on installation of energy efficient lights and using natural light to a maximum extent. Sewage Treatment Plants executed using UASB technology without any moving parts helps in conservation of electricity.

MANAGEMENT DISCUSSION AND ANALYSIS

Real Estate and Power Sector has been identified as major thrust areas for achieving quantum jump in the turnover and for overall improvement in the bottom line. Government has accorded its approval to your Corporation for foraying into the Power Projects. Initially, it is proposed to set up captive power plants. A full fledged ERP system covering Corporate and Zonal activities with respect to various functions viz., Finance, HR, Projects, Business Development, Real Estate, Consultancy and Contracts etc. is under implementation. Use of IT systems will enable further transparency, better governance and effective control in the organisation. Five Years Corporate Plan has been drawn for the period 2007-2012.

HUMAN RESOURCE DEVELOPMENT & TRAINING

Human Resource Development continued to be accorded high priority with emphasis on improving skill, competence and knowledge through regular training and professional development programmes. A total of 1336 training man-days, covering 1213 man-days under in-house training programmes and 123 man-days under external training programmes were achieved during the year. 22 In-house Training Programmes/Workshops/Lectures etc. were conducted for senior and

middle level officials on various topics. 86 officials were nominated for various external training programme.

MANPOWER

Total strength of regular employees of the Corporation as on 31.3.2007 stood at 2444. The category-wise position in respect of regular employees is as under:

GROUP-A	GROUP-B	GROUP-C	GROUP-D	TOTAL
649	199	992	591	2444
(29)	(17)	(29)	(29)	(104)

(The figure in brackets is in respect of female employees).

RESERVATION OF SCHEDULED CASTES AND SCHEDULED TRIBES/ OTHER BACKWARD CLASSES :

Directives issued by the Government of India from time to time for filling up of vacancies for SC/ST/OBC/Ex-servicemen/Physically Handicapped have been followed in the Corporation.

Statistical information in this regarding is given below :-

1. Category wise details of SC/ST employees in the Corporation is as under :-

Group	General	SC	% of SC	ST	% of ST	Total No. of employees
A	511	122	18,79%	16	2.46%	649
B	144	48	24.12%	07	3.51%	199
C	840	143	14.41%	09	0.90%	992
D(Excluding Sweepers)	508	78	13.19%	05	0.84%	591
D (Sweepers)	-	13	100%	-	-	13
Total	2003	404	16.53	37	1.51%	2444

PROGRESSIVE USE OF HINDI

During the year 2006-2007, efforts continued in the Corporation towards progressive use of Hindi. During the year, OLIC quarterly meetings were also held to review the progress of official language in the Corporation. "HINDI WEEK" was organized from 8.9.2006 to 14.9.2006 during which various activities and competition were conducted. Vishwa Hindi Diwas was organised on 10.1.2007. During the year under report, several inspections were conducted by the Hindi Cell in RBG/Zones and various Divisions at the Corporate Office to oversee the extent of use of official language in day to day working.

VIGILANCE ACTIVITIES

The Vigilance Division at Corporate Office is headed by Chief Vigilance Officer, an officer on deputation from the Government of India. Complaints received from within the Corporation, Members of public, Central Bureau of Investigation, Central Vigilance Commission, Clients and Ministry of Urban Development are probed and investigations are conducted and wherever lapses are noticed, disciplinary proceedings are initiated against the delinquent employees. A three pronged strategy followed to eradicate corruption is (1) Preventive Vigilance, (2) Detective Vigilance & Surveillance, and (3) Punitive Vigilance.

'Vigilance Awareness Week' was observed in the Corporate, RBG & Zonal Offices all over the country from 6.11.2006 to 10.11.2006.

PUBLIC RELATIONS

Public Relations Division continued its sustained efforts to project the image of the Corporation through effective use of print and electronic Media. Film on operational activities of the Corporation has been produced. News items and Corporate interviews of the Chief Executive have been arranged from to time. House journals, brochures, booklets, pamphlets are being regularly published.

EVENTS AND OTHER ACTIVITIES

During the year, following events and activities have been organised:

- Unveiling by Shri Ajay Maken, Hon'ble Minister of State for Urban Development, the insignia depicting record breaking income of Rs.1300 crore achieved by the Corporation on 21.4.2006.
- Inauguration of Intellectual Property Office Building in Mumbai on 25.5.2006 by Shri Kamal Nath, Hon'ble Minister of Commerce & Industry.
- Amity Corporate Excellence Award received on 22.2.2007.
- Cultural evening on 9.3.2007 to commemorate the occasion of winning SCOPE Excellence Award 2005-06 & Top Ten PSU Awards 2004-05 & 2005-06.

IT ACTIVITIES

Your Corporation re-developed the existing website and hosted it on Government portal i.e. 'nbccindia.gov.in' which is linked with the website of Ministry of Urban Development, Sarkari website, GOI directory and also major search Engines viz. google, yahoo and msn. The website has dynamic link with NIC Tender Portal to facilitate posting of all tenders/NITs on web. The web site has secured web based e-mail facility. The Corporation also carried out e-auction in some Real Estate Projects. Also implemented is a Visitors' Management System.

SERVICE MEMENTOS

Service Mementos were presented to employees on completion of their 25 years of service in the Corporation.

BOARD MEETINGS

During the year Shri V.P. Das, appointed as Director(Projects) w.e.f. 30.8.2006. Shri Raghbir Singh, Addl. Secretary & Financial Adviser (Health) & Financial Adviser (UD), Ministry of Urban Development appointed as Director on the Board of the Corporation vice Smt. Neena

Garg, Joint Secretary & Finance Adviser who ceased to be Director w.e.f. 4.12.2006. Shri B L Bajaj, Director(Finance) ceased to be the Director w.e.f. 31.8.2006.

During the year under report, 6 meetings of the Board of Directors were held on 12.5.2006, 11.7.2006, 10.8.2006, 17.10.2006, 8.12.2006, and 19.2.2007.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors hereby report as under :-

- a) that in the preparation of annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departure;
- b) that the selected Accounting Policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation as at 31st March, 2007 and of the profit and loss accounts for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities; and
- d) that the Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s Dinesh Mehta & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Corporation for the year 2006-2007.

PARTICULARS OF EMPLOYEES

Pursuant to the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies' (Particulars of Employees) Rules, 1975, as amended from time to time, none of the employees of the Corporation was in receipt of remuneration of more than Rs.24 lacs per annum or Rs.2,00,000/- per month.

ACKNOWLEDGEMENTS

Your Directors sincerely acknowledge the support and co-operation provided by the Ministry of Urban Development, Ministry of Finance, Ministry of Home Affairs, Ministry of Defence, Ministry of Commerce, Ministry of External Affairs and various other Government agencies.

The Directors also wish to thank CAG of India, Chairman & Members of Audit Board, Statutory Auditors for their co-operation and guidance and Corporation's bankers, RBI, Exim Bank, Embassies, Protector of Emigration, Passport authority for their continued support.

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

For & on behalf of the
Board of Directors

Place : New Delhi

Dated:

(Arup Roy Choudhury)
Chairman-cum-Managing Director



BALANCE SHEET AS AT 31ST MARCH, 2007.

(Rs. in lakhs)

	SCHEDULE	AS AT 31.03.2007	AS AT 31.03.2006
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	12000.00	12000.00
Reserves & Surplus	2	3103.49	(4633.32)
LOAN FUNDS			
Secured Loans	3	--	--
Unsecured Loans		6713.57	7913.57
TOTAL		21817.06	15280.25
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	2771.19	2900.00
Less:- Depreciation		1530.40	1592.28
Net Block		1240.79	1307.72
INVESTMENTS			
	5	22.31	15.00
DEFERRED TAX ASSETS (NET)			
		492.86	501.85
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	1233.74	1412.08
Work-in-Progress		14325.73	10729.53
Sundry Debtors	7	48079.90	47513.43
Cash & Bank Balances	8	75141.40	62895.54
Loans & Advances	9	29001.63	25465.26
Other Current Assets	10	1033.69	646.96
Total Current Assets		168816.09	148662.80
Less:			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities		138539.74	128998.86
Provisions		10225.01	6243.05
Total Current Liabilities		148764.75	135241.91
Net Current Assets		20051.34	13420.89
Carried Over		21807.30	15245.46



BALANCE SHEET AS AT 31ST MARCH, 2007.

(Rs. in lakhs)

	SCHEDULE	AS AT 31.03.2007	AS AT 31.03.2006
Brought Forward		21807.30	15245.46
MISCELLANEOUS EXPENDITURE (To the extent not written-off or adjusted)	12	9.76	34.79
TOTAL		21817.06 =====	15280.25 =====
ACCOUNTING POLICIES	23		
NOTES ON ACCOUNTS	24		

Schedules 1 to 12, 23 and 24 form integral part of the Balance Sheet.

(AJAY K GARG)
Director(Finance)

(V.P. DAS)
Director(Projects)

(ARUP ROY CHOUDHURY)
Chairman-cum-Managing Director

(A.K. SINGH)
Company Secretary

(R.K. TREHAN)
General Manager(Fin)

(S.K. KHURANA)
Group General Manager(Fin)

As per our report of even date.

For Dinesh Mehta & Co.
Chartered Accountants.

Place: New Delhi.
Date:

(SANJEEV KWATRA)
Partner



BALANCE SHEET AS AT 31ST MARCH, 2007.

(Rs. in lakhs)

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BALANCE SHEET AS AT 31ST MARCH, 2007.

(Rs. in lakhs)

	SCHEDULE	AS AT 31.03.2007	AS AT 31.03.2006
Brought Forward		21807.30	15245.46
MISCELLANEOUS EXPENDITURE (To the extent not written-off or adjusted)	12	9.76	34.79
TOTAL		21817.06	15280.25
ACCOUNTING POLICIES	23		
NOTES ON ACCOUNTS	24		

Schedules 1 to 12, 23 and 24 form integral part of the Balance Sheet.

(AJAY K GARG)
Director(Finance)

(V.P. DAS)
Director(Projects)

(ARUP ROY CHOUDHURY)
Chairman-cum-Managing Director

(A.K. SINGH)
Company Secretary

(R.K. TREHAN)
General Manager(Fin)

(S.K. KHURANA)
Group General Manager(Fin)

As per our report of even date.

For Dinesh Mehta & Co.
Chartered Accountants.

Place: New Delhi.
Date:

(SANJEEV KWATRA)
Partner



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(Rs. in lakhs)

	SCHEDULE	2006-2007	2005-2006
INCOME			
VALUE OF WORK DONE		139628.66	119497.81
Work-in Progress		6364.73	4072.11
Other Income	13	7102.72	8463.62
Increase/(Decrease) in stock	14	(1748.58)	(389.71)
Prior Period Income	22	83.26	27.95
	TOTAL	151430.79	131671.78
EXPENDITURE			
Land Cost / Material Consumed	15	1505.60	3678.04
Expenditure on Piece Rate Work/Consultancy	16	123127.07	106979.23
Salaries, Wages & Benefits	17	4628.40	4714.82
Other Expenses	18	6643.61	2983.25
Provisions & Write-offs	19	2508.55	8159.82
Depreciation & Amortisation	21	293.83	449.50
Prior Period Expenditure	22	76.27	(48.64)
	TOTAL	138783.33	126916.02
Profit before interest and Income Tax Carried Over		12647.46	4755.76



(Rs. in lakhs)

	SCHEDULE	2006-2007	2005-2006
Profit before interest and Income Tax Brought Forward		12647.46	4755.76
Interest	20	212.85	788.45
Profit before Income Tax		12434.61	3967.31
Income Tax (Overseas Projects)		--	4.33
Provision for current Tax		4296.08	972.33
Shortfall in provision for I.Tax in previous years		19.91	60.81
Provision for Fringe Benefit Tax		21.82	20.00
Deferred tax (Assets)/Liabilities:			
Current year	8.99		106.38
Earlier year	--		--
	-----	8.99	-----
Profit available for appropriation		8087.81	2803.46
		-----	-----
Appropriations:			
Preference Shares Redemption Reserve		3000.00	--
Proposed Dividend on Preference Shares		210.00	--
Proposed Final Dividend on Equity Shares		90.00	--
Dividend Distribution Tax		51.00	--
Balance carried over to Balance Sheet		4736.81	2803.46
		-----	-----
		8087.81	2803.46
		-----	-----
Accounting Policies	23		
Notes On Accounts	24		

Schedules 13 to 24 form integral part of the Profit & Loss Account.

(AJAY K GARG)
Director(Finance)

(V.P. DAS)
Director(Projects)

(ARUP ROY CHOUDHURY)
Chairman-cum-Managing Director

(A.K. SINGH)
Company Secretary

(R.K. TREHAN)
General Manager(Fin)

(S.K. KHURANA)
Group General Manager(Fin)

As per our report of even date.

For Dinesh Mehta & Co.
Chartered Accountants.

Place: New Delhi.
Date:

(SANJEEV KWATRA)
Partner



SCHEDULE-1

SHARE CAPITAL

(Rs. in lakhs)

	AS AT 31.03.2007	AS AT 31.03.2006
AUTHORISED CAPITAL		
9,00,000 Equity shares (Previous year 9,00,000 Equity Shares) of Rs.1,000/- each	9000.00	9000.00
3,00,000 7% Non-cumulative Redeemable Preference Shares (Previous year 3,00,000) of Rs.1,000/- each	3000.00	3000.00
TOTAL	12000.00	12000.00
ISSUED, SUBSCRIBED & PAID UP		
9,00,000 Equity Shares (Previous year 9,00,000 Equity Shares) of Rs1,000/- each fully paid up	9000.00	9000.00
3,00,000 7% Non-cumulative Preference Shares Redeemable In 10 years upto 31.03.2007 (Previous year 3,00,000) of Rs.1,000/- each fully paid up	3000.00	3000.00
TOTAL	12000.00	12000.00

SCHEDULE-2

Reserves & Surplus

<u>Capital Redemption Reserve</u>	3000.00	--
<u>Profit & Loss Account</u>		
As per last Balance Sheet	(4633.32)	(7436.78)
Add: Transferred from Profit & Loss Account	4736.81	2803.46
	103.49	(4633.32)
TOTAL	3103.49	(4633.32)



SCHEDULE-3

LOANS

(Rs. in lakhs)

	AS AT 31.03.2007		AS AT 31.03.2006
--	---------------------	--	---------------------

SECURED LOANS

--

--

TOTAL

--
=====

--
=====

UNSECURED LOANS

From Govt. of India
Interest accrued and due
(Overdue for payment)

--
6713.57

6713.57

--
6713.57

6713.57

From Govt. Bodies
Interest accrued and due
(Guaranteed by the President
of India in shape of Indemnity
Bond)

--
--

--

1200.00

1200.00

TOTAL

6713.57
=====

7913.57
=====



SCHEDULE-4

FIXED ASSETS

(Rs. in lakhs)

SL. NO.	DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		AS AT 01.04.06	ADDITION / ADJUSTMENTS DURING THE YEAR	SALES/ TRANSFER /ADJUSTMENTS DURING THE YEAR	AS AT 31.03.07 (3+4-5)	AS AT 01.04.06	FOR THE YEAR	SALES/ ADJUSTMENTS DURING THE YEAR	AS AT 31.03.07 (7+8-9)	AS AT 31.03.07 (6-10)	AS AT 31.03.06 (3-7)
1	2	3	4	5	6	7	8	9	10	11	12
1.	LAND (LEASE HOLD) MBP GHITORNI LODHI ROAD	#255.33 # 8.62	-- --	11.35 --	243.98 8.62	-- --	-- --	-- --	-- --	243.98 8.62	255.33 8.62
2.	OFFICE BUILDING	196.26	--	--	196.26	26.61	3.20	--	29.81	166.45	169.65
3.	RESIDENTIAL FLATS	1.71	--	--	1.71	0.44	0.03	--	0.47	1.24	1.27
4.	PLANT & MACHINERY	1464.01	30.77	168.41	1326.37	956.37	36.24	137.28	855.33	## 471.04	507.64
5.	OFFICE FURNITURE & EQUIPMENTS	517.29	27.93	5.34	539.88	354.94	28.50	2.90	380.54	159.34	162.35
6.	FIXTURE & FITTINGS	125.82	--	--	125.82	23.29	7.92	--	31.21	94.61	102.53
7.	VEHICLES	330.96	10.60	13.01	328.55	230.63	14.77	12.36	233.04	## 95.51	## 100.33
	TOTAL:-	2900.00	69.30	198.11	2771.19	1592.28	90.66	152.54	1530.40	1240.79	1307.72
	PREVIOUS YEAR FIGURES	2956.95	193.42	250.37	2900.00	1605.90	66.16	79.78	1592.28	1307.72	1351.05

#	Lease for 99 years.
##	Net block of P&M and Vehicles includes an amount of Rs. 22.76 lakhs & Rs. 0.63 lakhs respectively being the value of items retired from active use.



SCHEDULE 5

INVESTMENTS

(Rs. in lakhs)

	AS AT 31.03.2007	AS AT 31.03.2006
--	---------------------	---------------------

LONG TERM

Corporation's share in Joint Venture (IJM – NBCC – VRM)	15.00	15.00
Corporation's Share in Joint Venture (Jamal NBCC International (Proprietary) Limited)	3.40	--
Corporation's Share in Joint Venture (AMC - NBCC)	3.91	--
TOTAL	22.31	15.00



SCHEDULE 6

INVENTORIES

(Rs. in lakhs)

	AS AT 31.03.2007	AS AT 31.03.2006
--	---------------------	---------------------

As taken, valued and certified by the management in terms of Accounting Policies 5 & 7

Stores & Spare Parts	27.08	25.94
Tools and Equipments etc.	156.04	205.02

Materials

Building Material		
Own	325.66	311.52
Clients	2.31	10.84
Steel Scrap	3.86	1.17
Stores, Spares and Stock in Transit	--	4.70
Centering, Shuttering & Scaffolding	718.20	851.77
Furniture, Fixtures & Equipments in Hostel/Staff camp	0.59	1.12
TOTAL	1233.74	1412.08



SCHEDULE 7

SUNDRY DEBTORS(UNSECURED)

(Rs. in lakhs)

	AS AT 31.03.2007	AS AT 31.03.2006
Debts Outstanding for a period exceeding six months:		
Considered Good	14874.78	23539.73
Considered Doubtful	596.25	1092.39
Less:- Provision	596.25	1092.39
	-----	-----
Other Debts:		
Considered Good	33425.39	25609.30
	-----	-----
	48300.17	49149.03
Less: Credit amount lying in Clients' General Account (including advance against value of work done)	181.91	1581.04
Material Account	38.36	54.56
	-----	-----
	220.27	1635.60
	-----	-----
TOTAL	48079.90	47513.43
	=====	=====



SCHEDULE 8

CASH & BANK BALANCES:

(Rs. in lakhs)

	AS AT 31.03.2007		AS AT 31.03.2006
Cash Balances			
Cash in Hand	2.73		1.78
Stamps in Hand	0.18		0.13
Remittances in Transit	2001.92		712.00
Cheques in Hand	281.32		627.33
	-----	2286.15	-----
			1341.24
Bank Balances with Scheduled Banks			
Current Account	8415.24		4029.63
Fixed Deposits	64418.00		56374.54
Call Deposits	21.75		21.53
	-----	72854.99	-----
			60425.70
Bank Balances with Non Scheduled Banks			
In Deposit Account	0.04		149.25
In Current Account	0.22		979.35
In Fixed Deposits	--		--
	-----	0.26	-----
			1128.60
TOTAL	75141.40		62895.54
	=====		=====

DETAILS OF BALANCES WITH NON-SCHEDULED BANKS

	Maximum balance during		Balance as at	
	2006-2007	2005-2006	31.03.2007	31.03.2006
<u>In Deposit Account</u>				
Rasheed Bank, Iraq	0.04	149.25	0.04	149.25
<u>In Current Account</u>				
Rasheed Bank, Iraq	0.22	979.35	0.22	979.35
T.C.Ziraat Bank, Turkey	--	22.64	--	--
<u>In Fixed Deposit</u>				
T.C. Ziraat Bank, Turkey	--	1.94	--	--



SCHEDULE 9

LOANS AND ADVANCES

(Rs. in lakhs)

	AS AT 31.03.2007		AS AT 31.03.2006
Advances recoverable in Cash or in kind or for value to be received			
Secured -- Considered Good	2.93		3.47
Unsecured -- Considered Good	18561.75		17999.33
Unsecured -- Considered Doubtful	307.63	579.75	
Less: Provisions	307.63	579.75	
	-----	-----	-----
		-----	-----
		18564.68	18002.80
Security Deposits		5139.62	5187.76
Advance Fringe Benefit Tax:			--
2005-06	20.00	16.28	
2006-07	29.21	--	
	-----	-----	-----
		49.21	16.28
Advance Income Tax:			
2003-04	--	218.94	
2004-05	--	1005.97	
2005-06	1033.52	1033.51	
2006-07	4214.60	--	
	-----	-----	-----
		5248.12	2258.42
		-----	-----
TOTAL		29001.63	25465.26
		=====	=====

PARTICULARS OF LOANS & ADVANCES DUE FROM DIRECTORS INCLUDING CHAIRMAN-CUM-MANAGING DIRECTOR AND OFFICERS OF THE COMPANY

	LOANS & ADVANCES		MAXIMUM AMOUNT DUE AT ANY TIME DURING THE YEAR	
	AS AT 31.03.2007	AS AT 31.03.2006	THIS YEAR	PREVIOUS YEAR
Directors including Chairman-cum-Managing Director	--	--	4.08	8.89
Officers	5.96	7.95	9.45	15.77



SCHEDULE 10

OTHER CURRENT ASSETS

(Rs. in lakhs)		
	AS AT 31.03.2007	AS AT 31.03.2006
Interest Accrued on Fixed Deposits	1033.69	646.96
TOTAL	1033.69	646.96

SCHEDULE 11

CURRENT LIABILITIES & PROVISIONS:

(Rs. in lakhs)			
	AS AT 31.03.2007		AS AT 31.03.2006

CURRENT LIABILITIES

Sundry Creditors

(i) Small Scale Industries			
(a) M/s Indegenous Control and Elect.Pvt Ltd.	2.46	1.26	
(b) M/s Alumilite Architectural Pvt Ltd.	1.08	1.50	
	-----	-----	2.76
	3.54		
(ii) Others	70168.20		64664.17
Other Liabilities:			
Taxes Payable	2929.44		1153.25
Invoked Bank Guarantee	8.58		20.34
Earnest Money & Security Deposit	15266.85		10945.99
Employees Security Deposit	2.14		2.15
Receipt against uncertified bills of Iraq(DPA) from MOUD	3426.84		3426.84
Advances from Clients (Include Mobilisation Advance secured by Bank Guarantees amounting to Rs. 2165.07 lakhs Previous year Rs.1237.68 lakhs)	46731.84		48772.52
Client's Material	2.31		10.84
TOTAL	138539.74		128998.86



(Rs. in lakhs)

	AS AT 31.03.2007	AS AT 31.03.2006
PROVISIONS		
Gratuity		
Opening Balance	2533.79	2267.60
Less: Paid	180.54	190.86
	-----	-----
Add: Additions	2353.25 274.96	2076.74 457.05
	-----	-----
	2628.21	2533.79
Taxation (Overseas Projects)		
	336.19	845.72
Less: Advance Tax	306.35	770.65
	-----	-----
	29.84	75.07
Taxation (Inland Projects)		
2003-2004	--	218.94
2004-2005	--	991.54
2005-2006	972.33	972.33
2006-2007	4296.08	--
	-----	-----
	5268.41	2182.81
Leave Encashment		
Opening Balance	1222.69	1021.09
Less: Paid	96.97	103.55
	-----	-----
Add: Additions	1125.72 352.49	917.54 305.15
	-----	-----
	1478.21	1222.69
Impairment of Assets	23.39	22.20
Foreseeable losses	344.10	97.35
Fringe Benefit Tax	41.82	20.00
Other/Contingencies	60.03	89.14
Proposed Dividend on Preference Shares	210.00	--
Proposed Final Dividend on Equity Shares	90.00	--
Dividend Distribution Tax	51.00	--
	-----	-----
TOTAL	10225.01	6243.05
	=====	=====



SCHEDULE 12

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(Rs. in lakhs)

	AS AT 31.03.2007		AS AT 31.03.2006
Discrepancy in Fixed Assets	1.94		2.36
Less: Provisions	1.94		2.36
	-----	--	-----
Discrepancy in Stores	19.48		21.16
Less: Provision	19.48		21.16
	-----	--	-----
TOTAL	-----	--	-----
	-----		-----
<u>DEFERRED REVENUE EXPENDITURE</u>			
1) <u>Technical knowhow</u>			
-- Opening Balance	13.01		16.26
-- Additions	--		--
	-----		-----
-- Total	13.01		16.26
-- Less: Written-off	3.25		3.25
	-----	9.76	-----
			13.01
2) <u>Consultancy Charges</u>			
--Opening Balance	21.78		75.55
--Additions	--		21.78
	-----		-----
--Total	21.78		97.33
--Less: Charged	21.78		75.55
	-----	--	-----
			21.78
TOTAL	-----	9.76	-----
			34.79



SCHEDULE 13

OTHER INCOME

(Rs. in lakhs)

	2006-2007	2005-2006
Unadjusted credit balances written-back	959.39	515.24
Profit on Sale of Assets	45.31	2133.05
Interest (Gross, Income Tax Deducted at source Rs. Nil Previous Year Rs. Nil)		
From Bank	4746.81	3333.03
On advances to staff	6.46	0.09
On advances to PRW/Suppliers	90.02	118.08
Others	--	142.68
Misc. Receipts	839.28	552.81
Rent	1.53	129.20
Dividend received in Joint Venture	3.47	--
Provisions Written-back.		
Sundry Debtors	92.55	1431.04
Doubtful Advances	257.23	107.65
Discrepancy in Stores	0.66	--
Discrepancy in Fixed Assets	0.41	--
Others	59.60	0.75
TOTAL	7102.72	8463.62
	=====	=====



SCHEDULE 14

INCREASE/(DECREASE) IN STOCK

(Rs. in lakhs)

	2006-2007		2005-2006
--	-----------	--	-----------

NET INCREASE/(DECREASE) IN STOCK

WORK IN PROGRESS

Opening Balance	10729.53		7621.77	
Additions	6364.73		4072.11	
	-----	17094.26	-----	11693.88
Adjustment during the year	1019.95		574.64	
Closing Balance	14325.73		10729.53	
	-----	15345.68	-----	11304.17
Net Increase / (Decrease)		(1748.58)		(389.71)
		=====		=====

SCHEDULE 15

LAND COST / MATERIAL CONSUMED

(Rs. in lakhs)

	2006-2007		2005-2006
--	-----------	--	-----------

Land Cost		--		2227.50
Material consumed				
Opening Stock	323.53		202.90	
Add: Purchases:	1670.40		1586.50	
	-----		-----	
	1993.93		1789.40	
Less:				
Transfers, Returns & Sales	161.35		33.64	
Closing Stock	331.83		323.53	
	-----		-----	
	1500.75		1432.23	
Add: Carriage & Freight Inward	4.85		18.31	
	-----	1505.60	-----	1450.54
		-----		-----
TOTAL		1505.60		3678.04
		=====		=====



SCHEDULE 16

EXPENDITURE ON PIECE RATE WORK/CONSULTANCY

(Rs. in lakhs)

	2006-2007	2005-2006
Piece Work Labour (without material)	2084.21	2768.61
Piece Work contract(with material)	119750.78	103237.62
Consultancy	1292.08	973.00
TOTAL	123127.07	106979.23

SCHEDULE 17

SALARIES, WAGES & BENEFITS

(Rs. in lakhs)

	2006-2007	2005-2006
Salaries, Wages & other benefits	3791.38	3971.36
Contribution to Provident Fund	488.34	436.01
Workmen & Staff Welfare Expenses	348.68	307.45
TOTAL	4628.40	4714.82



**SCHEDULE 18
OTHER EXPENSES**

(Rs. in lakhs)

	2006-2007	2005-2006
Insurance of work	47.91	59.84
Water, Electricity & Allied charges	158.76	198.77
Rent	93.27	74.87
Travelling & Conveyance	303.71	305.04
Entertainment	16.72	19.10
Auditor's Remuneration	6.77	7.43
CPF Audit	0.06	0.05
Internal Audit Expenses	6.18	4.50
Certification work	--	0.15
Carriage & Freight(General)	21.22	38.08
Legal & Professional Charges	95.43	62.79
Postage, Telegram, Telephone & Fax	70.11	71.36
Printing & Stationery	51.65	54.66
Tender & Survey Expenses	212.45	117.00
Advertisement & Publicity	148.18	91.68
Royalty	--	2.50
Conference & Management Development Expenses	68.40	28.47
Stamp Duty	--	179.71
Wealth Tax	0.69	0.72
Sales Tax & Works Contract Tax	267.91	189.78
Bank charges & Guarantee Commission	94.78	924.88
Running Expenses of Plant & Machinery/Vehicles	48.94	54.84
Repairs & Maintenance:		
- Plant & Machinery/Vehicles	30.79	58.84
- Buildings	54.75	41.19
- Others	50.43	75.38
Rates & Taxes	408.32	164.03
Insurance	6.20	11.90
Hire Charges	53.26	58.13
Misc. Expenses	91.24	84.25
Exchange Loss (Net)	4235.48	3.31
	-----	-----
TOTAL	6643.61	2983.25
	=====	=====



**SCHEDULE 19
PROVISIONS & WRITE-OFFS**

(Rs. in lakhs)

	2006-2007		2005-2006
Provisions:			
- Gratuity	274.96		457.05
- Leave Encashment	352.49		305.15
- Sundry Debtors	26.07		--
- Impairment of Assets	1.19		22.20
- Foreseeable losses	287.97		97.35
- Loans & Advances	16.42		--
	-----	959.10	-----
			881.75
Write-Offs:			
- Fixed Assets	1.79		0.89
- Stores	8.88		1.06
- Loss on Sale of Stores	5.99		1.90
- Loss on Sale of Assets	8.59		3.38
- Sundry Debtors	898.33		5275.14
- Loans and Advances	622.62		1992.45
- Technical knowhow	3.25		3.25
	-----	1549.45	-----
			7278.07
TOTAL		2508.55	8159.82
		=====	=====



SCHEDULE 20

INTEREST

(Rs. in lakhs)

	2006-2007	2005-2006
--	-----------	-----------

INTEREST

- On Working Capital financing cost	109.14	234.16
- On Land Cost (Pragati Vihar)	--	487.00
- Others	103.71	67.29
	-----	-----
TOTAL	212.85	788.45
	=====	=====

SCHEDULE 21

DEPRECIATION & AMORTISATION

(Rs. in lakhs)

	2006-2007	2005-2006
--	-----------	-----------

DEPRECIATION

Fixed Assets	90.66	89.97
Temporary Hutments, Waterline & Electric Installations	36.51	68.31
Furniture & Equipments	0.77	0.48
	-----	-----
	127.94	158.76

AMORTISATION

CSS	111.59	212.27
Loose Tools	52.87	76.79
Laboratory Equipments	1.43	1.68
	-----	-----
	165.89	290.74
	-----	-----
TOTAL	293.83	449.50
	=====	=====

**SCHEDULE 22****PRIOR PERIOD ADJUSTMENTS**

(Rs. in lakhs)

	2006-2007	2005-2006
EXPENDITURE		
Material Consumed	--	(0.86)
Piece Rate Labour	49.31	(12.86)
Consultancy	(0.57)	--
Depreciation on fixed assets	--	(23.81)
Running expenses SCV	--	(11.11)
Rates & Taxes	(13.73)	--
Interest Others	41.26	--
TOTAL	76.27	(48.64)
INCOME		
Value of Work Done	76.53	27.95
Interest Received	8.81	--
Unadjusted Credit Balance written-back	(2.08)	--
TOTAL	83.26	27.95



**SCHEDULE 23
ACCOUNTING POLICIES**

1. **FINANCIAL STATEMENTS**

The financial statements are prepared under the historical cost basis and are in accordance with the generally accepted accounting principles and the provision of the Companies Act, 1956. The Company maintains its accounts on accrual basis as a going concern except where otherwise stated.

2. **VALUE OF WORK DONE (INCOME RECOGNITION):**

a) Value of work done is being shown in the accounts based on percentage completion method after deductions in the event of possible likely rejections. Such an evaluation of work done is based on the previous experience of the Management.

b) Value of work done and Sundry Debtors include:

- i) Work done for the constituent for which only letters of intent have been received however formal contracts / agreements are in the process of execution.
- ii) Work executed and measured by the Corporation pending certification by the constituent.
- iii) Work executed but not measured/partly executed accounted for at engineering estimated cost.
- iv) Extra and substituted items to the extent considered realisable based on the previous experience of the Management.
- v) Claims referred to arbitration or lodged against constituent to the extent considered realisable based on the previous experience of the Management.
- vi) Amount retained by the constituent is released after the commissioning of the project.

c) Value of work done for Real Estate Projects (Reality Project), taking into account the total expenditure incurred in the project, is accounted for in the year of receipts of sale consideration or on the basis of execution of sale documents with the buyers, wherever significant sale consideration has been received, whichever is earlier. Sales documents also include unregistered agreement to sell.

3. **WORK-IN-PROGRESS**

Work-in-progress includes unsold portion of Real Estate pertaining to Reality Project. The increase/decrease in Work-in-Progress is accounted for as income or expenditure for the year, as the case may be. Valuation of work in progress including unsold portion of reality project is being done on the basis of incurrence of expense directly attributable to the project.



4. **FIXED ASSETS**

Fixed Assets are stated at cost. Costs directly attributable to acquisition of fixed assets are capitalised.

5. **DEPRECIATION & AMORTISATION**

- a) Depreciation on fixed assets is calculated on straight line method in accordance with the provisions of schedule XIV to the Companies Act, 1956.
- b) Fixed assets costing upto Rs.5000/- each are depreciated fully in the year of its acquisition.
- c) Temporary hutments and installations are depreciated fully in the year of its creation.
- d) Furniture, Fixtures and Equipments in Transit/Staff Camps are considered as Current Assets and the depreciation thereon is ascertained by deducting the realisable value as estimated by the Management from the book value.
- e) Amortisation amounts in respect of Centering, Shuttering and Scaffolding, Loose Tools, Laboratory Equipment, empty containers & others is ascertained by deducting the realisable value, as estimated by the Management from the book value.

6. **FOREIGN CURRENCY TRANSACTIONS**

a) **Foreign Projects**

- (i) Revenue items, other than opening and closing inventories and depreciation, are translated into Indian Currency at an average of opening and closing buying rates.
- (ii) Assets (other than Fixed Assets), liabilities relating to foreign projects have been translated into Indian currency at the closing buying rates. Balance of Head Office account in the books of branch is reported at the amount of balance of branch account appearing in the books of Head Office.
- (iii) Fixed Assets as on 31st March,1991 have been converted at closing buying rate prevalent on 31st March, 1991. The transactions after 31st March,1991 relating to fixed assets and depreciation thereon have been valued at the original purchase rate.



(iv) The net exchange difference resulting from the translation of items in respect of foreign branches is charged or credited to Profit & Loss Account except to the extent adjusted in the carrying amount of the related fixed assets in accordance with para 6(a)(iii) above.

b) **Inland projects**

Foreign currency liabilities are translated in Indian Rupees at the closing buying rates. The difference, if any, is transferred to fixed assets in case liabilities are related to fixed assets and in other case the difference, if any, is recognised as revenue / expenditure, as the case may be, during the year.

7. **VALUATION OF INVENTORIES**

a) Valuation of Direct Material is done at lower of historical cost or net realisable value.

b) Stores and spare parts are valued at cost.

c) Steel scrap, Tools & Equipments etc. are valued at estimated realisable value.

d) Centering, shuttering & Scaffolding and furniture, fixture & equipments in transit/staff camps are valued at written down value arrived at after deducting amortisation/depreciation indicated in para 5 above.

8. **INVESTMENTS**

Long Term Investments are valued at cost.

9. **RETIREMENT BENEFITS**

a) **Gratuity**

The provision for gratuity is made in the accounts in accordance with the provisions of the Payment of Gratuity Act on actuarial basis.

b) **Leave Encashment**

The provision for leave encashment of employees is made on actuarial basis.



10. **DEFERRED REVENUE EXPENDITURE**

Expenditure incurred for acquiring Technical know-how is treated as Deferred Revenue Expenditure and charged to Profit & Loss Account in equal yearly instalments over a period of six years or estimated life of the know-how, whichever is less.

11. The consumption of material at site is net of recovery/sale from/to PRW/ Others and inter-unit transfers. Shortage of materials on account of theft, pilferage etc., if any, is booked separately under the appropriate discrepancy head.

12. **PRIOR PERIOD EXPENDITURE/INCOME**

Expenditure/Income upto Rs.50,000/- in each case relating to prior period has been charged/accounted for to the respective head of accounts.

13. **TAXES ON INCOME**

Deferred tax is recognised on timing differences, being the difference between taxable income and Accounting income that originate in one period and are capable of reversing in one or more subsequent period.

Deferred Tax Assets are recognised only to the extent there is a reasonable certainty of its realisation.

14. **IMPAIRMENT OF ASSETS**

The company identifies impairable assets based on individual assets concept at the year-end in the terms of para 5-13 of AS-28 issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged against revenue of the year.

15. **CONTINGENT LIABILITIES**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.



SCHEDULE 24

**NOTES FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2007**

(Rs. in lakhs)

		2006-2007	2005-2006
1.	CONTINGENT LIABILITIES:-		
	(a) (i) Claims against the Corporation not acknowledged as debts. Counter claims of the Corporation against these claims amounting to Rs.12828.55 lakhs (Previous year Rs.24783.53 lakhs) not accounted for in books.	20693.95	28847.66
	(ii) Bank Guarantees for performance, EMD and Security Deposit	7011.98	6357.68
	(b) (i) The Corporation had paid tax in earlier years in Libya on profits based on accounts audited by local auditors. Additional demand for tax amounting to LD 6,716,079.430 equivalent to Rs.2280.78 lakhs (previous year LD 6,716,079.430 equivalent to Rs.5737.54 lakhs) based on turnover etc., for the years from 1977-78 to 1989-90 raised by the tax department of the said foreign country has not been accepted by the Corporation and not provided for. The Corporation has filed appeal / objections against the above demand under the local tax laws.	2280.78	5737.54
	(ii) The Govt. guarantee charges on internal/external borrowings have not been accounted for as the matter regarding waiver of these charges has been taken up with the Govt. of India, Ministry of Urban Development (MOUD).	1557.19	1531.19



	(iii) Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients.	NOT	ASCERTAINABLE
	(iv) Letters of credit opened but not utilised.	--	--

2. Fixed Deposits / Deposits with scheduled/non-scheduled banks for Rs.9074.03 lakhs (previous year Rs.13038.57 lakhs) includes Rs.8951.00 lakhs (previous year Rs.12770.00 lakhs) for issuing of bank guarantees which are under lien with banks as per stipulation of the bank.
3. An amount of Rs. 0.26 lakhs (Previous year Rs.1128.60 lakhs) lying with Rasheed Bank, Iraq can not be repatriated to India. Balance confirmation for this amount is not available from the Bank.

4. Lease/Title Deeds for following Land and Buildings are pending for execution in the name of Corporation:

		(Rs. in lakhs)	
		As at 31.03.2007	As at 31.03.2006
<u>FIXED ASSETS :-</u>			
(i)	Land at Lodhi Road, New Delhi *	8.61	8.61
(ii)	Land at MBP, Mehrauli Road, Ghitorni, New Delhi	243.98	255.33
(iii)	Office building at Arun Chambers, Mumbai	5.49	5.49

- * The main lease is in favour of M/s BHEL and a separate agreement for entitlement of ownership has been made in favour of NBCC.

		(Rs. in lakhs)	
		As at 31.03.2007	As at 31.03.2006
<u>WORK-IN-PROGRESS :-</u>			
(i)	Golf Link, New Delhi	79.14	79.14
(ii)	Shopping Complex at Vadodara	--	193.66
(iii)	Shopping-cum-Office Complex at Pushp Vihar	2829.66	2829.66
(iv)	Real Estate Rajarhat, Kolkata	--	2286.90
(v)	Real Estate Kochi	118.80	118.80



Provision for stamp duties payable on execution of lease/title deeds have been made in respect of (i) & (iii) under Fixed Assets and (i) to (v) under work in progress.

5. Sundry Debtors includes outstanding dues from Govt./PSUs and other departments in respect of closed projects (other than Foreign Projects) amounting to Rs.3828.17 lakhs (previous year Rs.5601.01 lakhs) which are outstanding for more than three years. Out of this sum, an amount of Rs.1340.45 lakhs (previous year Rs.1969.80 lakhs) is pending in arbitration/court proceedings. No provision has been considered against these amounts as the same are considered good for recovery.
6. Debtors include sum of Rs. 4852.74 lakhs (Previous year Rs. 5234.41 lakhs) outstanding in respect of Iraqi Projects.
7. Debtors include a sum of Rs. 1922.56 lakhs (Net) (Previous year Rs.4836.41 lakhs – Net) outstanding in respect of Libyan projects which are recoverable from Libyan Government in respect of two projects which were completed prior to 1990 and dues against which are not forthcoming due to US sanctions. Efforts are being made to realise the dues through diplomatic channels.
8. Security Deposit amounting to Rs. 341.10 lakhs (previous year Rs.875.99 lakhs) is outstanding in respect of Libyan projects which is recoverable from Libyan Government in respect of two projects which were completed prior to 1990 and amount thereof is not forthcoming due to US sanctions. Efforts are being made to realise the dues through diplomatic channels.
9. Current liabilities include Rs. 3426.84 lakhs (previous year Rs. 3426.84 lakhs) received from MOUD during the earlier years on account of outstanding dues in respect of Iraqi Projects covered under INDO-IRAQ Government to Government Deferred Payment Arrangement (DPA) and Cash Contract, the same are pending reconciliation/clearance.
10. In respect of closed units be it domestic or foreign the reconciliation of balances of such unit is in progress. The effect if any of such balances on the profit / loss of the Corporation is not ascertainable.
11. Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation.
12. Unclaimed liabilities and other credit balances outstanding since previous years amounting to Rs. 959.39 lakhs (previous year Rs. 430.40 lakhs) have been written-back in the books under the head "Unadjusted credit balances written-back" being not payable consequent to a review of such accounts during the year.



13. The assets (other than fixed assets) and liabilities pertaining to Libyan & Iraqi Projects till 31st March, 2006 were stated at buying rates prevailing as on 31.03.2001. The same have been converted into Indian currency at the closing buying rates prevailing as on 31.03.2007. The financial impact of the same is a net exchange loss aggregating to Rs. 4235.00 lakhs. However the fixed assets included in Gross Block have been stated at the buying rate prevailed as on 31.03.2001.
14. Arbitration awards are accounted for on the basis of Rule of Court.
15. The statutory dues are deposited regularly with the appropriate authorities as stipulated under the Statutory Act.
16. Govt. of India issued subscribed and fully paid up 7% non-cumulative Preference Shares redeemable in 10 years upto 31.03.2007 for Rs.30.00 crores. As per the guidelines issued by Govt. of India vide letter No.0-17031/38/94-PS dated 20.11.1998 the shares are redeemable on 31.03.2007. The reserves for redemption on these shares has been created.
17. During the year 2006-07 the company revised the Accounting Policy for recognizing the expenditure on preparatory works such as soil investigation, survey and consultancy where physical execution of work has not yet started in the year of its incurrence. The same were treated as Deferred Revenue Expenditure upto the previous financial year 2005-06. This change was adopted in pursuant to AS-26 issued by ICAI. The financial impact for current financial year is Rs. 360.79 lakhs.
18. During the year 2006-07, the company revised the accounting policy for recognizing the expenditure pertaining to the projects where work has not yet started in the year of its incurrence though the same was accounted for as work in progress upto the previous financial year 2005-06. The financial impact of same is Rs. 146.46 lakhs.
19. The expenditure charged to Profit & Loss has been worked out on the basis of Standard Costing Method in respect of Real Estate Projects.
20. As per Accounting Standard- 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related party as defined in the Accounting Standard are given below:-



A) List of related parties with whom transactions have taken place and relationships:-

a) Joint Ventures:-

- i) Jamal NBCC International(Proprietary) Limited
- ii) IJM – NBCC - VRM
- iii) AMC - NBCC

b) Key Managerial Personnel:-

- i) Mr. Arup Roy Choudhury, CMD
- ii) Mr. V.P. Das, Director(Projects) w.e.f. 30.08.2006
- iii) Mr. B.L. Bajaj, Director(Finance) upto 31.08.2006

B) The following transactions were carried out with the related parties in the ordinary course of business.

(Rs. in lakhs)

	2006-2007	2005-2006
Joint Venture		
Dividend Income	3.47	--

(Rs. in lakhs)

	2006-2007	2005-2006
Key Managerial Personnel		
(i) Salary	11.87	13.92
(ii) Provident Fund Contribution	1.37	1.63
(iii) Rent Residence(Net of Recovery)	4.77	5.60
(iv) Medical Expenses	0.08	0.19
(v) Leave Travel Concession	--	1.66
(vi) Leave Encashment (on actuarial basis)	1.11	1.33
(vii) Gratuity (on actuarial basis)	0.48	0.54
	-----	-----
	19.68	24.87
	=====	=====



21. The details of Deferred Tax Assets/Liability provided in the accounts which are considered capable of reversal in one or more subsequent years is given as under:-

(Rs. in lakhs)

Description	Deferred Tax Assets/ (liabilities) As at 01.04.2006	Current Deferred Tax Assets/ (liabilities) 2006-07	Total Deferred Tax Assets/ (liabilities) As at 31.03.2007*
<u>DEFERRED TAX ASSETS</u>			
Provision for Retirement benefits	379.33	39.40	418.73
Provision for Doubtful debts & advances and others	189.93	(54.17)	135.76
Amount paid under Voluntary Retirement Scheme	30.80	1.30	32.10
Total (a)	600.06	(13.47)	586.59
	=====	=====	=====
<u>DEFERRED TAX LIABILITY</u>			
Difference between depreciation as per books and depreciation as per Income Tax Act	98.21	(4.48)	93.73
Total (b)	98.21	(4.48)	93.73
	=====	=====	=====
DEFERRED TAX ASSETS / (LIABILITIES) (NET) Total(a-b)	501.85	(8.99)	492.86
	=====	=====	=====

- * As a matter of prudence Deferred Tax Asset / (Liability) has been calculated at 30% of actual Deferred Tax Asset / (Liability)



22. As per Accounting Standard- 27, issued by the Institute of Chartered Accountants of India, the interest and transactions in Joint Ventures as defined in the Accounting Standard are given below:-

	(Rs. in lakhs)		
	(1)	(2)	(3)
i) Name of the Jointly Controlled entities	Jamal NBCC International (Proprietary) Limited	IJM-NBCC-VRM	AMC - NBCC
ii) Investments	3.40	15.00	3.91
iii) Percentage of ownership interest	49%	30%	80.16%
iv) Country of Incorporation	Botswana, South Africa	New Delhi, India	Agartala, India
v) Nature of work	Execution of civil and engineering projects in Botswana.	Construction of elevated Structures (viaduct) from KM 0.62 to KM 8.00 on Barakhamba Road, Connaught Place- Dwarka Section(line 3) – contract package No. 3C 21R including Ramp portion between Barakhamba Road, Connaught Place, New Delhi and Dwarka.	Development of hotel-cum commercial complex at Jackson Gate, Agartala.
vi) Based on			
a) Total Assets	--	--	--
b) Total liabilities	--	--	--
c) Total Income	--	--	--
d) Total Expenditure	--	--	--
e) Contingent Liabilities	--	--	--
f) Capital commitment	--	--	--

- Note:** 1) The accounts for 2006-07 have not yet been finalized hence not incorporated. Investment has been accounted for on payment basis.
2) The financial results of Joint Venture IJM - NBCC - VRM and AMC-NBCC have not been received hence not incorporated.



23. **CASH FLOW STATEMENT (Indirect Method)**
for the year ended 31st March, 2007

(Rs. in lakhs)

	2006-07	2005-06
A. Cash flows from operating activities		
Net profit before tax	12434.61	3967.31
Adjustment for:		
Depreciation	90.66	66.16
(Profit)/Loss on sale of assets(net)	(36.72)	(2129.67)
Interest received	(4843.29)	(3593.88)
Rent	(1.53)	(129.20)
Dividend received	(3.47)	--
Interest expense	212.85	788.45
	-----	-----
Operating Profit before working capital changes	7853.11	(1030.83)
Adjustment for:		
Inventories	178.34	(250.46)
Work-in-Progress	(3596.20)	(3107.76)
Sundry Debtors	(566.47)	(9496.71)
Loans & Advances	707.44	(2446.62)
Other Current Assets	(386.73)	(646.96)
Current Liabilities	9540.88	30047.94
Provisions	(1056.79)	118.80
Miscellaneous Expenditure	25.03	57.02
	-----	-----
Cash generated from Operations	12698.61	13244.42
Direct Taxes paid	(4243.81)	(1054.12)
Gratuity and Leave Encashment	349.94	467.79
(Net increase)	-----	-----
Net cash from operating activities (A)	8804.74	12658.09
B. Cash flows from investing activities:		
Purchase of Fixed Assets	(69.30)	(193.42)
Sale of Fixed Assets	82.29	2300.25
Interest received	4843.29	3593.88
Rent	1.53	129.20
Dividend received	3.47	--
Investments	(7.31)	--
	-----	-----
Net cash from investing activities (B)	4853.97	5829.91
C. Cash flows from financing activities:		
Proceeds from issue of equity shares	--	--
Increase/(Decrease) of National Renewal Fund	--	--
Increase/(Repayment) of loans	(1200.00)	(4603.92)
Interest Paid	(212.85)	(788.45)
	-----	-----
Net cash from financing activities (C)	(1412.85)	(5392.37)
	-----	-----
Net increase in cash and cash equivalents (A) + (B) + (C)	12245.86 =====	13095.63 =====
Cash and cash equivalents – Opening	62895.54	49799.91
Cash and cash equivalents – Closing	75141.40	62895.54



Note:- i) Cash and Cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amount.

(Rs. in lakhs)	
a) Cash/Stamps in hand	2.91
b) Remittance in transit/Cheques in hand	2283.24
c) Balances/FDRs/Call Deposits with Banks	72855.25
	<hr/>
	75141.40
	<hr/> <hr/>

- ii) Cash and cash equivalents at the end of 31.03.2007 include deposits with Banks amounting to Rs. 0.26 lakh which are not freely remissible to the Company.
- iii) The above Cash Flow Statement has been prepared in accordance with the requirement of Accounting Standard-3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- iv) Figures in brackets indicate cash outgo.



24. Segmental results of the Corporation as required by Accounting Standard-17.

PRIMARY SEGMENT DISCLOSURE:

	Real Estate		Infrastructure		Civil Construction		(Rs. in lakhs) Total	
	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006
Revenue from External Customers	15372.58	4447.75	10877.80	14132.50	119744.54	105118.87	145994.92	123699.12
Inter Segment Revenue	--	--	--	--	--	--	--	--
Total Revenue	15372.58	4447.75	10877.80	14132.50	119744.54	105118.87	145994.92	123699.12
Segment Result:	7297.01	268.96	65.74	1287.46	3133.10	1392.21	10495.85	2948.63
Unallocated Corporate Expenses							(2460.96)	(1558.10)
Operating Profit							8034.89	1390.53
Interest Expenses							(192.79)	(662.89)
Interest Income							4592.51	3235.34
Income Taxes:-								
Provision for current year							(4296.08)	(972.33)
Provisions for Income Tax In Previous Years							(19.91)	(60.81)
Provision for F.B.T.							(21.82)	(20.00)
Deferred Tax Credit							(8.99)	(106.38)
Net Profit							8087.81	2803.46
Segment Assets	21617.76	11257.50	8069.01	7166.59	64595.77	72565.70	94282.54	90989.79
Unallocated Corporate Assets							76289.51	59497.58
Total Assets							170572.05	150487.37
Segment Liabilities	12500.30	2622.93	6557.74	5425.23	116796.89	118456.44	135854.93	126504.60
Unallocated Corporation Liabilities							19272.39	16650.88
Total Liabilities							155127.32	143155.48
Capital Expenditure	--	--	33.99	144.20	6.22	14.99		
Depreciation	0.76	3.57	214.83	382.09	78.24	63.84	293.83	449.50
Non-cash expenditure other than Depreciation	--	--	25.66	5.67	1477.72	5971.43		
SECONDARY SEGMENT DISCLOSURE:								
	INLAND		FOREIGN		TOTAL			
Revenue from External Customers	145994.92	123676.54	--	22.58	145994.92	123699.12		
Segment Assets	159907.26	74424.80	10664.79	16564.99	170572.05	90989.79		
Capital Expenditure	6.22	14.99	--	--	40.21	159.19		

Note: Civil construction includes the works of Project Management Consultancy.



25.	Additional information pursuant to the provisions of Part-II of Schedule-VI of the Companies Act, 1956 is given below:	
A)	PARTICULARS OF STOCK SALES AND PURCHASES	(Rs. in lakhs)

Stock	31.03.2007		31.03.2006	
	Quantity	Amount	Quantity	Amount
Opening stock	Nil	Nil	Nil	Nil
Closing Stock	Nil	Nil	Nil	Nil

B) Consumption of Raw Materials, Spare parts & Components (Rs. in lakhs)

	2006-2007		2005-2006	
	Amount	%age	Amount	%age
(i) Indigenous				
(a) Raw Materials	1505.60		1446.18	
(b) Spare Parts & Components	--		--	
	1505.60	100.00	1446.18	99.64
(ii) Imported				
(a) Raw Materials	--		4.36	
(b) Spare parts & components	--		0.81	
	--	--	5.17	0.36
(iii) Consumption in Foreign Project				
(a) Raw Materials	--		--	
(b) Spare Parts & Components	--		--	
	--	--	--	--
	1505.60	100.00	1451.35	100.00
	=====	=====	=====	=====

	2006-2007	2005-2006
C) CIF Value of Imports during the year		
(i) Raw Material	101.11	154.44
(ii) Spare parts	--	23.80
D) Expenditure in Foreign currency		
(i) Consultancy	--	--
(ii) Interest	--	--
(iii) Travelling	28.46	5.61
(iv) Technical knowhow	--	--
(v) Other Matters	200.24	3975.25
(Construction activities)		
E) Earnings in Foreign Currency		
(i) Interest	3.28	2.42
(ii) Other Income(Construction Activities)	224.71	1204.34



26. The breakup of Auditor's Remuneration is as under:
Statutory Auditors:

(Rs. in lakhs)

	2006-2007	2005-2006
(i) Audit fee	3.65	3.65
(ii) Fee for Tax Audit	1.12	0.79
(iii) Out of pocket expenses.	2.00	3.00
	-----	-----
	6.77	7.44
	=====	=====
27. The remuneration of Directors including Chairman-cum-Managing Directors included in various schedules to the Profit & Loss Account is as under:-		
i. Salary	11.87	13.92
ii. Provident Fund Contribution	1.37	1.63
iii. Rent Residence(Net of Recovery)	4.77	5.60
iv. Medical Expenses	0.08	0.19
v. Leave Travel Concession	--	1.66
vi. Leave Encashment (on actuarial basis)	1.11	1.33
vii. Gratuity (on actuarial basis)	0.48	0.54
	-----	-----
	19.68	24.87
	=====	=====

28. Chairman-cum-Managing Director and full time Directors have used company's car Including for private journeys on payment of prescribed charges in accordance with the Government of India, Ministry of Finance BPE's circular No.2(28)/83-BPE(wc) dated 17.11.1983 read with the Government of India, Ministry of Finance BPE's circular No.4/(12)/82-BPE(wc) dated 01.04.1987 and DPE OM No.2(53).90-DEP (wc)-GIV dated 26.03.1999. Since recovery for personal use of car is being made, use of company's car is not considered as a perquisite.



29. INFORMATION PURSUANT TO PART-IV SCHEDULE-VI TO THE COMPANIES ACT, 1956.

I. Registration Details:			
Registration No.	- 003335	State Code	- 55
Balance Sheet Date	- 31.03.2007		
II. Capital Raised during the year (Amount Rs. In lakhs):			
Public Issue	- Nil	Right Issue	- Nil
Bonus Issue	- Nil	Private placement	- Nil
III. Position of Mobilisation and Deployment of Funds (Amount Rs. In lakhs)			
Total Liabilities	- 21922.06	Total Assets*	- 21922.06
Paid up Capital	- 12000.00	Reserves and Surplus	- 3208.49
Secured Loans	- Nil	Unsecured Loans	- 6713.57
Application of Funds			
Net Fixed Assets	- 1240.79	Investments	- 22.31
Deferred Tax Assets	- 492.86		
Net Current Assets	- 20156.34	Misc. Expenditure	- 9.76
Accumulated Losses	--		
IV. Performance of Company (Amount Rs. in lakhs):			
Turnover	- 151430.79	Total Expenditure	- 138996.18
Profit Before Tax	- 12434.61	Profit after tax	- 8087.81
Earning per share In Rs.	- 898.65	Dividend	- 300.00
* Net of Current Liabilities & Provisions.			
V. Generic Names of three principal Products/Services of Company (as per monetary Terms):			
Item Code No. (ITC Code) Product Description	- Not Applicable		
Item Code No. (ITC Code)	- CONSTRUCTION ACTIVITY		
Item Code No. (ITC Code)	- Not Applicable		



Product
Description - REAL ESTATE ACTIVITY
Item Code No. - NOT APPLICABLE
(ITC Code)
Product
Description - CONSULTANCY

30. Minus figures have been shown in brackets.

31. Previous years figures have been regrouped/recast/rearranged wherever deemed necessary in order to make them comparable to the presentation adopted for the year under report.

Signatories to Schedule '1' to '24'

(AJAY K GARG)
Director(Finance)

(V.P. DAS)
Director(Projects)

(ARUP ROY CHOUDHURY)
Chairman-cum-Managing Director

(A.K. SINGH)
Company Secretary

(R.K. TREHAN)
General Manager(Fin)

(S.K. KHURANA)
Group General Manager(Fin)

As per our report of even date

For Dinesh Mehta & Co.
Chartered Accountants

Place : New Delhi
Date :

(SANJEEV KWATRA)
Partner

Financial Results

During the year 2006-2007, the turnover of your Corporation increased from Rs.1235.70 crores to Rs. 1459.93 crore representing an increase of 18.15% over the previous year. Net Profit after tax has shown significant improvement of 188.55% over the previous year as the increase is from Rs. 28.03 crore to Rs. 80.88 crore.

FINANCIAL PERFORMANCE		(Rs. in crore)	
INCOME	2006-2007	2005-2006	
Turnover			
Domestic	1459.93	1235.70	
Overseas	--		
Other Income	71.03	84.64	
Increase/(Decrease) in stock	(17.48)	(3.90)	
Prior Period Income	0.83	0.28	
Total (1)	1514.31	1316.72	
EXPENDITURE			
Prime Cost	1246.33	1106.57	
Overheads			
i) Salary and wages	44.77	45.94	
ii) Ex-gratia	1.51	1.21	
iii) Write off Sundry Debtors	8.98	52.75	
iv) Others	83.30	58.20	
Total (2)	1384.89	1264.67	
Gross Margin (1-2)	129.42	52.05	
Less : Depreciation	2.94	4.50	
Less: Interest	2.13	7.88	
Net Profit Before Tax (PBT)	124.35	39.67	
Less :			
i) Income Tax (Overseas)	--	0.05	
ii) Provision for Current Tax	42.96	9.72	
iii) Shortfall in provision for Income Tax in previous year	0.20	0.61	
iv) Provision for Fringe Benefit Tax	0.22	0.20	
v) Provision for Deferred Tax	0.09	1.06	
Net Profit After Tax (PAT)			
- For the year	80.88	28.03	
Profit available for Appropriation			
Preference Share Redemption Reserve	30.00	--	
Proposed Dividend on Preference Shares	2.10	--	
Proposed Dividend on Equity Share	0.90	--	
Dividend Distribution Tax	0.51	--	
Balance carried forward to Balance Sheet	47.37	28.03	

Cumulative	(+)1.04	(-) 46.33
New Business secured	2198.35	1250.11
Balance work in hand	3430.13	2691.71

Gross margin increased by 148.65% to Rs. 129.42 crore (previous year Rs. 52.05 crore). During the same period Net Profit before tax has risen from Rs. 39.67 crore to Rs.124.35 crore.