

## **Chairman's Address**

### **Dear Shareholders,**

It is my great privilege to extend you warm welcome at the 50th Annual General Meeting which has special significance as on 15th November this year, your Corporation will be completing 50 years of its dedicated services to the Nation. Indeed, this is a memorable moment for all of us. I thank you all for making it possible through your presence at the 50th Annual General Meeting. The Audited Accounts for the financial year 2009-10 together with the Directors' Report have already been circulated and with your permission I take them as read.

### **Construction Industry - Overview**

The Indian Construction Industry is playing a vital role in the overall economic development of the country. Despite world-wide recession, the Indian construction industry remained robust and continued to surge by registering over 20% CAGR during the past 5 years and contributing over 8% to GDP. The Government of India proposes to achieve a 9 per cent average GDP growth during the Eleventh Plan period. In view of better prospects of both domestic and foreign capital inflow, economic growth is likely to continue, and with it, so is the demand for infrastructure. Though, private construction did not grow at the pre-2008 pace, but large players did manage to bear the storm and successfully managed their business operations. Similarly, your Corporation also put up a brave front and came out unscathed.

### **Initiative**

Your Corporation entry into the real estate sector met with tremendous success. Overwhelming response to the launch of its various housing residential schemes, having an underline objective of providing low cost/affordable dwelling units stands testimony to the faith reposed by the public, in pursuits of their dreams. Also, taken in hand are several projects for development and construction of commercial complexes in view of the ever escalating demand for commercial space.

Your Corporation has successfully launched Real Estate Project under affordable housing category to be developed in phases at Khekhra (UP) comprising of 4100 dwelling units for which construction is in progress. Another residential-cum-shopping complex at Patna is also under construction. Upcoming housing projects at Gurgaon and Kochi are expected to be launched soon. Construction work related to Office-cum-Shopping Complex viz. 'NBCC Centre', Okhla, New Delhi has already started.

Your Corporation has been making strenuous efforts as a Power Developer and for executing works on EPC basis. Currently, your Corporation is trying to secure works of 'Gas Projects' from NFL and 'Thermal Power Projects' from Government of Rajasthan.

### **Business Outlook**

Your Corporation aims to achieve a target of Rs. 4500 crores by end of the financial year 2011-12. During the financial year ended on 31.3.2010, share of Project Management Consultancy in the overall turnover of the organization was over 90%. Keeping in view the envisaged growth trajectory and to sustain in the long run, efforts are being continued to develop business in other areas. Power sector is one such particular area besides the real estate. Opportunities for business development in the core sector i.e. construction, consultancy and project management and EPC contracts would continue to be tapped.

### **Financial Performance**

During the financial year 2009-10, your Corporation achieved a total turnover of Rs.2981.98 crore as against Rs.2041.20 crore in the previous year. For the year, profit before tax was Rs. 174.59 crore ( previous year Rs.239.95 crore). This is the fourth year in row for declaring the dividend. Your directors have already recommended dividend of Rs. 23.30 crore @ 20% of post tax profits for the year 2009-10. Net worth of your Corporation has now risen to Rs.546.53 crore from Rs. 457.26 in the previous year.

## **Project Management & Consultancy Services**

Being an extended arm of Ministry of Urban Development, Ministry of Housing & Urban Poverty Alleviation, Ministry of Defence, Ministry of Home Affairs and various other Central/State Government Ministries, your Corporation is executing infrastructure/ developmental projects in North East Region, Indo-Pak & Indo-Bangla Border Fencing works, Defence Housing Sector Projects at different stations and Solid Waste Management at different Airfield Towns all over India. PMC services entails implementation of the projects from Concept to Commissioning, ensuring Cost & Quality competitiveness.

Always focus shall remain on delivery of projects in time, as also on avoidance of litigation with clients and other associated parties, in order to channelise all resources in the right direction for gainful purpose.

## **Computerization and Transparency**

For observing transparency in the working, ERP Software System is now under final stages of implementation. ERP will result in carrying out operations much faster and accurately. Web site of your Corporation has been hosted on the Government portal 'nbccindia.gov.in' which is linked with the website of Ministry of Urban Development, Sarkari website, GOI directory and also major search Engines viz. google, yahoo and msn. The website has dynamic link with NIC Tender Portal to facilitate posting of all tenders/NITs on web. The web site has secured web based e-mail facility.

## **Customer Satisfaction**

Your company is committed to Total Customer Management (TCM) in a structured form. Customer feedback is obtained at all project sites at regular intervals. Your Company's priority remain value addition to clients through execution of projects.

## **Corporate Social Responsibilities**

Your Corporation believes that corporate responsibilities go beyond the financial to non-financial areas such as community development and nation building. Conducting business responsibly is central to our philosophy. Your Corporation accordingly has adopted a policy to undertake social welfare activities adjoining its project sites/offices in the country so as to produce an overall positive impact on society. Conscious of the environmental aspects, all Project Incharges have been given a mandate for planting trees in proportion to their project site area. During the year, upgradation of Durgabari Complex of historical importance and place of tourist attraction at Agartala; and metalling of katcha roads for a society at Noida engaged in running animal hospital, treatment to old and abundant animals involving a total outlay of Rs. 93 lacs were undertaken. Your Corporation associated with a 'Park & Ride' Bus Service Scheme inaugurated by the Hon'ble Union Minister of Urban Development on 5th May, 2010 and involving annual financial outlay of Rs. 72 lacs for the benefit of visitors to Central Government Offices and employees.

## **Global Compact**

Your Corporation remains committed to support the principles of Global Compact and is an active member in the 'Global Compact Network'. Several initiatives taken in this regard are - execution of works in remote and difficult areas, job opportunities to local residents, reconstruction of works in areas affected by natural calamities, border fencing works for national security, and construction of water supply system etc.

## **Acknowledgements**

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

I sincerely express my appreciation and gratitude to all members of the Board for their invaluable support and guidance in the decision making process of your Corporation.

I would also like to place on record my appreciation for the effective contribution made by the employees at all levels without whose support it would not have been possible to achieve the corporate targets.

**( V P Das )**  
**Chairman-cum-Managing Director**

**Place: New Delhi**

**Dated: 27-09-2010**