

**NBCC (INDIA) LIMITED**

**MINISTRY OF HOUSING AND URBAN AFFAIRS**

**COMMITTEE ON PUBLIC UNDERTAKINGS  
(2020-21)**

**FIFTH REPORT**

**(SEVENTEENTH LOK SABHA)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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*Presented to Lok Sabha on 29.01.2021  
Laid in Rajya Sabha on 29.01.2021*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*January, 2021/ Magha, 1942 (Saka )*

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**COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS  
(2020-21)**

***Smt. Meenakashi Lekhi* - *Chairperson***

**Members**

***Lok Sabha***

2. Dr.Heena Vijaykumar Gavit
3. Shri Chandra Prakash Joshi
4. Smt. K. Kanimozhi
5. Shri Raghu Ramakrishna Raju Kanumuru
6. Smt. Poonamben Hematbhai Maadam
7. Shri Arjunlal Meena
8. Shri Janardan Mishra
9. Shri Kinjarapu Ram Mohan Naidu
10. Prof. Saugata Roy
11. Dr. Arvind Kumar Sharma
12. Shri Ravneet Singh
13. Shri Sushil Kumar Singh
14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

***Rajya Sabha***

16. Shri Prasanna Acharya
17. Shri Birendra Prasad Baishya
18. Shri Anil Desai
19. Shri Joginipally Santosh Kumar
20. Shri Om Prakash Mathur
21. Shri Surendra Singh Nagar
22. Shri M. Shanmugam

**SECRETARIAT**

Shri R.C. Tiwari	- Joint Secretary
Shri Khakhai Zou	- Additional Director
Shri Haokip Kakai	- Assistant Executive Officer

**COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS  
(2019-2020)**

***Smt. Meenakshi Lekhi - Chairperson***

**Members**

***Lok Sabha***

2. Kunwar Danish Ali
3. Dr. Heena Vijaykumar Gavit
4. Shri Chandra Prakash Joshi
5. Smt. K. Kanimozhi
6. Shri Raghu Ramakrishna Raju Kanumuru
7. Smt. Poonamben Hematbhai Maadam
8. Shri Arjunlal Meena
9. Shri Janardan Mishra
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14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

***Rajya Sabha***

16. Shri Prasanna Acharya
17. Dr. Anil Jain
18. Mohd. Ali Khan
19. Shri Om Prakash Mathur
20. Shri Mahesh Poddar
21. Shri A.K. Selvaraj
22. Shri Surendra Singh Nagar

## INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2020-21) having been authorized by the Committee to submit the Report on their behalf, present this Fifth Report on 'NBCC (India) Limited'.

2. The Committee on Public Undertakings (2019-20) had selected the said subject for detailed examination. As the examination of the subject remained inconclusive during the terms of the Committee on Public Undertakings (2019-20), the present Committee (2020-21) decided to carry forward the subject so as to complete the unfinished task.

3. The Committee (2019-20) was initially briefed about the subject by the representatives of the NBCC (India) Limited on 19<sup>th</sup> September, 2019. Thereafter, the Committee on Public Undertakings (2019-20) took evidence of the representatives of NBCC (India) Limited on 12<sup>th</sup> March, 2020 and also took oral evidence of the representatives of Ministry of Housing and Urban Affairs on 13<sup>th</sup> March, 2020.

4. The Committee (2020-21) considered and adopted the draft Report at their sitting held on 7 January, 2021.

5. The Committee wish to express their thanks to the representatives of NBCC (India) Limited and the Ministry of Housing and Urban Affairs for tendering evidence before them and furnishing the requisite information to them in connection with examination of the subject.

6. The Committee also wish to express their sincere thanks to the predecessor Committee for their valuable contribution in examination of the subject.

7. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**New Delhi**  
**7 January, 2021**  
**17 Pausha, 1942 (S)**

**MEENAKASHI LEKHI**  
**Chairperson**  
**Committee on Public Undertakings**

## **CHAPTER - I**

### **INTRODUCTION**

#### **A. NBCC (India) Limited- In Historical Perspective**

1.1 The NBCC (India) Limited was founded in 1960 as a wholly owned Government of India Civil Engineering Enterprise with its Headquarter in Delhi. It was formally known as National Buildings Construction Corporation Limited. The NBCC holds the status of 'Navratna' CPSE and is functioning under Ministry of Housing and Urban Affairs. It has emerged as a behemoth Construction Company based on its capabilities, innovative approach, adherence to highest standard of commitment by a dedicated workforce.

1.2 The NBCC is listed with Bombay Stock Exchange(BSE)and National Stock Exchange(NSE).The company's unique business model has propelled it to become India's flagship leader in the construction sector with simultaneously executing prestigious global projects which has resulted in a staggering Order Book of more than Rs.80,000 Crore. The Company has posted a substantial growth since 2002-03 with a CAGR of 21% and its top line touched Rs. 7244.76 crore in financial year 2018-19 against a meager turnover of Rs 494 crore in financial year 2002-03. NBCC is an ISO 9001:2015 certified organisation from the Bureau of Indian Standards in respect of all activities carried out for providing Project Management Consultancy and Execution of Projects.

1.3 NBCC is mainly operating across three major domains viz. (i) Project Management Consultancy (PMC)- executing new landmark projects in diversified sectors as also Redevelopment Projects for Governments,(ii) Engineering Procurement & Construction (EPC)- working in a niche market and constructing Chimneys, Cooling Towers for Power Sector, (iii) Real Estate Development(RED)- developing residential and commercial inventories for Governments and the Public at large.

1.4 The Company has also created a new business vertical namely, Redevelopment of Properties which has been taken up in a self-revenue generation model. This model has tremendously strengthened company's business prospects with Govt. and Civic Administrators awarding mega redevelopment projects. Some of the key projects include Redevelopment of General Pool Residential Accommodation (GPRA) Complex at New MotiBagh, Delhi which was completed in a phased manner from May 2009 to March 2012 at a cost of Rs. 523.41 crore and ongoing redevelopment of Kidwai Nagar(East) in New Delhi spread over area of 86 acres for an approximate cost of Rs. 5298 Crore. NBCC has been appointed as implementing agency for Redevelopment of 3 GPRA colonies in Delhi – Sarojini

Nagar, Netaji Nagar and Nauroji Nagar at a total cost of 25000 Crores. Recently, the company has taken up the momentous task of redeveloping the iconic Pragati Maidan Complex into a World Class state-of-the-art International Exhibition-Cum-Convention Centre (IECC) at a cost of Rs. 2500 Crore (approx.), AIIMS residential Colonies at Ayurvigyan Nagar and West campus for Rs. 5828 crore and also 10 railway stations across the country on global standards in upcoming smart cities of Sarai Rohilla (Delhi), Lucknow, Gomtinagar, Kota, Tirupati, Nellore, Ernakulam, Puducherry, Madgaon and Thane.

## **B. Mandate and Vision**

1.5 Since its inception in 1960, NBCC's mandate has been to execute high quality construction projects exceeding the expectations of its clients. Operating into three business segments, viz., Project Management Consultancy (PMC), Engineering Procurement & Construction (EPC) and Real Estate Development (RE), the company has now diversified into redevelopment of existing government properties on a self-sustainable model in addition to its role as Land Management Agency (LMA) for disposal of movable and immovable assets of sick and loss making CPSEs. The land mark Zero Waste Redevelopment Projects at New MotiBagh and East Kidwai Nagar executed by the Company, have indeed brought in a paradigm shift, showcasing the way the project of sustainable built-up environment can be delivered.

1.6 In the year 2008, the Company became debt free. In the year 2012, NBCC launched its Initial Public Offer (IPO) and was also accorded 'Miniratna' status by the Government of India. As a true measure of its exponential success and growth, NBCC was aptly accorded 'Navratna' status in the year 2014 and also incorporated its first wholly owned subsidiary, namely 'NBCC Services Limited'. NBCC also acquired two subsidiaries, Hindustan Steelworks Construction Limited (HSCL) and HSCC, thereby, foraying into diverse business segments.

1.7 In the year, 2018, company's order book reached an all-time high grossing more than Rs. 80,000 crore. There was a significant growth in revenues with total consolidated income of the company touching Rs. 10,000 crore. A dividend of 65% on the paid-up equity share of Rs. 1/- each was proposed, in line with the company's aim to enhance shareholder value creation.

1.8 NBCC has also been at the forefront of encouraging and adopting sustainable development. From 'zero energy infrastructure' to 'say no to plastics', the company is committed to ecological and environmental standards in all its materials, processes and projects. As part of its continuing efforts to reduce pollution, the company is increasingly recycling and reusing solid waste and water, using modular products and dry construction to reduce dust pollution. It continues with its green drive by planting thousands of trees across all its projects on a pan-India level.

1.9 Vision of the Company is to be a world class Integrated Engineering, Construction and Project Management Consultancy Company aiming at accelerating Sustainability and providing Excellence with utmost Governance. Mission of NBCC is to continue to be a building block of the nation by providing high quality, sustainability infrastructure development across the nation through innovative and world class construction solutions and optimizing value for all stakeholders and providing utmost customer satisfaction.

### **C. Organisational Structure**

#### (i). Corporate Office :

1.10 NBCC is headed by the Chairman-cum-Managing Director who is supported by three functional Directors and two ex-officio Directors, nominated by the Ministry. NBCC has its Corporate Office at New Delhi which works as a policy maker, planner and overall controller. Corporate functions are managed through various organizational divisions viz. Project Management Group, Business Development, Real Estate, Vigilance, Contract Engineering, Law, Centralized Procurement Group (CPG), Finance, Personnel and Administration.

#### (ii). Functional Set-up :

1.11 The work of the Company is further decentralized into various Regional Business Groups (RBGs), Strategic Business Groups (SBGs), Zones, Units and Sites. RBG/SBG/Zones are controlled by executives of the rank of ED/CGM/GM respectively. Regional Business Groups and Strategic Business Group headquarters are located at Delhi as well as at other places in all the states depending upon the quantum and the nature of the projects. RBGs are headed by Executive Director; SBGs by CGM/ GM/ AGM and are assisted in their work by Technical, Finance & P&A Staff of appropriate level. RBGs/SBGs/Zones control and look after projects under their domain which are headed by Unit-in-Charges.

1.12 Each project is expected to operate efficiently to achieve turnover targets and profitability as per MoU signed between the corporate office and the RBG/SBG/Zonal Heads. The units are headed by an officer of the rank of AGM/DGM/PM/DPM/SPE. The Unit In-charge is responsible for efficient execution of a project and within approved cost who is assisted by other Technical staff depending upon the nature and value of project. The unit In-charge, from time to time, appraises the Zonal In-charge about providing the requisite inputs / resources required for the execution of the work. Project site is controlled by a Site In-charge. The project is provided with the required number of technical staff. The site in-charge is responsible for efficient execution of the project ensuring its timely completion.

## **D. Board of Directors**

1.13 The Board of Directors of NBCC comprises of 4 Functional Directors, 2 Government Nominee Directors and 6 Independent Directors as per details given below:-

- (i) Functional Directors: Four (4)
  - 1. Chairman cum Managing Director
  - 2. Director (Commercial)
  - 3. Director (Projects)
  - 4. Director (Finance)
- (ii) Government Nominee Directors : Two (2)
- (iii) Independent Director : Six (6)

1.14 Against the sanctioned strength of six Independent Directors, only one post of Independent Director is presently filled. When enquired about the status of the appointment on 5 vacant posts of Independent Directors in the Board, the NBCC in their written reply stated as under:-

"NBCC (India) Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013, the power to appoint functional/ Official Part-time Directors/ non-Official Part-time Directors (Independent Directors) vests with the Government of India. The appointment of directors is made by the President of India through Administrative Ministry i.e. Ministry of Housing and Urban Affairs.

The position of Independent Directors of the Company got vacant due to completion of their tenures on 15.06.2019. In view of the same, requests have already been made from time to time to the Administrative Ministry for appointment of requisite number of independent Directors (including one-Woman Independent Director) on the Board of the Company. One Independent Woman Director (Smt. Jyoti Kiran Shukla) has already been appointed with effect from August 1, 2019 and appointment of other Independent Directors are awaited."

1.15 It is observed from the Annual Report (2018-19) of NBCC that one of the Nominee Government Director of NBCC is holding Directorship in five other Companies. When asked to elaborate whether the appointment of the Nominee Government Director was as per norms and guidelines issued by Department of Public Enterprises (DPE), the Company in their written reply submitted as under:-

"The matter as stated above in the question relates to the composition of the Board of Directors of Public Enterprises which has been defined by in the DPE Guidelines issued vide BPE O.M. No. 18/1/84-GM dated 19th September, 1984 stating that -

'Point No.(IV) :Number of Government Directors on the Board of Directors-On the question of the representation of the officials of the administrative Ministries on the Board of Directors of Public Enterprises, the Economic Administrative Reforms Commission have also recommended that an officer should not have too many directorships on the Boards of Public Enterprises so that he can do adequate justice to his role as a Government Director. The directorships held by each Joint Secretary could be kept down by having Directors/ Deputy Secretaries on the Boards of smaller enterprises."

1.16 As per the guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises *vide* OM No.18(6)/91-GM dated 16.03.1992, the composition of the Board of Directors in the Public Sector Enterprises should be broadly on following lines:

- (A) **Functional Directors:** Every Board should have some full time Functional Directors. The number of such Directors on a Board should not exceed 50% of the actual strength of the Board.
  - (i) In cases where the number of Functional Directors on the Board is more than the 50% of its actual strength (not sanctioned strength), Administrative Ministries will immediately undertake a review of the strength of the Board in consultation with Department of Public Enterprises and PESB.
  - (ii) On such Boards where the posts of Functional Directors do not exist, Administrative Ministries will take immediate steps to create such posts in accordance with the prescribed guidelines.
- (B) **Government Directors:** The number of the Government Directors on the Board of Directors of an enterprise should not exceed one-sixth of the actual strength of the Board.
  - (i) It will be preferable to have only one Government Director from the concerned Administrative Ministry on each Board. The choice of the nominee Director would vest with the Secretary of the concerned Department.
  - (ii) In case of PSEs where it is considered essential to give representation on the Boards to other concerned Government agencies/Ministries/State Governments, only one representation from the Group could also be appointed on the Board as part-time Government Director.
  - (iii) The number of Government Directors on a Board should in no case exceed two.

**(C) Non official Directors :**

(i) The number of Non-Official Part-time Directors on a Board should be at least one-third of its actual strength. Wherever there is under representation of such Directors on the Board the concerned Ministries should take immediate steps to fill up the vacancies to stipulated level.

(ii) A Panel of suitable persons who could be considered for appointment as Non-Official Part-Time Director on the Boards of PSEs will be maintained centrally by Department of Public Enterprises. This Panel will be prepared in consultation with PESB and the Secretary of the concerned Administrative Ministry.

1.17 The DPE vide their OM No.18(8)/2005-GM dated 14<sup>th</sup> May, 2010 issued comprehensive guidelines on corporate governance for Central Public Sector Enterprises(CPSEs) and inter alia reiterated the guidelines issued in 1992 about the composition of Board of Directors. Further, para 8.3 of the said OM stipulates that these guidelines on corporate governance are now mandatory. The guidelines provide that the CPSEs shall submit quarterly progress reports within 15 days from the closure of each quarter to respective Administrative Ministries/Departments. The Administrative Ministries will consolidate the information obtained from the CPSEs and furnish a comprehensive report to the DPE by 31<sup>st</sup> May of every financial year on the status of compliance of Corporate Governance Guidelines during the previous financial year by the CPSEs under their jurisdiction. The clause 49 on corporate governance as annexed with the DPE OM No.18(6)/2000-GM dated 26<sup>th</sup> November, 2001 provides that the Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the Board of Directors comprising of non-executive directors. The number of independent directors would depend whether the Chairman is executive or non-executive. In case of non-executive Chairman, at least one-third of board should comprise of independent directors and in case of an executive Chairman, at least half of the board should comprise of independent directors. Further as cited in Annexure-II of DPE OM No.18(8)/2005-GM dated 14<sup>th</sup> May, 2010 relating to Corporate governance of CPSEs, the Securities and Exchange Board of India (SEBI) has issued guidelines regarding listing agreements with Stock Exchange which include the clause 49 of the Corporate Governance Guidelines. The SEBI has clarified that in the case of public sector undertakings, the Government nominee Directors cannot be considered as Independent Directors for the purpose of constitution of Board of Directors. The SEBI agreed that the nominee of Financial Institutions would be treated as Independent Directors for listed Public Sector Companies.

1.18 The Committee on Public Undertakings (1998-99) in its Fourth Report on "Senior Level Posts in Public Undertakings- Appointment and related matters" had expressed the opinion that shortage of non-official directors on the Board deprives the undertakings of expert guidance of seasoned, professionals and technocrats. This is particularly true in the case of sick/potentially sick undertakings or those which are to be restructured. The Committee at that time had, therefore, recommended that the strength of non-official directors in PSUs should be brought to the level stipulated in the guidelines without further loss of time and at the same time care should be taken that persons having vested interests directly or indirectly in the particular industry are not inducted into the Board of PSEs. This recommendation of the Committee was circulated by the Department of Public Enterprises vide their OM No.2(20)/99-GM dated 25.01.2000 to all the Ministries/Departments.

1.19 As detailed above, the guidelines issued by DPE vide OM No.18(6)/91-GM dated 16.03.1992 inter alia provided that the number of Government Directors on the Board of Directors of an Enterprise should not exceed one-sixth of the actual strength of the Board and that the number of such Directors should in no case exceed two. The Committee on Public Undertakings(1998-99) in its above mentioned Fourth Report, while observing non-compliance of the directions of DPEs by some of the PSUs in this regard, had expressed strong displeasure over the deviations in some of the Undertakings and had desired that the number of government directors should be brought within the prescribed limits.

1.20 Section 149(1) of Chapter XI of the Companies Act, 2013 relating to appointments and qualifications of Director, provides as under:

"(1) Every company shall have a Board of Directors consisting of individuals as directors and shall have –

(a) a minimum number of three directors in the case of a Public Company, two directors in the case of a private company, and one director in the case of a One Person Company; and

(b) a maximum of fifteen directors:  
Provided that a company may appoint more than fifteen directors after passing a special resolution:  
Provided further that such class or classes of companies as may be prescribed, shall have at least one woman director."

## **E. Subsidiaries and Joint Ventures**

1.21 In view of the growing business opportunities in recent times and in order to effectively cater to diversified business operations, NBCC has set up subsidiaries/Joint Ventures. The details of the subsidiaries of NBCC with specific reference to role played by them are given as under:

- **NBCC Services Limited**

A wholly owned subsidiary of NBCC, having Registered Office at New Delhi, was incorporated on October 16, 2014 with main objective to undertake maintenance works and to act as Execution and Implementation Agency for CSR Projects and related activities on behalf of its own or for any other Govt. Undertakings/Semi Govt. Undertakings/ Body Corporate/ Societies/Trusts/ Private Institutions/NGOs or any other concern.

It has also been mandated to act as an execution and implementation agency for sustainability projects, heritage building restoration works etc.

- **NBCC Engineering & Consultancy Limited**

A wholly owned subsidiary of NBCC, having registered Office at Shop No. 25, NBCC Place Pragati Vihar, New Delhi-110003 was incorporated on December 15, 2015 with a vision to be a nationwide preferred architectural and engineering design solution provider. The Company renders consultancy to Government and private organizations.

However, since its incorporation, the company is struggling hard to secure the business due various reasons and therefore the Board of Directors of the Company and Holding Company have decided to close the Company and accordingly sought the approval Administrative Ministry and the same is under process.

- **NBCC International Limited** was incorporated on July 5, 2017 as wholly owned subsidiary of NBCC. It was incorporated to carry out the business in overseas countries. The idea of formation of "NBCC International Limited" was to create dedicated operating structure for greater diversification, increased efficiencies and effective control.

However since its incorporation, the company could not start its business therefore it has been decided to close the Company by way of merger with Holding Company. Administrative Ministry has also given its approval and the procedure of Merger is under process.

- **NBCC Environment Engineering Limited** was incorporated on July 10, 2017 as wholly owned subsidiary of NBCC. It was incorporated to carry out the business in the field of environment and sustainability. The idea of formation of "NBCC Environment Engineering Ltd." was to create dedicated operating structure for greater diversification, increased efficiencies and effective control.

However since its incorporation, the company could not start its business therefore it has been decided to close the Company by way of merger with Holding Company. Administrative Ministry has also given its approval and the procedure of Merger is under process.

- **Hindustan Steelworks Construction Limited (HSCL)**

HSCL was established in 1964 as a construction organization under the Ministry of Steel, Govt of India. It diversified into a versatile infrastructure portfolio all over the country. It became the major player in implementation of integrated steel plants. HSCL has become a Subsidiary of NBCC w.e.f April 1, 2017.

- **HSCC (India) Limited**

It was set up in 1983, as a multi-disciplinary organisation with experienced professionals on rolls and a network of consultants specialized in various activities associated with health systems. NBCC acquired HSCC on December 24, 2018.

- **NBCC Gulf LLC**

A Limited Liability Company (LLC) in the Sultanate of Oman where NBCC's equity participation is 70% of the total holding has been incorporated on July 13, 2015 with objective to carry out building and civil construction activities in Gulf Countries.

However since its incorporation, the company could not get any business therefore it has been decided to close the Company and the same is under process.

- **NBCC DWC-LLC**

Incorporated on December 24, 2018 in Dubai, NBCC-DWC LLC is the wholly owned subsidiary of NBCC. It was incorporated with the object of carrying out conceptualising, designing and construction of India Pavilion at World Expo-2020 to be held in Dubai in 2020.

1.22 NBCC in a power point presentation made before the Committee on 19 September, 2019 informed about the status of subsidiaries as on 31.03.2019 as under :-

Sl. No.	Details of Subsidiaries (as on 31.03.2019)				Share in Total Comprehensive Income	
	Name	Domestic/Foreign	Ownership Interest (%)	Status	As % of Total Comprehensive Income	Amount in Lakhs
1.	NBCC Services Limited	Domestic	100	Under Operation	2.40	863.08
2.	NBCC Engineering & Consultancy Limited	Domestic	100	Board has approved closure	-0.42	-152.99
3.	NBCC International Limited	Domestic	100	DIPAM/ MoHUA has approved closure	0	1.52
4.	NBCC Environment Engineering Limited	Domestic	100		0	1.47
5.	Hindustan Steelworks Construction Limited (HSCL)	Domestic	51	Under Operation	4.85	1747.55
6.	HSCC (India) Limited	Domestic	100	Under Operation	13.84	4981.40
7.	NBCC DWC LLC	Foreign	100	Under Operation	Incorporated in January 2019	
8.	NBCC Gulf LLC	Foreign	70	Board has approved closure	-0.19	-69.82

1.23 As on 31.03.2019, the NBCC had three operational Joint Ventures the details of which are as under:-

Sl. No.	Details of Joint Ventures as on 31.03.2019			
	Name	Ownership Interest (%)	Share of Total Income	
			As % of Total Comprehensive Income	Amount in Lakhs
1.	NBCC MHG	50	0.09	30.82
2.	NBCC-AB	50	0.00	-0.08
3.	Real Estate Development & Construction Corporation of Rajasthan Limited	50	0.02	6.78

## **F. Major Achievements**

1.24 As informed to the Committee, the NBCC continued receiving the “Excellent” rating since 2004 based on the MoU parameters of the Department of Public Enterprises. Further, the NBCC has also been recently certified with the status of ‘Great Place to Work’, by the renowned Great-Place-to-Work Institute. With this distinct recognition, the company joins the select band of distinguished companies identified as Great Places to Work. This prestigious global certification places NBCC at the 4th place amongst the CPSEs. The institute identifies companies having High-Trust, High-Performance Culture™ each year on the basis of scientific and rigorous assessment of People Practices and analysis of survey inputs at the company. The recognition is a direct outcome of consistent efforts of the Human Resource Management Team of NBCC.

1.25 During Financial Year 2018-19, NBCC bagged various projects like AIIMS-Bilaspur & Jharkhand, IIM-Ranchi & Vishakhapatnam, IIT Bhubaneswar, infrastructure works under Raipur SMART city Limited, redevelopment of WHO Office, projects under Central govt schemes of PMGSY & Namami Gange and other projects in different Indian States.

1.26 The company expanded its International order book in the FY18-19 bagging a Rs 2000 Crore project to build Mahatma Gandhi International Convention Centres in nine African nations and another order to construct the Indian Pavilion at the World Expo 2020 in Dubai. The company recently signed an agreement to construct three key projects in Mauritius worth USD 44 million (Rs 304 Crore approx.). The total value of projects won from April 2018 to March 2019 is Rs 12427.42 Crore.

1.27 NBCC also forayed into large-scale residential projects by submitting Resolution Plan (RP) to acquire debt-ridden Jaypee Infratech Ltd., so as to deliver the houses for around 22,000 aggrieved homebuyers.

1.28 NBCC acquired public sector company HSCC formerly known as Hospital Services Consultancy Corporation. HSCC, under the Ministry of Health and Family Welfare, is engaged in the provision of consultancy services in health-care and other social sectors in India and abroad with a vision to secure business synergies.

1.29 For the financial year ended March 31, 2019, the company reported standalone net profit of Rs. 384.11 crore as against net profit of Rs. 333.60 crore during the previous financial year, representing a healthy growth of 15.14 per cent. The standalone total income for the financial year 2018-19 stood at Rs. 7432.22 crore as compared to Rs. 6011.14 crore in the previous year, seeing a growth of 23.64 per cent. The consolidated total income for Financial Year 2018-19 stood at Rs 10151.37 crore as compared to Rs 8609.62 crore in the previous financial year. For the quarter ended March 31, 2019, the Company's standalone total income stood at Rs. 2424.09 crore as against Rs. 2223.32 crore of quarter 4 of the previous year. The net profit for the period stood at Rs. 152.75 crore as compared to Rs. 141.65 crore in the corresponding quarter in the previous year.

## CHAPTER - II

### PHYSICAL PERFORMANCE

#### **A. Business Overview**

2.1 NBCC (India) Limited is a Government of India “Navratna” Enterprise under the administrative control of the Ministry of Housing and Urban Affairs. The Company is listed on the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE). NBCC’s core activities comprise of three distinct verticals: (i) Project Management Consultancy (PMC), (ii) Engineering Procurement and Construction (EPC) and (iii) Real Estate Development (RED). NBCC has also expanded its activities in foreign countries. A brief description of its activities is given below:

- (i) **Project Management Consultancy(PMC):** NBCC’s PMC business consists of a wide range of management and consultancy services in two segments: (a) Civil Construction Projects and (b) Infrastructure Projects. Civil Construction Projects includes Residential and Commercial Complexes, Re-development of Colonies, Hospitals, Educational Institutions, Infrastructure Works for Security Personnel and Border. The Infrastructure Projects includes Roads, Water Supply Systems, Storm Water Drainage Systems, Water Storage Solutions, Solid Waste Management Schemes. This segment includes re-development projects on a self-financing model also. NBCC’s PMC services entail implementation of the projects from concept to commissioning, ensuring competitiveness on the basic guidelines of cost, quality and time. PMC services also offer maintenance of projects.
- (ii) **Engineering Procurement and Construction (EPC):** Engineering Procurement and Construction encapsulates detailed design engineering, procurement and expeditious execution of projects. NBCC’s EPC business has been operating in Infrastructure segment, executing a diverse range of projects like chimneys, cooling towers, coal handling plants, roads, metro elevated tracks, TV towers, airports, runways etc. EPC services include project conceptualization, feasibility studies, detailed project reports, engineering, tender specifications and various packages covering basic and detailed engineering, review of projects, procurement, construction drawings, commissioning and testing and handing over of project to clients in ready-to-use and in functional condition.
- (iii) **Real Estate Development:** NBCC entered the Real Estate segment in 1988 and has executed several commercial and residential projects. The growth in Indian economy has driven demand for real estate across all categories, particularly housing and commercial sub segments. Development and management of real estate sector has emerged as a critical and crucial part of the larger Indian construction space. However, the real estate sector has been going through a

challenging phase in the last few years. NBCC, a Government Navratna and a leader in the construction segment, has been playing a vital role executing residential and commercial projects as well as many institutional projects where it either acquires land parcel or enters into JV or Consortia with other leading players.

- (iv) **Overseas Operations:** NBCC has started its global operation since 1997. The Company has executed diverse and complex projects in countries like Libya, Iraq, Yemen, Nepal, Maldives, Mauritius, Turkey and Botswana. Presently, the Company has its presence in Maldives, Mauritius, Dubai, Seychelles etc. where it is implementing various projects. NBCC is executing projects in several African countries like Niger, Uganda, Malawi, Zambia, Liberia, Gambia, Burkina Faso, Togo and Gabon. The total value of these projects is approximately Rs. 2,000 crore. NBCC had received an in-principle approval from the Department of Commerce, Ministry of Commerce and Industry, Government of India for conceptualizing, designing and construction of “India Pavilion” at the World Expo 2020 to be held in Dubai from October 2020 to April 2021.

## **B. Major Projects completed in Last 3 years**

2.2 The major projects of the value of Rs. 50 crore and above completed by the NBCC during the last 3 years are as under:

Financial Year	No. of Completed Projects
2018-2019	24
2017-2018	25
2016-2017	12

2.3 The details of these projects have been given in the **Annexure**.

## **C. Ongoing Projects**

2.4 On being asked to furnish the details of ongoing projects under PMC, EPC and RE segments with tentative dates of their completion, NBCC furnished the information which is given in the **Annexure**. The Committee’s analysis of the information given by NBCC reveals the following points:

### **a) Ongoing projects – Segment-wise :**

Sl.No.	Nature of projects	No. of projects
1.	PMC projects	152
2.	EPC projects	07
3.	Real Estate projects	05

b) Due dates of completion of ongoing projects :

Sl.No.	Number of Projects	Completion Due Date
1.	63	March, 2020
2.	08	April, 2020
3.	08	May, 2020
4.	26	June, 2020
5.	05	July, 2020
6.	06	August, 2020
7.	08	September, 2020
8.	03	October, 2020
9.	02	November, 2020
10.	08	December, 2020
11.	02	January, 2021
12.	04	March, 2021
13.	03	May, 2021
14.	02	June, 2021
15.	01	August, 2021
16.	02	September, 2021
17.	01	December, 2021
18.	01	February, 2022
19.	01	November, 2022
20.	01	Date of completion not indicated
21.	05	On hold
22.	01	Court case
23.	03	Maintenance work
<b>TOTAL</b>	<b>164</b>	

2.5 It may be seen that 124 projects were scheduled to be completed before September, 2020 and 30 projects are to be completed by November, 2022. Five projects are on hold and in one project there is a court case and three projects are under maintenance. In one project, the likely date of completion has not been indicated.

2.6 On a query regarding the quantum of revenue earned by NBCC under various segments, CMD, NBCC during the course of oral evidence on 19 September 2019 clarified as under:-

*“We charge PMC. Nearly, 95 per cent of our turnover is PMC-based. For example, for Gujarat Bhawan, we charged around seven per cent as Project Management Consultancy charges. So, that is our profit.”*

## D. Overseas Projects

2.7 As per a written note furnished to the Committee, the Company is also executing International Projects as Project Management Consultant (PMC) on fixed percentage fees for the services provided on actual cost of Project.

### (i) Completed International Projects

2.8 The NBCC has completed the following international projects in the past:-

Project Name	Completion Year	Value of Work (Rs. in crore)
<b>REPUBLIC OF MALDIVES</b>		
Construction, Furnishing and Equipping of a 200 Bedded Hospital at Male, Republic of Maldives	1994	70.00
Construction of Indo Maldives Friendship Faculty of Hospitality and Tourism Studies at Male Republic of Maldives	2014	64.00
Renovation work of Indira Gandhi Memorial Hospital, at Male' Republic of Maldives.	2016	52.42
<b>MAURITIUS</b>		
Construction of Indira Gandhi Centre for Indian Culture at Phoenix	2000	49.00
Construction of State Secondary School at Bel Air, Mauritius	1999	28.00
Construction of Pradiar Canal at Mare-aux-Vacoas, Mauritius	1999	15.48
<b>NEPAL</b>		
Construction of 48 KM KohalpurMahakali Highway c. Project including construction of 8 Bridges, Nepal	1993	91.00
Construction of OPD Blocks of BPKIHS at Dharan	1998	42.00
Construction of Bir Hospital at Kathmandu, Nepal	1987	21.00
Construction of Museum-cum-Library at Hetauda, Nepal	1988	14.00
Construction of Modern School at Kathmandu, Nepal	1991	14.00
<b>IRAQ</b>		
Construction of Passenger Buildings Loco-sheds and Re-fuelling Stations, Roads, Electrification, Plumbing, etc. for Baghdad, AlqaimAkashat Railway project in Iraq.	1989	595.00
Construction of Turnkey Five Star Hotel including Equipping & Furnishings at Mosul, Iraq.	1987	280.00
Construction of Flyovers at International Airport Road, Baghdad, Iraq	1982	210.00
Construction of Turnkey Three Star Hotel including Equipping & Furnishings at Dokan, Iraq.	1986	140.00
<b>YEMEN</b>		
Construction of 774 Houses at Dhamar, Republic of Yemen	1992	49.00
Construction of Recreation Centre at TAIZ Funded by Abu Dhabi Fund	1997	35.00
<b>TURKEY</b>		
Construction of Turnkey Three Star Hotel including Equipping & Furnishings at Dokan, Iraq.	2002	448.00
<b>BOTSWANA</b>		
Construction of Central Kalahari & Khalsi Game Redue (CKKGR) and facilities alongwith Infrastructure works for Department of Wild Life and National Park (DWNP), Govt of Botswana	2005	28.00

<b>LIBYA</b>		
Construction of New Airport including Runway, Taxi Apron, Terminal Building at Brak, Libya.	1982	490.00
Construction of 1000 Houses at Beniwalid, Libya	1983	462.00
Construction of New Airport including Runway, Taxi Apron, Terminal Building at Control Tower at Ghat, Libya.	1984	455.00
Construction of a Social Security Complex including Dispensary and Doctor's Residences etc. at Beniwalid, Libya	1984	420.00
Construction of Nurses Training Centre at Ghat, Libya	1989	350.00

**(ii) Ongoing International Projects**

2.9 The details of the ongoing overseas projects are given as under:-

<b>Name of project</b>	<b>Date of Start</b>	<b>Likely date of Completion</b>	<b>Value (Rs. In crore)</b>
<b>REPUBLIC OF MALDIVES</b>			
Institute for Security and Law Enforcement Studies (ISLES) AT Addu City' Maldives.	07.05.2017	26.02.2021	195.05
<b>MAURITIUS</b>			
Construction of New Supreme Court Building, Port Louis, Mauritius	25.12.2017	24.12.2019	210.00
Construction of Social Housing at Dagotiere and Mare Tabac, Mauritius	08.08.2018	08.02.2020	314.97
Construction of Mauritius Police Academy, (MPA)	MOU signed on 11.04.2019	30 months	168.00
Construction of Forensic Science Laboratory (FSL)	MOU signed on 11.04.2019	30 months	49.00
Construction of National Archives & National Library	MOU signed on 11.04.2019	30 months	91.00
<b>REPUBLIC OF NIGER</b>			
Construction of Mahatma Gandhi International Convention Centre at Niamey, Niger	10.08.2018	31.10.2019	392.00 (NBCC Fee-18.62)
<b>DUBAI</b>			
Construction of Indian Pavilion at Dubai World Expo 2020	11.07.2019	31.08.2020	232.70
<b>SEYCHELLES (PREPARATION OF DPR)</b>			
Setting up of Three Projects Namely Attorney General's Office, Police Head Quarters Building and Government Office Complex at Mahe, Seychelles-DPR Preparation	29.12.2018	DPRs submitted vide Letter dated 09.07.2019 and 29.07.2019	1.90 Cr.

### (iii) Overseas Projects yet to Start

2.10 The details of overseas projects secured by NBCC but yet to start are given as under:-

Mahatma Gandhi International Convention Centre, Africa									
Sl. No	Country	Key features		Date for Acceptance of Concept Design	DPR Submission to MEA	Area Statement (Sqm)	Project Cost		Remarks
		Land	Components				INR		
							Basic project cost	Project Cost i/c cont. & agency charges	Pending information from Host countries
1	<b>Gambia</b>	4.7	Convention hall, Auditorium, Meeting rooms, Board Rooms, Services, parking area and landscaping	14.12.2018	09.01.2019	17560	209.29	236.88	Soil and topographical survey
2	<b>Liberia</b>	6.76	Convention hall, Auditorium, Services, parking area, Admin office, Conference halls, Dinning Rooms and landscaping	30.11.2018	10.01.2019	16267	246.02	278.46	Soil and topographical survey
3	<b>Malawi</b>	2.083	Convention hall, Auditorium, Business centre, Foyer & Circulation area, Services, parking area, and landscaping	18.10.2018	10.01.2019	19560	157.92	178.71	Soil and topographical survey. Land dispute on small parcel of land.
4	<b>Gabon</b>	10	Convention hall, Auditorium, Admin Block, Services, parking area, and landscaping	10.01.2019	16.01.2019	16515	214.20	242.48	Soil and topographical survey. Alternate land confirmation
5	<b>Togo</b>	10	Convention hall, Auditorium, Restaurant, Media Centre, Café and External Development Area	30.11.2018	15.01.2019	16690	239.45	270.97	Soil and topographical survey
6	<b>Burkina Faso</b>	2.5	Convention hall, Auditorium, Restaurant, Media Centre, Café and External Development Area	28.12.2018	15.01.2019	19457	238.07	269.43	Soil and topographical survey
7	<b>Zambia</b>	55	Convention hall, Auditorium, Restaurant, Media Centre, Café and External Development Area	13.12.2018	16.01.2019	15760	226.18	256.01	Soil and topographical survey. Land allotment

#### (iv) Method of obtaining Overseas Contracts

2.11 The number of overseas projects undertaken by NBCC since 2017 along with the details of obtaining of the contracts are given below:-

S.No.	Project	Client	Procedure of contracts obtained
1.	Construction of New Supreme Court Building in Mauritius.	Govt. of Mauritius	Through Nomination from Govt. of Mauritius.
2.	Construction of Social Housing Units at mare Tabac and Dagotiere, Mauritius.	Govt. of Mauritius	Through Nomination from Govt. of Mauritius.
3.	National Archives and National Laboratory	Govt. of Mauritius	Through Competitive Bidding invited by Govt. of Mauritius
4.	Construction of Mauritius Police Academy	Govt. of Mauritius	Through Competitive Bidding invited by Govt. of Mauritius
5.	Construction of Forensic Science Laboratory	Govt. of Mauritius	Through Competitive Bidding invited by Govt. of Mauritius
6.	Construction of Indian Pavilion at World Expo at DUBAI	Ministry of Commerce & Industry, GOI	Through Nomination from Ministry of Commerce, GoI
7.	Construction of Mahatma Gandhi International convention centre at Niamey, Niger is in progress	Ministry of External Affairs, India	Through Nomination from Ministry of External Affairs, India
8.	Const of Police Head Quarters, const of new office block to house Attorney General and const of complex to house Govt offices and services at Mahe, Seychelles	Ministry of External Affairs, India	Through Nomination from Ministry of External Affairs, India
9.	Construction of MGICC in Zambia, Togo, Gambia, Liberia, Burkina Faso, Gabon, Malawi.	Ministry of External Affairs, India	Through Nomination from Ministry of External Affairs, India

#### (v) Challenges in Global Market

2.12 Elaborating on the key challenges faced by the Company in Global Market, NBCC in their written replies explained as under :-

- **"Doing business varies from country to country:**  
Every Country has its own regulations/act for doing business in their country. Therefore NBCC need to open subsidiaries/branch in every country for its operations.
- **Lack of NBCC presence & data:**  
In many countries NBCC doesn't have physical presence this is big challenge in gathering the data, local conditions, logistics etc. Efforts like Indian PSUs join hands will be good option.
- **Requirement of essential credentials:**

To operate in global market company need strong Financial & Technical credentials as well as Certified Professionals with exposure to International Contract conditions. Quality, Safety, Health, Environment and Time Schedule are Prime requirement to the successful completion of Project.

- **Requirement of a particular work experience:**  
The Project in overseas countries executed differently when compared to Indian conditions to deliver a project successfully. Most of Indian Contractors lack the experience of International working System as well as Contract system.
- **Shortage of skilled workforce:**  
There is a huge shortage of Indian skilled Technicians in the construction sector. Most of Younger generations are showing less interest in working in overseas Construction Projects."

2.13 The International Markets targeted by NBCC to achieve its future objectives are as under:-

- African Countries
- Middle East Counties
- CIS Countries
- Indian Ocean Countries like Mauritius, Seychelles
- SAARC Countries

2.14 NBCC being the leading Indian CPSE in the Construction Sector came across lot of International Technologies as well as best Practices followed by International companies. Thus, NBCC has entered into strategic partnership with international Technology provider like M/s Gremound-Hungary for low cost housing and Bolix-Poland for External Thermal Insulation System, to promote these Technologies in India.

#### **E. Order Book for Projects and Delay in Execution**

2.15 As per the background note furnished to the Committee, NBCC presently has an Order Book of more than Rs. 80,000 crore besides an International Order Book of Rs. 2,000 crore. However, on analysis the average rate of completion of projects of NBCC was observed to be only about Rs. 4,000 crore per year. On a query as to how does NBCC intend to complete its Order Book of Rs. 80,000 Crore in a given time-frame, the Company in their written reply clarified as under:-

"Ongoing projects of NBCC having all statutory clearances, funds and encumbrance free land are in progress and are being completed within the stipulated timelines/EOT sanctioned.

Further, it may be noted that against the order book in hand, execution of works depends on the following:

- Availability of encumbrance free land.
- Availability of fund from clients.

- Getting the statutory clearance from various Govt. bodies.

It may be worthwhile to point out that major Redevelopment projects of GPRAs at New Delhi (Nauroji Nagar, Sarojini Nagar, Netaji Nagar) valuing more than Rs. 30,000 Crore are held up due various petitions filed in the Hon'ble NGT and Hon'ble High Court of Delhi. There are other major Projects of SDMC, New Delhi, WTC, Guwahati, DDA Projects at Sanjay Lake, Trilokpuri, New Delhi, Redevelopment projects of Railway Stations at various places in India etc. could not kickoff due to various reasons as mentioned above"

2.16 When asked to specify the number of projects undertaken by NBCC (India) Limited during the last 5 years and how many of those projects were delayed and how many them were completed in time and also to specify in detail the reasons for delay in case of delayed projects and the cost overruns in those cases, NBCC in their written note submitted as under:-

"The number of projects undertaken by NBCC during last 5 years i.e. from year 2014 is 185 nos. out of which 73 nos. projects have been physically completed and handed over, where there is delay not attributable to NBCC. Projects have been completed in line with extension of time granted by the respective clients due to the reasons like delay in handing over of land for construction by the clients, delay in approval of conceptual plan/cost, delay in getting NOC from local authority, etc. There is no cost overrun."

2.17 When asked to clarify on the quantum of work obtained by NBCC on nomination basis and through competitive bid, the Secretary, Ministry of Housing and Urban Affairs, during the evidence on 13 March, 2020 stated as under:-

"एक जानने की बात है कि क्या इनको सारा का सारा काम सरकार पीएमसीकाडायरेक्टली देदेतीहै।ज्ञानमेंलाना चाहूँगाकि पहले टोटली 100 परसेंटसर का जो कामदे रहीथी, उसके ऊपरनिर्भरथेऔरइन्होंनेएकनामकिया।They have created a niche. जैसेकि हमारा न्यूमोतीबाग कालोनी है, न्यूमोतीबाग कालोनी कोरी-डेलपमेंट करने मेंइन्होंनेकेवलसरकारपर,जीरोखर्चकेसाथ, सरकार का कोई खर्च नहीं हुआ, इन्होंने सरका रको 311 करोड़रुपयेदियाभीहैऔरपूरीकीपूरीकालोनीइन्होंनेडेलपकी।इसीप्रकारसेईस्टकिदवईनगरकीकालोनीकाकामकररहेहैं, 7 औरकालोनीजकाकामकररहेहैं।उन्होंनेएकनिशडेलपकियाकिसेजीरोकोस्टकेसाथजमीनकोमॉनेटाइजकरकेडेलपकरस कतेहैं।इससालवर्ष 2019-20 मेंकुलमिलाकर 12,856 करोड़रुपयेकेकामइन्होंनेहासिलकिए, जिसमेंसे 10,672 करोड़रुपयेकेकामभारतसरकारकीसंस्थाओंसेनॉमिनेशनकेद्वारामिले। This is a very good sign. लगभग वनसिक्स्थ काम इन्होंनेटेंडरके माध्यमसेतमामराज्यसरकारयाभारतसरकारकीअन्यसंस्थाओंमेंटेंडरमेंपाटिसिपेटकरकेलिया।"

## **F. Major Competitors from Private Sector**

2.18 When requested to highlight its major competitors in private sector and the major challenges that NBCC (India) Limited faces from the private players, NBCC submitted as under:-

Sl.No.	Area	Major Competitors
1.	Project Management Consultancy(PMC)	(i) Hospitech (ii) Feedback Ventures Pvt. Ltd.

2.	Engineering Procurement and Construction (EPC)	(i) L&T (ii) Ahluwalia Projects (iii)Nagarjuna Construction Corporation
3.	Real Estate Development(RED)	(i) DLF (ii) Unitech (iii) JP Infratech (iv) Amrapali

2.19 The NBCC further stated that entry of non-sectoral companies in PMC business is putting stiff challenge since they are quoting unviable PMC fees without any prior quality experience which is generating pressure on NBCC's operating margins (EBITDA). With exceptional track record, NBCC is a flag bearer in delivering construction projects of highest quality. Its experience and expertise in execution of mega value projects without time and cost overrun sets it apart from other private players. The Company is committed to deliver responsible growth and ethical wealth creation that result in value for all stakeholders. With transparent & fair approach towards its customers and highest standards of corporate governance, NBCC is considered as a dependable and go-to player in comparison to other private players. Reposing confidence, various authorities including the Hon'ble Supreme Court of India have expressed their intent to involve NBCC in fulfilling the 'Housing' needs of the public at large. NBCC being a major stakeholder in implementation of infrastructure projects across India, the Govt. of India as well as the Private Entities always look upon NBCC for Fast track delivery of projects, particularly, the social and commercial infrastructure."

**G. Impact of Slowdown in Real Estate Market**

2.20 When enquired about the impact on NBCC due to the slowdown in the Real Estate Sector and whether NBCC take this as an opportunity for expansion and development of market in the Real Estate Sector, NBCC in their written reply stated as under:-

"NBCC is feeling the impact due to slowdown in Real Estate Market. With a slowdown, there have been subdued customer's sentiments and only end users are purchasing Real Estate properties. The returns on investing in Real Estate have significantly dropped in last few years and the trend of purchasing for investment is vanishing. Further, the supply is more than the demand in certain locations and segments. NBCC is also not able to launch new projects on the acquired land parcel as they are no more feasible and profitable to start new projects due to slow down in Real Estate Market. Also, large value of unsold inventories is pending with NBCC and NBCC is compelled to cut down profits to sell the balance inventories. The massive burden of heavily delayed and terminally stuck housing projects on the market is both a cause and effect when it comes to low homebuyer sentiment.

NBCC may take this as an opportunity as NBCC is a trusted partner towards the customers where it has delivered the project at a time where most of the developers have failed to deliver the project in time or even failed to complete the projects. NBCC works in a more transparent manner and always tries to complete the project even when the project is not fully sold.”

**CHAPTER-III**  
**FINANCIAL PERFORMANCE**

**A. Financial Status**

3.1 The financial position of the Company during the last five years had been as under:-

(Rs in Lakhs, except per share data, Number of Employees and Ratios)						
S. NO.	Particulars	Revised Sch VI of Companies Act, 1956	Sch III (Ind AS) of Companies Act, 2013			
		2014-2015	2015-2016*	2016-2017*	2017-2018*	2018-19*
i)	Authorized Capital	12,000	15,000	20,000	20,000	20,000
ii)	Paid Up Capital					
	A) Paid up Capital Equity Shares	12,000	12,000	18,000	18,000	18,000
	B) Non -cumulative Preference Shares	-				
iii)	Reserves & Surplus	120,413	140,461	149,360	164,137	138,481
iv)	Borrowings:					
	A) Govt. of India	-	-	-	-	-
	B) Banks & Others	-	-	-	-	-
	<b>Total Borrowings</b>	-	-	-	-	-
v)	Net worth	132,413	152,461	167,360	182,137	156,481
vi)	Net Fixed Assets	2,622	6,178	6,329	6,184	7,200
vii)	Trade Receivables	170,412	183,510	218,661	225,846	210,764
viii)	Debt Equity (Net worth) Ratio	0:1	0:1	0:1	0:1	0:1
ix)	Income					
	A) Turnover	462,100	573,456	621,117	587,169	714,160
	B) Other Operating Income	4,114	7,787	6,822	3,332	10,316
	C) Other Income	14,658	10,076	8,858	10,613	18,747
	<b>Total Income</b>	<b>480,872</b>	<b>591,319</b>	<b>636,796</b>	<b>601,114</b>	<b>743,223</b>
x)	Total Expenditure	437,513	550,546	587,698	550,560	687,052
xi)	Operating Margin	43,359	40,773	49,098	50,554	56,170
xii)	Depreciation	234	245	261	271	264
xiii)	Interest	4,025	132	72	21	61
xiv)	<b>Profit before tax</b>	<b>39,101</b>	<b>40,397</b>	<b>48,765</b>	<b>50,262</b>	<b>55,846</b>
xv)	Income Tax	10,986	13,974	14,810	18,508	19,153
xvi)	Fringe Benefit Tax	-	-	-	-	-
xvii)	Deferred Tax(Assets) / Liabilities	383	(2,274)	(1,154)	(1,606)	(1,718)
xviii)	<b>Profit after tax - For the year</b>	<b>27,731</b>	<b>28,696</b>	<b>35,110</b>	<b>33,361</b>	<b>38,411</b>
xix)	Dividend on Pref. Shares (7%) incl. Distribution Tax	-	-		-	-
xx)	Dividend on Equity Shares incl. Distribution Tax	7,944	7,944	20,184	17,761	12,152

Note: All Figures are on Standalone Basis.

\* Figures for these years are as per new accounting standards (Ind AS) and Schedule III (Ind AS) of the Companies Act, 2013. Hence, these numbers are not comparable with previous years.

\*\* As per audited financial results posted on the official website of NBCC.

## **B. Turnover in PMC Segment**

3.2 When asked to furnish year-wise details of income/ losses earned through PMC during 2018-19, the Company furnished a statement indicating 578 projects executed under PMC. The Profit Before Tax (PBT) on PMC segment earned by NBCC during 2014-15 to 2019-20 is as under:-

(Rs. in crore)

<b>S.No.</b>	<b>Financial Year</b>	<b>Turnover(Income)</b>	<b>Profit Before Tax (PBT)</b>
1	2014-15	3917.17	332.60
2	2015-16	5167.57	390.14
3	2016-17	5491.73	469.72
4	2017-18	5339.32	581.17
5	2018-19	6331.61	383.75
6	2019-20	4807.21	219.98

3.3 In a detailed statement on PMC projects furnished to the Committee, it is observed that during the year 2018-19 out of the 578 PMC projects of Rs. 383.75 crore undertaken, NBCC incurred a loss of Rs 71.10 crore from about 262 projects. However, in another written note furnished to the Committee, NBCC stated to have undertaken only 21 projects under loss in the last 10 years

## **C. Turnover in Overseas Projects**

3.4 NBCC has generated a Turnover of Rs. 363.71 Crore from the following international projects from 2014 to 2019 as per the details given below:-

<b>Sl. No.</b>	<b>Name of Project</b>	<b>Turnover/Revenue Generated(Rs. in Crore)</b>
1	Const. Of New Supreme Court Building, Mauritius.	145.52
2	Const. of Social Housing Units, Mauritius.	73.62
3	Const. Of Mahatma Gandhi International convention centre, Niger	16.38
4	Const of Police Head Quarters, const of new office block to house Attorney General and const of complex to house Govt offices and services at Mahe, Seychelles	1.12
5	Const. of institute for security and law enforcement studies, Maldives	77.48
6	Renovation work of Indira Gandhi Memorial Hospital, Maldives	49.59

## **D. Turnover in All Segments**

3.5 On a query regarding the revenue generated by NBCC under various segments such as Project Management Consultancy (PMC), Engineering Procurement & Construction (EPC) and Real Estate (RE) during 2014-15 to 2019-20, the NBCC furnished the following information :-

(Rs. in Crore)

Financial Year	Project Management Consultancy (PMC)	Engineering, Procurement & Construction (EPC)	Real Estate (RE)	Total
2019-20	4,807.21	227.27	145.23	5179.71
2018-19	6,331.62	329.52	480.47	7,141.60
2017-18	5,339.33	507.14	25.23	5,871.69
2016-17	5,491.74	534.09	185.34	6,211.17
2015-16	5,167.58	307.66	274.00	5,749.23
2014-15	3,917.18	207.02	496.80	4,621.00
2013-14	3,288.93	94.79	625.04	4,008.76
2012-13	2,526.83	133.14	526.85	3,186.82
2011-12	3,144.72	99.48	185.13	3,429.32
2010-11	2,919.23	63.31	144.23	3,126.77
2009-10	2,711.00	83.76	187.22	2,981.98

### E. Profit and Loss in last Six Years

3.6 The Profit Before Tax(PBT) and the Profit After Tax(PAT) earned by NBCC during the last six years are as under:

(Rs. in Crore)

Sl. No.	Financial Year	Turnover	Profit Before Tax (PBT)	Profit After Tax (PAT)
1	2014-15	4,621.00	391.01	277.31
2	2015-16	5,734.56	403.97	286.96
3	2016-17	6,211.17	487.65	351.10
4	2017-18	5,871.69	502.62	333.61
5	2018-19	7,141.60	558.46	384.11
6	2019-20	5,179.72	241.28	79.86

3.7 It is observed from the statement of profit and loss of the last six years that although NBCC had been performing well, there has been a dip in profits during the financial year 2017-18. When asked as to what are the major reasons that contributed for decline in profit and how NBCC have overcome it, the NBCC informed that there is no dip in the PBT and the PAT of the company decreased due to reduction in tax incentives and hence forth affect on the increased effective tax rate.

## F. Financial Performance of Subsidiaries and Joint Ventures

3.8 When asked to furnish the details of the financial performance of its subsidiaries and Joint Ventures during the last five years, NBCC in a written note submitted as under:-

### (a) Performance of Subsidiaries

(Rs. in crores)

Particulars	NBCC Services Limited	NBCC Engineering & Consultation	NBCC International Limited	NBCC Environment Engineering Limited	NBCC Gulf LLC	Hindustan Steelworks Construction Limited	HSCC (India) Limited
	NSL	NECL	NIL	NEEL	OMAN	HSCL	HSCC
<b>2018-19</b>							
Turn-over	125.81	4.60	-	-	-	638.30	2,049.46
Profit Before Tax (PBT)	11.44	1.97 -	0.03	0.03	1.08 -	35.54	79.49
Profit After Tax (PAT)	8.63	1.53 -	0.01	0.01	1.08 -	34.29	49.81
<b>2017-18</b>							
Turn-over	85.97	2.32	-	-	-	962.00	NA
Profit Before Tax (PBT)	11.21	2.63 -	0.05 -	0.04 -	0.31 -	38.13	
Profit After Tax (PAT)	6.97	2.09 -	0.03 -	0.03 -	0.31 -	35.76	
<b>2016-17</b>							
Turn-over	106.85	-	NA	NA	-	NA	NA
Profit Before Tax (PBT)	10.60	0.25 -			0.68 -		
Profit After Tax (PAT)	6.81	0.17 -			0.68 -		
<b>2015-16</b>							
Turn-over	80.55	-	NA	NA	-	NA	NA
Profit Before Tax (PBT)	8.57	0.08 -			0.04 -		
Profit After Tax (PAT)	5.77 -	0.08 -			0.04 -		
<b>2014-15</b>							
Turn-over	0.48	NA	NA	NA	NA	NA	NA
Profit Before Tax (PBT)	016 -						
Profit After Tax (PAT)	0.16 -						

## (b) Performance of Joint Ventures

Rs. In crores

Particulars	Jamal NBCC International (PTY) Ltd.	NBCC-R.K. Millen	NBCC-MHG	NBCC-AB	Real Estate Development & Construction Corporation of Rajasthan Limited (REDCC)
% of share holding by NBCC	49.00	50.00	50.00	50.00	50.00
<b>Profit attributable to NBCC:</b>					
2018-19	Dissolved	Land of Joint Venture is acquired by Govt. of West Bengal. Hence it could not take off and there is legal case between coventures.	0.31		
2017-18	Fully provided		0.53	0.00	0.04
2016-17	for loss &		0.08	0.00	0.02
2015-16	dissolved in		-1.46	0.00	-0.43
2014-15	2018-19		1.12	0.01	NA

## G. Monitoring of Performance of Subsidiaries and Joint Ventures

3.9 In a written note, NBCC explained on how it monitors the performance of its subsidiaries and Joint Ventures in the following manner:-

**Board of Directors of subsidiaries/Joint Ventures:** Whole time Director/Functional Director of Holding Company are on the Board of subsidiaries and Joint Ventures.

**Minutes of Subsidiaries Companies :** As per the SEBI (LoDR), 2015 and DPE Guidelines, Board Minutes of subsidiaries placed before the Board of Directors of Holding Companies for their review.

**Regular Review Meetings:** Regular review meetings are conducted with the Heads of subsidiaries to review the performance of the subsidiaries.

**Group Governance Committee:** Reference to SEBI circular no SEBI/HO/CFD/ CIR/P/2018/79 dated May 10, 2018 notifying certain recommendations that *“the listed entities having a large number of unlisted subsidiaries should monitor their governance through a dedicated Group Governance unit/committee comprising the members of its Board of Directors”*.

Accordingly, the Board of Directors of NBCC (India) Limited in its 461<sup>st</sup> Board Meeting held on August 11, 2018, a Group Governance Committee was formed in order to review or monitor the governance of subsidiaries and joint ventures of NBCC and also the various MoUs (strategic, international or others) executed by NBCC and in compliance of SEBI recommendations."

## CHAPTER - IV

### HUMAN RESOURCE MANAGEMENT

#### **A. Overall Human Resource Position**

4.1 NBCC informed that the talent pool comprises of some of the best talent across engineering, construction, architecture, project management and other faculties. The Company has a strong value system that encourages honesty, merit and performance. It is a diversity-rich and gender neutral organization. Its people centric policies are amongst the best in the industry and not surprisingly, the Company has one of the lowest attrition rate. Over the years, the Company has diligently worked to bring in fresh blood. This has brought down the average age to 43 years, a commendable achievement. This not only makes the Company agile, but importantly, brings in young, new thinking, energy and dynamism. The Company has a well-defined leadership development plan in place where young leaders are identified and groomed by seniors as their mentors. In July 2019, NBCC was recognised as a Great Place to Work and now ranks 4th amongst the existing 300 CPSEs. NBCC has been completing DPC proceeding in time every year. During the year 2017-18, around 82.49% of eligible employees were promoted. Further, training of 2,940 man days were given under Company's on-going Skill Development 24 www.nbccindia.com initiatives and 1,200 (approx.) certificates were given under the Recognition of Prior Learning drive. The Company ensures and invests in continuous Training Development to ensure its employees are abreast with the latest skills and competencies. During the year, NBCC accounted for a direct employment of 2,444 employees and generated indirect employment for approximately another 62,000 people

#### **B. Work Force in Different Categories**

##### **(i) Overall Strength**

4.2 NBCC is compliant of all directives issued by the Government of India with respect to filling vacancies for SC/ST/OBC/ ex-service men. Further, NBCC has also complied with all government regulations regarding reservation, relaxations, concessions and benefits as provided under rules for Persons with disabilities (Equal Opportunities, Protection of Rights & full participations) Act, 1995. No. of regular employees /NMR/PRW/WE employees at the close of the financial year 2018-19:

<b>Sl No.</b>	<b>Particulars</b>	<b>Numbers</b>
1.	No. of regular employees	1,847
2.	No. of NMR (Non Master Roll)	0
3.	No. of WE/PRW (Work establishment/Piece Rated Worker)	0

## (ii) Employees in Reserved Categories

4.3 Details of SC/ST/VH/PH Employees category-wise are given as under:

Sl No.	Category of Posts (Group)	Nos. of employees					
		Total Employees	SCs	STs	VH	HH	PH (OPH)
1.	Group 'A'	852	152	42	3	2	9
2.	Group 'B'	145	23	7	2	-	1
3.	Group 'C'	850	138	13	1	3	7
<b>Total</b>		1847	313	62	6	5	17

## C. Recruitment of Employees during 2018-19

4.5 The position of recruitment employee's, category-wise during the financial year 2018-19 is as under:

Sl No.	Group	General (No.)	OBC (No.)	SC		ST		Total
				No.	%	No.	%	
1.	Group 'A'	40	27	18	19.56	07	7.6	92
2.	Group 'B'	01	-		-	-	-	01
3.	Group 'C'	05	09	02	11.76	01	5.88	17
<b>Total</b>		46	36	20	18.18	08	7.27	110

## D. Industrial Relations

4.6 As per informed gathers by the Committee, the NBCC has maintained cordial industrial relations during the year, and continued to provide comprehensive welfare facilities to its employees to take care of their health, efficiency, economic betterment, etc. and to enable them to give their best at the workplace. It has always supported participative culture in the management of the enterprise through a consultative approach with the collectives, establishing a harmonious relationship for industrial peace leading to higher productivity. Employees' participation is also ensured through information-sharing with collectives and employees on a regular basis while seeking their support, suggestions and cooperation. The Company maintained healthy, cordial and harmonious industrial relations at all levels. The efforts of employees have enabled the Company to remain at the leadership position in the industry. The Industrial Relations scenario in the Company during the year 2018-19 had remained peaceful and conducive, and no man days were lost in strikes etc. Since all the industrial disputes and differences were resolved amicably across the table, there were cordial and harmonious relationship with all stake

holders/Unions/ Association during the year. Structured meetings were held regularly on quarterly basis.

## **E. Women at Workplace**

### **(i) Category-wise Women Employees**

4.7 Working status of Woman Employees in the Company is given category wise as under:

<b>Sl No.</b>	<b>Category of Posts (Group)</b>	<b>Nos. of Woman employees</b>
<b>1.</b>	Group 'A'	88
<b>2.</b>	Group 'B'	17
<b>3.</b>	Group 'C'	28
<b>4.</b>	Group 'D'	-
	<b>Total</b>	<b>133</b>

### **(ii) Safeguard Mechanism for Women Employees**

4.8 The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. The committee functions in accordance with the model code of conduct developed by National Commission for Woman/ Ministry of Woman and Child Development. The committee spread awareness amongst the employees regarding 'Zero Tolerance' for sexual harassment at work place. The committee also investigates reported cases of sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has been employing 133 women employees in various cadres at the project and office premises. There was not any case filed during the financial year ended March 31, 2019.

## **F. Employment Generation**

### **(i) Employment Generated during last 5 Years**

4.9 Being in the construction sector, when asked what contribution NBCC has made in generating employment during the last 5 years, NBCC in a written note informed the details of employment generated during the last 5 years as under:-

Year	Employment generated				
	Group 'A'	Group 'B'	Group 'C'	On Contract basis	Total No. of Posts created
2015-2016	179	0	26	102	307
2016-2017	82	01	44	11	138
2017-2018	78	0	44	12	134
2018-2019	135	01	29	17	182
2019-2020	10	0	0	12	22
<b>Total</b>	<b>484</b>	<b>02</b>	<b>143</b>	<b>154</b>	<b>783</b>

4.10 In a written note submitted to the Committee, the NBCC has stated that 1400 construction workers have been given certificates and have been equipped with new set of skills in tune with changing face of the country's construction sector. When asked whether the Company incur any cost in the training of these construction workers, it was submitted in a written reply as under:-

"The program is called the recognition of prior learning (RPL) under skill India mission. The expenses are incurred by the Ministry and are being paid directly to the implementation partner CII. Hence, NBCC only spends the incidental expenses like lamination of certificates, travel of dedicated resources for skill India, tea and snacks while felicitating the workers while distributing the certificates, skill India T-shirts, Skill India coffee mugs etc. Total cost would be approximately two lakhs in the current financial year."

#### **(ii) Plan for Employment Generation in future**

4.11 On the issue of employment to be generated in near future, NBCC informed to the Committee that keeping in view the organizations expansion & addition of significant number of large value projects, retirement & exit due to other reasons, addition of new subsidiaries, a comprehensive strategic plan was drawn on the manpower planning aspect from the year 2016-2017 to 2022. Based on these aspects, recruitment of manpower as per requirement of the projects has already been made upto 2020-2021. However, considering the increase business growth of the company in the near future, generation of employment shall be made accordingly. Approximate 17810 employees were working under the contractors as on date."

## CHAPTER - V

### LAND ACQUISITION AND PROJECT EXECUTION

5.1 The Committee was informed that the procedure adopted for acquisition of land by NBCC for their projects and the utilisation patterns of the acquired land as under:-

"NBCC has a separate vertical of Real Estate Business. The lands are purchased for Commercial/Business purpose. The procedure for acquisition of land parcel by NBCC is hereby outlined as follows:-

- Total Land Procured is Limited to 50% of the Net worth of NBCC (India) Limited.
- The Procurement is to be done from Government Land through Allotment on Nomination Basis or Allotment on Bidding/Open Tender/Auction Basis.
- A Project Scrutiny Committee is formed by Chairman cum Managing Director. The committee comprises of members of Real Estate division, Finance division, Legal etc.
- Legal Due Diligence of Land Parcel to be carried out.
- Feasibility & Valuation study (02 separate consultants)
- Based on the reports and achievement of minimum Internal Rate of Return (IRR), the Project Scrutiny Committee puts up the recommendations including fixing the maximum financial quote for approval of competent authority through concerned Director. Accordingly, further decision is taken for procurement of land parcel.

5.2 With regard to the Policy for undertaking JV projects with Govt Entity, the Committee was informed as under :

- JV with Govt Entities only after achieving the IRR of Weighted Average Cost of Capital+ 4%
- JV is to be formed through Proposals submitted by Govt. Authorities/Agencies or Expression of Interest disseminated by NBCC
- A Project Scrutiny Committee is formed by Chairman cum Managing Director. The committee comprises of members of Real Estate division, Finance division, Legal etc.
- Legal Due Diligence of Land Parcel to be carried out.
- Feasibility & Valuation study (02 separate consultants)
- Shortlisting of land parcel
- Based on the reports and achievement of minimum Internal Rate of Return (IRR), the Project Scrutiny Committee puts up the

recommendations including fixing the maximum financial quote for approval of competent authority through concerned Director. Accordingly, further decision is taken for procurement of land parcel.

- JV agreement prepared by Law division in line with the T&C.

NBCC procures the land for Real Estate Developments such Residential Society, Commercial Complex, Office Space etc. NBCC utilizes the land parcel for development after carrying out the Due Diligence, Feasibility study, market study and projects are started when most of these parameters are met."

5.3 When enquired as to the number of housing projects has been undertaken by the NBCC, the Company responded as under:-

"NBCC (India) limited is involved in execution of large number of Housing projects of diverse nature such as: Re-development of Old Govt. Colonies on self-sustainable model, housing for different clients for their staff on PMC basis and housing projects under Real Estate business model of NBCC."

5.4 On further enquiry at later stage of examination about the status of AIIMS Ayurvigyan Nagar and AIIMS Ansari Nagar which are pending on account of land acquisition and environmental clearances, NBCC in their written reply stated as under:-

"There are no issues pending on account of land acquisition in AIIMS Ayurvigyan Nagar and AIIMS Ansari Nagar. Further, Environmental clearance for AIIMS Ayurvigyan Nagar and AIIMS Ansari Nagar project has been obtained vide MoEF& CC letter dated 7<sup>th</sup> February, 2019. Tree cutting approval for both the projects is yet to be received."

5.5 On the issue of pending projects and the nature of pendency in the Netaji Nagar, Nauroji Nagar and Gomti Nagar Projects, the CMD, NBCC during the course of oral evidence on 12.3.2020 clarified as under:-

*"In the case of Netaji Nagar and Nauroji Nagar projects, a few approvals are pending. The tree cutting issue is pending. The final approval from NDMC is pending. That is likely to take a little more time. .... Recently, one clause has come in regarding the fire instruction that the last lift in one of the blocks has to go one story higher so that people can be evacuated from the top also. So, there is a slight change in the drawing but we are likely to get the approval.*

*The other project, which is stalled, is the SDMC headquarters. It is near Pragati Maidan. The people over there have raised certain objections. Yes. So, we have not been able*

*to get clearance till now. ....सर, गोमती नगर में अभी हमने कामर्शियल डेवलपमेंट  
वाला पोर्शन टेकअप कियाहै।We have started it around two months back. It  
will take around one-and-a-half years to complete it."*

## **CHAPTER-VI**

### **CONTRACTS AND PAYMENT MECHANISM**

#### **A. Tendering Process**

6.1 NBCC in a written note informed about the methodology adopted by NBCC in its rendering process and also highlighted the measures taken in ensuring Transparency & Accountability in its tendering system.

##### **(i) Methodology**

- The process of tendering has been centralized for maintaining uniformity and control over procedures. A separate division in HO, namely Central Procurement Group (CPG), has been functioning to call all tenders valuing more than Rs. 25 Crore for award of work to contractors and Rs.250 crore to consultants.
- All works above Rs. 25 lakh are being invited through e-tendering system.
- All tenders for works valuing Rs.50 crore and above are invited on EPC mode.
- Tender documents are prepared by Tender formation Committee (TFC) at the zonal level and after approval by the concerned RBG/SBG Head sent to CPG for inviting tender.
- Standard bidding documents i.e. General Conditions of Contracts (GCC) and procedures i.e. Works Manual are being followed for tendering process.
- Pre-bid Meeting is convened for redressal of queries from intending bidders, the date of holding pre-bid meeting is decided in advance and given in NIT for transparency. The replies to pre-bid queries are uploaded on e-tendering website for information of all the prospective bidders.
- Date of opening of Technical bid is mentioned in the NIT. Technical Evaluation is carried out by TSC and recommendations are sent for opening of financial bid for approval of Approving Authority.
- The award of work is approved by the approving authority as per sub-delegated powers to them.
- The bidders who quote the lowest amount are declared as L-1 bidder and the work is awarded to the bidder after approval from the Approving Authority.

##### **(ii) Transparency & Accountability**

- Standardization of bidding documents and guidelines, thereby, no scope of exercising discretionary powers by any authority.
- All dates of pre-bid meeting opening of bids etc. are predefined and mentioned in the NIT itself.
- Adoption of E-tendering system
- EMD of unsuccessful bidders is released automatically within 15 days of opening of price bid without any request from bidder.
- Independent responsibilities of Tender formation Committee (TFC) at the zonal level and Tender Scrutiny committee (TSC) at HO level have been defined in the Works Manual.
- Empanelment of contractors/ consultants is done with e-tendering system which is open throughout the year.

- Integrity Pact has been adopted in the Company. Independent External Monitors (IEMs) have been appointed in consultation with CVC who closely monitors the tendering processes and review the tenders periodically and deals with all complaints and corruption issues.”

**B. Mechanism for payments to third parties by NBCC**

**(i) Procedure for release of payments to contractors**

6.2 On a query regarding mechanism for payment to third parties, the Company informed that the contracts are awarded by the respective Contract Procurement Group (CPG)/ Regional Business Group (RBG) /Strategic Business Group (SBG) after following the due procedure laid down by the company. The letter of award is issued to the contractor/consultant for execution of the work as per the terms and conditions of the General Conditions of Contract (GCC). The step by step procedure adopted by NBCC for Release of Payment to Contractors is as follows:

- 1) Checking of Bill is carried out as per Works Manual and as per the Contract Agreement of respective Consultants/Contractors with NBCC by respective Project Finance-in-charge.
- 2) After the approval of contractor/consultant bill by RBG/SBG Head, Project Finance-in-charge creates works expenses/consultancy expenses and subsequently book turnover based on the bills raised to the client in the financial books.
- 3) After the bill is passed for payment the requisition for making the payment to contractor/consultant is sent to Fund & Treasury division, Head Office by the RBG/SBG as per respective SDOP clauses.
- 4) The RBG/SBG Finance Head submits the requisition after ensuring/certifying/satisfying about the following in the online service bill requisition:
  - I. Project Fund Status Report, which shows availability of funds in the Project A/c is correct in all respect and is correctly tallied with books of accounts/ Payment Register maintained at RBG/SBG Project Level.
  - II. The Funds shown as available in Project Fund Status is actually available for payment to the contractor including PMC Margin as per the Contract Agreement.
- 5) RBG/SBG Head will ensure the availability of funds before authorizing online requisition.
- 6) Final payment is released by Fund & Treasury division, Head Office after verifying the outstanding liability of contractor and availability of fund in the respective project as per fund status report.

6.3 The NBCC further informed that as per General Conditions of Contract of NBCC, the contractor shall become entitled to payment only after NBCC has received the corresponding payment(s) from the client/owner for the work done by the contractor. As the payment procedure is regular by way of running account bills, the payments are released in regular fashion. However, some payments take more time in its release due to non-receipt of fund from client/owner of the work, pending approval of revised cost, deviation in quantity, extra items, substituted items,

extension of time from clients, non-submission of documents from contractors as per terms and conditions of the contract, pending statutory compliances by contractors etc. The payments to third parties are dependent on eventualities like receipt of fund from client/owner of the work, approval of revised cost, deviation in quantity, extra items, substituted items, extension of time etc from clients, non-submission of documents in time from contractors as per terms and conditions of the contract, pending statutory compliances by contractors etc.

6.4 The Committee was also informed that information w.r.t vendor-wise quantum of pending amount has been uploaded on NBCC's website which can be viewed by clicking at the link (a) <https://www.nbccindia.com/pdfData/Vendor/Appendix I and%20 II.pdf> and/or (b) go to NBCC Website [www.nbccindia.com](http://www.nbccindia.com) on home page --> Go To Explore and select vendor payment details."

**(ii) Delay in payments to the Contractors**

6.5 The Committee was informed about the position of pending payments by NBCC as under:

As on	Total Line items	Total Outstanding amount (Rs. in crores)
31.12.2019	3055	2024
09.03.2020	2482	1184

6.6 The Committee was further informed that during the above period, payments worth Rs. 840 crores were released to contractors and 573 cases (line items) were fully settled."

6.7 On being enquired by the Committee about the details of pending payments to be made by NBCC to contractors during the last five years, the Company in their written replies responded as under:-

"Total Outstanding Payments to Contractors comes to Rs. 1184 crores as on 09.03.2020 (against the balances of 31<sup>st</sup> December, 2019 which were – Rs. 2024 crores.). Out of this Rs. 80 crores are outstanding for more than five years."

6.8 The Committee was informed that following were the major reasons for non-payments :

1. Non realization of debtors from client
2. Withheld for non-fulfillment of contractual condition such as mile stone etc.
3. Non submission of documents such as Insurance policy, challans etc.
4. Non fulfillment of Taxation requirement such as non deposition of GST and non-submission of GST returns
5. Pending approval from client such as EOT, extra items etc.
6. Matters under Litigation

(iii) **Measures to avoid delay in payments**

6.9 On being enquired about the mechanism devised to ensure timely payment to the agencies including contractors, the Company in a written note responded as under:-

“The payment procedure is regular by way of running account bills, the payments are released in regular fashion. However, some payments take more time in its release due to non-receipt of fund from client/owner of the work, pending approval of revised cost, deviation in quantity, extra items, substituted items, extension of time from clients, non-submission of documents from contractors as per terms and conditions of the contract, pending statutory compliances by contractors etc.

There is already a mechanism in place to release the payments to contractors in line with the agreement/ GCC which in turn is based on realization of dues from Clients. However, to further smoothen the payments to contractors in current scenario, regular letters are being written to clients along with physical follow-up by NBCC Officials for realization of dues from Clients by settling down the observations raised by them and the results for the same have started to come.”

6.10 On a query regarding mechanism to redress the complaints of contractors, CMD, NBCC during the course of oral evidence on 12 March, 2020 submitted as under:-

*"A grievance portal has been developed for contractors and consultants where they can login directly and register their complaints. I do not have the exact figures. But about 70 to 80 per cent have been resolved."*

## CHAPTER -VII

### NBCC IN STRESSED PROJECTS OF PRIVATE BUILDERS

#### **A. Engagement of NBCC in Stressed Projects**

7.1 With regard to the role of NBCC in the stressed projects of private builders, the Committee enquired about the nature and degree of involvement of NBCC and also whether the NBCC had received any directions from Government. The NBCC informed through a written reply to the Committee as under;

"Yes, The Hon'ble Supreme Court has expressed its desire to involve NBCC in fulfilling the housing needs of the public at large in projects of Amrapali & Unitech companies and also in Jaypee Infratech Ltd as under:-

#### **(a) Amrapali Projects**

The Hon'ble Supreme Court of India vide order dated 02.08.2018 directed NBCC to submit the proposal for completion of 16 stalled/incomplete projects(9 projects in Noida and 7 projects in Greater Noida) having total incomplete inventory of approximately 46000 units. Accordingly NBCC submitted its detailed proposal on PMC basis 04.09.2018 which was approved by Supreme Court vide its Order dated 23.07.2019 The Hon'ble SC has appointed Sh. R. Venkataramani as Ld. Court as 'Receiver' to look after the works and organize funds for completion of project. As per Supreme Court Order , NBCC will be PMC for this project and will be paid PMC fees @8% and all funds will be provided to NBCC through various mechanisms as per Court directions.

NBCC has started 2 projects, Eden Park in Noida & Castle in Greater Noida having 618 units. These works have been completed. In addition, 8 more projects having more than 12000 units have been started with full pace. For balance works directions are awaited from Ld. Court receiver.

#### **(b) Unitech**

The Hon'ble Supreme Court vide order dated 09.05.2019 and subsequently order dated 05.07.2019, has requested Union Government through Attorney General of India to render his assistance to the court with a view to explore whether the entire process of completing the unfinished construction projects as well as the management of the company can be suitably taken over and entrusted to an agency nominated by Union Government to fulfill the obligations due to the homebuyers.

Union Government, on receipt of the said directions of Hon'ble Supreme Court, Nominated NBCC (A Govt of India PSU) to take up the construction of unfinished projects of Unitech as a Project Management Consultancy (PMC). Accordingly NBCC had submitted a proposal to the court for consideration and necessary approval 22.07.2019. The Hon'ble Supreme Court ordered Ld. Amicus Curie to upload the proposal of NBCC on the online platform, in order to receive the suggestions from all stakeholders which was carried out by the Amicus Curie.

Further, Hon'ble Supreme Court accepted the Proposal of Union government to take over the management of Unitech and suspended the existing board of Unitech vide its order dated January 20, 2020. The new board has been asked to come out with a resolution framework within two months from the date of order. As yet, NBCC has no role in this project.

**(c) Jaypee Infratech Limited**

The Company (JIL) is under insolvency process under IBC code. NBCC had submitted the resolution plan for its restructuring as a Resolution Applicant on 15.02.2019 and revision on 02.04.2019 which was rejected by the CoC. Further on the direction of Supreme Court, NBCC submitted Salient Features of Revised Resolution Plan to the Supreme Court 17.10.2019 But the SC returned the same & subsequently asked IRP to call for revised plans from NBCC & Suraksha only. It set stringent timelines of 90 days to complete the entire process.

NBCC submitted its revised Resolution Plan to IRP on 03.12.2019 & amendment on 09.12.2019. Plan submitted by both NBCC & Suraksha were put to vote by the IRP and NBCC's Plan was approved by 97.36% voting by the CoC. Accordingly, Letter of Intent has been issued to NBCC by the IRP on 17.12.2019

The NCLT Principal Bench Delhi on March 03, 2020 has approved the Resolution plan of NBCC with some modifications & directions. NBCC intends to get amendments on these points from NCALT. Government of India had extended their timely support in providing necessary approvals for submitting the resolution plan and subsequent revisions."

**B. Action Plan for Completion of Stressed Projects**

7.2 When asked how does NBCC plan to complete the stressed projects of private players that have been handed over to them on the orders of the Hon'ble Supreme Court and whether any deadline been fixed for completion of those projects

and also how does NBCC plan to raise the resources required for completion of those projects, NBCC in a written note submitted as under:-

"NBCC has submitted plan for completion of Stalled/incomplete projects of Amrapali Groups before Hon'ble Supreme Court.

NBCC will not contribute, fund, sponsor or otherwise make any investment for the completion of the Project and shall have no responsibility to arrange funds required for completion of the Projects and such funds will be arranged as per the directions of the Hon'ble Supreme Court.

NBCC will charge only PMC fee at the rate of 8% (Eight percent) as fixed by Hon'ble Supreme Court on the "Actual Cost of Work". NBCC will undertake the Projects as Project Management Consultant and shall appoint contractors through tendering process, supervise and manage all the projects till their completion."

7.3 On a similar query the representatives of NBCC during the course of oral evidence on 19 September, 2019 responded as under:-

"आम्रपाली के जो 42 हजार घर हैं, उसके संदर्भ में ही सुप्रीमकोर्ट का जो जजमेंट आया है, उसी के क्लीयरकट निर्देश अभी एनबीसीसी को मिले हैं। इसमें क्लीयरली यह कहा गया है कि within 30 days from this day, homebuyers shall remit the entire money.

बाकी पैसा सुप्रीमकोर्ट देगा और कोर्ट रिसीवर के थ्रू में पैसा रिलीज होगा। उस केबेसिसपर हमने सुप्रीमकोर्ट में ऐफिडेविट फाइल किया है कि एनबीसीसी तभी काम करेगी जब एनबीसीसी को पैसा मिलेगा। एनबीसीसी जो पैसा लाएगी उसमें एनबीसीसी का कोई रोल नहीं है। हम डायरेक्टली होमबायर्स से पैसा कलेक्ट नहीं करेंगे। NBCC will not interact directly with the home buyers or anyone else for mobilising money. It is up to the hon. Supreme Court or the court receiver to provide money. इस बारे में हमारा स्टैंड क्लीयर है। दूसरा, जेपीका चल रहा है जो सीआईआरपी का है। उसका कॉर्पोरेट रेजोल्यूशन इंसोल्वेंसी का प्रोसेस चल रहा है। यह एनसीएलटी में है और इसमें टेकओवर की बात चल रही है। इसमें रेजोल्यूशन प्लान हमने दिया था जो अभी कोर्ट में पेंडिंग है। आपने जो ऐफिडेविट सुप्रीमकोर्ट में दिया है तो क्या सुप्रीमकोर्ट से जो ईनवाइडरेशन आया है? इसका क्या फ्यूचर है? क्या यह बनेगा या नहीं? हमने तो सुप्रीमकोर्ट को कहा है कि पैसा प्रोवाइड करें। उन्होंने सेल के लिए कहा है कि एनबीसीसी भी सेल करने में कुछ करे। इस बारे में भी हमने हमारे व्यूज दिए हैं।

पहले हमने सबमिट किया था कि हम सेल नहीं करेंगे क्योंकि बनाना भी है। अभी कोर्ट ने बोला है कि चूंकि एम्स के सामने इतना बड़ा प्रोजेक्ट सेल किया है तो हम किसी प्राइवेट कंपनी को सेल करने के लिए नहीं देंगे, इसे आप ही सेल कीजिए। अब हम सबमिट करने वाले हैं कि अगर सेल भी करेंगे तो इसका कंसट्रक्शन से रिलेशन नहीं रहेगा। क्योंकि आम्रपाली की सेल डी आरटी ने सुप्रीमकोर्ट के निर्देश पर करने की कोशिश की थी, लेकिन उनको कोई सफलता हासिल नहीं हुई। अभी एनबीसीसी को कहा गया है कि आप देखें कि आप सेल कर सकते हैं या नहीं।"

7.4 As per the statement furnished by NBCC on stressed project, it is expected to earn about Rs.619.33 Crore as PMC from Category 'A & B' of Amrapali Project at Noida and GNIDA projects.

## CHAPTER -VIII

### ROLE OF NBCC AS LAND MANAGEMENT AGENCY (LMA)

#### **A. Concept of Land Management Agency(LMA)**

8.1 Department of Public Enterprise vide OM No. DPE/5(1)/2014-Fin. (part-I) dated 14.06.18 issued guidelines for time bound closure of sick/loss making CPSEs and disposal of their movable and immovable assets wherein NBCC and EPIL were suggested as Land Management Agency. As per above guidelines, LMA is to be nominated by Administrative Ministry/Department/Board of CPSE concerned to manage, maintain and assist in disposal of their assets. Therefore, it is up to the concerned Administrative Ministry/Department/CPSE to appoint NBCC/EPIL as LMA. NBCC has written letters to 75 CPSEs which were under closure on the basis of information gathered from various sources including websites. However, 24 CPSEs have denied and 8 CPSEs are considering appointing NBCC as LMA.

8.2 NBCC has been designated as Land Management Agency (LMA) by Government of India vide DPE OM No. DPE/5(1)/2014-Fin. (part) dated 07.09.2016 regarding time bound closure of sick/ loss making Central Public Sector Enterprises (CPSEs) and disposal of its movable and immovable assets. These guidelines were further amended by DPE vide OM dated 14.06.2019. The mandate of LMA is to assist in disposal of the land/ immovable asset of these CPSEs to Central/ State Government departments after ascertaining utility of the land for affordable housing and also about its requirement from MoH&UA. Fourteen CPSEs have so far appointed NBCC as LMA. NBCC has been able to dispose 19 land parcels measuring about 486 acres at a value about Rs. 870 crore through RFQ and competitive bidding process.

8.3 When asked to furnish the role and functions of NBCC as LMA, the following written reply was submitted:-

"As per DPE guidelines dated 14.06.2018 role and functions of NBCC as land Management Agency as follows:-

1. Identify, Manage, maintain and, if required, engage security agency for the watch and ward of the assets on contract basis for the CPSE against payment.
2. Validate the information provided by CPSE regarding the land/immovable assets.
3. Examination of the current land use, FAR and the land use as per the local laws applicable in that area.
4. Valuation of land on the basis of applicable circle rates and any other information necessary for use/ valuation of land/ building including limitations arising out of nature of title, master plan and State Government restrictions, if any.
5. Work out the reserve price of the land.
6. Assess the use of land for affordable housing and shall ascertain from MoH&UA about any such requirement of Affordable Housing so that such land can be transferred as per guidelines of MoH&UA in this regard.

7. After assessing the requirement of land for Affordable Housing by MoH&UA, the remaining land shall be disposed of as below:

- LMA shall upload all information in respect of said properties on its website for inviting EoI (Expression of Interest)/ RFQ (Request for Quotation) from Central/ State Government Departments/ Organizations for purchase of land by giving one month's time. If the LMA comes to conclusion from the EoI/ RFQ received, land shall be allotted to the Central/State Government Departments as per priority set out in the DPE guidelines at reserve price.
- If the LMA comes to the conclusion from the EoIs / RFQs received that disposal of immovable assets as per priorities set out in the Guidelines would require division of land into parcels to facilitate their monetization, it should bring the matter to the notice of the Administrative Ministry/ Department.
  - LMA shall also submit its recommendations about the further course of action regarding properties which could not be disposed during the bidding."

## **B. CPSEs which appointed NBCC as LMA**

8.4 The Committee was informed that 14 CPSEs have appointed NBCC as LMA. When asked to furnish the list of 14 CPSUs that have appointed NBCC as LMA, the Company submitted the information as under:

<b>S. No.</b>	<b>Name of CPSE</b>	<b>Date of appointment of NBCC as LMA</b>
1.	Hindustan Cables Limited (HCL)	31.01.2017
2.	HMT Bearings Limited (HMTB)	02.02.2017
3.	HMT Watches Limited (HMTW)	02.02.2017
4.	Instrumentation Limited (IL)	03.02.2017
5.	Tungabhadra Steel Products Limited (TSPL)	03.02.2017
6.	Indian Drugs & Pharmaceuticals Limited (IDPL)	03.05.2017
7.	Andaman & Nicobar Islands Forest & Plantation Development Corporation Limited (ANIFPDCL)	22.05.2017
8.	Hindustan Organic Chemicals Limited (HOCL)	31.05.2017
9.	Hindustan Vegetables Oils Corporation Limited (HVOC)	07.07.2017
10.	Bharat Wagon & Engineering Company Limited (BWEL)	08.11.2017
11.	Hindustan Fluorocarbons limited (HFL)	09.05.2018
12.	BieccoLawrie Limited (BLL)	31.07.2018
13.	National Jute & Manufactures Corporation Limited (NJMC)	03.01.2019
14.	Birds Jute & Exports Limited (BJEL)	05.07.2019

### C. Details of Land Parcels Disposed by NBCC

8.5 With regard to the land parcels disposed by NBCC, the following information was submitted to the Committee:

S.No.	Name of CPSE	Property Details		Disposed to	Area disposed
		Location	Total Area		
1	HMT Bearings Limited	Land at Moula Ali Hyderabad	29.33 acre	ISRO	29.33 acre
2	Tungabhadra Steel Products Limited	Land at Hospet Karnataka	82.37 acre	Karnataka Housing Board	82.37 acre
3	Hindustan Organic Chemicals Limited	Land at Rasayani Raigad Maharashtra	440 acre	Bharat Petroleum Corporation Ltd.	440 acre
4		Plot at Khargar, Navi Mumbai	1000 Sqm.	NALCO	1000 Sqm.
5	Andaman & Nicobar Islands Forest & Plantation Development Corporation Limited	Land at survey No. 1573/1/P, Haddo Village, Port Blair	9702 Sqm.	A&N Administration	9702 Sqm.
6		Land at survey No. 38/P, Haddo Village, Port Blair	5265 Sqm.	A&N Administration	5265 Sqm.
7		Land at survey No. 43/P, Haddo Village, Port Blair	8738 Sqm.	A&N Administration	8738 Sqm.
8		Land at survey No. 36/37/47/P, Haddo Village, Port Blair	2373 Sqm.	A&N Administration	2373 Sqm.
9		Land at survey No. 5/10, Lucknow Village, Panighat, Mayabunder, North Andaman	20000 Sqm.	A&N Administration	20000 Sqm.
10		Land at survey No. 123, 124, Mayabunder Bazar, North Andaman	146 Sqm.	A&N Administration	146 Sqm.
11		Land at survey No. 24/4, Mayabunder Bazar, North Andaman	1000 Sqm.	A&N Administration	1000 Sqm.
12		Liasion Office & Guest House at Salt Lake City, Kolkata	6.04019 Cottahs	Wild life crime control bureau	6.04019 Cottahs
13	Hindustan Cables Limited	Land at Mallapur Village Hyderabad	227 acre 27.5 acre	Bharat Petroleum Corporation Ltd.	92 acre
14		Land at Cherlapally Village Hyderabad	96 acre 35 Gunta	Bharat Petroleum Corporation Ltd.	23 acre
15		Land at Narendrapur, WB	2 acre	Intelligence Bureau	2 acre
16		Guest House at Gariaghat Road	3613 Sft.	Intelligence Bureau	3613 Sft.
17	Instrumentation Limited		1.04 acre	Intelligence Bureau	1.04 acre
18		Land at Malviya Nagar Jaipur	1.37 acre	Ministry of Ayush	1.37 acre

**D. Revenue earned on account of LMA**

8.6 When queried on the amount of revenue earned by NBCC on account of it being designated as LMA, the Ministry of Housing and Urban Affairs stated as under:-

"As per DPE guidelines, Land management Agency is entitled to land management fee which would be 0.5% of the value realised from disposal of assets subject to maximum Rs. One crore. Till date Rs. 2.06 crore has been received as LMA fee (including advance)."

## CHAPTER -IX

### PARTICIPATION IN GOVERNMENT OF INDIA'S INITIATIVES

#### **A. Swachh Bharat Abhiyan**

9.1 NBCC in their background note informed the Committee that NBCC has volunteered to associate itself in SWACHH BHARAT ABHIYAAN. NBCC joined the Clean India campaign by pledging support and financial aid under corporate social responsibility (CSR) initiatives. Under the CSR activities, NBCC was involved in the construction of Community & Public toilets under Swachh Bharat Abhiyaan at 30 locations of Municipal Corporations of Delhi (NDMC, EDMC and SDMC) and 100 nos. Bio digester toilets at Schools for Girls students under SwachhVidyalayaAbhiyaan in state of Uttar Pradesh, Rajasthan, West Bengal, Tripura, Assam and Uttrakhand at cost of Rs. 5 Crores.

#### **B. Smart City Projects**

9.2 Ministry of Housing and Urban Affairs, Government of India has envisioned converting 100 Cities into Smart Cities. NBCC aims to assist in infrastructure development by providing construction management services in these projects. NBCC has recently signed anMoU with Raipur Smart City Limited for developing various infrastructure projects at Raipur. Currently, NBCC is working on projects at 5 locations valuing for Rs. 750 Crore.

9.3 When queried on NBCC's role in the development of smart cities, NBCC in a written note responded as under:-

“NBCC is currently not playing any active role in development of smart cities.”

9.4 However, during the course of oral evidence of 12 March, 2020, a representative from NBCC stated as under:-

"हम स्मार्ट सिटी में हम जल्द ही एंटर करेंगे. अभी रायपुर के साथ हम प्रयास कर रहे है"

9.5 When asked why NBCC was not participating in smart city projects, the Secretary, Ministry of Housing and Urban Affairs during the course of oral evidence on 13 March, 2020 responded as under:-

"मैं सब्मिट करना चाहता हूं स्मार्टसिटी के बारे में म्युनिसिपैलिटी नहीं है, बल्कि इसके लिए स्पेशल परपज व्हीकल बनाया गया है, जो कंपनी एक्ट में कंपनी है।इसमें कुछ राज्यों में वहां के म्युनिसिपल कमिश्नर को ही सीईओ बना दिया गया। कुछ राज्यों में कुछ एक्सपर्ट्स को बाहर से लेकर रसीईओ बना दिया गया, कुछ राज्यों में किन्हीं और अधिकारियों को बना दिया गया। हमारा देश इतने अलग तरीके का है, It is a company, not a municipal corporation. स्मार्ट सिटीमें टोटल प्रोजेक्ट में 100 शहर हैं, इनका एग्रीगेट 2 लाख 5 हजार करोड़ के आसपास है। इसमें आज की तारीख में लगभग 1 लाख 20 हजार करोड़ के काम ग्राउंड हो चुके हैं, कंस्ट्रक्शन का काम चल रहा है, और करीब 1 लाख 62 करोड़ के काम काटेंडर हो चुका है। एनबीसीसी को हम सीधे एलॉट नहीं कर सकते हैं जैसे बहुत से काम एलंडटी कर रही हैं, बड़ी कंपनियां कर रही हैं। मैं रिव्यू कर रहा था और कहरहा था

आप इनके काम को देखिए, आप पार्टिसिपेट कीजिए और अपने बल पर काम लीजिए। होता यह है कि आपको एलॉट करते हैं की आप इसे कीजिये जैसे कहीं कोई काम फेल हो रहा है तो हम भारत सरकार की कंपनी के तौर पर दे देते हैं, They should participate on the basis of their strength, and they have the strength. They are also participating in some of the Smart Cities. 100 स्मार्ट सिटी में ये लोग पार्टिसिपेट कर रहे हैं, अच्छा खासा काम मिल सकता है। Let me tell you that Smart City is only a laboratory. The vision of our Prime Minister is that every city must become a Smart City. हमारी जो लर्निंग स्मार्ट सिटीज़ से हो रही है, जिस प्रकार से रिसोर्स को बेहतर तरीके से यूज कर रहे हैं, यह हर शहर में होनी चाहिए। एनबीसीसी इस बात को सोच सकता है, Can that learning be translated to Jaunpur and Ghazipur? यह भी सोचने की बात है, क्योंकि आने वाले समय में रियल एस्टेट और रकंस्ट्रक्शन सेक्टर के प्रोजेक्शन हैं, We are making one Chicago every year. हाउसिंग सेक्टर में 1 करोड़ 12 लाख का एसेस डिमांड की थी, जिसमें 1 करोड़ 4 लाख सैक्शन कर चुके हैं और करीब 62 लाख मकान ग्राउंड कर चुके हैं, 33 लाख मकान कंस्ट्रक्ट करके लोगों को दे चुके हैं। Construction is happening in a big way. NBCC is a Navratna company and it is a listed company on exchange. एनबीसीसी को यह एस्पेक्ट नहीं करना चाहिए कि भारत सरकार काम एलॉट करे, They should come on their own strength."

### **C. JNNRUM Scheme**

9.6 On a query regarding undertaking of a project in Srinagar and Jammu under JNNRUM scheme, NBCC in their written reply responded as under:-

"NBCC is doing comprehensive sewer scheme work in greater Jammu and Srinagar. Due to closure of JNNRUM scheme and later its merger with AMRUT, NBCC have not been able to get funds on these projects for closure. The revised sanction cost for both the projects is 288.2 Crores out of which work amounting to Rs. 195.30 Crore work have been completed. The balance funds required to complete the projects is Rs. 107 Crores. The project-wise breakup of balance fund to be released are as under:-

Comprehensive Sewer Scheme work in Jammu – Balance fund required – Rs. 45.95 Crore.

Comprehensive Sewer Scheme work in Srinagar – Balance fund required – Rs. 61.20 Crore."

9.7 When queried about the measures taken to take over the Jammu and Srinagar Projects, CMD, NBCC during the evidence on 12 March, 2020 stated as under:-

"जब जम्मू-कश्मीर में स्टेट गवर्नमेंट थी, तो वहाँ के डिप्टी चीफ मिनिस्टर आए थे और हमारे मंत्री जी से उन की मीटिंग हुई थी। उन्होंने रिक्वेस्ट की थी कि थोड़े-से काम बचे हुए हैं, लेकिन पोजिशन यह थी कि जे एन एन यू आर एम में कोई फंडिंग पॉसिबल ही नहीं था, तो उस समय भी स्टेट गवर्नमेंट को सजेस्ट किया गया था कि आप अपने यहाँ सेफंड दे दीजिए। हॉमैडम, हमने नई चिट्ठी भेजी है। पिछले सात-आठ दिन पहले ही जम्मू में मीटिंग हुई थी। उसमें सी एम डी साहब भी गए थे।"

### **D. Skill India Mission**

9.8 The Committee was informed that in line with the Central Government's initiative towards Skill India Mission, NBCC has given certificates to 1400

construction workers who have been equipped with a new set of skills in tune with changing face of the country's construction sector. On completion of the Recognition to Prior Learning programme under Pradhan MantriKaushalVikasYojana (PMKVY) in collaboration with CSDCI and CII, the certificates are awarded by senior officials of NBCC, CSDCI and CII.

**E. Affordable Housing Projects**

9.10 When asked, if any affordable housing projects have currently been undertaken by NBCC, the Company clarified as under:-

“No affordable housing project has currently been undertaken by NBCC.”

**CHAPTER - X**  
**REDEVELOPMENT PROJECTS**

**A. Redevelopment of Old and Dilapidated Government Colonies**

10.1 Due to the increased focus of Government towards development of metropolitan cities such as Delhi, Mumbai etc., Redevelopment of old Government housing colonies as per the latest Delhi Master Plan – 2021 norms has been identified as one of the key strategies which would lead to overall development.

10.2 NBCC, has been entrusted for carrying out re-development of Government properties for which NBCC has adopted Self Sustaining model, it does not call for any Government Funding. The re-development work which basically is the extended area under real estate segment of the Company, has caught the imagination of the stakeholders today and NBCC being an organization having exclusive expertise in the field, finds itself among huge opportunities for its future growth. NBCC is looking forward to capitalize on these growth opportunities by participating in the construction and development of residential and commercial properties, low cost and affording housing and provide green building solutions, sustainable & environment friendly solutions, urban water & sewage treatment for the planned smart cities.

10.3 NBCC is being involved in redevelopment of GPRA at New MotiBagh and is also currently involved in the execution of prestigious project of Redevelopment of East Kidwai Nagar. These townships at New MotiBagh and East Kidwai Nagar are in the line of Mini Smart Cities having Waste Management, Green Building concepts, various sustainable & environment friendly features etc. Three more re-development works of old government colonies at Netaji Nagar, Nauroji Nagar and Sarojini Nagar in the capital have already been allocated by the Government.

**B. Redevelopment of ITPO**

10.4 NBCC has been entrusted with the redevelopment of existing PragatiMaidan Complex into a World class state-of-the-art Integrated Exhibition-cum-Convention Centre (IECC). To be implemented at a cost of approx. Rs 2,500 Crore, this project would provide comprehensive solutions to decongest traffic in and around Pragati Maidan providing huge relief to the general public. Once redeveloped, IECC will be a landmark spot in Delhi and a symbol of Hon'ble PM's vision of 'New India'.

**C. Redevelopment of AIIMS Western Campus and Ayurvigyan Nagar, New Delhi**

10.5 AIIMS has contracted NBCC for the redevelopment of AIIMS Western Campus and Ayurvigyan Nagar, New Delhi to construct 3,000 flats in two and half years time at a cost of Rs. 5828 Crores.

**D. Redevelopment of Railway Stations**

10.6 NBCC has shown its willingness to undertake redevelopment works of old Railway Stations such as Varanasi, Jaipur, Kota, Sarai Rohilla, Thane, Margo (Goa), Bhubaneswar, Lucknow, Tirupati and Puducherry. on global standards.

**E. Redevelopment of Projects outside Delhi**

10.7 NBCC has taken the redevelopment model of self-revenue generation outside Delhi to other states such as Rajasthan (Jaipur), Odisha (Bhubaneswar), Maharashtra (Wadala Mumbai) and NER states like Tripura (Agartala).

**F. Preservation of National Heritage**

10.8 NBCC has taken keen interest in the protection of the country's national heritage, art and culture including restoration of buildings and sites of historical importance. Renovation work at PuranaQila, lighting works at Red Fort and renovation of Historic Victoria Memorial & Indian Museum in Kolkata are few such examples.

## **CHAPTER -XI**

### **RESEARCH AND DEVELOPMENT ACTIVITIES**

#### **A. Technological Advancements**

##### **(i) Adoption of Latest Technology**

11.1 The Committee was informed in a written reply submitted to them that the NBCC always endeavours to execute projects with world-class technology and deliver these within given time-frame. The company has consistently improved its execution capabilities with the adoption of latest new technology. Some of the new technologies under implementation are:-

- Diagrid steel structure system
- Cable net glazing system
- Monolithic concrete construction system using aluminium formwork
- Light gauge steel framed structure
- Composite structure
- Construction of basement with Diaphragm Wall
- Co-Polymer Based Rainwater Harvesting Structure
- Di-Grid System and Deck Slab and with Precast Partition

11.2 It was further submitted that NBCC has been extensively using the following Technological advancements in its projects for the benefit of the nation:

- High Performance Envelope - Wall, Roof & Glass
- Insulated Green roof to avoid heat ingress
- Energy efficient lighting systems
- Use of Solar PV power for street lights & water heating
- Maximize recovery of recyclable C&D material(s);
- Maximize reuse of recovered material in construction activity;
- Minimize waste quantity that requires landfill disposal;
- Increase life of sanitary landfill site(s)

##### **(ii) MOU with International Partners for World Class Technology**

11.3 Explaining further, it was informed that the NBCC has signed MoU with International Partner for introduction of world class technology in Indian Construction industry. Some of them are given below:-

- NBCC has signed anMoU with Hungary based Gremound Engineering Limited for adoption of a non-tectonic system that employs a unique

concrete technology for faster construction of mass housing projects. This is facilitated by the establishment of a factory that produces modules suitable for building housing units of any category and shape.

- NBCC has also signed a MoBE with a Polish Firm named Bollix SA in order to bring in highly energy efficient ETICS Technology solution to India and its neighbouring countries for its adoption in construction of Green Buildings.
- An MoU with FortumOyj, a Finland company for developing electric vehicle charging infrastructure in all upcoming NBCC construction projects across India in order to be future-ready. 22 KW AC Charger for Electronic Vehicles (EVs) installed at GPRA, New MotiBagh Colony, New Delhi were inaugurated on 04.10.2017 as a value addition towards green initiatives of NBCC at this GPRA Complex.

#### **(ii) Use of latest Construction Technology**

11.4 Citing few examples of the projects executed by NBCC whereby latest construction technologies have been adopted, the Committee was informed that these projects are Redevelopment of GPRA at East Kidwai Nagar (New Delhi), ITPO works (New Delhi), National Museum of Indian Cinema (Mumbai), DCP Office cum Delhi Police Station at IGI Airport (T-3) (New Delhi), office complex of DGS&D work (New Delhi), NIT, Narela (New Delhi), UIIC (Chennai) etc."

11.5 The Committee was also informed that the technologies which have been proposed by the Ministry of Housing and Urban Affairs for implementation by NBCC, viz., Monolithic Concrete Construction System Using Aluminum Form Work, Monolithic Concrete Construction System using plastic Aluminum Formwork, Industrialized 3-S System using Cellular Light Weight Concrete Slabs & Precast Columns (Pre-Cast/Prefab). The adoption of the above three technologies results in faster & better quality of construction and reduction of pollution from dust emitting from construction sites due to use of offsite manufactured concrete elements/members, eliminating the traditional brick mortar on-site construction activities. NBCC has constructed/ is executing various projects with technologies like Composite Steel Structures, Pre-Cast, Pre-Stressed Technology and Mechanized, Co-Polymer Based Rainwater Harvesting Structure etc.

#### **(iv) Engagement of IITs in R&D Activities**

11.6 On a query regarding engagement of IITs and institutes with NBCC in R&D activities, the CMD, NBCC during the course of evidence on 12 March 2020 responded as under:-

"हम आरएंडडी वर्क, आईआईटी, रुढ़की के साथ कर रहे हैं और उसमें 15-20 प्रोजेक्ट्स हैं। उसमें दो एडवांसस्टेज में आ गए हैं जिसमें हम पेटेंट लेने जाएंगे। यह दो करोड़रुपए का फिगर मैदेख रहा था। हमने इसपरकाफी खर्च किया हुआ है।"

## **B. Capacity Building and R&D**

11.7 When asked to explain the system put in place by the Company with regard to capacity building and R&D activities, NBCC submitted as follows:-

"NBCC has formed "Centre for Innovation & R&D" division in collaboration with IIT Roorkee in the year 2014 to look after R&D activities. Thus, NBCC has adopted an approach of collaborative R&D for capacity building to carry out R&D activities. Accordingly, we have sponsored research projects to IITs and premier research organizations and till date 19 projects has been sponsored. NBCC allocates 1% of PAT towards R&D budget annually. MoU was signed with IIT Roorkee on 7th November, 2014 for establishing a R&D centre on "Sustainable Civil Infrastructure" at their Greater Noida Extension Campus for undertaking Research projects, training of NBCC Engineers etc. Further, MoU has been extended for next 5 years."

11.8 As informed to the Committee, the NBCC has signed MoU with (i) Hungary based Gremound Engineering Limited for adoption of a non-tectonic system that employs a unique concrete technology for faster construction of mass housing projects. (ii) Polish firm named Bollis S.A in order to bring in highly energy efficient ETICS Technology solution to India and its neighbouring countries for its adoption in construction of Green Buildings and (iii) Fortum Oyj, a Finland Company for developing electric, vehicle charging infrastructure in all upcoming NBCC construction projects across India. On being enquired about the status of implementation of these MoUs, NBCC in a written note submitted as under:-

"NBCC entered into strategic MOUs/MoBEs with foreign agencies in order to introduce new / latest technologies in upcoming building related works. The broad scope was to enhance capacity building through mutual collaboration. However, during the course of its implementation, it was observed that due to several factors such as non proven / certified technologies, high cost of supply & installations and clients acceptance, these technologies could not be infused in our projects. Moreover, all the three MoUs / MoBE have expired and due to aforesaid reasons, NBCC did not extend its validity."

11.9 The Committee was further informed that the following procedure is adopted to identify & allocation of R&D proposals to different IITs and research organizations:

1. Receipt of research proposals from IITs & other premiere institutes
2. Scrutiny of the research proposals in the R&D Division

3. Evaluation & Concurrence of research project from R&D Committee of Directors for sponsorship
4. Approval of research proposals by NBCC Board for Sponsorship
5. Issue of Lol to the PI/Institute for research projects for sponsorship
6. Periodical Submission of interim project progress by the PI
7. Periodical review of R&D activities/projects by R&D Committee of Directors
8. Submission of final reports, its evaluation and acceptance by NBCC Board
9. Sharing the outcome by publishing paper, ERP, magazine etc.
- 10 Patent & Commercialization based on the outcome of the research projects

### C. R&D Expenditure

11.10 The details of allocations made and expenditure incurred in various Research and Development activities of the Company during the last five years are given as under :-

S.No.	Financial Year	R&D Budget (In lakhs) 1 % of PAT	Expenditure (In lakhs)
1	2014-15	Rs. 277.30	Nil
2	2015-16	Rs. 308.80	Rs. 249.78
3	2016-17	Rs. 351.10	Rs. 8.96
4	2017-18	Rs. 351.00	Rs. 241.84
5	2018-19	Rs. 333.00	Rs. 210.85

11.11 On being pointed out about the low expenditure *vis-a-vis* the allocated budget, the Company in their written reply responded as under:-

"The deficit in expenditure *vis-à-vis* the budget provision of R&D activities is due to the fact that R&D work is a long time consuming/taking process. Secondly, we are striving hard for receipt of appropriate fresh research proposals for sponsorship from the reputed research organization. Further, most of the sponsored research projects have long duration ranging from 3-5 years and there is a provision of release of grant/installment with respect to progress of the research work. Accordingly in the unfinished sponsored research projects the expenditure to be incurred shall have to be carried over to the next financial years. Hence it is expected that the expenditure on R&D will increase in future with the boost in R&D activities."

11.12 On a similar query on low expenditure under R&D, a representative of NBCC during the course of evidence on 12 March 2020 responded as under:-

"सर, जो सरकार के गार्डलइनेस है, उनके हिसाब से प्रॉफिट टैक्स का एक प्रतिशत खर्च कर रहे थे। इस तरह से लगभग तीन करोड़ रूपए सालाना हमारी रेक्विरेमेंट आती है।"

11.13 However, the DPE guidelines, on R&D for Administrative Ministries/CPSEs issued in 2015 provided on the official website of DPE stipulates as under:-

'The CPSE must specify and justify its R&D budget as a percentage of Profit (PAT) keeping in mind its long term business needs and current expenditure on R&D. The expenditure on R&D as a percentage of PAT will have 50% weight in the total marks of 5 in the MoU. The prescribed minimum amount for expenditure under R&D will be as under:-

S.No.	Category of CPSE	Minimum Expenditure on R&D as a percentage of PAT
1	Maharatna & Navratna	1% of Profit after Tax
2	Miniratna - I & II and below	0.5% if Profit after Tax

11.14 In MoUs to be signed between CPSEs and administrative Ministries/Departments from the year 2011-12 onwards, 5% weightage out of 50% for non-financial parameters has been earmarked for R&D activities.

11.15 The rationale behind encouraging CPSEs to undertake R&D activities as provided in the DPE guidelines is as under:-

'The rationale behind R&D activities for CPSE's is the changed business environment is highly competitive markets, the rapid pace of change in technology, stringent emission norms, quality control criteria, heightened expectations and demands of customers, lack of transfer of technology and know-how from competitors, etc. R&D activities by CPSEs can result in substantial increases in market share and competitiveness. They would help to increase profitability and reduce costs. R&D is also a vital input for strengthening the defence preparedness of our nation. R&D initiatives can further help strengthen our country's technological capabilities, ensure growth and help in the creation of jobs. They would also allow CPSEs to address the new challenges and opportunities in increasingly competitive global markets. R&D programs will create opportunities for the young and educated youth and will help in retaining talent within the country. Focused R&D programs; combined with new international partnerships, can help to address global issues such as climate change, health energy security, food security and poverty alleviation.'

#### **D. Future R&D Activities in NBCC**

11.16 When asked about the future of R&D activities in NBCC, the Secretary, Ministry of Housing and Urban Affairs during the course of evidence on 13 March, 2020 submitted as under:-

"पिछले तीन साल पहले जब मैंने अपने मंत्रालय में सेक्रेटरी का काम संभाला, इन्हें मैंने सीधे आदेश किया कि there should be focus on the new technology. टेक्नोलॉजी हमारा मेजर फोकस होगा। आज की डेट में इनके जितने भी काम हो रहे हैं, सारे के सारे काम ये नई टेक्नोलॉजी का प्रयोग करके कर रहे हैं। जैसे कि हमारा चाहे ईस्ट किडवर्ड नगर में काम होया अभी जो सेवन कालोनीज में काम हो, उसमें रिसोर्स एफिशिएंट वर्क, जैसे पानी का भी कम से कम प्रयोग हो, हम मिनिमम पर्यावरण को डैमेज करें, टेक्नोलॉजी का प्रयोग करके इस प्रकार से काम कर रहे हैं। इससे कॉस्ट भी कम हो रही है। न केवल यहाँ पर, बल्कि सारी जगह इसी तरह से ही कार्य कर रहे हैं। मुझे ऐसा लगता है कि इन्हें आज की डेट में एक मेजर अपॉर्च्युनिटीज है।"

## **CHAPTER - XII**

### **ENVIRONMENTAL CONCERNS AND WASTE MANAGEMENT SYSTEM**

#### **A. Measures to address Environmental Concerns**

12.1 The Committee desired to know the measures being taken by the NBCC to address the environmental concerns. The Company informed about the major technological innovations during the last five years that specifically tackle environment degradation. In a written reply, the NBCC further elaborated as under:-

"The main pollution caused during the construction activities is dust, Construction & Demolition waste. The focus of the company is to minimize pollution and achieve zero waste emission during its construction activities. This is achieved through recycling of Construction and Demolition waste which can be reused in the construction process. NBCC has taken the initiative to mitigate C&D Waste generated from the project at Redevelopment of Kidwai Nagar (East). An in situ 150 Ton per Day C&D waste Recycle Plant has been established with a mandate of ZERO waste. The Plant is producing 7.5 MPa Class bricks, which is being used in the project. Recycling of domestic solid and liquid waste both biodegradable and non biodegradable through sewage treatment plants in majority of projects. Use of fly ash bricks & fly ash based cement in majority of projects which in turn helps in disposal of fly ash generated from thermal power plants. Besides this, NBCC adopted following measures for reducing environmental pollution:-

- a) Wind-breaker of appropriate height  $1/3^{\text{rd}}$  of the building height and maximum up to 10 meters is provided.
- b) Grinding and cutting of building material in open area is prohibited.
- c) No uncovered vehicle carrying construction material and waste is permitted.
- d) Water sprinkling system shall be put in place.
- e) No loose soil or sand or construction & demolition waste or any other construction material that causes dust is left uncovered.
- f) No excavation of soil is carried out without adequate dust mitigation in place.

#### **B. Waste Management System**

12.2 NBCC is involved in execution of large value redevelopment projects at East Kidwai Nagar, Nauroji Nagar, Netaji Nagar and Sarojini Nagar. These are large value Redevelopment Projects involving Dismantling/Demolition of existing Govt. Quarters,

other Infrastructure and then Redeveloping the area into commercial complex (Nauroji Nagar), part Commercial and part GPRA (Sarojini Nagar) and GPRA (Netaji Nagar).

**(i) Construction and Demolition Waste Management System**

The Committee was informed about the construction and demolition waste management system being followed in NBCC as under :

These projects involve management of huge Quantities of Demolition Waste as well as some Quantity of Construction waste. NBCC has entrusted the work of Demolition of these projects to various Demolition Contractors wherein it has been made mandatory on the part of Contractor to transport and deposit the complete Demolition Waste except Salvageable material at a recognized C&D waste management facility within Delhi /NCR and paying processing fee in lieu of the same. Thus, the entire Demolition waste is being deposited for processing at C&D waste management facility. Since no construction work is going on presently at Site, thus, taking off any by-product generated from processing of these Demolition waste at present is not possible. Further, NBCC has formulated a contract document for the contractor to whom the construction work will be awarded, wherein we have made it mandatory on the part of construction contractor to Procure and utilize various recycled products in his construction activities like Bricks, Aggregate, Kerb Stones, Paver Blocks etc.; from the same recycling facility commensurate with the Quantity of C&D waste. Thus, it can be seen that complete C&D waste is going to be utilized into the project itself and nothing will remain to become a burden on Environment and Govt. dumping facilities'.

**(ii) Solid Waste Management System**

12.3 The Committee was informed that the proposed Redevelopment projects aim to establish a systematic Waste Management system with stipulated techniques. The details of solid waste management system were given by NBCC in a written submission as under:

**(a) Organized Collection & Segregation of Waste:**

Segregation of Municipal Solid Waste (MSW) will be encouraged at the source itself, by provision of separate wet/dry bins in each unit, provision of Garbage chutes and dedicated collection bins, both in basements and public areas. All the segregated garbage will be treated as per the MSW Rules, 2016.

**(b) Organic Waste Compactors (OWC):**

Bio degradable waste will be treated in the proposed OWC and the resultant manure will be used for green belt development/gardening. Balance manure will be supplied for gardening and development of neighbouring city greens.

**(c) Recyclable Waste to be recycled at Site or compacted and outsourced to External agencies:**

Dedicated recycle plants will be installed at site, for Plastic and paper waste. In addition, in case of excess demand, waste compactors will be installed at dedicated locations on site, which are easily accessible from the main roads. The Recyclable waste will be collected here and outsourced for recycling to selective External agencies'.

12.4 The NBCC further informed that there will be no transportation of liquid waste & solid waste from the site to landfills, which will reduce the burden on the civic infrastructure of local bodies. Further, the pollution created by transportation of these wastes shall be eliminated. Overall, the aim is to create a zero-discharge community, where all members of the neighborhood will be participants in the process of garbage segregation, channelization, recycling and disposal; making them more aware and responsible towards their surroundings'.

## **CHAPTER - XIII**

### **DIVERSIFICATION AND OPPORTUNITIES**

#### **A. Diversification**

13.1 Since its inception in 1960, NBCC's mandate has been to execute high quality construction projects. Operating into three business segments, viz., Project Management Consultancy (PMC), Engineering Procurement & Construction (EPC) and Real Estate Development (RED), the company has now diversified into redevelopment of existing government properties on a self-sustainable model in addition to its role as Land Management Agency (LMA) for disposal of movable and immovable assets of sick and loss making CPSEs. The land mark Zero Waste Redevelopment Projects at New MotiBagh and East Kidwai Nagar executed by the Company, have indeed brought in a paradigm shift, showcasing the way the project of sustainable built-up environment can be delivered.

13.2 When asked to elaborate on its diversification activities to be undertaken by the Company in future, the Company in their written reply stated as follows:-

“With renewed thrust of the government on infrastructure and real estate sectors, the Company is poised for a phase of high-growth in the near and mid-term. With its combination of experience and expertise, capacity and capabilities, reach and presence – complimenting a diverse business model, the Company is on track to reap rich benefits both in India and Overseas. Various areas whereby NBCC intends to diversify in future or may look into are mentioned in brief as under:-

A key emerging area where the Company is looking at making significant and worthwhile contribution is in executing stalled and stopped projects of realtors who are under financial stress or other problems. Completing these stalled projects will go a long way in delivering homes to buyers as well as ensure crucial support for the Real Estate Sector, besides establishing the Company as a leading player in the Real Estate space.

- (a) As per directions of Hon'ble Supreme Court, NBCC has prepared the Revised Resolution Plan for taking over of JP Infratech Limited. The salient features of the same have been submitted to Supreme Court on 17.10.2019.
- (b) NBCC has submitted plan for completion of Stalled / incomplete projects of Amrapali group before the Hon'ble Supreme Court. NBCC has submitted 'Expression of Interest' for completing unfinished projects of Unitech on PMC basis before the Hon'ble Supreme Court. The

proposal is currently pending with the Hon'ble Supreme Court.

- Entering into collaboration/ joint venture as a co-developer/ implementing agency for project management consultancy, project branding, sales, marketing on the licensed land owned by the private firms or government agencies
- While primarily focusing on organic growth, NBCC is also open to selective strategic acquisitions in other business areas to become a giant construction company which has started the process by taking over HSCL and HSCC.
- Diversification into large scale EPC projects on PPP Model through In-house Expertise: Currently, NBCC is a PMC Company but business environment is changing very rapidly and with recent change in the GFR (PWO) rules, it is desired that NBCC changes its priorities and thinks about Mega EPC projects. This will provide company with much needed exposure and increase in market visibility. It will also reduce dependency on PMC projects for profitability in the longer run.
- Commercial exploitation of Surplus land available with PSUs/ Govt. Depts. For their revival/ modernization (NAWADCO, Air India etc.): Since it is one of the prime targets of Government, NBCC may look at this as an opportunity under a different business model.
- Expansion of its Re-development projects from Delhi to other parts of the county: NBCC's stake in development and re-development projects is now not limited to Delhi but is looking to expand to cities across the country. Eg: Association with prestigious projects like development of large parcels of land in Mumbai's Wadala area, etc.
- Heritage Restoration: NBCC has taken keen interest in the protection of the country's national heritage, art and culture including restoration of buildings and sites of historical importance through renovation work at PuranaQuila, lighting works at Red Fort, renovation of Historic Victoria Memorial & Indian Museum in Kolkata, Illumination of QutubMinar etc. NBCC is looking at more such opportunities.
- Increased Overseas Operations: NBCC is well established in domestic market but now, the company has to outspread its presence in overseas market as the current operations are very limited as of now.
- NBCC is looking at possibility of diversification into new areas connected with our main operations- Railways/ Inland Waterways/ Aviation/ Ports/ Harbours etc.

- Aligning NBCC with the policies of GoI– Increased emphasis on Affordable Housing Projects under Real Estate Segment, PMAY, LMA, Smart Cities, AMRUT etc.”

## **B. Opportunities For NBCC**

13.3 As informed to the Committee, the NBCC has identified the opportunities for their operation in future in the following areas:

- “1. **Housing For All:** 60 million new homes are expected to be built in India between 2018 and 2024 with social and affordable housing rising almost 70% to 10.5 million by 2024, exceeding the 33% increase in the premium market.
2. India will need to construct 43000 houses every day until 2022 to achieve the vision of Housing for All by 2022. Hundreds of new cities need to be developed over the next decade.
3. **AMRUT:** Government has approved investment of Rs. 2,863 cr in six states under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme for improving basic urban infrastructure over 3 years.
4. **Heritage:** The Ministry of Housing and Urban Affairs, Government of India, launched the National Heritage City Development and Augmentation Yojana (HRIDAY) scheme with a focus on holistic development of heritage cities.
5. **Stressed Asset Management for Sick PSUs:** Government of India intends to monetize land assets of sick PSUs as well as attached properties of ED under Prevention of Money Laundering Act (PMLA), NBCC is a preferred agency to manage the assets on a fixed fee basis.
6. **More focus on education and health infrastructure:** Under the Ayushman Bharat scheme, 1,50,000 health and wellness centres are envisioned in the National Health Policy, 2017. The estimated schematic budgetary expenditure on health, education and social protection for 2018-19 is Rs. 1.38 lakh cr against estimated expenditure of Rs. 1.22 lakh cr in 2017-18.
7. **Target Oriented Expansion of National Highways:** India's national highway network is expected to cover 50,000 km by 2019, with around 20,000 km of works scheduled for completion in the next couple of years. This includes elevated expressways.
8. **Railways and Freight:** Railways plans to increase pace of electrification to 4,000 km per year. High speed rail, dedicated freight

corridors, capacity augmentation on saturated routes present future opportunities.

9. **Airport Modernisation:** Constrained airport capacity is one of the barriers to the success of the Regional Connectivity Scheme. While some airports have been privately modernised, the government has announced NABH-Nirman, a new initiative that will target a five-fold increase in capacity at 124 AAI airports.

10. **National Mission For Clean Ganga:** As part of the river's rejuvenation, the Government has mandated Rs. 254 crore for redevelopment of the ghats along the riverfront. This includes the construction of walkways and other infrastructure.

11. **Smart Cities:** The 90 smart cities shortlisted by the Government of India have proposed projects with investment of Rs. 191,155 cr which include projects focusing on revamping an identified area (area based projects) with investment of Rs. 152,500 cr.

12. **International Operations:** Projects funded by GoI under grant/LOI.”

## **CHAPTER -XIV**

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

#### **A. CSR Initiative by NBCC**

14.1 The Committee was informed that the NBCC has volunteered to associate itself in Swachh Bharat Abhiyan. NBCC joined the Clean India campaign by pledging support and financial aid under corporate social responsibility (CSR) initiatives. Under the CSR activities, NBCC was involved in the construction of Community & Public toilets under Swachh Bharat Abhiyaan at 30 locations of Municipal Corporations of Delhi (NDMC, EDMC and SDMC) and 100 nos. Bio digester toilets at Schools for Girls students under **Swachh Vidyalaya Abhiyaan** in state of Uttar Pradesh, Rajasthan, West Bengal, Tripura, Assam and Uttrakhand at cost of Rs. 5 Crores. When asked to provide the details of CSR activities and CSR compliance report of the company, NBCC in a written reply stated as under:

'NBCC is committed to nation building and contributing to the society that will sustain its growth. It works with communities near its operations to implement a range of programs that positively impact their lives. Taking a holistic and sustainable approach, NBCC CSR teams participate through a project's lifeline and contribute in areas such as health, education, nutrition, empowerment, infrastructure development and local employment.

#### **B. Major achievements under CSR activities in the year 2018-19**

As per information furnished by the NBCC, the major achievements under CSR activities during the year 2018-19 had been as under :-

- (i) Contribution to protection of National Heritage, Art and Culture**
  - 1. Conservation, Restoration and Development of Purana Qila
  
- (ii) Contribution to the welfare of the Armed Forces**
  - 1. Sahara Hostel for War Windows of the Indian Navy at Vasant Kunj, New Delhi
  - 2. Construction of Saink Rest House (SRH) at Betul, Madhya Pradesh
  
- (iii) Contribution to the cause of Education**
  - 1. Education scholarship for tribal girl students at Kalinga Institute of Social Sciences, Bhubaneswar
  
- (iv) Contribution to the cause of Sanitation**
  - 1. Allocation of CSR Funds for 'Swachh Bharat Kosh' set up by the Central Government of India

(v) **Contribution to the cause of Rural Development**

1. Construction of Gramalayas including Sewerage & Sanitation facilities at village Harchandpur, Haryana
2. Construction of CC Road and U Drain from Shankar Nagar Crossing to Ganeshpur Police Station, Basti, Uttar Pradesh'.

**C. Budgetary Allocations and Expenditure under CSR**

14.2 On being asked to furnish a detailed note on CSR budget sanctioned, the expenditure therein and also the domain and areas where it has been spent during last five years, NBCC in a written reply submitted the detail information which is as **Annexure**. The Committee's analysis reveal the following information about the mandatory CSR budget and actual expenditure during the last 5 years :

<b>Financial Year</b>	<b>Mandatory CSR budget (in Rs.)</b>	<b>Actual expenditure (in Rs.)</b>
2014-15	429.87 lakh	435.44 lakh
2015-16	487.96 lakh	870.54 lakh
2016-17	773.66 lakh	873.46 lakh
2017-18	876.42 lakh	895.61 lakh
2018-19	950.96 lakh	978.58 lakh

## **CHAPTER - XV**

### **STATUS OF C&AG AUDIT PARAS**

15.1 The Committee was informed that CAG, MAB-I office conducts the Transaction Audit of NBCC for various Regional Business Group (RBGs)/Strategic Business Groups (SBGs) annually on random basis. An average 6-7 RBGs/SBGs and Head office are being audited in each year. Till 2017, CAG audit team was directly conducting transaction audit of RBG/SBGs and Inspection report was sent to the respective RBG/SBG with a copy to CMD/Director (Finance). The replies to the Inspection reports were directly submitted by the respective RBG/SBG office to the CAG team for settlement. After August 2017, new modalities were introduced whereby the Internal Audit Division (IAD) at Head Office will coordinate with the transaction audit of NBCC. IAD will coordinate with RBG/SBGs/Divisions at Head Office for onwards submission of replies to outstanding transaction audit paras to CAG office. Accordingly, reconciliation of old outstanding paras was done with CAG office by IAD. Total outstanding paras in NBCC till 2016-17 audit year were 296 in number. The audit paras were outstanding since year 1997. The replies were followed up with RBG/SBG/Divisions and total 279 para replies were submitted to CAG office after approval of approving authorities till March, 2019 by IAD. Rigorous follow up was done with MAB-I office for convening Audit Committee Meeting (ACM) for settlement of these outstanding paras.

15.2 The Committee was further informed by the NBCC that the Audit Committee meeting was convened by CAG, MAB-I office on 15-16<sup>th</sup> April, 2019 and 170 para replies were discussed during the meeting. Out of 170 paras, 91 audit paras were settled by CAG team and 52 very old audit paras were transferred to NBCC for further action and settlement on the part of NBCC. Balance 109 audit para were not discussed due to paucity of time. However, during the discussions with Director, MAB-I, CAG it was assured to convene another audit committee meeting in November-December, 2019 for settlement of rest of the old audit paras. It was also intimated that recent audit para replies will be considered for settlement during the course of transaction audit in the current year. The status of outstanding Inspection audit report paras as on 31-07-2019 is as under:

<b>Outstanding CAG transaction audit paras as on 01.04.2019</b>	<b>Settled/Transferred by CAG during ACM in April,2019</b>	<b>Additions for transaction audit for FY 2017-18</b>	<b>Balance Outstanding as on 31.07.2019</b>
296	143	17	170

15.3 On being asked about the nature of objections of majority of these paras and the steps taken to reduce the pendency, NBCC in their written reply stated as follows;

"Total number of CAG paras is 313 including the IR paras issued till the financial year 2018-19. Out of these, 170 no. paras are still unsettled at CAG level. It is significant to mention that out of balance 170 audit paras, replies to 140 paras have been submitted to CAG office till date. Replies to balance 30 paras are being pursued with the concerned Departments/RBG/SBG offices on continuous basis."

15.4 The nature of objections of majority of these paras is as under:-

S.No.	Nature of Audit Observations	No. of Audit Paras
1	Excess Payment/Under or delayed recovery from Contractor	23
2	Discrepancies in Tendering procedures	20
3	Delay in execution of Work	19
4	Non levy /Short imposition of LD on contractor	11
5	Blockage of funds due to Improper planning	9
6	Violation of Tender conditions	9
7	Violation of Gov. Guidelines	9
8	Excess Payment to Employees	6
9	Non realization of outstanding debtors	6
10	Violation of MOU condition with Client	6
11	Delay in Pursuing Deed/Discrepancies	5
12	Delayed/Non Claiming of interest from Client	5
13	Variation in BoQ Quantities	3
14	Others	39
	<b>TOTAL</b>	<b>170</b>

15.6 When asked to elaborate on the measures taken by NBCC & the concerned Division to reduce the outstanding paras are as under:-

- "In order to have better control over outstanding CAG Inspection report paras, centralized mechanism for CAG audit was introduced by the Management in August, 2017 whereby Internal Audit Division (IAD) was assigned as nodal division to coordinate and monitor CAG audits including convening Audit Committee by CAG office. Zero based methodology was adopted by IAD for collection of paras, reconciliation with CAG office and submission of replies. Out of 313 no. of CAG paras, replies to 283 paras were submitted in a time span of almost 1 year.
- Rigorous follow was done by IAD with MAB-I, CAG office for convening Audit Committee for NBCC which eventually held in April, 2019 after a gap of eight

years whereby 47% [143 out of total 313 paras till F.Y. 2018-19] CAG paras were settled/transferred to NBCC.

- Matter was again pursued with CAG office to convene next audit committee in November-December, 2019 for settlement of balance paras. Repeated discussions/communications are held with the Director, MAB-I in last 3-4 months whereby assurance has been provided to NBCC that the next meeting for deliberations on outstanding audit paras will be conducted tentatively in the last quarter of the year 2019-20 (Jan.-Mar., 2020).
- Further, reminders are issued to the concerned officials for submission of replies of balance 30 audit paras so as to ensure that all remaining paras could be taken up in forthcoming Audit Committee Meeting for settlement."

15.7 On a similar query by the Committee, the CMD, NBCC during the course of evidence on 12 March, 2020 responded as under:-

"ये पिछले सात-आठ साल केपै राजथे, यहाँ तक कि दसवर्षों से भी अधिक के कह सकते हैं। फिर हमने सीएंडएजीकोरिक्वेस्ट कियाकि ऑडिट कमेटीकीएक मीटिंगकंडक्ट की जाए,जिसमेंसारेपैराजकेबारेमेंवन-टू-वनडिसकस करें और उनको सैटल किया जाए। ऑडिट पैराज इतनेपुरानेहोचुके हैं कि आज की डेट तकज्यादातर प्रोजेक्ट्सक्लोज भी हो गए हैं। So, they agreed to that. हमारी एकमीटिंगहुईथी, उसमेंउन्होंने उसको सैटल भी किया। आजकीडेटमें हमारे पास 160 ऑडिट पैराज बचे हैं। यह मीटिंग आठ साल की परसुएशन के बाद कंडक्ट हुई थी।

Now, second meeting is going to be held in the last week of March or first week of April. I have already received a letter from C&AG and they will further consider one-to-one meeting and we are hopeful that we settle at least, another 100 hundred paras this time also. So, there is much progress in C&AG paras and they are repetitive in nature. उसकी वजह सेहमने सिस्टम में भीइम्प्रूवमेंट करली है।In case we find there is any change required in our system procedure, we have also taken care of that."

## PART – II

### OBSERVATIONS / RECOMMENDATIONS OF THE COMMITTEE

#### 1. *Overview*

The Committee note that NBCC (India) Limited was founded in the year 1960. It is a 'Navratna' Central Public Sector Undertaking (CPSU) functioning under the administrative control of the Ministry of Housing & Urban Affairs (MoHUA). The NBCC is listed with the Bombay Stock Exchange(BSE) and National Stock Exchange(NSE). The Company is operating across three major domains viz. (i) Project Management Consultancy (PMC) (ii) Engineering Procurement & Construction (EPC) and Real Estate Development (RED). Presently, it has four operating subsidiaries viz. NBCC Services Limited, Hindustan Steelworks Construction Limited (HSCL), HSCC (India) Limited and NBCC DWC LLC. The Company has also three operating Joint Ventures viz. NBCC MHG, NBCC-AB and Real Estate Development and Construction Corporation of Rajasthan Limited(REDCCR). The Committee observe that NBCC's business in PMC segment consists of a wide range of management and consultancy services in two areas namely (a) Civil Construction Projects and (b) Infrastructure Projects. The Civil Construction Projects includes Residential and Commercial Complexes, Re-development of Colonies, Hospitals, Educational Institutions, Infrastructure Works for Security Personnel and border. The Infrastructure Projects includes Roads, Water Supply Systems, Storm Water Drainage Systems, Water Storage Solutions, Solid Waste Management Schemes. This segment includes re-development projects on a self-financing model also. NBCC's PMC services entail implementation of the projects from concept to commissioning, ensuring competitiveness on the basic guidelines of cost, quality and time. PMC services also offer maintenance of projects. The Engineering Procurement and Construction(EPC) segment encapsulates detailed design engineering, procurement and expeditious execution of projects. The NBCC's EPC business has been in Infrastructure segment, executing a diverse range of projects like chimneys, cooling towers, coal handling plants, roads, metro elevated tracks, TV towers, airports, runways etc. The EPC services include

project conceptualization, feasibility studies, detailed project reports, engineering, tender specifications and various packages covering basic and detailed engineering, review of projects, procurement, construction drawings, commissioning and testing and handing over of project to clients in ready-to-use and in functional condition. The NBCC entered the Real Estate Development(RED) segment in 1988 and has executed several commercial and residential projects. The growth in Indian economy has driven demand for real estate across all categories particularly housing and commercial segments. The development and management of real estate sector has emerged as a critical and crucial part of the larger Indian construction business space. The Committee expect that NBCC will make sustained efforts not only to secure large number of commercial and residential projects in domestic as well as global markets but also set an exemplary global standard in construction, execution and delivery of these projects in terms of cost incurred, quality maintained and time spent.

2. The Committee also observe that NBCC has started its global operation since the year 1997. The Company has executed diverse and complex projects in countries like Libya, Iraq, Yemen, Nepal, Maldives, Mauritius, Turkey and Botswana. Presently, the Company has its presence in Maldives, Mauritius, Dubai, Seychelles etc. where it is implementing various projects. The NBCC has secured projects in several African countries like Niger, Uganda, Malawi, Zambia, Liberia, Gambia, Burkina Faso, Togo and Gabon. The total value of these projects is approximately Rs. 2,000 crore. NBCC had received an in-principle approval from the Department of Commerce, Ministry of Commerce and Industry, Government of India for conceptualizing, designing and construction of “India Pavilion” at the World Expo 2020 to be held in Dubai from October 2020 to April 2021. The Committee are happy to note that since 2004, the Company has been receiving 'Excellent' rating by the Department of Public Enterprises and has been certified with the status of 'Great Place to Work' by the renowned Great Place-to-Work Institute. In the present report, the Committee have touched upon many important issues and have given their observations/recommendations and hope that these will be implemented in right perspective by the NBCC so as to improve the functioning and performance of the Company. The Committee hope that NBCC will establish

itself globally as a leading brand name in the construction sector and also will also continue to work for the betterment of the society and the public at large with special focus on the poor families.

3. *Board Of Directors*

The Committee note that the Board of NBCC comprises the sanctioned posts of 4 Functional Directors, 2 Government Nominee Directors and 6 Independent Directors. The Committee however observe that out of the 6 posts of Independent Directors, only one post has been filled-up and 5 posts are remaining vacant for more than a year. Regarding the large number of vacancies of the Independent Directors, the Committee was informed that the position of Independent Directors of the company got vacant due to completion of their tenures on 15 June 2019 and that requests had been made from time to time to the administrative Ministry for appointment of requisite number of Independent Directors including one Woman Independent Director on the Board of the Company. The Committee observe that though one Independent Woman Director has been appointed with effect from 1<sup>st</sup> August 2019, the appointment of other Independent Directors are however yet to be made. The Committee observe that as per the guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises vide their OM No.18(6)/91-GM dated 16.03.1992, a panel of suitable persons who could be considered for appointment of non-official part time Directors on the Boards of PSEs is to be maintained centrally by the Department of Public Enterprises and this panel is to be prepared in consultation with PESB and the Secretary of the concerned administrative Ministry. This Committee also in their Fourth Report (Twelfth Lok Sabha) had expressed their opinion that shortage of non-official Directors on the Board deprives the Undertaking of expert guidance of seasoned professionals and technocrats and the Committee had therefore recommended in the said Report that the strength of non-official Directors in PSUs should be brought to the level stipulated in the guidelines without further loss of time. The Committee strongly feel that Independent Directors act as a guide to the Company for bringing improvement in the corporate credibility and standards of governance. They also help the Company in bringing Independent judgement

and act as a bridge between management and shareholders by encouraging the implementation of the principles of corporate governance ensuring accountability and transparency in the functioning of the Company and persuading for various mandatory disclosures. Taking into account the important role and significant contributions by Independent Directors, the Committee are of the strong view that vacancies of Independent Directors on the Board should not be left unfilled for long period of time as has happened in this case. The Committee do not find any plausible explanation for non-filling of the vacancies of Independent Directors in NBCC for such a long period particularly when the DPE is expected to maintain a panel of suitable persons for such appointments. The Committee are of the definite opinion that since the tenure of the Directors was already known, the Government should have processed the appointment to these posts in advance so that the new incumbents could have taken up the posts immediately after these were vacated. The Committee, therefore, strongly recommend that the vacant posts of Independent Directors be filled up by the Government immediately without any further loss of time and guidelines of DPE be scrupulously followed in the appointment of Directors on the Board of the Company. The Committee may be apprised of the action taken in the matter within a period of three months.

4. The Committee further note that one of the nominee Government Directors of NBCC was holding Directorship in five other Companies which is in sharp contrast of the norms and guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE). The DPE guidelines dated 19 September 1984 clearly provides that an officer should not have too many directorships on the Boards of Public Enterprises so that he can do adequate justice to his role as a Government Director and also that the directorships held by each Joint Secretary could be kept down by having Directors/ Deputy Secretaries on the Boards of smaller enterprises. The aforesaid guidelines issued by the DPE is in line with the observation of the Committee that nominee Director of a Company should not be holding directorship of too many other Companies. The Committee has not been provided with any plausible explanation as to why one Officer of the government should hold Directorship in so many public undertakings at a

time. The Committee therefore strongly recommend that the Ministry needs to immediately review such appointments and ensure that the appointment of officials of the Ministries as Directors in the CPSUs is strictly in accordance with the DPE guidelines. The Committee further recommend that the Department of Public Enterprises(DPE) should also develop a system for (i) collecting information on regular intervals say in each six months from all Ministries/Departments about the appointments of Government Directors made by them in the CPSUs under their administrative control and; (ii) taking timely corrective action for rectification of aberrations noticed in this regard.

#### *5. Physical Performance*

The Committee observe that NBCC's core activities comprises three distinct verticals viz. (i) Project Management Consultancy (PMC), (ii) Engineering Procurement and Construction (EPC), and; (iii) Real Estate Development (RED). NBCCs PMC business consists of a wide range of management and consultancy services in civil construction projects and infrastructure projects. The Engineering, Procurement and Construction (EPC) business involves project conceptualization, feasibility studies, detailed project reports, design engineering, procurement and expeditious execution of projects. The NBCC entered the real estate segment in 1988 and has executed several commercial and residential projects. The NBCC has also started its global operations since 1997 and the Company has executed diverse and complex projects in countries like Libya, Iraq, Yemen, Nepal, Maldives, Mauritius, Turkey and Botswana. Presently, the Company has its presence in Maldives, Mauritius, Republic of Niger, Dubai and Seychelles where it is implementing various projects. The Committee further observe that the NBCC have secured overseas projects in the several African countries namely Gambia, Liberia, Malawi, Gabon, Togo, Burkina Faso and Zambia but threes projects are yet to start. The total value of these projects is approximately Rs. 2,000 crore. The Committee are glad to note that NBCC has completed 24 overseas projects in different foreign countries during the period from 1994 to 2016. The Committee's analysis of the overseas projects of NBCC since 2017 in Mauritius, Dubai, Niger, Seychelles, Gambia, Liberia, Malawi, Gabon, Togo,

Burkina Faso and Zambia have been awarded to the NBCC through nomination from the Governments. The Committee observe that NBCC itself has admitted that they are facing the challenges in the global market like regulatory variations, logistic challenges, need of strong financial and technical credentials as well as certified professionals, requirement of experience in international working system, shortage of skilled workforce etc. The NBCC, as informed to the Committee, is targeting African countries, Middle-East countries, CIS countries, Indian Ocean countries and SAARC countries to achieve its future objectives in international markets. The Committee feel that in the present age of sharp competition among rival players for securing orders, the business will sustain only on the basis of better execution at competitive price and therefore, the Committee strongly recommend that NBCC has to develop and enrich their core competence to provide better quality services in lesser time and competitive cost than their competitors in the international market so that the NBCC could be able to secure the overseas projects with their own strength and capabilities by participating in the global tender process rather than being dependent on the government nomination for these international projects.

6. The Committee's analysis of the information submitted to them about completion of the major projects of the value of Rs.50 crore each during the last 03 years reveals that the NBCC had completed 12 such projects in 2016-17, 25 projects in 2017-18 and 24 projects during 2018-19. The Committee observe that there were 164 ongoing projects of NBCC comprising 152 PMC projects, 7 EPC projects and 5 Real Estate projects. With regard to the due dates of completion of these 164 ongoing projects, the Committee observe that 124 projects were scheduled to be completed before September 2020 and 30 projects are to be completed by November 2020, 05 projects are on hold, there is a court case in one project and 03 projects are under maintenance while in case of one project, the likely date of completion has not been indicated. The Committee hope that 154 ongoing projects which were tagged with the completion dates will be completed by NBCC as per the scheduled dates and expect that necessary steps will be taken to expedite sorting out the issues in respect of the remaining 10 projects which do not have the completion dates for various reasons. The Committee may be apprised of the

actual progress made in all these projects so far and also the steps taken to resolve the issues involved.

7. The Committee observe that NBCC had undertaken 185 projects during the period from the year 2014-19 and presently the Company has an order book of approximately Rs. 80,000 crore besides an international order book of Rs.2,000 crore. During examination of the subject, the Committee had found that the average rate of completion of project of NBCC had been only Rs. 4000 crore per year and therefore had desired to know from NBCC the action plan for completing the huge order book of Rs.80,000 crore in a definite time frame. The Committee was informed that execution of the works depends on the availability of incumbrance-free land, availability of funds from clients and getting statutory clearances from various government bodies. The major redevelopment projects of GPRA at New Delhi (Nauroji Nagar, Sarojini Nagar, Netaji Nagar) valuing more than Rs.30,000 crore are held up due to various petitions filed in the Hon'ble NGT and Hon'ble High Court of Delhi. Further, major projects of SDMC, New Delhi, WTC, Guwahati, DDA projects at Sanjay Lake, Trilok Puri, New Delhi, redevelopment projects of Railway Stations at various places in the country could not kick off due to various reasons. The Committee are of the opinion that cost and time overrun for whatsoever reasons do leave its impact on the credentials of the Company and therefore, sustained efforts needs to be made to sort out various issues in a definite time frame. The Committee feel that securing order is only the beginning of the race and the real test lies in successful execution of the contracts to the satisfaction of the clients in the fixed timeline. The huge order book of Rs.80,000 crore in domestic market and Rs.2,000 crore in international market while on one side gives a great satisfaction for being able to secure such gigantic work order but on the other side it thrust upon the NBCC a greater responsibility to effectively encounter the challenges and meet the expectations of the clients by successfully executing these projects in the scheduled time. The Committee therefore strongly recommend the NBCC to come out with a structured plan of action to timely deal with the complexities of the various issues involved including expediting the disposal of the pending court cases so that the projects could start early and completed within the allocated time-frame.

8. *Financial Performance*

The Committee observe that the authorized capital of the NBCC which was Rs.120 crore in the year 2014-15 has been increased to Rs.200 crore in the year 2018-19. The NBCC is listed with the Bombay Stock Exchange(BSE) and National Stock Exchange (NSE) and it has consistently paid dividends to the shareholders during the last so many years. It is also observed that out of the profit before tax(PBT) of Rs.558.46 crore earned in the year 2018-19, NBCC paid Rs.191.53 crore as Income Tax to the Government. The Company had also an operating margin of Rs.561.70 crore with the net fixed asset of Rs.72 crore and net worth of Rs.1564.81 crore in the year 2018-19. Further, the Company had reserves and surplus of Rs.1384.81 crore in the year 2018-19. The Committee's analysis of the financial position of the Company reveals that the Company is maintaining good financial health and maintaining its profitability consistently. The Committee however observe that the real sector is going through a phase of slow down and its impact will be felt in the business operations of NBCC also. Admittedly, NBCC is not able to launch new projects on the acquired land parcels as these are not feasible and profitable to start new projects due to slow down in the real estate market as large value of household inventories is pending with NBCC. The Committee however observe that the NBCC should take this as an opportunity based on their long established credentials and reputation in the market as admittedly they have been able to deliver the projects at the time when most of the developers had failed to timely complete the projects and therefore NBCC should take all necessary steps to grab more and more projects taking advantage of the present scenario and execute them with all seriousness for timely delivery to the clients.

9. The Committee observe that nearly 95% of the turnover of the NBCC is coming from the Project Management Consultancy(PMC) segment. It is observed that the turnover of NBCC in PMC segment had been steadily increasing till 2016-17 and thereafter it declined to Rs. 5339.32 crore in 2017-18 and picked up again to Rs. 6331.61 crore in 2018-19 but it declined again by about 24% to Rs. 4807.21 crore in 2019-20. However, Profit Before Tax (PBT) which was Rs. 581.17 crore against the turnover of Rs.5339.32 crore in 2017-18

declined by almost Rs.200 crore to the level of Rs.383.75 crore in 2018-19 when the turnover increased by almost Rs.1000 crore to reach the level of Rs.6331.61 crore. Further, both the turnover and PBT in the segment of PMC has gone down to the level of Rs.4807.21 crore and Rs.219.98 crore respectively in the year 2019-20. The Committee are concerned to note the sharp decline in the turnover to the extent of Rs.1500 crore in 2019-20 and decline of almost Rs.165 crore in PBT in the PMC segment during the year 2019-20. Taking into account the fact that PMC segment constitutes almost 95% of the total business of the NBCC, the Committee find that the huge decline in the turnover and PBT in this segment is an alarming signal to management of the NBCC. The Committee therefore urge the NBCC to have an in depth introspection for the reasons for such huge decline in turnover and profit in the PMC segment and take all remedial measures to reverse the trend in the current financial year so as to increase the profitability and credibility of the Company. The Committee would like to know the precise action taken by the NBCC in this regard.

10. The Committee's analysis of the financial performance of the Company during the last five years reveal that the audited financial results as posted on the official website of NBCC indicate the sharp decline in income, PBT and PAT of the Company in the financial year 2019-20. Thus, the profitability and turnover of the Company has decreased not only in PMC segment but the overall turnover, profit before tax and profit after tax of the NBCC in all segments have shown sharp decline during the year 2019-20. The Committee observe that the overall turnover of the Company has gone down from Rs.7141.60 crore in 2018-19 to Rs.5179.71 crore in 2019-20, thus registering a decline of approximately 27%. The Profit After Tax which is posted as Rs.79.86 crore in 2019-20 against Rs.384.11 crore in the year 2018-19 has shown a major decline to the extent of 79%. The decline in revenue during 2019-20 is spread across all segments namely PMC, EPC and RED. The Committee feel that the Company should seriously analyses the various factors responsible for such huge decline in various segments that affected its performance and profits and revise their strategy to counter the negative trends without any delay. The Committee have no doubt that the steep decline of 79% in the profits of the Company during 2019-20 is a warning bell to the

Company that if key issues related to its performance are not addressed in time, the Company may run into rough weather in the future. The Committee therefore strongly recommend the NBCC to immediately chalk out a structured plan for gearing up their machineries to speed up the execution of the projects so that adequate revenue is generated and the profitability ratio gets improved particularly when the Company is having a huge order book of Rs.80,000 crore in domestic market.

#### *11. Performance Of Subsidiaries And Joint Ventures of NBCC*

The Committee note that as on September 2019, NBCC had 8 subsidiaries and had formed Joint Ventures (JV) with 3 Companies. The subsidiaries are (i) NBCC Services Limited (NSL), (ii) NBCC Engineering & Consultancy (NECL), (iii) NBCC International Limited (NIL), (iv) NBCC Environment Engineering Limited (NEEL), (v) Hindustan Steelworks Construction Limited (HSCL), (vi) HSCC (India) Limited (HSCC), (vii) NBCC DWC LLC, and (viii) NBCC Gulf LLC (OMAN). Out of these eight subsidiaries, only four are under operation and two subsidiaries viz. NECL and OMAN have been approved by the Board for closure. The other two subsidiaries viz. NIL and NEEL have been approved by DIPAM and the Ministry of Housing & Urban Affairs for closure. The Committee observe that the three JVs in which NBCC owns 50% ownership interest, the share of NBCC is very marginal. In the Joint Venture NBCC-MHG, it is only 0.09% of total comprehensive income i.e. Rs. 30.82 lakh. Similarly in Joint Venture NBCC-AB, the Company had to share a loss of Rs. 0.08 lakh. In the JV Real Estate Development & Construction Corporation of Rajasthan Limited (REDCC) the percentage share of total comprehensive income is only 0.02% i.e only Rs. 6.78 lakh. The net profit of HSCL has declined from 35.76 Crores in 2017-18 to Rs. 34.29 Crores in 2018-19. Similarly the Joint Venture NBCC-AB made 'NIL' profits since the year 2015-16. Likewise, another Joint Venture namely Jamal NBCC International (PTY) Ltd. in which NBCC has 49% share holding, was dissolved in the year 2018-19. The Committee also note that in another Joint Venture NBCC-RKMillen, its land was acquired by the Government of West Bengal and it could not take off and there is a legal case between the co-ventures.

Furthermore, the share of NBCC in the total income of the JVs is like Rs.30.82 lakh in NBCC-MHG, Rs.6.78 lakh in REDCC and Rs.0.08 lakh in NBCC-AB in the year 2018-19. The Committee thus observe that NBCC have not gained from these JVs and if the the overall expenditure on establishment and management of these JVs is taken into account, the NBCC does not appear to be very well placed in terms of any gain from these JVs. The Committee therefore recommend that the NBCC should review its participation in these JVs in terms of the business being generated, expenditure incurred, profit earned and the assets and liabilities owned and take suitable decision in the business interest of the company.. The Committee may be be apprised of the steps taken in the matter.

12. The Committee observe that as per the information given to them, the NBCC monitors the performance of their subsidiaries and Joint Ventures through their membership in the Board, Board meetings, regular review meetings and through Group Governance Unit/Committee as per the SEBI Circular. The Committee note that despite adopting all these measures, the performance of the Subsidiaries and Joint Ventures of NBCC has not shown any significant improvement. Four of the Company's subsidiaries have closed down, one subsidiary viz. NIL that was formed in 2017 to carry out the business in overseas countries earned just Rs. 3 lakh. On the other hand, one JV was dissolved and another could not take off. The present three operational JVs are not contributing much to the Company's profit. The Committee recommend that the performance of the Subsidiaries and Joint Ventures should be continuously monitored. The Committee are of the view that forming of subsidiaries in House Keeping and Maintenance Sectors may be explored by NBCC which would fetch a good business for the Company in the long term. The Committee recommend that the performance parameters of the expected partner companies need to be carefully analyzed before entering into new JVs in future and formation of Joint Ventures should be only with those Companies which have a sound track record of business and profitability.

13. *Completion Of Stressed Projects*

The Committee observe that major competitors of NBCC in the private

sector are L&T, Ahluwalia Projects, Nagarjuna Construction Corporation in the EPC segment; Hospitech, Feedback Ventures Pvt. Ltd. in the PMC segment and DLF, Unitech, JP Infratech and Amrapali in the Real Estate segment. The Committee however note that certain housing/constructions projects of the major private players have been stressed, unfinished or stalled for various reasons. The Committee are glad to note that the NBCC has been involved in fulfilling the housing needs of the public at large whose dreams of owning a house have been shattered due to the stressed projects of the leading private companies viz. Amrapali, Unitech and Jaypee Infratech. As informed to the Committee, the NBCC has been directed to submit proposal for completion of 16 stalled / unfinished projects of Amrapali having a total of approximately 46,000 units. The NBCC will be the PMC for the project and will be paid PMC fees @ 8% and all funds will be provided to NBCC through various mechanisms as per court directions. The NBCC is expected to earn Rs. 619.33 Crore on account of PMC fees from category A and B of the Amrapali projects at NOIDA and GNIDA. Similarly, in the case of Jaypee Infratech Limited which is under insolvency process under IBC code, NBCC informed that the NCLT Principal Bench Delhi on 3<sup>rd</sup> march 2020 has approved the Resolution plan submitted by NBCC with some modifications & directions. NBCC intends to get amendments on these points from NCALT. The Government of India has extended their timely support in providing necessary approvals for submitting the resolution plan and subsequent revisions. In case of Unitech, the Government on the directions of the Hon'ble Supreme Court has nominated NBCC to take up the construction of unfinished projects of Unitech as a Project Management Consultancy (PMC). The Committee hope that the NBCC will take up the execution works of these these stressed projects on priority basis which would not only enhance the revenue earnings of the company but will also serve the greater purpose of providing quality homes to the long awaiting buyers within reasonable time frame.

#### 14. *Increasing Global Presence*

The Committee observe that NBCC have successfully executed diverse and complex projects in countries like Libya, Iraq, Yemen, Nepal, Maldives,

Mauritius, Turkey and Botswana. Presently, the Company has its presence in Maldives, Mauritius, Republic of Niger, Dubai and Seychelles where it is implementing various projects. The Company has also secured overseas projects in several African countries like Gambia, Liberia, Malawi, Gabon, Togo, Burkina Faso, and Zambia but these projects are yet to start. The total value of these projects is approximately Rs. 2,000 Crore. The Committee note that the NBCC has generated turnover of Rs. 363.71 Crore from the international projects undertaken during the period from 2014-2019. The Committee also note from the details furnished that many overseas projects of NBCC were scheduled for completion before or during the year 2020. Some of them are (i) construction of Mahatma Gandhi International Convention Centre at Niamey, Niger that was scheduled to be completed by 31 October 2019 with a value of Rs. 392 Crore, (ii) New Supreme Court Building, Port Louis, Mauritius that was scheduled to be completed by 24 December 2019, (iii) Social Housing at Dagotiere and Mare Tabac, Mauritius that was scheduled for completion by 8 February 2020, and (iv) construction of Indian pavillion at Dubai World Expo that was scheduled to be completed by 31 August 2020 with a value of Rs. 232.70 Crore. The Committee further note that there are about 8 projects secured in Africa but yet to start as in some cases the soil and topographical survey, alternate land confirmation/allotment are awaited from the host countries. The Committee would like to be apprised about the status of these projects which were scheduled for completion before or during the year 2020. The Committee recommend that NBCC should make sustained efforts to make a mark in the global markets and to achieve this goal, the Company should deliver the projects in time with better-quality execution without any cost over run.

15. The Committee observe that NBCC faces several challenges in global market. As per NBCC, one of the major challenges that it faces is the huge shortage of Indian skilled technicians in the construction sector and most of younger generations not showing much interest in working overseas construction projects. The other major challenge stated to be faced by NBCC is that in many countries, the Company doesn't have physical presence due to which there is difficulty in gathering the data, local conditions, logistics etc.

**NBCC is making efforts to join hands with Indian PSUs for the purpose which is certainly a good option in the opinion of the Committee. The contention of NBCC about the huge shortage of Indian skilled technicians and younger generation not willing to work overseas does not seem plausible in the wake of such a high demand for employment in the domestic and international job markets. The young generation is known for the dream it nourishes to work abroad. The Committee therefore recommend that for fetching better talents in adequate number for their overseas projects, NBCC need to publicise the job opportunities in these projects through electronic and print media all over the country in all major languages and if considered necessary, the deployment in international projects should be incentivized with country specific exclusive compensation packages to the employees.**

**16. The Committee note that in line with the Central Government's initiative towards Skill India Mission, NBCC has given certificates to 1400 construction workers who have been equipped with a new set of skills in tune with changing face of the country's construction sector. On completion of the Recognition to Prior Learning programme under Pradhan Mantri Kaushal Vikas Yojna (PMKVY) in collaboration with CSDCI and CII, the certificates are awarded by officials of NBCC, CSDCI and CII. The Committee while appreciating the initiative taken by NBCC in equipping many people with new set of skills in the construction sector and awarding certificates would like to know as to how many of these trained people have been gainfully employed in the construction sector in domestic and overseas projects. The Committee feel that such skill development programmes should be synchronised in such a way that the trained personnel are able to secure gainful employment immediately after their traing course is completed.**

*17. Human Resource Management*

**The Committee was informed that the talent pool of NBCC comprises of some of the best talents across engineering, construction, architecture, project management and other faculties and the average age of employees in the Company is 43 years. The young workforce of the Company brings new thinking, energy and dynamism in the operation of the Company. As informed to the Committee, the NBCC was recognized in July, 2019 as a great place to**

work and training of 2940 man days were given under Company's undergoing Skill Development initiative. The Committee observe that there were 1847 regular employees in the strength of the NBCC during the year 2019 and out of this 313 belong to SC, 62 belongs to ST and 29 employees belong to Differently Abled categories. With regard to the recruitment of employees during the year 2018-19, the Committee observe that NBCC has recruited total 110 persons during the year 2018-19 which comprises of 92 persons in Group A, 01 person in Group B and 17 persons in Group C. The recruited employees in different categories were 46 in General category, 36 in OBC, 20 in SC and 08 in ST category which reflects that the reservation regulations in recruitment of employees are complied with. The Committee express their satisfaction that the NBCC has been complying with the rules and regulations pertaining to the recruitment of reserved category candidates and hope that they will keep on making regular induction of human resources at different levels so that young professionals engaged at early stage acquire adequate experience and develop required expertise to devote their best at later years in the organisation.

18. The Committee observe that there are 133 women employees at different levels the NBCC. The Group-wise strength of women employees is 88 in Group A, 17 in Group B and 28 in Group C. As informed to the Committee, the Company has in place a policy on prevention, prohibition and redressal of sexual harassment of women at workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment which functions in accordance with the model code of conduct developed by National Commission for Woman/ Ministry of Woman and Child Development. The Committee has also been informed that no case was filed with regard to the sexual harassment of women employees in NBCC during the year 2018-19. The Committee are happy to note that adequate safeguard mechanism in accordance with the legal requirements has been put in place by NBCC to protect their women employees at workplace from any incident of sexual harassment and also to get investigated appropriately the reported case in this regard. The Committee are glad to know that no such case was reported

during the year 2018-19 and hope that the NBCC will keep on making their endeavours to provide safe and secure environment for their women employees and ensure that they are well protected at workplace.

19. The Committee observe that the Company has maintained cordial industrial relations in the organisation and provide comprehensive welfare facilities to its employees to take care of their health, efficiency, economic betterment so that they could give their best at the workplace. The employees' participation is also ensured through information sharing on a regular basis for seeking their support, suggestions and cooperation and thus, the Company has been able to maintain healthy, cordial and harmonious industrial relations at all levels. The Committee appreciate the generous approach of NBCC towards their employees not only for their betterment but also to ensure harmonious industrial relations in the organisation which in turn increases the productivity and output of the Company. The Committee hope that NBCC will continue its pragmatic and advanced human relations approach to garner the best support from their employees to take the organisation to the new heights.

20. The Committee note that the NBCC created 783 posts during the last 05 years and thus provided employment opportunities to the talented people in the sector. The year-wise creation of the posts indicate that the posts created were 307 in 2015-16, 138 in 2016-17, 134 in 2017-18, 182 in 2018-19 and 22 in 2019-20. The Committee also observe that NBCC has given certificates to 1400 construction workers who have been equipped with new set of skills. Further, with regard to the plan for employment generation in future, the Committee was informed that NBCC had already drawn a comprehensive strategic plan on the manpower planning from the year 2016-17 to 2021-22 based on the assessment of the expansion of activities, retirements and exit, addition of new subsidiaries etc. . The Committee while expressing their satisfaction on the planning done in advance for engagement of manpower in successive years, recommend that the requirements need to be reassessed from time to time based on the new developments in the sector and also the increasing use of latest technology in the construction sector. The Committee therefore urge the NBCC to make regular induction of employees at different levels based on the actual requirements, provide them skill training and acquaintances with

latest technology, put in place well defined career growth plan and make a provision to incentivize the excellent performance of employees from time to time.

21. The Committee was also informed that approximately 17810 employees were working under the contractors of NBCC. The Committee observe that there are various labour laws and regulations for governing the working conditions, payment of wages, safety and security at work place, social security, compensation in accidents, welfare measures etc. Although the contract workers are not in direct employment of the NBCC yet it is a vicarious liability on the part of the Company to ensure that the provision of all Labour Laws and regulations are scrupulously followed by the Contractors in respect of the labourers engaged by them at different sites. The Committee therefore recommend that NBCC should develop some mechanism to ensure the strict and honest compliance of the Labour Laws and other related regulations by the Contractors to safeguard the interest of the labourers.

22. *Capacity Building And Research & Development (R&D)*

The Committee note that the (i) Monolithic Concrete Construction System Using Aluminum Form Work, (ii) Monolithic Concrete Construction System using plastic Aluminum Formwork, and (iii) Industrialized 3-S System using Cellular Light Weight Concrete Slabs & Precast Columns (Pre-Cast/Prefab) have been proposed for implementation by NBCC. The adoption of these three technologies will result in faster & better quality of construction and reduction of pollution from dust emitting from construction sites due to use of offsite manufactured concrete elements/ members, eliminating the traditional brick mortar on-site construction activities. In the past, NBCC constructed and is also presently executing various projects with technologies like Composite Steel Structures, Pre-Cast, Pre-Stressed Technology and Mechanized, Co-Polymer Based Rainwater Harvesting Structure, etc. The Committee have further been informed that NBCC has signed MoU with (i) Hungary based Gremound Engineering Limited for adoption of a non-tectonic system that employs a unique concrete technology for faster construction of mass housing projects (ii) Polish firm named Bollis S.A in order to bring in

highly energy efficient ETICS Technology solution to India and its neighbouring countries for its adoption in construction of Green Buildings and (iii) FortumOyj, a Finland Company for developing electric, vehicle charging infrastructure in all upcoming NBCC construction projects across India. The broad scope was to enhance capacity building through mutual collaboration. However, during the course of its implementation, it was observed that due to several factors such as non proven / certified technologies, high cost of supply & installations and clients acceptance, these technologies could not be infused in NBCC projects. Moreover, NBCC informed that all the three MoUs / MoBE have expired and due to aforesaid reasons, NBCC did not extend its validity. The Company has further informed that it has formed "Centre for Innovation & R&D" division in collaboration with IIT Roorkee in the year 2014 to look after R&D activities. Thus, NBCC adopted an approach of collaborative R&D for capacity building to carry out R&D activities. Accordingly, they have sponsored research projects to IITs and premier research organizations and till date 19 projects have been sponsored. The MoU was signed with IIT Roorkee on 7th November, 2014 for establishing a R&D centre on "Sustainable Civil Infrastructure" at their Greater Noida Extension Campus for undertaking Research projects, training of NBCC Engineers etc. Further, MoU has been extended for next 5 years. It was also informed that IIT Roorkee has 15-20 projects in which two are in advance stage and expected to be patented. The Committee are unable to comprehend as to why the validity of the MOU signed for enhanced capacity building has not been extended. The Committee also desire to be apprised about the status of 15-20 projects of IIT Roorkee. The Committee hope that the induction of new technology will on one side reduce the cost and time in accomplishment of the project and on other side will strengthen the structure with better interior and exterior finishing. The Committee would like the NBCC to increasingly use the best global technology in their projects and for this purpose may collaborate with global leaders in this field..

23. The Committee observe that NBCC allocates 1% of PAT towards R&D budget annually. The Committee are however dismayed to note that the total R&D budget allocation of NBCC for the period of 5 year between 2014-2019 was only Rs 16.21 Crores and the actual expenditure was meagre Rs. 7.11

Crores. When queried about the low expenditure under R&D, the Company stated that the deficit in expenditure as compared to the budget provision for R&D activities was due to the fact that R&D work is a long time consuming process. Secondly, they are striving hard for receipt of appropriate fresh research proposals for sponsorship from the reputed research organization. Further, most of the sponsored research projects have long duration ranging from 3-5 years and there is a provision of release of grant/installment with respect to progress of the research work. Accordingly in the unfinished sponsored research projects, the expenditure to be incurred shall have to be carried over to the next financial years. Hence NBCC expects that the expenditure on R&D will increase in future with the boost in R&D activities. The DPE guidelines encourage CPSUs to take-up R&D activities and there is no ceiling of 1% as contended by NBCC. Rather, in MoUs signed between CPSUs and Administrative Ministries/ Departments, 5% weightage out of 50% for non-financial parameters has been earmarked for R&D activities. The guidelines of DPE further provide the rationale behind R&D activities that the changed business environment is highly competitive markets, the rapid pace of change in technology, stringent emission norms, quality control criteria heightened expectations and demands of customers, lack of transfer of technology and know-how from competitors, etc. R&D activities by CPSUs can result in substantial increases in market share and competitiveness. They would help to increase profitability and reduce costs. Focussed R&D programs; combined with new international partnerships, can help to address global issues such as climate change, health, energy, food security and poverty alleviation. The Committee also find it rather surprising that NBCC is not receiving fresh proposals for sponsorship from the reputed research organisations especially when there is so much emphasis of the Government on 'Skill Development' and 'Make in India' programmes. The Committee recommend that R&D allocation and expenditure of NBCC be enhanced appropriately and more focus on innovative technologies be made and for this purpose, the NBCC should tie up with reputed Research Institutes.

24. *NBCC's Role As A Land Management Agency*

The Committee note that NBCC has been designated by the Government of India as Land Management Agency (LMA) vide the Department of Public Enterprises(DPE) OM dated 7 September 2016 for disposal of movable and immovable assets of sick/ loss making CPSUs. The DPE vide its OM dated 14 June 2018 issued guidelines for time bound closure of sick/loss making CPSUs and disposal of their movable and immovable assets wherein NBCC and EPIL were suggested as LMA. As per these guidelines, LMA is to be nominated by the Administrative Ministry/Department/Board of the CPSUs concerned to manage, maintain and assist in disposal of their assets. The main role of NBCC as LMA would be to (i) identify, manage, maintain and, if required, engage security agency for the watch and ward of the assets on contract basis for the CPSUs against payment. (ii) to validate the information provided by CPSUs regarding the land / immovable assets, (iii) examination of current land use, FAR and the land use as per the local laws applicable in that area, (iv) valuation of land on the basis of applicable circle rates, (v) work out the reserve price of land, (vi) assess the use of land for affordable housing and shall ascertain from the MoHUA about any such requirement of affordable housing so that such land can be transferred as per guidelines of MoHUA, (vii) disposing off the land after assessing the requirement of land for affordable housing by MoHUA, (viii) to submit its recommendations about the further course of action regarding properties which could not be disposed during the bidding. NBCC informed that it had written letters to 75 loss making CPSUs which were under closure on the basis of information gathered from various sources including websites. However, 24 CPSUs denied and 8 CPSUs were considering appointing NBCC as LMA. As per the information furnished to the Committee, NBCC was appointed LMA by 14 CPSUs and has disposed off 19 land parcels of 6 CPSUs measuring about 486 acres at a value of about 870 crores. NBCC further informed that as per the DPE guidelines, LMA is entitled to land management fee which would be 0.5% of the value realised from disposal of assets subject to a maximum Rs. 1 Crore. The Committee however note that till date NBCC has received just Rs. 2.06 crore as LMA including advance which constitutes only 0.23% of the value of assets disposed. The

Committee construe from the replies furnished by NBCC and MoHUA that the task to act as LMA was imposed upon NBCC by the Government but simultaneously it was not made mandatory on the part of the loss making CPSUs to appoint NBCC as their Land Management Agency. Further, it is not clear whether NBCC was consulted before being designated as LMA for the loss making CPSUs. It is also not clear as to why NBCC is not designated as LMA by the Government for disposal of excess/unused land of profit making CPSUs. The Committee would like clarification on these issues.

25. The Committee further observe that NBCC after undertaking so many functions as LMA for so many years could earn only Rs. 2.06 Crore so far which is not even 0.5% of the entitled value of the land disposed off which it was supposed to get as per the DPE guidelines. In carrying out its functions as LMA, NBCC might have incurred some expenditure too on engagement of its manpower, logistics, coordination work, etc. Taking all these factors in view, the Committee is also apprehensive if the 0.23% that NBCC received as LMA or the 0.5% land management fee as fixed by the Government is comparable to similar functions of LMA in the private sector. The Committee would like to be informed on these issues to assess the net gains of NBCC while performing as LMA. The Committee may also be apprised about the status of disposal of movable and immovable assets of the remaining 8 loss making CPSUs that have appointed NBCC as LMA.

26. *Payments To Contractors*

The Committee observe that NBCC has adopted several measures in its tendering process to ensure transparency, accountability and timely payments to its contractors and third parties. As informed to the Committee, all works above 25 lakh are being invited through e-tendering system in the NBCC and all tenders for works valuing Rs. 50 Crore and above are invited on EPC mode. Tender documents are prepared by Tender Formation Committee (TFC) at the zonal level and after approval by the concerned Regional Business Group (RBG) / Strategic Business Group Head is sent to CPG for inviting tender. Independent responsibilities of TFC at the zonal level and Tender Scrutiny

Committee (TSC) at HO level have been defined in the Works Manual. Integrity Pact has been adopted in the Company. Independent External Monitors (IEMs) have been appointed in consultation with CVC who closely monitors the tendering processes and review the tenders periodically and deals with all complaints and corruption issues. Similarly, mechanism has been put in place for release of payment to contractors and third parties. As per the General Conditions of Contract (GCC) of NBCC, the contractor shall become entitled to payment only after NBCC has received the corresponding payment(s) from the client/ owner for the work done by the contractor. On a query regarding delay in payments to third parties/ contractors, the Ministry in their written replies informed that the major reasons for non-payment or delay in payment is due to non-realization of dues from clients, non- submission of documents such as insurance policy, challans, non-fulfillment of taxation requirements such as non-deposition of GST returns, etc. To further smoothen the payments to contractors in current scenario, regular letters are being written to clients alongwith physical follow-up by NBCC officials for realization of dues from clients by settling down the observations raised by them and the results for the same have started to come. The Committee was also informed that a grievance portal has been developed for contractors and consultants where they can login directly and register their complaints. The Committee are however shocked to note that despite all mechanisms put in place, as on 9 March 2020, the payment of an amount of Rs. 1184 Crores are pending to be paid to the contractors. The Committee feel that this is a huge liability on the Company. The Committee are apprehensive as to how NBCC would be able to clear the dues/payments to the contractors especially when the net profit of the Company as per the audited results of 2019-20 is now only Rs. 79.86 crores. Nevertheless, the payments have to be made to the contractors for the work done once it is established that they have fulfilling all their contractual liabilities. The Committee would therefore recommend that NBCC, in this scenerio, should work out a time bound plan to settle these payment so that this huge liability on the part of NBCC is cleared at the earliest.

27. *Completing Of Unfinished Sewer Work In Jammu And Srinagar*

The Committee observe that NBCC had taken up a sewer work in Jammu and Srinagar but due to the closure of the JNNURM scheme and later its merging with AMRUT scheme, the NBCC was unable to get funds on these projects. As informed by NBCC, the revised sanction cost for both the projects is Rs. 288.2 Crore out of which work amounting to Rs. 195.30 Crore has been completed. Now a balance amount of Rs. 45.95 Crore is required to complete the comprehensive sewer scheme work of Jammu and another Rs. 61.20 Crore is required to complete the comprehensive sewer scheme work in Srinagar. The Committee learn that earlier when J&K was ruled by the state government, NBCC officials had met with the Deputy Chief Minister and it was suggested that the funding for the work may be borne by the State Government. However, since there is no state Government now, the project has been stopped due to lack of funds. NBCC have sent letter for approval of the project and CMD-NBCC has also held meetings in Jammu. Keeping in view the importance and necessity of the sewer project for the people of J&K, the Committee recommend the Government to provide fund of Rs. 107.15 Crore for completion of the unfinished sewer project in Jammu and Srinagar.

28. *Redevelopment Projects*

The Committee observe that NBCC has been entrusted with the redevelopment work of governmental properties. Some of the key projects in the redevelopment included General Pool Residential Accommodation Complex at New Moti Bagh, New Delhi which was completed in a phased manner from May, 2009 to March, 2012 at a cost of Rs.523.41 crore. The ongoing redevelopment of Kidwai Nagar East, New Delhi is spread over an area of 86 acres for an approximate cost of Rs.5298 crore. The NBCC has also been appointed as implementing agency for redevelopment of three GPRA colonies in Delhi namely Sarojini Nagar, Netaji Nagar and Nauroji Nagar at a total cost of Rs.25000 crore. The Company has taken up the redevelopment work of the existing Pragati Maidan complex into a world class state-of-the-art integrated Exhibition-cum-Convention Centre at a cost of approximately

Rs.2500 crore, redevelopment of AIIMS Western Campus and Ayurvigyan Nagar, New Delhi for constructing 3000 flats at a cost Rs.5828 crore. As informed to the Committee, the NBCC has adopted self-sustaining model in these redevelopment projects where no government funding is required and. The Committee also observe that the NBCC has shown its willingness to undertake redevelopment works of old Railway Stations such as Varanasi, Jaipur, Kota, Sarai Rohilla, Thane, Margo (Goa), Bhubaneswar, Lucknow, Tirupati and Puducherry on global standards. The NBCC has also taken the redevelopment model of self-revenue generation outside Delhi to other states such as Rajasthan (Jaipur), Odisha (Bhubaneswar), Maharashtra (Wadala Mumbai) and NER states like Tripura (Agartala). Further, renovation work at Purana Qila, lighting works at Red Fort and renovation of Historic Victoria Memorial & Indian Museum in Kolkata are few such examples. The Committee observe that NBCC has huge opportunities in the redevelopment of residential and commercial properties and may capitalize on these opportunities by securing more and more projects because the self-sustaining model looks quite attractive and is definitely beneficial to all stake holders. The Committee expect that NBCC will focus on this segment of their business more vigorously and take initiatives of offering their expert services to the government and other owners of the properties for its redevelopment on a concrete and sound self-sustaining business model.

29. *Diversification And Opportunities*

The Committee observe that NBCC intends to diversify in various areas in future. Some of those areas are (i) contributing in execution of stalled and stopped projects of realtors who are under financial stress, (ii) entering into collaboration / joint venture as a co-developer/ implementing agency for PMC, project branding, sales, marketing on the licensed land owned by the private firms or government agencies (iii) taking of large scale EPC projects on PPP models, (iv) commercial exploitation of surplus land available with CPSUs/ Government Departments for their revival / modernisation (NAWADCO, Air India, etc.) (v) expansion of its redevelopment projects from Delhi to other parts of the country, (vi) heritage restoration work, etc. When Committee

sought information on NBCC's role in smart cities and construction of housing projects under affordable housing schemes, NBCC stated that it is not playing any active role in smart cities but will enter soon in this area with their work in Raipur smart city. The Ministry however informed that NBCC should engage in work of smart cities on their own strength instead of the government engaging it. The Committee is in agreement with the views of the Ministry. The Committee believe that with the slowdown in Real Estate market, the returns on investing in Real Estate have significantly dropped in last few years and the trend of demand for investment purposes has been declining very fast. The Committee therefore are of the opinion that the NBCC needs to diversify its activities and in this regard, the expansion of its redevelopment projects in Delhi and other parts of the country, taking up large scale EPC projects on PPP models, taking up of projects of affordable housing schemes and venturing into smart city projects on its own strength would be gainful and will provide a strong financial base to the Company.

30. The Committee observe that under the redevelopment projects especially the 7 GPRA colonies, AIIMS, etc., the NBCC is facing difficulties in getting timely clearances and statutory approvals related to environmental, tree cutting, NGT, etc. and as a result, these projects are getting unduly delayed. The Committee therefore recommend the Government for opening up of a grievance cell or a single window system at the Central level to address the challenges/problems that may occur while obtaining the statutory clearances/approvals.

31. *Environmental Concerns And Waste Management System*

The Committee observe that the construction activities by its very nature, generate a lot of dust and demolition waste. The Committee was informed that the focus of NBCC is to minimize pollution and achieve zero waste emission during its construction activities. The NBCC intends to achieve this through recycling of construction and demolition waste which could be reused in the construction process and the initiative in this regard has been taken in the project of redevelopment of Kidwai Nagar East, New

Delhi. Besides this, the NBCC has also taken up the measures like (i) prohibition of grinding and cutting of building materials in open area (ii) prohibition of carrying construction materials in uncovered vehicles (iii) providing Wind Breaker of appropriate height (iv) putting in place water sprinkling system (v) covering loose soil, sand, construction and demolition waste or other construction materials and (vi) adequate dust mitigation system during excavation of soil. The Committee appreciate the measures taken by NBCC to address the environmental concerns during their construction activities and hope that these measures will be effectively taken at all construction sites of NBCC to keep the environment cleaner and healthier for all the inhabitants in the surroundings.

32. The Committee observe that waste management is a critical component in the construction sector. Huge quantities of demolition waste as well as some quantity of construction waste are generated in each project. The Committee was informed that NBCC, with regard to the projects in Delhi, has made it mandatory for the contractor to transport and deposit all the demolition waste at a recognized construction and demolition waste management facility within Delhi/NCR. Further, the contract document also makes it mandatory for the construction contractor to procure and utilize various recycled products in the construction activities like bricks, aggregate, kerb stones, paver blocks etc. from the same recycling facility commensurate with the quantity of C&D waste and thus, the entire C&D waste will be utilized in the project itself and nothing will remain to become a burden on environment and government dumping facilities. The Committee are happy to note that reasonable measures for management of construction and demolition waste have been taken by NBCC in their construction projects in Delhi. The Committee observe that construction and demolition waste are major contributors to the environmental pollution in the surroundings and therefore recommend that the measures of construction and demolition waste management system launched in Delhi needs to be replicated in all projects of NBCC at different locations in the country and abroad.

33. The Committee observe that the NBCC aims to establish a systematic waste management system with stipulated techniques. It includes (i) Organized Collection and Segregation of Waste (ii) Organic Waste

Compactors(OWC) and (iii) Recyclable waste to be recycled at site or compacted and outsourced to external agencies. As per the system, segregation of municipal solid waste(MSW) will be encouraged at source itself by provision of separate wet/dry bins in each unit and provision of dedicated garbage collection bins both in basements and public areas and these segregated garbage is to be treated as per the MSW Rules, 2016. Biodegradable waste is proposed to be treated and the resultant manure will be used for green belt development/gardening and the balance manure will be supplied for gardening and development of neighbouring cities. For recyclable waste, dedicated recycle plants will be installed at sites for plastic and paper waste and in case of excess demand, waste compactors will be installed at dedicated locations on sites and the recyclable waste will be collected here and outsourced for recycling to selective external agencies. Further, there will be no transportation of liquid waste and solid waste from the site to landfills which will reduce the burden on the civic infrastructure of local bodies. The Committee are glad to know the various systemic mechanisms being planned by NBCC to introduce to effectively deal with the solid waste and liquid waste and express their hope that these measures will be translated into action very soon so that not only the aim of zero waste emission is achieved successfully by NBCC but also a better ambience and environment friendly atmosphere is created for the inhabitants in the localities.

#### *34. Corporate Social Responsibility(CSR)*

The Committee observe that NBCC has volunteered to associate itself with Swatch Bharat Abhiyan and constructed community and public toilets at 30 locations of Municipal Corporations of Delhi (NDMC, EDMC and SDMC) and 100 nos. of Bio toilets at Schools for Girls students in the States of Uttar Pradesh, Rajasthan, West Bengal, Tripura, Assam and Uttrakhand. As informed to the Committee, the NBCC works with communities near its operations to implement a range of programs that positively impact in their lives and contribute in areas such as health, education, nutrition, empowerment, infrastructure development and local employment. During 2018-19, the major achievements of NBCC under CSR activities had been

(i) Conservation, Restoration and Development of Purana Qila (ii) Sahara Hostel for War Windows of the Indian Navy at Vasant Kunj, New Delhi (iii) Construction of Saink Rest House (SRH) at Betul, Madhya Pradesh (iv) Education scholarship for tribal girl students at Kalinga Institute of Social Sciences, Bhubaneswar (v) Allocation of CSR Funds for 'Swachh Bharat Kosh' set up by the Central Government of India (vi) Construction of Gramalayas including Sewerage & Sanitation facilities at village Harchandpur, Haryana (vii) Construction of CC Road and U Drain from Shankar Nagar Crossing to Ganeshpur Police Station, Basti, Uttar Pradesh. The Committee observe that the projects of NBCC are spread all over the country and therefore after taking into account the nature of the operations of the Company and its impact on the inhabitants in the surrounding areas, the Committee desire that the NBCC should proactively take up CSR projects for the benefit of the people and their families living in nearby areas of the operational projects of the Company. The Committee further recommend that the NBCC should not only spend CSR funds to fulfil the minimum obligations as laid down in the Companies Act, 2013 for CSR activities but also should take up more and more CSR activities on their own keeping in view the requirements of the communities/families living near by the construction sites especially the poor and from the marginalised sections of the society. The Committee also desire that the maintenance of the physical assets should be taken care of regularly. For instance, physical assets like community and public toilets constructed in the MCD area and also in the schools must be maintained properly to ensure that these are in usable condition for time to come. The Committee would therefore like the NBCC to apprise them of the measures taken for maintenance of the toilets constructed by them under Swachh Bharat Abhiyan.

35. The Committee however glad to note that the NBCC has incurred actual expenditure more than the mandatory CSR budget during the last five years as is evident that against the mandatory requirement of CSR expenditure of Rs.429.87 lakh in 2014-15, 487.96 lakh in 2015-16, 773.66 lakh in 2016-17, 876.42 lakh in 2017-18 and 950.96 lakh in 2018-19, the NBCC incurred actual expenditure of Rs.435.44 lakh, 870.54 lakh, 873.46 lakh, 895.61 lakh and 978.58 lakh respectively during these years. The Committee while expressing their great satisfaction on the overall expenditure incurred by NBCC much more

than the mandatory requirement during the last five years, expect the NBCC to take up more CSR activities on education, health and shelter of poor families so that the benefit of CSR activities reach the most deserving and needy class of people who are otherwise deprived of basic facilities.

*36.1. Expediting Settlement of Pending C&AG Audit Paras*

The Committee observe that NBCC informed that till 2017, C&AG audit team was directly conducting transaction audit of Regional Business Groups (RBGs)/ Strategic Business Groups(SBGs) and Inspection Report was sent to the respective RBGs/SBGs with a copy to CMD/Director (Finance) of NBCC. The replies to the Inspection reports were directly submitted by the respective RBG/SBG office to the C&AG team for settlement. After August 2017, new modalities were introduced whereby the Internal Audit Division (IAD) at Head Office will coordinate with the transaction audit of NBCC. IAD will coordinate with RBGs/SBGs/Divisions at Head Office for onwards submission of replies to outstanding transaction audit paras to C&AG office. Accordingly, reconciliation of old outstanding paras was done with CAG office by IAD. Total outstanding paras in NBCC as on 1<sup>st</sup> April 2019 were 296. Out of this 143 were settled/ transferred by CAG during ACM in April 2019. So there was a balance of 150 audit paras and 17 audit paras were added for transaction audit during 2017-18 taking the total number of outstanding paras to 170 as on 31<sup>st</sup> August, 2019. The Committee noted that out of the 170 pending audit paras, 23 paras relate to excess payment/ under or delayed recovery from contractor, 20 paras relate to discrepancies in tendering procedures, 19 paras relate to delay in execution of work and 11 paras relate to non levying/ short imposition of LD on contractor while 39 are miscellaneous issues. As per the latest written response furnished to the Committee by NBCC, they have furnished replies to 140 audit paras to C&AG office and remaining 30 paras are being pursued with the concerned Departments/ RBGs/SBGs.

**36.2** During the course of evidence, it was admitted that currently there were about 160 audit pending paras and NBCC expected to settle another 100 paras in the one-to-one meeting scheduled with C&AG in the last week of

March or the first week of April 2020. The Committee note that even before the new modalities were introduced after 2017, the number of pending audit paras were 296 which is considerably huge. In the opinion of the Committee, the number of audit paras reflects the number of violations/non-compliance of rules and procedures by the Company. So more number of audit paras are not a healthy sign. The Committee therefore recommend that NBCC should vigorously pursue these pending audit paras with the concerned Departments/RBGs/SBGs and get them settled with the C&AG at the earliest.

New Delhi  
7 January, 2021  
17 Pausha, 1942 (S)

**MEENAKASHI LEKHI**  
Chairperson  
Committee on Public Undertakings

## Annexure I

**Major Projects (Rs.50 crore and above) completed by NBCC  
during the last 03 years**

2018-19		
S. No.	Name of Project	Sanctioned cost (Rs. in Crore)
1	Training complex for Special Protection group,(SPG) sector-21 Dwarka, New Delhi	466.41
2	Medical College & Hospital Works Bihta, Patna	638.20
3	Medical College & Hospital Equipments, Dungarpur	189.00
4	Science and Technology Work - Jharkhand	217.64
5	ESIC KK Nagar	378.00
6	NHM Sonebhadra	86.37
7	CRPF Housing Works, JharodaKalan, Delhi	78.76
8	600 Bedded Hospital (initially 200 Bedded) at Ambedkar Nagar, New Delhi	180.95
9	NATGRID Work, Building Works Delhi& Bangalore	181.75
10	Corporate Bhawan in Ahmedabad	50.79
11	Indian Culinary Institute, Tirupati	97.92
12	NID, Bhopal	84.00
13	NTPC Township Works, LARA, CG	239.30
14	NID Jorhat, Assam	84.00
15	CRPF Quarters,Kathgodam(UK)	73.27
16	ESIC, Ayanavaram	309.71
17	NTPC, Hazaribagh	165.00
18	SJVN Works, Shimla	132.86
19	Regional Office Complex of NABARD, Kolkata	54.57
20	Residential Quarters and Barracks for CRPF, Greater Noida	150.17
21	Indian Culinary Institute, Noida Sec-62	98.50
22	NPA, Hyderabad	61.58
23	Infrastructure work for CISF, Ranchi	81.00
24	Office Complex of Jute Board, Kolkata	69.80
2017-18		
S. No.	Name of Projects	Sanctioned cost (Rs. in Crore)
1	BPR & D and NCRB Mahipalpur	101.56
2	ESIC, Parel	344.42
3	VNIT, Nagpur	210.00
4	NMIC/MOMI, Mumbai	134.54
5	SSB, Hingoli, Nanded,	53.69
6	NIT Patna	51.50

7	TFC Varanasi	257.00
8	BPS Khanpur	97.56
9	NHRM Ambedkar Nagar Tanda	87.89
10	Construction of New Laboratory Building for CFSL at Bhopal (M.P.)	53.72
11	Singareni CHIMNEY & IDCT	180.72
12	CFSL, Guwahati	50.07
13	Innovation Centre for Education at IIT Kundli	177.58
14	BSF work at Chhawla, New Delhi.	69.51
15	BSF work at Bhondsi, Gurgaon (Haryana).	65.11
16	SwadharGrah, Vrindavan	55.49
17	Constuction of GO,s Mess /Suits -barrack SEC FTR HQ at BSF, Greater Noida.	55.32
18	BDA - RAY Works, Bhubaneshwar	105.00
19	IMDC - NSIC Mkt Complex	55.00
20	STPI Office Building, Bhubaneshwar	49.60
21	Renovation of Indira Gandhi Memorial Hospital Renovation Project at Male' Republic of Maldives.	52.42
22	ESIC Medical College, Coimbatore (TN)	546.00
23	Lanning, Design, construction, supervision of special infrastructure works in MEPZ-SEZ campus, Chennai.	15.00
24	Construction of Dr. Ambedkar National Centre for Social Justice, 15-Janpath, New Delhi	185.04
25	Construction of office building for CIC at old JNU Campus, New Delhi.	52.96
<b>2016-17</b>		
S. No.	Name of Project	Sanctioned cost (Rs. in Crore)
1	Water Supply at North Zone, Agartala	74.03
2	CAPF Referral Hospital for ITBP at Gr Noida	116
3	President Museum, Delhi	99.87
4	CRPF Ext. Dev.works, 144, Res., Qtrs, parade , boundary, fort wall, MT park etc. Kathgodam(UK)	65.5
5	Residentail& Non Residentail work for CISF at Mahipalpur	93
6	Pravasi Bharti Kendra at Chankyapuri	94.91
7	Water supply work Faridabad	502.82
8	ITBP Works, Sivagangai (TN)	54.88
9	CISF Works, Karaikudi, Tamilnadu	55.19
10	National Police Academy II at Hyderabad	57.83
11	NIELIT Campus ROPAR	45.91
12	SVNIT WORKS Nagpur- Qtrs	83.99

## Annexure II

**Details of ongoing Projects of NBCC****List of PMC Projects**

<b>S. No.</b>	<b>Name of Project</b>	<b>Value (Rs. Crore)</b>	<b>Likely date of completion</b>
1	Institute for Security & Law Enforcement at Addu city, Maldives.	213.29	Jul'20
2	Redevelopment of Nauroji Nagar	2,694.00	Dec'21
3	Redevelopment of Netaji Nagar	5,466.00	On hold
4	Redevelopment of Sarojni Nagar	13,494.00	On hold
5	PTS 1 at JharodaKalan, Delhi	137.78	Mar'21
6	Exhibition and Convention centre at PragatiMaidan. New Delhi	2,350.00	Jan'21
7	UP-gradation of NICD to NCDC, 22 Sham Nath Marg, New Delhi	390.00	Mar'20
8	Medical College & Hospital Equipments, Dungarpur - Phase-II	30.00	Mar'20
9	SSB RES.BN.HQ.,MAUZPUR (Devation& Ext, Development Work), Alwar, Rajasthan	60.76	Mar'20
10	Construction of Multi purpose hall for Government Senior secondary school JamawaRamgarh, Jaipur, Rajasthan	2.94	Mar'20
11	KaushalBhawan, New Delhi	171.72	Nov'20
12	Maintenance of GPRA Complex, New MotiBagh	27.00	Jun'21
13	Reconstruction of WHO Regional office at IP Estate ,New Delhi	228.00	May'21
14	Renovation Work JallianwalaBagh , Amritsar	19.29	Mar'20
15	Sports Injury Centre, AIIMS Delhi	451.03	Jul'20
16	Infrastructure development at identified monuments for ASI, QutubMinar , Red Fort etc.	77.19	May'20
17	Construction of Gomti Nagar Railway Station, U.P.	360.00	March'21
18	Maintenace of Office Block at East Kidwai Nagar	31.73	Maint. Work
19	Maintenance of residential towers at East Kidwai Nagar for 30 years	350.00	Maint. Work
20	Redevelopment of Kidwai Nagar (East), Delhi	5,298.00	Mar'20
21	Social Housing units at Mare Tabac and Dagotiere, Mauritius	292.00	Jun'20
22	AIIMS, Bilaspur, Himachal Pradesh	1,471.04	Jun'21

23	Food Safety & Standards Authority of India (FSSAI), Ghaziabad	64.37	May'21
24	PGI, Chandigarh	23.10	April'20
25	Skill Development work Kanpur	66.13	Sep'20
26	TFC Varanasi Additional Sanction	7.71	Mar'20
27	SSB Works MahrajGanj, U.P. With External development work	39.90	Mar'20
28	ESIC Dental College & Renovation of ESIC Hospital at Pandu Nagar , Kanpur	23.83	Mar'20
29	(a) Central university of Tibetan Studies, Varanasi	45.91	Jun'20
30	(b) Construction of Centre for Teachers Education (CTE) Building, Varanasi	5.81	Apr'20
31	CBI works (Housing) ,Maidangarhi, Delhi	265.41	Dec'20
32	IIT-Mandi, Himachal Pradesh	580.21	Aug'20
33	CFSL, Pune	66.99	Mar'20
34	Food testing Centre (QCL), Mumbai	11.71	Mar'20
35	IT, Hadapsar, Pune	41.31	Mar'20
36	AMC/CMC OF MEPS EQUIPMENTS ( MAINTENANCE WORK) , MGM HOSPITAL PAREL, MUMBAI	3.32	Jul'20
37	ESIC, Hospital & Medical College Andheri	262.15	Jun'20
38	IPBF Works , Gujarat	581.74	Dec'20
39	KASEZ works, Gandhidham, Gujarat	99.38	Mar'20
40	NTPC Shivpuri Engineering College , (M.P.)	84.00	Mar'20
41	RVSKVV, Gwalior , (M.P.)	25.14	Mar'20
42	64 Nos Type - II Qtrs for BSF, Jabalpur , (M.P.)	8.59	Mar'20
43	NIELIT, Works Gangtok/ Pakyong	20.20	Jun'20
44	19th BnHqtr. SSB at Geyzing, Sikkim	77.88	Dec'20
45	BSF Work Manipur	28.99	Jun'20
46	ISI Works, Tezpur, Assam	34.97	Court case
47	PMGSY Works, Tripura	1,909.95	May'20
48	Slum Development at Dharmanagar, Tripura	57.18	Mar'20
49	SSB Mangaldoi(1B), Assam	46.28	May'20
50	Town Hall at Bishalgarh, Tripura	29.09	May'20

51	Tripura Institute of Technology, Agartala	141.37	Mar'20
52	AayakarBhawan, Kochi	61.49	May'20
53	Central university Srinagar	67.00	June'20
54	Income Tax, Srinagar	25.47	Jun'20
55	National Institute of Disaster Mgmt( NIDM),Rohini	47.70	Mar'20
56	NIT- Narela Works, Delhi	264.38	Jun'20
57	Tourist Facility at J&K	96.92	Sep'20
58	BSF Woks Bandipur Srinagar	23.20	Jun'20
59	BSF Woks Gogoland Srinagar	27.06	Jun'20
60	BSF Woks Humhuma Srinagar	42.94	Jun'20
61	BSF, Baramulla,srinagar	8.90	Jun'20
62	BSF Panthachowk Srinagar	32.51	On hold
63	Office Building of Dental Council of India at R.K .Puram , New Delhi	25.00	Sept'21
64	JNNURM- including Pumping staionwork , Srinagar	170.16	Sep'20
65	JNNURM Works- including missing link works , Jammu	118.98	Jun'20
66	IIT - Bhubaneshwar , Odisha	875.26	June'20
67	IIIT Nagpur	121.00	Mar'20
68	STP Work VNIT, Nagpur	7.74	Mar'20
69	Gosikhurd Irrigation Works, Nagpur	1,058.00	Jun'20
70	APDDRL CIPET, Bangalore	50.55	Mar'20
71	KTPO Bangalore	64.00	Jul'20
72	UIIC, Chennai	252.79	Mar'20
73	BSF Work,Chakur , Maharashtra	147.00	Mar'20
74	Additional Floor for IPO at Dwarka	80.51	Dec'20
75	CBSE Works, Dwarka	306.00	Feb'22
76	Income Tax Saket, Delhi	78.00	Sep'20
77	NATGRID Work, Data Centre Work, Delhi& Bangalore	83.78	Mar'20
78	Rani LaxmiBai Central Agriculture University, Jhansi	214.03	Mar'20
79	Science & Innovation Park / Nalanda Apartments at IIT Delhi	282.04	Jun'20

80	SPG Waste Management Dwarka New Delhi	23.00	Mar'20
81	Construction of Play Fields at Sri Venkateswara College, New Delhi	1.91	Mar'20
82	Repairing & Water Proofing Work for Working Womens Hostel at Jasola Vihar, New Delhi	4.49	Mar'20
83	Brij Mohan School for Blinds, Meerut, U.P.	4.43	Mar'20
84	CISF Housing at Maidangarhi, New Delhi	27.55	On hold
85	CISF quarters Saket, New Delhi.	33.83	Aug'20
86	International Craft Complex at Vasant Kunj, New Delhi	112.63	Sep'20
87	New MP Bhawan, Chanakyapuri, New Delhi.	149.87	Aug'20
88	NIA Residential Building at Maidangarhi, Delhi	75.28	Dec'20
89	NTRO works, Aya Nagar, Delhi	98.69	Mar'20
90	Security Police lines, Bapudham, Delhi	78.99	Mar'20
91	Vaniya Bhawan, 16A Akbar Road, New Delhi	226.00	Aug'20
92	AIIMS, Deogarh, Jharkhand	863.00	Aug'21
93	IIM, Ranchi, Jharkhand	311.68	Sep'20
94	PMGSY Works, Jharkhand	300.00	5years maint. work
95	Road Works under CCL, Ranchi	479.92	Jun'20
96	Super Speciality Hospital, Rourkela, Odisha	294.82	Apr'20
97	Science and Technology Work - Phase -III Polytechnic Work Jharkhand	227.40	Mar'20
98	500 Bedded Hospital at Saraikela, Jharkhand	142.88	Jul'20
99	Engineering College at Koderma, Jharkhand	107.29	Mar'20
100	Engineering College at Palamu, Jharkhand	107.27	Mar'20
101	Interior Work at New Ranchi Regional Office for National Insurance Comp. Ltd, Ranchi	3.25	Mar'20
102	IBBF Works (Assam, Meghalaya, Mizoram, Tripura)	1,314.00	Dec'20
103	IBBF Works Dawki to Jaliakhola, 37.73 KMs	215.00	Apr'20
104	Polo Market, Shillong	21.41	Mar'20
105	Multistoried Commercial Complex, Akhongre, Agartala	25.50	Mar'20
106	Construction of AIAY&N (AYUSH), Goa	248.26	Mar'21
107	NABARD, Kandivali, Phase-I & Phase-II, Mumbai	91.76	Mar'20

108	Residential qtrs, Central Excise Deptt, at Kharghar, Mumbai	110.00	March'21
109	Office Complex Building for Goa Shipyard Ltd. , Goa	118.89	Jun'20
110	CBSE Works, Bhubaneshwar	12.54	Aug'20
111	Construction of International Standard Natural Turf Football Pitch & Maintenance At Kalinga Stadium	21.50	Jun'20
112	IDCO Plastic site, Paradip Odisha	80.25	Mar'20
113	MCL Medical College, Talcher, Odisha	492.62	Jun'20
114	NIC Data Centre, Bhubaneshwar, Maintenance Work	7.30	May'21
115	Slum Development works at Berhampur, Odisha	55.68	Mar'20
116	Landscaping work at interpretation Centre at khandagiri, Odisha	2.93	Mar'20
117	CIPET, Bhubaneswar, Odisha	24.50	June'20
118	MICM Works, Bhubaneshwar	155.33	Apr'20
119	MCL Guest House, Bhubaneshwar	20.65	On hold
120	Infrastructure work at Barabati Stadium, Cuttack	62.62	Nov'22
121	NACIN, Hyderabad	46.71	Apr'20
122	Corporate Office Complex of MSTC, Kolkata	42.99	Jun'20
123	Garden Reach Ship Builders, Kolkata	56.48	Mar'20
124	Indian Statistical Institue, Kolkata	79.80	Mar'20
125	ITI Works (20 Locations), West Bengal	296.50	Mar'20
126	Lalit Kala Academy, Kolkata	13.38	May'20
127	PMGSY WB	979.34	Mar'20
128	Regional Office Complex of NICL, Kolkata	327.62	Nov'20
129	Victoria Hall, Kolkata	59.96	Mar'20
130	Addition/Alteration Work of Office Space of National Investigation Agency ,Kolkata	3.29	May'20
131	2400 Seater Auditorium (DhanaDhanya Project), Kolkata	418.72	Oct'20
132	ESIC - Baltikuri, (W.B.)	187.35	Mar'20
133	MaldaWorks(GKCIET) , (W.B.)	112.00	May'20
134	IIT Works, Kharagpur,Phase-III , (W.B.)	225.00	Mar'20
135	CRSU - Jind, Haryana	62.31	Mar'20
136	Cultural Centre, Dehradun	67.03	Jun'20

137	Infrastructure work at High Court Building, Nainital	40.38	Jun'20
138	Pt. DeenDayalUpadhyay Institute of Archaeology, Greater Noida	289.17	Mar'20
139	Reconstruction of Road NSEZ Works, Noida	38.97	Mar'20
140	Residential and Non-Residential works for LNUN NICFS Works, Sector III & V, Rohini	32.12	Mar'20
141	12nos bridge works, Uttarkashi,	68.61	May'20
142	Judicial Complex in Dehradun ,Uttarkhand	206.78	March'20
143	NIDM, Vijaywada	36.76	Mar'20
144	NID, Vijaywada, (AP)	84.32	Apr'20
145	ANGRAU Works, Guntur	161.85	Apr'20
146	10. Nos. SaraswatiSishuVidyaMandirs in Various Districts, Odisha	22.65	Mar'20
147	PMGSY Odisha	1,269.71	Aug'20
148	Skill Development Institute, Bhubaneswar	299.40	May'20
149	Construction for development work and Administrative Building of Utkal University , Bhubaneswar, Odisha	233.50	Sep'21
150	a) C/o Research Scholar Hostel at Second Campus of Ravenshaw University b) Infrastructure development Grant to Ravenshaw University cuttack	70.00	Jun'20
151	Construction and various development work for OTPCL, Odisha	61.03	Dec'20
152	Construction of Warehouse and ancillary buildings for storage of alcoholicbevereges at Sonepur.	10.83	Oct'20

#### List of EPC Projects

SI No	Name of Project	Value (Rs. Crore)	Likely date of completion
1	Chimney Works, North Karanpura	24.99	Jun'20
2	NDCT, Wanakbori, Gujarat	66.98	Mar'20
3	NTPC Works, Salakati, ASSAM	320.68	Mar'20
4	NTPC Barh , Bihar	76.97	Mar'20
5	Navinagar Work-BRBCL -Balance Works for BRBCL/NTPC Township works, Nabinagar , Bihar (On EPC) (5 Pkgs)	138.54	Sep'20
6	Navinagar Work-NPGCL - Permanent Township works for NPGCL/NTPC , Bihar	328.08	Sep'20

7	Road & drainage works at Nabinagar for BRBCL , Bihar	51.24	Mar'20
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**List of Real Estate Projects**

SI No	Name of Project	Value (Rs. in Crore)	Likely date of completion
1	Commercial Complex at Gomti Nagar Extension, Lucknow	41.30	Oct'20
2	NBCC Square at Rajarhat, Kolkata	193.50	March'20
3	NBCC Imperia at Chandrasekharapur, Bhubaneswar, Odisha	191.00	March'20
4	Valley View Apartment at Kochi	91.14	-
5	Group Housing Apartment at Alwar	43.52	March'20

## Annexure III

**Allocation and Expenditure under CSR during the last 5 years**

<b>CSR Activities for FY 2014-15</b>				
<b>Mandatory CSR Budget : Rs. 429.87 lakh</b>				
<b>Amount in Lakhs</b>				
<b>S.No</b>	<b>CSR Project / Activity Name</b>	<b>Sector in which project is covered</b>	<b>Location</b>	<b>Expenditure incurred</b>
1	Construction of Road Side Bus Stands, Alwar, Rajasthan	Schedule VII Item (x)	Dausod, Alwar, Rajasthan	4.26
2	Construction of Road Side Bus Stands, Srinagar, J&K	Schedule VII Item (x)	1.Hyderpora Bypass Crossing 2. NowgamBypas Crossing, Nr. Fire Station 3. Waniyar, Srinagar	12.55
3	Proposal Evaluation and Impact Assessment of Bus Sand at Alwar & Srinagar by TISS for FY 2012-13	Schedule VII Item (x)	-	1.68
4	Proposal Evaluation and Impact Assessment carried out by TISS for FY 2013-14	Schedule VII Item (x)	-	2.19
5	Skill Development, EDC Ghitorni, New Delhi	Schedule VII Item (ii)	Ghitorni, Madangir, Bawana, Delhi	11.95
6	Skill Enhancement program at GPRA, New Moti Bagh, New Delhi	Schedule VII Item (ii)	New Delhi	8.38
7	Skill & Entrepreneurship Development Program in Bahraich, UP	Schedule VII Item (ii)	Bahraich, UP	10.29
8	Construction / repair of Roads, Community Centres, Schools, Toilets, Drinking water facilities in some areas of Mizoram	Schedule VII Item (ii), (x)	Mizoram	9.91
9	Construction of 2 No. Dispensary and 1 No. School building at Sawai Madhopur	Schedule VII Item (i), (ii)	Sawai Madhopur, Rajasthan	256.82
10	Rain Harvesting, Gurgaon	Schedule VII Item (iv)	Gurgaon, Haryana	23.60

11	Merit-cum-Means Scholarships in Mizoram & Bihar	Schedule VII Item (ii)& (iii)	Mizoram & Bihar	6.00
12	Drivers Training	Schedule VII Item (ii)	Delhi	0.67
13	Salary of Staff April, 14 to March, 2015	General Circular 21/2014 para (iv)	-	29.05
14	Construction of Bio-Digester Toilets	Schedule VII Item (i)	Uttar Pradesh & Rajasthan	47.58
15	Proposal Evaluation of Bio-Digester Toilets	-	PAN India basis	5.60
16	CSR Training program for NBCC Officials on PAN India Basis	-	Tripura, West Bengal, Jharkhand, Maharashtra, Bihar, Delhi, Chennai	4.91
			<b>Total</b>	<b>435.44</b>

<b>CSR Activities for FY 2015-16</b>				
<b>Mandatory CSR Budget : Rs. 487.96 lakh</b>				
<b>Amount in Lakhs</b>				
<b>S.No</b>	<b>CSR Project / Activity Name</b>	<b>Sector in which project is covered</b>	<b>Location</b>	<b>Expenditure incurred</b>
1	Construction of Community & Public Toilets in Delhi	Schedule VII Item (i)	Delhi	360.21
2	Merit-cum-Means Scholarships in Mizoram & Bihar	Schedule VII Item (ii)& (iii)	Mizoram & Bihar	6.00
3	Administrative expenses	-	-	2.02
4	Financial Aid to ALIMCO for assistive devices alongwith 10 % of cost of the devices towards the cost of event Management	Schedule VII Item (ii)	Ranchi, Jharkhand	24.64
5	Education Scholarship for Tribal girl students at Kalinga Institute of Social Sciences (KISS) Bhubaneswar	Schedule VII Item (ii), (iii), (viii)	Bhubaneswar, Odhisa	3.15
6	Skill & Entrepreneurship Development Programs in periphery of our large value project sites	Schedule VII Item (ii)	-	30.17

7	Release of Rs.10.74 lacs towards construction of 2 no. dispensaries and 1 no. dispensary at Sawai Madhopur-financial closure of the work	Schedule VII Item (i)& (ii)	Sawai Madhopur, Rajasthan	12.66
8	Provision of Certain Kitchen Items for Indira Amma Bhojnalaya under Indira Amma Canteen Scheme	Schedule VII Item (iii)	Uttarkashi	0.64
9	Construction of 92 Bio-Digestor Toilets in Schools *	Schedule VII Item (i)	UP, Rajasthan, West Bengal, Tripura, Assam, Asansol, Uttarakhand	406.90
10	Proposal Evaluation for Bio-Digestor Toilets in Schools *	-	-	6.04
11	Proposal Evaluation, Mid-term Assessment, Impact Assessment by TISS for FY 2012-13 & 2013-14 *	-	-	14.41
12	Mid-term Assessment, Impact Assessment by SoulAce Consulting Ltd for 2014-15 *	-	-	3.70
			<b>Total</b>	<b>870.54</b>

\* Pertains to projects sanctioned in previous financial years and ongoing during the FY 2015-16

<b>CSR Activities for FY 2016-17</b>				
<b>Mandatory CSR Budget : Rs. 773.66 lakh</b>				
<b>Amount in Lakhs</b>				
<b>S.No</b>	<b>CSR Project / Activity Name</b>	<b>Sector in which project is covered</b>	<b>Location</b>	<b>Expenditure incurred</b>
1	Proposal Evaluation, Mid-Term Assessment & Impact Assessment *	-	-	2.55
2	Mid-term Assessment & Impact Assessment for FY 2015-16 *	-	-	4.46
3	Financial Aid to ALIMCO for distribution of assistive devices at Ranchi Jharkhand *	Schedule VII Item (ii)	Ranchi, Jharkhand	8.21

4	Bio-digetsor Toilet on PAN India basis *	Schedule VII Item (i)	PAN India basis	35.46
5	Construction of Community & Public Toilets in Delhi *	Schedule VII Item (i)	Delhi	114.13
6	Allocation of CSR Fund for Swachch Bharat Kosh Set up by the Central Government of India	Schedule VII Item (i)	PAN India basis	255.30
7	Education Scholarship for Tribal girl students at Kalinga Insititute of Social Sciences (KISS) Bhubaneshwar	Schedule VII Item (ii), (iii), (viii)	Bhubaneshwar, Odhisa	3.15
8	Basic Infrastructure at Ranga Reddy District, Saroomnagar Mandal, Village Jalpally, Hyderabad	Schedule VII Item (x)	Jalpally, Hyderabad	17.27
9	Construction of Sainik Rest House (SRH) in Betul, Madhya Pradesh for Armed Forces Veterans	Schedule VII Item (vi)	Betul, MP	10.91
10	Construction of Widows Hostel (Indian Navy) at Pocket D-6, Vasant Kunj, New Delhi	Schedule VII Item (Vi)	Vasant Kunj, New Delhi	31.16
11	Construction of CC Road and U drain from Shankar Nagar Crossing to Ganeshpur Police Station, Basti, Uttar Pradesh	Schedule VII Item (x)	Basti, UP	16.23
12	Construction of 3 No. Public Toilets in Guntur District, Andhra Pradesh	Schedule VII Item (i)	Guntur, Andhra Pradesh	65.38
13	Conservation, restoration and development of Purana Qila	Schedule VII Item (v)	New Delhi	300.00
14	CSR Expenditure for the year 2016-17 AG Namma Toilets at Guntur*	Schedule VII Item (i)	Guntur, Andhra Pradesh	8.90
15	Administrative Expenditure *	-	-	0.35
			<b>Total</b>	<b>873.46</b>
* Pertains to projects sanctioned in previous financial years and ongoing during the FY 2016-17				

<b>CSR Activities for FY 2017-18</b>				
<b>Mandatory CSR Budget : Rs. 876.42 lakh</b>				
<b>Amount in Lakhs</b>				
<b>S.No</b>	<b>CSR Project / Activity Name</b>	<b>Sector in which project is covered</b>	<b>Location</b>	<b>Expenditure incurred</b>
1	Construction of Sainik Rest House (SRH) in Betul, Madhya Pradesh for Armed Forces Veterans *	Schedule VII Item (vi)	Betul, MP	81.97
2	Construction of Widows Hostel (Indian Navy) at Pocket D-6, Vasant Kunj, New Delhi *	Schedule VII Item (Vi)	Vasant Kunj, New Delhi	420.24
3	Construction of CC Road and U drain from Shankar Nagar Crossing to Ganeshpur Police Station, Basti, Uttar Pradesh *	Schedule VII Item (x)	Basti, UP	12.94
4	Construction of Gramalayas at village Harchandpur, Haryana *	Schedule VII Item (x)	Harchandpur, Haryana	33.84
5	Education Scholarship for Tribal girl students at Kalinga Institute of Social Sciences (KISS) Bhubaneshwar	Schedule VII Item (ii), (iii), (viii)	Bhubaneshwar, Odhisa	3.15
6	Financial contribution towards Paralympic Committee of India (PCI) to Paralympic Games	Schedule VII Item (vii)	New Delhi	50.00
7	Allocation of CSR Funds for "Swachh Bharat Kosh" set up by the Central Government of India.	Schedule VII Item (i)	PAN India	289.22
8	Impact Assessment of NBCC's CSR Activities of FY 2016-17*	-	-	1.77
9	Miscellaneous Administrative Expenditure	-	-	2.48
			<b>Total</b>	<b>895.61</b>
* Pertains to projects sanctioned in previous FY 2016-17 and ongoing during the FY 2017-18				

<b>CSR Activities for FY 2018-19</b>				
<b>Mandatory CSR Budget : Rs. 950.96 lakh</b>				
<b>Amount in Lakhs</b>				
<b>S.No</b>	<b>CSR Project / Activity Name</b>	<b>Sector in which project is covered</b>	<b>Location</b>	<b>Expenditure incurred</b>
1	Conservation, restoration and development of Purana Qila	Schedule VII Item (v)	New Delhi	419.50
2	Construction of Sainik Rest Houses (SRH) in Betul, Madhya Pradesh for Armed Forces Veterans	Schedule VII Item (vi)	Betul, MP	30.93
3	Construction of CC Road and U drain from Shankar Nagar Crossing to Ganeshpur Police Station, Basti, Uttar Pradesh	Schedule VII Item (x)	Basti, UP	101.30
4	Educational Scholarships to Kalinga Institute of Social Sciences (KISS)	Schedule VII Item (ii), (iii), (viii)	Bhubaneswar, Odhisa	14.08
5	Allocation of CSR Funds for "Swachh Bharat Kosh" set up by the Central Government of India.	Schedule VII Item (i)	PAN India	313.82
6	Construction of Widows Hostel (Indian Navy) at Pocket D-6, Vasant Kunj, New Delhi	Schedule VII Item (vi)	Vasant Kunj, New Delhi	98.74
7	Impact Assessment of NBCC's CSR Activities of FY 2017-18	-	-	-
8	Administrative expenditure for FY 2018-19			
	(A) Impact Assessment of NBCC's CSR Activities of FY 2018-19	5 % of CSR Budget	-	-
	(B) Miscellaneous Administrative Expenditure		-	-
	(C) Inauguration Exp. Gramalaya, Harchandpur, Haryana		-	0.21
			<b>Total</b>	<b>978.58</b>

(RLOP dt March 2020 Q 42)

## APPENDIX I

### MINUTES OF THE FOURTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)

The Committee sat on Thursday, the 19<sup>th</sup> September 2019 from 1450 hrs to 1630 hrs in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Smt. Meenakashi Lekhi - Chairperson

#### MEMBERS

##### *Lok Sabha*

2. Shri Kunwar Danish Ali
3. Dr. Heena Vijaykumar Gavit
4. Shri Chandra Prakash Joshi
5. Smt. K. Kanimozhi
6. Shri Raghu Ramakrishna Raju
7. Smt. Poonamben Hematbhai Maadam
8. Shri Arjunlal Meena
9. Shri Janardan Mishra
10. Prof. Saugata Roy
11. Dr. Arvind Kumar Sharma
12. Shri Ravneet Singh
13. Shri Sushil Kumar Singh
14. Shri Uday Pratap Singh

##### *Rajya Sabha*

15. Shri Prasanna Acharya
16. Mohd. Ali Khan
17. Shri Mahesh Poddar

#### SECRETARIAT

- |    |                   |   |                     |
|----|-------------------|---|---------------------|
| 1. | Shri R.C. Tiwari  | - | Joint Secretary     |
| 2. | Smt. Mamta Kemwal | - | Director            |
| 3. | Shri Khakhai Zou  | - | Additional Director |
| 4. | Shri G.C. Prasad  | - | Additional Director |

## REPRESENTATIVES OF THE NBCC (INDIA) LIMITED

- |                            |   |                       |
|----------------------------|---|-----------------------|
| 1. Shri Shiv Das Meena     | - | CMD                   |
| 2. Shri Rajendra Choudhari | - | Director (Commercial) |
| 3. Shri Neelesh Shah       | - | Director (Projects)   |
| 4. Smt. B. K. Sokhey       | - | Director (Finance)    |

2. At the outset, the Hon'ble Chairperson welcomed the Members and representatives of the NBCC (India) Limited to the Sitting convened to have a briefing on the subject comprehensive examination of 'NBCC (India) Limited'. She then drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding confidentiality of evidence tendered before the Parliamentary Committees.

3. The Chairman, NBCC (India) Limited and other senior officers first introduced themselves to the Committee and then gave a power point presentation on the subject highlighting the background of the Company, its functions, Board of Directors, share holding pattern, Organisational structure, Regional set-up, joint ventures, subsidiaries, financial and physical performance during the last five years, major projects undertaken, projects underway, growth projections, participation in Government's Initiatives, Heritage Restoration Projects, projects in overseas, status of C&AG Paras , etc.

4. Thereafter, the Chairperson sought information on the mandate of NBCC, vacancies in its Board of Directors, the sanctioned vis-a-vis actual strength of the Company, performance of its Joint Ventures & subsidiaries, reasons for losses in 2017-18, methodology adopted in tendering of projects and ensuring transparency in awarding of contracts, employment generated in the last 5 years and estimated figures on employment to be generated in near future. She also sought clarifications on the management of solid waste in redevelopment projects, e-payments, payment plans of the Company specifying time limit to complete the payments, issues related to delay in payments, e-tendering process and the number of payments pending. The Chairperson also enquired about the funding and financing pattern of projects, the revenue model used by NBCC (India) Limited in Delhi and feasibility of replicating the model in other parts of the country , status of litigation cases of the

Company, optimization of land resources, CSR compliance status of the Company, status of compliance on observations highlighted in CAG Reports, etc.

5. Members, thereafter, raised several queries on allotment of redevelopment projects of NBCC (India) Limited as to whether allotment was being done on nomination basis or tendering basis, raising of resources for funding of projects, performance of overseas projects of NBCC, methodology adopted for getting overseas projects, establishing another vertical entity similar to NBCC for taking up government/public projects, adherence to new accounting standards, development of new methodology for assessment of profitability, risk factors, etc. They also sought information on issues related to private infrastructural projects and role of NBCC (India) Limited in private housing projects in view of the Hon'ble Supreme Court judgment, cost effectiveness of the Company as compared to the private sector, use of vastu shastra during the construction so as to make the projects more appealing to the prospective buyers, decrease in reserve surplus of the Company, settlement of various issues pertaining to HSCL etc.

6. The representatives of the NBCC (India) Limited clarified some issues on which information was readily available with them. In respect of points for which information was not readily available, the Chairperson directed that written replies may be furnished to the Committee Secretariat by 3rd October, 2019.

*The Committee then adjourned.*

*(A verbatim record of the proceedings has been kept separately).*

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## APPENDIX II

### MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)

The Committee sat on Thursday, 12<sup>th</sup> March 2020 from 1510 Hrs. to 1640 Hrs. in Committee Room No. 62, First Floor, Parliament House, New Delhi.

#### PRESENT

Smt. Meenakashi Lekhi - Chairperson

#### MEMBERS

##### *Lok Sabha*

2. Shri Kunwar Danish Ali
3. Dr. Heena Vijaykumar Gavit
4. Shri Raghu Ramakrishna Raju Kanumuru
5. Smt. Poonamben Hematbhai Maadam
6. Shri Janardan Mishra
7. Shri Ravneet Singh
8. Shri Ramdas Chandrabhanji Tadas

##### *Rajya Sabha*

9. Shri Om Prakash Mathur
10. Shri Mahesh Poddar

#### SECRETARIAT

1. Shri R.C. Tiwari - Joint Secretary
2. Smt. Mamta Kemwal - Director
3. Shri Khakhai Zou - Additional Director
4. Shri G.C. Prasad - Additional Director

#### REPRESENTATIVES OF THE NBCC (India) Ltd.

1. Shri P. K. Gupta - CMD, NBCC (India) Ltd.
2. Shri Rajendra Chaudhari - Director (Commercial)
3. Shri Neelesh Shah - Director (Projects)
4. Shri B.K. Sokhey - Director (Finance)

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and the representatives of the NBCC (India) Ltd. to the sitting convened to take evidence of the representatives of the NBCC (India) Ltd. in connection with its comprehensive examination. She then drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

3. The CMD, NBCC (India) Ltd., and other senior officers first introduced themselves to the Committee. Hon'ble Chairperson then raised specific issues such as stalled private housing projects, performance of overseas projects of NBCC, vigilance issues, CSR activities, auditing, heritage restoration projects, appointment of NBCC as Land Management Agency (LMA) by sick CPSUs, impact of slump in the real estate sector on the company, Implementation of Real Estate Regulation and Development Act, profitability, workforce, environmentally sustainability etc. The representatives of NBCC (India) Ltd. responded to the queries and also explained several issues, namely, projects undertaken by NBCC under Project Management Consultant, Engineering Procurement Consultant and Real Estate, role and functions of NBCC as Land Management Agency (LMA), efforts taken towards expeditious disposal of cases, pendency of vigilance cases, participation in Government initiatives, financial performance and accounting, subsidiaries of NBCC, appointment status of vacant seats of Independent Directors in NBCC Board, capacity building and R&D etc.

4. Thereafter, Members sought clarifications on diverse points, involving issues such as status and current work being done on stalled projects of private realtors, corporate governance in NBCC, expenditure in R&D, overseas projects of NBCC, pending audit observations/paras, Government Initiatives like Smart City Project, PMAY, AMRUT etc.

5. The representatives of NBCC (India) Ltd. clarified some issues on which information was readily available with them. In respect to points on which information was not readily available, the Chairperson directed them to submit written replies to the Secretariat within a week.

***The Committee then adjourned.***

***(A verbatim record of the proceedings has been kept separately).***

## APPENDIX III

### MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)

The Committee sat on Friday, 13<sup>th</sup> March 2020 from 1515 Hrs. to 1625 Hrs. in Committee Room No. 62, First Floor, Parliament House, New Delhi.

#### PRESENT

Smt. Meenakashi Lekhi - Chairperson

#### MEMBERS

##### *Lok Sabha*

2. Shri Kunwar Danish Ali
3. Dr. Heena Vijaykumar Gavit
4. Shri Janardan Mishra
5. Shri Uday Pratap Singh

##### *Rajya Sabha*

6. Shri Prasanna Acharya
7. Dr. Anil Jain
8. Shri Om Prakash Mathur
9. Shri Mahesh Poddar
10. Shri Surendra Singh Nagar

#### SECRETARIAT

1. Shri R.C. Tiwari - Joint Secretary
2. Smt. Mamta Kemwal - Director
3. Shri Khakhai Zou - Additional Director
4. Shri G.C. Prasad - Additional Director

#### REPRESENTATIVES OF THE MoHUA

1. Shri Durga Shankar Misra - Secretary, MoHUA
2. Shri Kamran Rizvi - Additional Secretary, MoHUA
3. Shri P. K. Gupta - CMD, NBCC (India) Ltd.

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and the representatives of the Ministry of Housing and Urban Affairs

(MoHUA) to the sitting convened to take evidence of the representatives of the MoHUA in connection with the comprehensive examination of NBCC (India) Ltd. Hon'ble Chairperson pointed out that two Sittings had already been convened in connection with the examination of the subject. She then drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

3. In her opening remarks, the Hon'ble Chairperson, while appreciating NBCC (India) Ltd. for the good work it has done in the real estate and construction sector, which is the second highest employment generators in the country next only to agriculture sector, raised specific issues such as reasons for five posts of Independent Directors lying vacant in the Board of NBCC and the steps taken by the MoHUA to fill up the same, the effect of slump in the real estate sector and impact of the implementation of Real Estate Regulation and Development Act (RERA), how often the Ministry is holding meetings with NBCC and other CPSUs under its jurisdiction, whether the Ministry is having any difficulties in discharging its functions and implementing policies framed by the Government etc.

4. The Secretary, MoHUA and other senior officers first introduced themselves to the Committee. After thanking the Committee for giving the opportunity to the Ministry to appear before them, the representatives of MoHUA responded to the queries and also explained several issues like Project Management Consultant, Engineering Procurement Consultant and Real Estate, fully owned subsidiaries and Joint Ventures of NBCC, manpower, work done by NBCC in New Moti Bagh and East Kidwai Nagar, technology upgradation, work done under PMGSY and JNURRM, efforts taken towards expeditious disposal of cases, pendency of vigilance cases etc.

5. Thereafter, Members sought clarifications on diverse points, involving issues such as how clients approach NBCC, Joint Ventures, turnover of NBCC, order book of 80 thousand crores, status of stalled projects of Amrapalli and JP Infratech Groups, consultation with local public representatives in implementation of projects, whether the Company is following guidelines of National Green Tribunal in its construction activities, Government Initiatives like Smart City Project, PMAY, AMRUT etc.

6. The representatives of MoHUA clarified some issues on which information was readily available with them. In respect to points on which information was not readily available, the Chairperson directed them to submit written replies to the Secretariat within a week.

*The Committee then adjourned.*

*(A verbatim record of the proceedings has been kept separately).*

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## **APPENDIX-IV**

### **MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2020-2021)**

The Committee sat on Thursday, the 7<sup>th</sup> January, 2021 from 1210 Hrs. to 1310 Hrs. in Committee Room '3', Ground Floor, Block A, Parliament House Annexe Extension (New Building), New Delhi.

#### **PRESENT**

**Smt. Meenakashi Lekhi - Chairperson**

#### **MEMBERS**

##### **Lok Sabha**

2. Shri Arjunlal Meena
3. Shri Janardan Mishra
4. Prof. Saugata Roy
5. Dr. Arvind Kumar Sharma
6. Shri Sushil Kumar Singh
7. Shri Uday Pratap Singh
8. Shri Ramdas Chandrabhanji Tadas

##### **Rajya Sabha**

9. Shri Prasanna Acharya
10. Shri Birendra Prasad Baishya
11. Shri Surendra Singh Nagar

#### **SECRETARIAT**

- |                           |                     |
|---------------------------|---------------------|
| 1. Shri R.C.Tiwari        | Joint Secretary     |
| 2. Shri Srinivasulu Gunda | Director            |
| 3. Shri G.C. Prasad       | Additional Director |

#### **REPRESENTATIVES OF THE NATIONAL THERMAL POWER CORPORATION LIMITED (NTPC)**

- |                                |   |                       |
|--------------------------------|---|-----------------------|
| 1. Shri Gurdeep Singh          | - | CMD                   |
| 2. Shri Anil Kumar Gautam      | - | Director (Finance)    |
| 3. Shri Ramesh Babu V          | - | Director (Operations) |
| 4. Shri Dilip Kr. Patel        | - | Director (HR)         |
| 5. Shri Chandan Kr. Mondol     | - | Director (O)          |
| 6. Shri Ujjwal K. Bhattacharya | - | Director (Projects)   |

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and apprised them about the agenda for the sitting. As a first agenda item, the Chairperson proposed for consideration and adoption of the draft reports on the following subjects:-

- (i) Airports Authority of India (AAI)
- (ii) Central Coalfields Limited (CCL)
- (iii) Food Corporation of India (FCI)
- (iv) Hindustan Antibiotics Limited (HAL)
- (v) NBCC (India) Limited
- (vi) Action taken by the Government on the observations/Recommendations contained in the Twenty-second Report (16th LS) of the Committee on Public Undertakings on "Financing of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No.12 of 2015)".
- (vii) Action taken by the Government on the observations/Recommendations contained in the Twenty-fourth Report (16th LS) of the Committee on Public Undertakings on "Review of Loss Making CPSUs".

3. The Committee then considered the aforesaid draft reports and adopted it without any changes/modifications. The Committee thereafter authorized the Chairperson to finalize the report on the basis of factual verification by the concerned Ministry/Department and consider for presenting the reports to Hon'ble Speaker since Parliament is not in session.

***(The representatives of NTPC were then called in)***

4.	****	****	****
5.	****	****	****
6.	****	****	****
7.	****	****	****

***The Committee then adjourned.***

***(A verbatim record of the proceedings has been kept separately).***