

No./NBCC/BS/2020-21

July 24, 2020

**National Stock Exchange of India Ltd.**  
**Exchange Plaza, 5<sup>th</sup> Floor,**  
**Plot no. C/1,G Block**  
**Bandra –Kurla Complex**  
**Bandra (E),Mumbai-400051**

NSE Symbol: NBCC/EQ

**Sub: Clarification for Financial results - NBCC**

**Sir,**

This is in reference to the clarification for Financial Results sought by National Stock Exchange of India Ltd. (NSE) vide mail dated July 24, 2020 with respect to the "Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange." Accordingly, it is hereby clarified that:-

*The Auditors' Report on the Standalone Financial Statements of the Company for the Financial Year 2019-20, are unmodified and without any qualifications.*

*Further, the declaration on the Auditor's Report under Regulations 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 submitted along with the Standalone Financial Statements had the typographical error as 'Standalone and Consolidated' were mentioned instead of 'Standalone' in the declaration.*

Accordingly, the following are enclosed:-

1. Revised Declaration on the Auditor's Report of Standalone Financial Statements of the Company for the FY 2019-20.
2. The Statement on Impact of Audit Qualification (Modified Opinion) in Annexure-I as already submitted is again forwarded as the Auditors' Report of the Consolidated Financial Statements of the Company for the Financial Year 2019-20 is with modified opinion.

Submitted for record and information, please.

Thanking you,

Yours Sincerely,  
**For NBCC (India) Limited**

  
**Deepti Gambhir**  
**Company Secretary**  
**F-4984**

**Encl: As above**



A Navratna CPSE

एन बी सी सी (इंडिया) लिमिटेड  
(भारत सरकार का उद्यम)  
**NBCC (INDIA) LIMITED**  
(A Government of India Enterprise)

July 6, 2020

**Declaration on the Auditor's Report under Regulations 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements), 2015.**

Pursuant to provisions of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, It is hereby declared and confirmed that the Auditor's Reports, on the Standalone Financial Statements of the Company for the Financial year 2019-20, are unmodified and without any qualifications.

**For NBCC (India) Limited**

**BK Sokhey**  
Director (Finance)/Chief Financial Officer



**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
Submitted along-with Consolidated Annual Audited Financial Results**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2020 /See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I</b>	<b>Sl No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)</b>
	1.	Turnover/Total income	829299.97	829299.97
	2.	Total Expenditure	799673.05	799673.05
	3.	Net Profit/(Loss)	9986.76	9986.76
	4.	Earnings Per Share (in Rs.)	0.43	0.43
	5.	Total Assets	1253639.86	1253639.86
	6.	Total Liabilities	1093049.93	1093049.93
	7.	Net Worth	160589.93	160589.93
	8.	Any other financial item(s) (as felt appropriate by the management)		
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b> The statutory auditor of one of the 100% subsidiary of the company has given qualified opinion on the following:			
1	<p><b>a. Details of Audit Qualification:</b> Others Payable Rs. 7140.21 lakh includes Inter projects payable Rs. 3434.26 lakh against which Receivable from others, outstanding is Rs. 2742.06 lakh. Neither these inter projects payable and receivable have been reconciled nor adjusted. In the absence of reconciliation consequential impact on financial statements, if any could not be ascertained.</p>			
	<b>b. Type of Audit Qualification :</b> Qualified Opinion			
	<b>c. Frequency of qualification:</b> First time qualification			
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> The impact of qualification(s) is not quantified by the auditor.			
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>			
	<b>(i). Management's estimation on the impact of audit qualification:</b> Not ascertainable			
	<b>(ii). If management is unable to estimate the impact, reasons for the same:</b> <i>The inter project receivable/payable ledgers are in regular reconciliation process. Reconciliation is in progress for inter project receivable and payable, as the balances are old and for which forensic audit is under process.</i>			
	<b>(iii). Auditors' Comments on (i) or (ii) above:</b> Since the auditor of HSCC (India) Limited has not given impact of the qualification on its financial statement and we are not in possession of additional information, we are unable to assess the materiality of above qualification in the consolidated financial statement.			
2	<p><b>a. Details of Audit Qualification:</b> Provision for other contingencies Rs. 3076.07 lakh include Rs. 2926 lakhs which was made out of reserves as at 01.04.2017 in previous financial year for transactions termed as instances of doubtful realisability. However, the amount recoverable/debit on account of these transactions could not be matched. In the absence of appropriate and conclusive evidence, the understatement or overstatement of provision and consequential impact on financial statement could not be ascertained.</p>			
	<b>b. Type of Audit Qualification :</b> Qualified Opinion			
	<b>c. Frequency of qualification:</b> First Time			
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> The impact of qualification(s) is not quantified by the auditor.			
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>			

	<p><b>(i). Management's estimation on the impact of audit qualification:</b> Not ascertainable</p> <p><b>(ii). If management is unable to estimate the impact, reasons for the same:</b>  <i>The provision amounting to Rs. 2926 lakhs was made considering the comments of CAG audit for the FY 2017-18. The forensic audit is in process. Hence, the final identification of amount recoverable/debit on account of these transactions will be made after receipt of forensic audit report.</i></p> <p><b>(iii). Auditors' Comments on (i) or (ii) above:</b>          Since the auditor of HSCC (India) Limited has not given impact of the qualification on its financial statement and we are not in possession of additional information, we are unable to assess the materiality of above qualification in the consolidated financial statement.</p>
3	<p><b>a. Details of Audit Qualification:</b>          Projects which have been completed and handed over to Ministry/clients their financial closure is pending. Further there are some projects which have been completed but handing over and taking over process of same is pending. The consequential impact of non financial closure and non handing over/taking of projects on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year.</p> <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p> <p><b>c. Frequency of qualification:</b> Repetitive since FY 2018-19</p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> The impact of qualification(s) is not quantified by the auditor.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>(i). Management's estimation on the impact of audit qualification:</b> Not ascertainable</p> <p><b>(ii). If management is unable to estimate the impact, reasons for the same:</b>  <i>Financial closure of physically closed projects will be finalized to the extent possible in consultation with client. All the clients are central government, state government autonomous bodies and other PSUs. Full efforts will be made for financial closure of physically closed projects.</i></p> <p><b>(iii). Auditors' Comments on (i) or (ii) above:</b>          Since the auditor of HSCC (India) Limited has not given impact of the qualification on its financial statement and we are not in possession of additional information, we are unable to assess the materiality of above qualification in the consolidated financial statement.</p>
4	<p><b>a. Details of Audit Qualification:</b>          The amount lying in interest receivable from banks, retention money, client deposit funds, trade receivables, trade payable, EMD, security deposits (receivable &amp; payable both), balances of ministries, clients and government dues with respect to direct and indirect taxes, state taxes are unconfirmed and unreconciled. The consequential impact of non confirmation and reconciliation of above accounts on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year.</p> <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p> <p><b>c. Frequency of qualification:</b> Repetitive since FY 2018-19</p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> The impact of qualification(s) is not quantified by the auditor.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>(i). Management's estimation on the impact of audit qualification:</b> Not ascertainable</p> <p><b>(ii). If management is unable to estimate the impact, reasons for the same:</b>  <i>The company has undertaken works from central government, state government and other PSUs. The confirmation of balance from clients is being done by the company as per established accounting practices. The effort were made by the company to arrange balance confirmation, however due to global pandemic of COVID-19, the balance confirmation certificates couldn't be arranged. The management is of the view that it would arrange substantial balance confirmation in upcoming financial year.</i></p> <p><b>(iii). Auditors' Comments on (i) or (ii) above:</b>          Since the auditor of HSCC (India) Limited has not given impact of the qualification on its financial statement and we are not in possession of additional information, we are unable to assess the materiality of above qualification in the consolidated financial statement.</p>

5	<p><b>a. Details of Audit Qualification:</b> The following bank accounts have not been reconciled:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sl.</th> <th style="text-align: center;">Name Of Bank</th> <th style="text-align: center;">Branch</th> <th style="text-align: center;">Account No.</th> <th style="text-align: center;">Related To</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Indian Overseas Bank</td> <td>Sector 1 Noida</td> <td>1725020000000644</td> <td>Ayush Delhi Project</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Indian Overseas Bank</td> <td>Sector 1 Noida</td> <td>1725020000000151</td> <td>HSCC (india) Ltd.</td> </tr> </tbody> </table> <p>As per information given by management fraudulent transactions were identified in these accounts in previous years. During the year also fraud of Rs. 1.89 crore was detected by the company in above bank account mentioned at Sr. No. 2, though the amount was paid to company by bank. The bank reconciliation prepared for the current year for above accounts do not include unmatched transactions of previous years. Considering the observations of CAG of India in earlier years and number of unreconciled transactions the forensic auditors were appointed. Till date the report of forensic audit is not received. The consequential impact of non reconciliation of above bank accounts on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year.</p> <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p> <p><b>c. Frequency of qualification:</b> Repetitive since FY 2017-18</p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> The impact of qualification(s) is not quantified by the auditor.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>(i). Management's estimation on the impact of audit qualification:</b> Not ascertainable</p> <p><b>(ii). If management is unable to estimate the impact, reasons for the same:</b> <i>The forensic audit is under process and report has not yet been submitted. However, all transactions are matched for the current financial year and no transaction is unmatched for current financial year. On receipt of report of forensic audit, necessary adjustment entries will be passed.</i></p> <p><b>(iii). Auditors' Comments on (i) or (ii) above:</b> Since the auditor of HSCC (India) Limited has not given impact of the qualification on its financial statement and we are not in possession of additional information, we are unable to assess the materiality of above qualification in the consolidated financial statement.</p>	Sl.	Name Of Bank	Branch	Account No.	Related To	1	Indian Overseas Bank	Sector 1 Noida	1725020000000644	Ayush Delhi Project	2	Indian Overseas Bank	Sector 1 Noida	1725020000000151	HSCC (india) Ltd.
Sl.	Name Of Bank	Branch	Account No.	Related To												
1	Indian Overseas Bank	Sector 1 Noida	1725020000000644	Ayush Delhi Project												
2	Indian Overseas Bank	Sector 1 Noida	1725020000000151	HSCC (india) Ltd.												
6	<p><b>a. Details of Audit Qualification:</b> In the absence information provided by management, regarding details of amount recoverable on account of fraudulent transactions in previous years which are doubtful of recovery and their presentation in balance sheet, the consequential impact on financial statements, if any could not be ascertained</p> <p>In the absence of information and details, we are unable to quantify the impact of our observations given at above paragraphs on the financial statements.</p> <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p> <p><b>c. Frequency of qualification:</b> First Time</p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> The impact of qualification(s) is not quantified by the auditor.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>(i). Management's estimation on the impact of audit qualification:</b> Not ascertainable</p> <p><b>(ii). If management is unable to estimate the impact, reasons for the same:</b> <i>The process of forensic audit is under process and report has not yet been submitted. Hence, the final identification of amount recoverable/debit on account of these transactions will be made after receipt of forensic audit report.</i></p> <p><b>(iii). Auditors' Comments on (i) or (ii) above:</b></p>															

	Since the auditor of HSCC (India) Limited has not given impact of the qualification on its financial statement and we are not in possession of additional information, we are unable to assess the materiality of above qualification in the consolidated financial statement.	
<b>III.</b>	<b>Signatories:</b>	
	<b>Managing Director</b>	<i>[Signature]</i>
	<b>CFO</b>	<i>[Signature]</i>
	<b>Audit Committee Chairman</b>	
	<b>Statutory Auditor</b>	<i>[Signature]</i>
	<b>Place: NEW DELHI</b>	



*[Signature]* **Supervisor**  
 M.No. 072302