



newenergy



NCC LIMITED | ANNUAL REPORT 2013-14

## Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Corporate information

Padma Shri Awardee  
Dr. A V S Raju, Chairman Emeritus

## Board of Directors

**Sri P. Abraham, IAS (Retd.)**

Independent Director

**Sri R. V. Shastri**

Independent Director

**Sri P C Laha<sup>#</sup>**

Independent Director

**Sri T N Manoharan**

Independent Director

**Sri Anil P Gupta**

Independent Director

**Sri Akhil Gupta<sup>##</sup>**

Nominee Director

M/s. Blackstone Group

**Sri Hemant M Nerurkar<sup>\*</sup>**

Additional Director

**Sri Amit Dixit<sup>\*\*</sup>**

Nominee Director

M/s. Blackstone Group

**Sri Utpal Sheth<sup>\*\*\*</sup>**

Additional Director

**Sri N. R. Alluri**

Director

**Sri A A V Ranga Raju**

Managing Director

**Sri A G K Raju**

Executive Director

**Sri A S N Raju**

Wholetime Director

**Sri J V Ranga Raju**

Wholetime Director

**Sri A V N Raju**

Wholetime Director

**Sri A K H S Rama Raju**

Wholetime Director

## Chief Financial Officer

**Sri R S Raju**

Executive Vice President (F&A)

## Company Secretary &

**Sr. VP (Legal)**

**Sri M V Srinivasa Murthy**

<sup>#</sup> Resigned w.e.f. 12-02-2014.

<sup>##</sup> Resigned w.e.f. 15-05-2014.

<sup>\*</sup> Appointed as Additional Director  
w.e.f. 09-04-2014.

<sup>\*\*</sup> Appointed as Nominee Director  
w.e.f. 15-05-2014.

<sup>\*\*\*</sup> Appointed as Additional Director  
w.e.f. 11-10-2013.

## Joint Statutory Auditors

**1) M/s. M. Bhaskara Rao & Co**

Chartered Accountants

6-3-652 5-D, Fifth Floor, 'Kautilya',  
Amrutha Estates, Somajiguda,  
Hyderabad - 500 082

**2) M/s. Deloitte Haskins & Sells**

Chartered Accountants

1-8-384 & 385, 3rd Floor

Gowra Grand, Sardar Patel Road,  
Secunderabad - 500 003

## Bankers

State Bank of India

Canara Bank

Andhra Bank

State Bank of Hyderabad

Syndicate Bank

Indian Overseas Bank

Allahabad Bank

ICICI Bank

Standard Chartered Bank

IDBI Bank Ltd

## Registered office

**NCC House**

Madhapur

Hyderabad – 500 081

Tel: +91 40 23268888

Fax: +91 40 23125555

www.ncclimited.com

E-mail: ho.secr@nccltd.in

## Registrars and Share Transfer Agents

M/s Karvy Computershare Pvt. Ltd.

Plot No. 17-24, Vittal Rao Nagar

Madhapur, Hyderabad – 500 081

Phone : 040 – 23420815 - 28

Fax : 040 – 23420859

E-mail : einward.ris@karvy.com

## 24th Annual General Meeting

on Thursday the 25th September, 2014,

at 3.30 p.m. at The Federation of Andhra

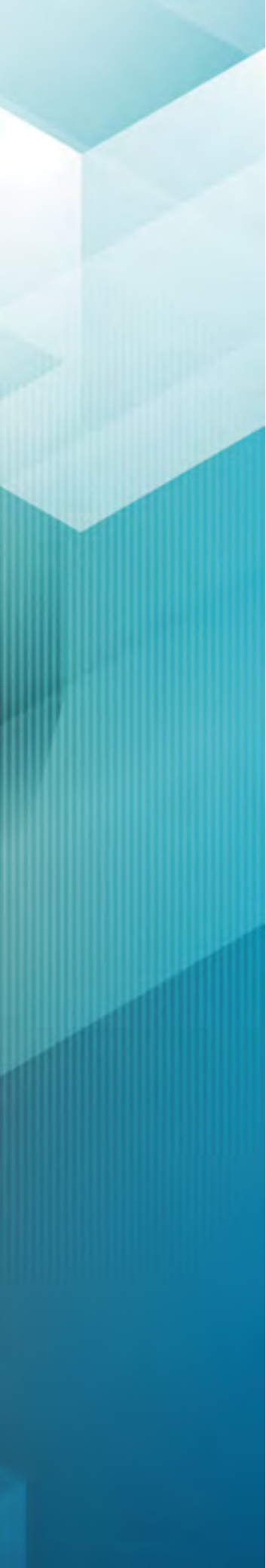
Pradesh Chambers of Commerce and

Industry, K L N Prasad Auditorium

Federation House, FAPCCI Marg,

11-6-841, Red Hills, Hyderabad - 500 004





**T**he new Indian government has clearly highlighted infrastructure development as an immediate priority. It has enunciated the building of 100 new cities and satellite townships, while strengthening the country's railways (including bullet trains), water grid and river interlinking.

NCC, a frontline Indian construction conglomerate, is attractively positioned to capitalize on these opportunities. The Company reported a net order book accretion of ₹9,385 crore in 2013-14, the highest independent order book growth in any single year.

**Emphasising a new energy  
running through our enterprise!**

## NCC. Focused on nation-building.

### PHILOSOPHY

#### Vision

To be a world-class construction and infrastructure enterprise committed to quality, timely completion, customer satisfaction, continuous learning and enhancement of stakeholders' value.

#### Values

Openness and trust | Integrity and reliability | Team work and collaboration | Commitment | Creativity

#### Mission

- To build a strong future ensuring increased returns to shareholders and enhanced support to associates.
- To adopt latest technologies in the field of engineering, construction, operation and maintenance of infrastructure projects.
- To encourage innovation, professional integrity, up gradation of knowledge and skills of employees and a safe working environment.
- To be a responsible corporate citizen committed to social cause.

#### Quality policy

NCC strives to achieve enhanced customer satisfaction by delivering quality products through timely completion with safe working environment. We dedicate ourselves to continual improvement in all fields of our business.

#### Quality objectives

- To consistently deliver quality products by adhering to set specifications, contractual, regulatory and statutory requirements
- To achieve enhanced customer satisfaction through cost effective and timely completion
- To motivate and train the staff for continual improvement of quality standards
- To update and implement procedures complying with international standards

## Our business

- Strong track record of over four decades
- Diversified business portfolio across all major sectors of the construction industry
- Experienced and dedicated management team backed by a skilled workforce

## Our presence

- Headquartered in Hyderabad, Telangana
- Extensive regional presence through offices in Kochi, Ahmedabad, Bhubaneswar, Kolkata, Mumbai, Bhopal, Lucknow, Chennai and Bengaluru
- International footprint through offices in Dubai (United Arab Emirates) and Muscat (Sultanate of Oman)

## Our listing

- Listing on the National and Mumbai Stock Exchanges
- Listing of the Company's GDRs on Luxembourg Stock Exchange

## Our clientele

- National Highways Authority of India (NHAI)
- State Public Works Departments (across various Indian States)
- Karnataka Road Development Corporation
- Irrigation and CAD departments (various States of India)
- Hyderabad Metropolitan Water Supply and Sewerage Board
- Gujarat Water Supply and Sewerage Board
- Chennai Metropolitan Water Supply and Sewerage Board
- State Electricity Boards (across various States in India)
- Maharashtra Airport Development Company, Mumbai
- Government of West Bengal, PHE Office, Kolkata
- Sahara India Commercial Corporation Limited, Pune
- Hindustan Aeronautics Limited
- Bharat Heavy Electricals Limited
- National Thermal Power Corporation
- Reliance Industries Limited
- Karnataka Housing Board
- Andhra Pradesh Housing Board
- Sports Authority of Andhra Pradesh
- Engineers India Limited
- Bennett, Coleman and Company Limited
- Patni Computers
- Singareni Collieries Company Limited
- Delhi Metro Rail Corporation Limited
- Sriram Properties Private Limited
- Reserve Bank of India
- Muscat Municipality, Sultanate of Oman
- Steel Authority of India Limited
- National Institute of Technology
- Mahanadi Coal Fields Limited
- Symbiosis University
- Ministry of Defence , Arunachal Pradesh
- Rail Vikas Nigam Limited
- NBCC Limited
- Allahabad Development Authority Limited
- Ministry of Transport & Communication - Oman
- Bihar Agricultural University

FROM THE DESK OF THE CHAIRMAN EMERITUS



Today, there is renewed hope that a resurgent India will usher inclusive and participatory growth. At NCC, we are determined that the new energy will help us remain steadfast in our overarching mission of nation-building.





*Dear fellow Stakeholders,*

IN LINE WITH THE TRADITIONS OF DEMOCRACY, INDIA ELECTED A NEW GOVERNMENT WITH A RESOUNDING MANDATE IN MAY 2014. THE INCUMBENT'S CALL FOR DEVELOPMENT THROUGH A ROBUST POLICY FRAMEWORK EMPHASISED 'MINIMUM GOVERNMENT, MAXIMUM GOVERNANCE' AND IGNITED A NEW OPTIMISM AND NEW ENERGY. TODAY, THERE IS RENEWED HOPE THAT A RESURGENT INDIA WILL BE PROGRESSIVELY BUILT, USHERING INCLUSIVE AND PARTICIPATORY GROWTH. THE NEW GOVERNMENT ENUNCIATED ITS INTENTION TO NOT MERELY REVIVE THE ECONOMY, BUT TO ENSURE THAT IT CATCHES UP WITH ITS CONSIDERABLE POTENTIAL IN THE SHORTEST TIME.

This is potentially a turning point in the history of the country and at NCC, we are determined that the new energy will help us remain steadfast in our overarching mission of nation building.

Over the years, the rapid growth of the Indian economy has placed an increasing stress on physical infrastructure - electricity and power, railways, roads, ports, irrigation, water supply and sanitation which already suffer from capacity and efficiency deficit.

The pattern of inclusive growth, averaging 9% per annum as conceived under the Twelfth Five Year Plan (2012-17), can be achieved only if this deficit is overcome and adequate investment supports higher growth and an improved quality of life for all. In line with projections in the mid-term appraisal of the Twelfth Plan to attain a 9% real GDP growth rate, infrastructure investment needs to be almost 10% of GDP on average during the Twelfth Plan, translating into ₹41 lakh crore at 2006-07 prices (real terms) as estimated by the country's Planning Commission. At an annual inflation rate of 5%, this translates into an equivalent to ₹65 lakh

crore at current prices, which effectively means that the Indian construction and infrastructure industry represents a trillion dollar opportunity!

The sectoral allocation of infrastructure investment as a proportion of GDP stands highest at 2.9% for the energy sector, followed by transport at 2.8%. Assuming 50% of the investment will be addressed by budgetary resources, the balance of ₹32.5 lakh crore needs to be met by the private sector through debt and equity. Until recently, infrastructure investment in India was financed almost entirely by the public sector – from the Government budgetary allocations and internal resources of public sector infrastructure companies.

However, the private sector has emerged as a significant investor in building and operating infrastructure assets comprising roads to ports and airports and to network industries such as telecom and power. Interestingly, private investment constituted about a third of India's infrastructure investment in the Eleventh Plan and is projected at 50% during the Twelfth Plan period.

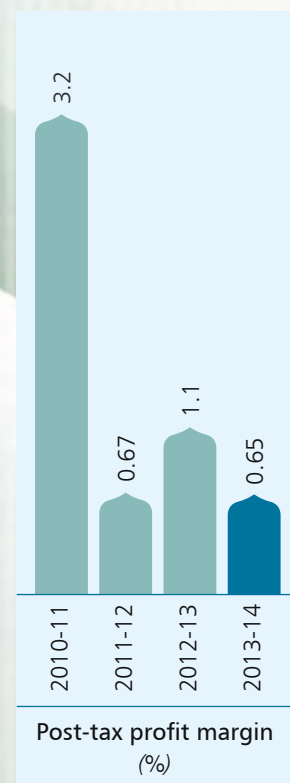
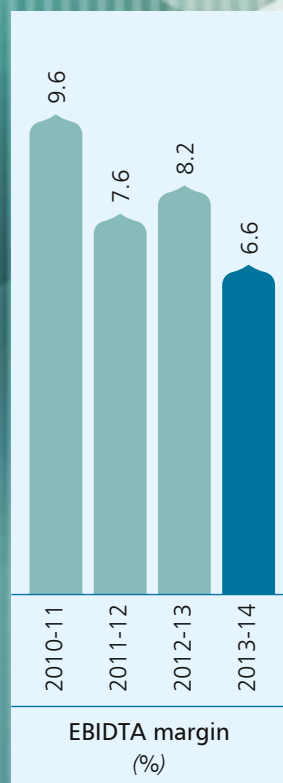
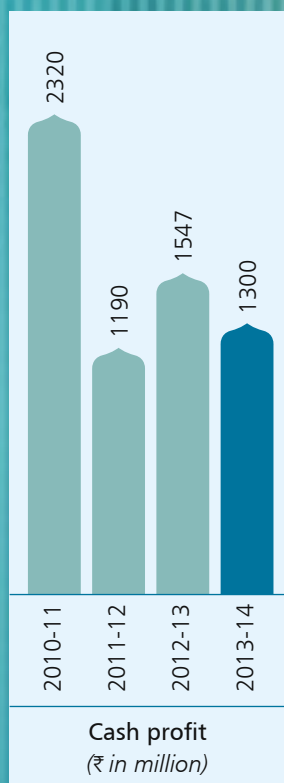
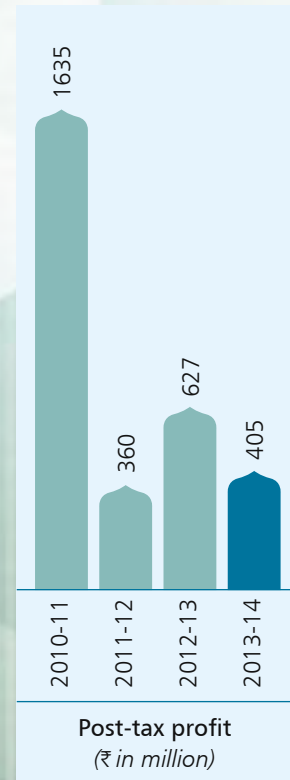
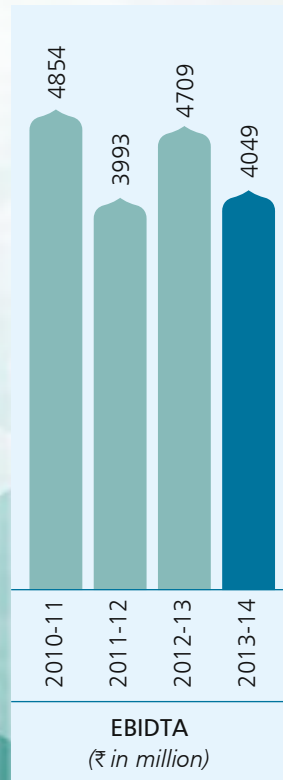
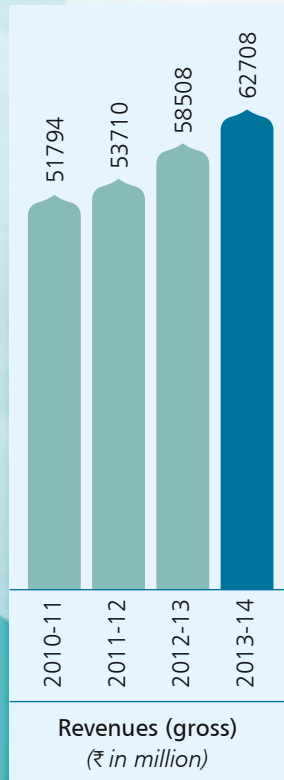
At NCC, we are excited with the way the future will unfold, partly reflected in our net order book growth of ₹9,385 crore in 2013-14, which is among the highest independent growth rates at our company and a sign of visible change at the grassroots. Looking back, our prudent restraint from bidding for unviable projects has ensured that our order book remains active with attractive income visibility. With an aggregate order book of ₹20,956 crore at the close of the year, we are focused on swifter projects completion, ensuring that we maintain our topline growth of 10 to 15% into the current fiscal.

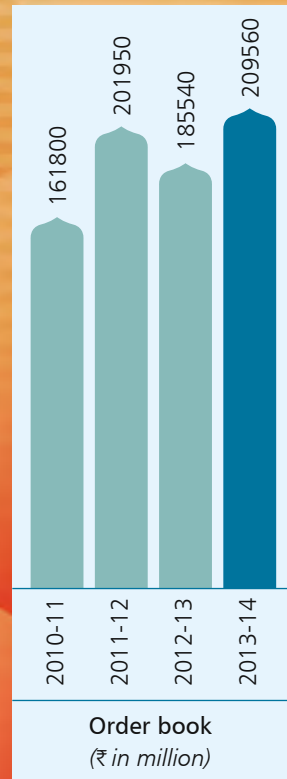
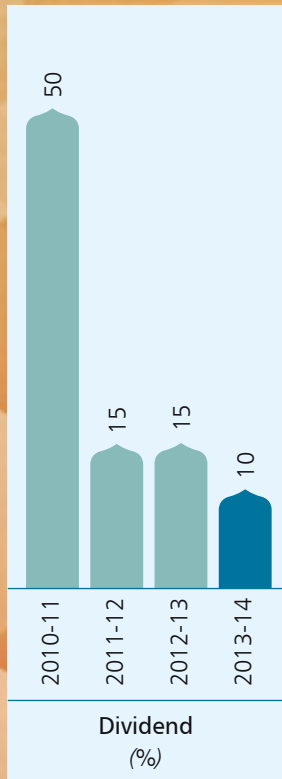
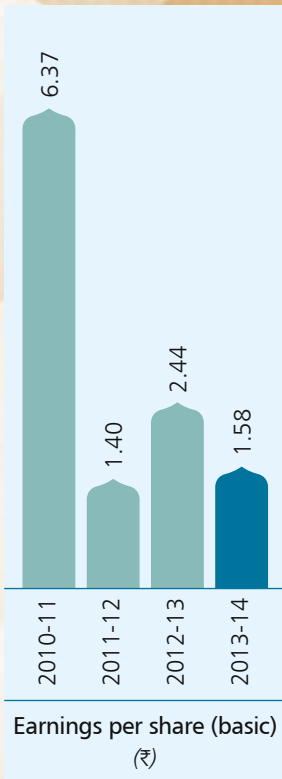
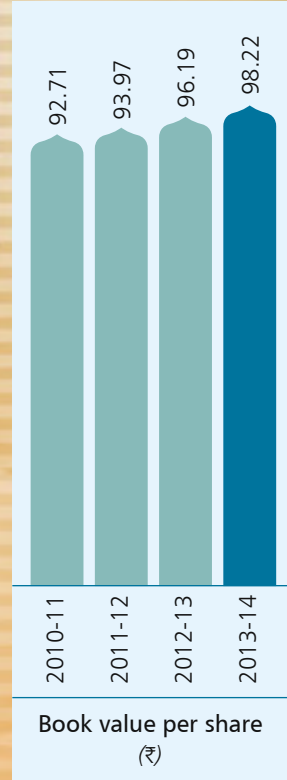
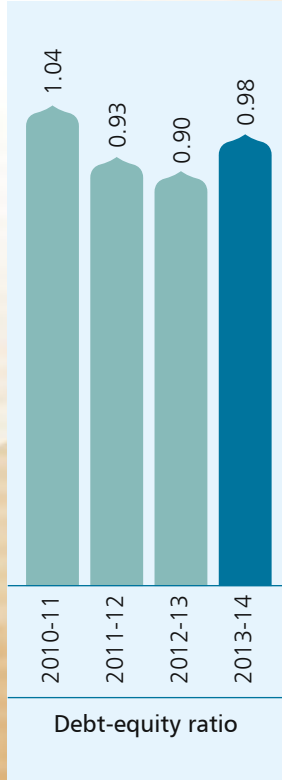
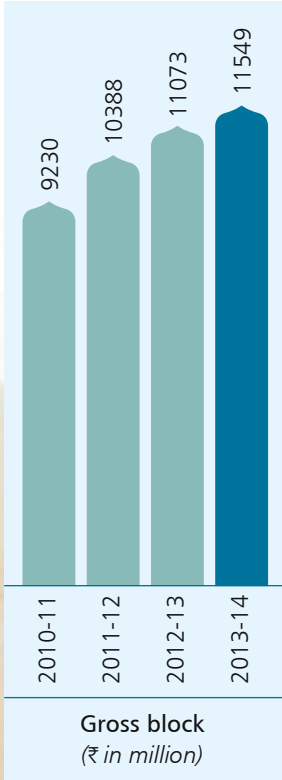
On the finance side, our upcoming rights issue will not only help us reduce debt but also optimise our annual interest payment obligations, enhancing head room for growth in shareholder value.

My very best regards,

**Dr. A.V.S. Raju**  
Chairman Emeritus

## Our financial track record





Q&A WITH THE MANAGING DIRECTOR



“The ray of optimism that change is slowly – but surely – visible at the grassroots is manifest in our net order book growth of ₹9,385 crore during 2013-14.”

A.A.V. RANGA RAJU,  
MANAGING DIRECTOR



#### WHAT WERE SOME OF THE SIGNIFICANT DEVELOPMENTS OF 2013-14?

I think one of the most heartening improvements within the context of the overall infrastructure sector is the fact that after a few years of near-paralysis in terms of infrastructure building, there is a clarion call for immediate change. With the institution of a new government at the centre, a new energy has emerged, transitioning into action. Since we are a faithful proxy of the sectoral growth in the country, the 'change' was reflected in our net order book growth of ₹9,385 crore during the year under report, which was not only the highest independent growth rate in the last 10 years but also among the highest order book accretion within our sector.

#### CAN WE DRAW AN ANALYSIS OF THE COMPANY'S ORDER BOOK?

Our cumulative order book stood at ₹20,956 crore at the close of the year, providing us with secure revenue visibility over three years. Normally, the first signs of economic revival are reflected when individuals and institutions establish buildings and other such infrastructure, in anticipation of better times ahead. At NCC, our buildings segment bagged the lion's share of the net order book growth – 47% or ₹4,357 crore. This was followed by the water segment at 39% or ₹3,660 crore, the electrical division at ₹550 crore and the international division at ₹450 crore. What is important to note is that most of these orders were bagged at relatively higher margins, providing scope for improvement in our long-term profitability.

#### DOES THIS POINT TO A REVIVAL IN MARGINS AS WELL?

It does. One of the factors that contributed to our successfully bagging these projects at good margins comprised relatively lower competitive pressures since some of the more visible companies in our sector were financially-stressed. In view of this, we expect to shore our EBITDA margins, which stood at 6.4% in 2013-14. Importantly, we used the downtime to reinforce our engineering and execution capabilities, optimising our overheads and strengthening our Balance Sheet.

#### IN TIMES WHEN SOME OF THE COMPANIES ARE OVER-LEVERAGED, HOW ARE YOU STRENGTHENING YOUR BALANCE SHEET?

At NCC, we are among the few companies in the industry to enjoy a low debt collection period of 80 days. This greatly helps our cash cycle, enabling us to optimise our working capital requirements. At the close of 2013-14, we had a debt of ₹2,475 crore (standalone) translating into an interest outflow of ₹466 crore during the year. We are considering a ₹500-550 crore rights issue in September-October 2014, which will facilitate debt reduction. With a networth of ₹2,520 crore (2013-14 close), the reduced debt will enable us to arrive at a more comfortable debt-equity ratio of 0.7, strengthening our comfort in a capital-intensive business. Moreover, our interest cost is expected to decline by ₹60-70 crore in a full year, strengthening our post-tax profit and providing larger accruals for reinvestment.

#### WHAT WAS THE HIGHLIGHT OF THE YEAR GONE BY?

We signed definitive agreements to sell our stake in NCC Power, which is building a 1,320 MW thermal power plant in Nellore, to Singapore-based Sembcorp, which will enable the new investor to enhance footprint in the country's growing power market. Sembcorp is a leading energy, water and marine group operating across six continents worldwide. With facilities of 5,900 MW of gross power capacity, the Group possesses total assets of over S\$13 billion. The stake sale proceeds will be received after securing necessary approvals and help us augment our working capital.

#### WHAT IS NCC'S BLUEPRINT?

At NCC, we became strategically more selective about bagging orders. Besides, we intend to engage in swifter project completion, freeing our capacity for the intake of fresh orders, as the market starts to look up. With the new government settling in, we expect traction to pick up in the second half of the year helping us maintain our top line growth by 10-15% in 2014-15.

#### HOW DOES THE COMPANY EXPECT TO SUSTAIN SHAREHOLDER VALUE CREATION?

Despite a challenging operating environment, we recommended a dividend of 10% (₹0.20) per equity share for 2013-14. Going forward, our twin focus on swifter order book liquidation and debt repayment should enhance shareholder value.

# Directors' Report

To the Members,

Your Directors take pleasure in presenting the 24th Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2014,

## Financial results (on standalone basis)

₹ in Million

	2013-14	2012-13
Turnover	61173.02	57249.18
Profit before interest, depreciation and tax	5583.88	5967.82
Less: Interest and financial charges	4659.85	4070.38
Profit before depreciation and tax	924.03	1897.44
Less: Depreciation	895.13	920.22
Profit before tax	28.90	977.22
Provision for tax	(376.25)	350.56
Profit after tax	405.15	626.66
Profit brought forward	3136.17	2749.56
Profit available for appropriation	3541.32	3,376.22
Appropriations		
Proposed Dividend at ₹0.20 per share (10%)	51.32	76.97
Dividend tax on Proposed dividend	8.72	13.08
Transfer to General Reserve	150.00	150.00
Balance carried forward	3331.28	3136.17
Paid up Capital	513.17	513.17
Reserves and Surplus	24689.56	24167.17

## Operational performance

### A. Standalone

You will be glad to note that notwithstanding the difficult phase through which the Indian Construction Industry is passing through your Company posted a turnover of ₹61173.02 million for the year ended 31st March, 2014 as against ₹57249.18 million in 2012-13. Gross Profit decreased from ₹5967.82 million in 2012-2013 to ₹5583.88 million in 2013-14. After deducting interest of ₹4659.85 million, providing a sum of ₹895.13 million towards depreciation and ₹(376.25) million for income tax, the operations resulted in a net profit of ₹405.15 Million as against ₹626.66 million in 2012 -13.

### B. Consolidated

During the year under review, your Company achieved a consolidated turnover of ₹74631.51 Million as against ₹69683.62 Million in the previous fiscal. Your Company has earned a consolidated gross profit of ₹8625.24 Million before interest and depreciation as against ₹9136.36 Million in the previous year. After deducting interest of ₹6541.15 Million, providing for depreciation of ₹2354.47 Million and provision for tax

of ₹(373.90) Million, the operations resulted in a net profit of ₹103.52 Million as against ₹520.15 Million in the previous year.

The net profit earned by the Company both on Standalone and Consolidated basis declined mainly on account of increase in interest cost on borrowed funds and on account of increase in the LC & Bank Guarantee Commission charges levied by the Consortium of Banks. The Company has initiated steps for divesting the stake held in the various SPVs and raising funds through Rights Issue of Shares.

During the year the Company, on consolidated basis, bagged new orders valued around ₹93855 Million and executed projects worth ₹69831 Million. The Order Book position as on March 31, 2014 stood at ₹209561 Million.

### Proposed Dividend

Keeping in view the difficult phase through which the Construction and Infrastructure Industry was passing through and the need for conserving the limited resources, your Board recommended Dividend of ₹0.20 per Equity Share of ₹2/- each (10%) for approval of the members of the Company

at the forthcoming Annual General Meeting. Your Board is hopeful that the company will be able to post better performance in the Current Year.

### Directors' responsibility statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- we have adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit for the year ended on that date;
- we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

■ the accounts for the year ended March 31, 2014 have been prepared on a going concern basis.

## Disclosures :

### Deposits

During the year, the Company has not accepted any public deposits.

## Conservation of energy, technology absorption and foreign exchange earnings and outgo

### A. Conservation of energy

The Company's core activity is civil construction which is not power intensive. The Company is making every effort to conserve the usage of power.

### B. R&D and technology absorption:

Not applicable

### C. Foreign exchange earnings and outgo

Foreign exchange earnings - Nil

Foreign exchange outgo

- a. Towards travel – ₹9.00 million
- b. Towards import of capital goods & Material Supplies – ₹359.61 million
- c. Others ₹4.74 million

## Particulars of Employees

Details in respect of remuneration paid to employees as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of

Employees') Rules, 1975, as amended forms part of this report. However, in pursuance of the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, this Report is being sent to all the members of the Company excluding the aforesaid information, The members interested in obtaining such details may please write to the Company Secretary at the registered office of the Company.

## Directors

Sri J V Ranga Raju, Whole-time Director and Sri N R Alluri Director are liable to retire by rotation, at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment. During the year under review Sri. P C Laha an independent Director resigned from the Board due to pre-occupation with other activities. Sri Akhil Gupta, Nominee Director of Blackstone resigned from the Board with effect from 14th May, 2014 due to pre-occupation with other activities. Blackstone has nominated Shri Amit Dixit as their Nominee in place of Sri Akhil Gupta. The Board of Directors records its sincere appreciation and recognition of the valuable contribution and services rendered by Sri P C Laha and Sri Akhil Gupta during their long association with the Company. Your Board had appointed Sri. Utpal Sheth, Sri. Hemanth Nerurkar and Sri. Amit Dixit as Additional Directors as permitted under the provisions of the Companies Act, 1956 / Companies Act, 2013 read

with the Articles of Association of the Company and their appointments are proposed to be regularized at the forthcoming AGM.

As per the provisions of the Companies Act, 2013 read with Schedule IV of the said Act, the Board has accorded in principle approval for the appointment of Sri. P. Abraham, Sri. R.V. Shastri, Sri. T N Manohran, Sri. Anil P Gupta and Sri. Hemanth M Nerurkar Independent Directors who have furnished the declaration regarding their independence, for a term of five years from the date of the ensuing Annual General Meetings.

## Joint Statutory Auditors and their report

The Joint Statutory Auditors of the Company viz., M/s. M Bhaskara Rao & Co., Chartered Accountants, and M/s. Deloitte Haskins and Sells, Chartered Accountants retire at the conclusion of the 24th Annual General Meeting and have confirmed their eligibility and willingness to accept the office of Joint Statutory Auditors, if reappointed. Your Board of Directors have recommended their reappointment based on the recommendation of the Audit Committee to the members for their approval at the forthcoming Annual General Meeting of the Company, to hold office from the conclusion of the 24th Annual General Meeting up to the conclusion of the 25th Annual General Meeting.



The Independent Auditors' Report to the Members of the Company on the Financial Statements for the Financial Year ended March 31, 2014 does not contain any qualification(s) or adverse observations.

### Subsidiary Companies

The Company has 51 (Fifty One) subsidiaries (including step down subsidiaries) as of March 31, 2014. There was no material change in the nature of the business of the subsidiaries. A statement pursuant to Section 212 of the Companies Act, 1956, containing the details of the subsidiaries of the Company, is appended to this Report.

The brief profiles of the major subsidiaries of the Company which are into infrastructure development, real estate & urban infrastructure development and the international subsidiaries are detailed here in below.

### NCC Infrastructure Holdings Limited (NCC Infra)

NCC Infra is an infrastructure development company promoted by your Company for undertaking investments in infrastructure projects and also for development of Infrastructure Projects independently and through Government concessions, largely focusing on long term infrastructure projects with stable revenue streams. NCC Infra has made investments in the Energy and

Transportation sectors. Currently NCC Infra has five road projects, one Hydro Power Project and one Thermal Power project under its fold. The execution of all the five road projects were completed and the commercial operations have commenced. The concession period for one Road Project i.e. Brindavan Infrastructure Ltd., was over in April, 2014. Pursuant to the Share Purchase and Shareholders agreements entered between the holding Company i.e NCC Limited (NCCL) and Gayatri Energy Ventures Private Ltd (GEVPL) NCCL has divested a portion of the stake held in NCC Infrastructure Holding Ltd., in favour of GEVPL and consequent to this divestment NCC Infra ceased to be a wholly owned subsidiary of NCCL.

### NCC Urban Infrastructure Limited (NCC Urban)

NCC Urban is a Subsidiary of your Company primarily focusing on Urban Real Estate Projects such as development of Residential & Commercial complexes, SEZs, Integrated Townships. The Company has been certified for: ISO 9001 : 2000, ISO 14001 : 2004 & OHSAS 18001 : 1999. NCC Urban has developed / is developing various residential projects in Hyderabad, Bangalore, Chennai, Ranchi, Kochi, Guntur, etc., NCC Urban has reported a turnover of ₹2209.60 million and earned a Net Profit of ₹68.94 million for the year ended 31st March, 2014.

### International Presence

Your Company has been operating in the GCC area through its subsidiaries in the Sultanate of Oman and UAE. The international business is carried on through two flagship entities viz., Nagarjuna Construction Company International LLC in Muscat and Nagarjuna Contracting Company LLC., in Dubai. During the last five years the International Subsidiaries have garnered major construction contracts in the Transportation, Water Pipelines and Buildings sectors aggregating around ₹7000 crores.

The major projects executed / being executed by the above subsidiaries/ branches of your Company include DEWA Water Pipeline Projects in Dubai, Al Salmat Villas at Al Ain, Abu Dhabi, Al Amerat Quriyat Road, Wadi Adai Amerat Road, Batina Coastal Road, Quriyat Villa, Desalination, Saraya Bandar Projects in Oman and Qatar Petroleum Project in Doha, Qatar

### Subsidiary Financials

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Annual Accounts of the Company. The Company will make available the Annual Accounts of the

subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will be kept open for inspection by any member at the Registered office of the Company and that of the respective subsidiary companies.

### Consolidated financial statements

In compliance with Clause 32 of the Listing Agreement entered into with the Stock Exchanges and in compliance with the Accounting Standards AS-21 and AS-27 on consolidated financial statements, read with the Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2014, which form a part of this Annual Report.

A separate report on Management Discussion and Analysis pursuant to the Clause 49 of the Listing Agreement forms part of this Annual Report.

### Secretarial Audit Report

As a measure of good corporate

governance practice, the Company has appointed M/s. B5 & Co Practicing Company Secretaries to conduct Secretarial Audit of the records and documents of the Company. The Secretarial Audit Report for the Financial Year ended 31st March, 2014 forms part of this Annual Report.

### Corporate Governance

In pursuance of Clause 49 of the Listing Agreement entered into with the stock exchanges, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders. A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the said Clause 49 also forms a part of this Annual Report.

### Corporate Social Responsibility

You will be glad to note that your Company has established a public charitable trust, "NCC Foundation" as part of its Corporate Social Responsibility. The main Object of the said Trust include creating, maintaining and extending need based and area specific services to the poor and needy mainly in the areas of

housing, health care, education etc. NCC Foundation has completed construction of 36 houses at Antervedipalem, East Godavari District, Andhra Pradesh and the same have been handed over for the poor and the needy. During the year the Company has also contributed some amounts towards donations to Charitable Institutions.

### Acknowledgements

Your Directors place on record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the Company at all levels, Company's Bankers, Financial Institutions, Central and State Government Authorities, Associates, JV partners, clients, consultants, suppliers and Members of the Company and look forward for the same in equal measure in the coming years.

For and on behalf of the Board

**P. Abraham**  
*Director*

**A. A. V. Ranga Raju**  
*Managing Director*

Place: Hyderabad

Date: 15th May, 2014

# Management Discussion and Analysis

## Macro Economic Review

The Indian economy had been suffering from lower growth and various structural weaknesses as it entered 2013-14 and these continued throughout the fiscal year. Real GDP growth for 2013-14 is estimated to be 4.9% with industrial growth slipping to a paltry 0.7%.

Such a significant and sustained slowdown in growth over the last ten quarters has contributed to low business confidence which, in turn, has put a dampener on private sector investment in infrastructure projects. Moreover, the economy has been under serious fiscal pressure. The Government of India (GoI) logged an average fiscal deficit of 5.6% of GDP in the last five years (2008-09 to 2012-13), which was significantly higher than the 3.6% during previous five years (2003-04 to 2007-08). Revised estimates suggest that the fiscal deficit for 2013-14 will be at around 4.6% of GDP. The stressed exchequer of the GoI has prevented government backed investment impetus to infrastructure.

Incremental Gross Fixed Capital Formation (GFCF) at market price, an indication of real capital investment in fixed assets that augments the future productive capacity of any economy, has also reduced to a mere 0.2% in 2013-14 in this backdrop, construction output has almost stagnated. Construction growth, which had already reduced to 1.1% in 2012-13, stayed at low levels of 1.7% in 2013-14.

By the end of 2013-14, there have been some positive signals, although it is probably too early to make a call as to whether the nation is definitely getting back to a higher growth path. For one, headline producer price inflation in terms of the Wholesale Price Index (WPI) moderated to 5.9% in March 2014. While Consumer Price Index (CPI) inflation reduced to a 25-month low, posting at 8.1% in February, 2013, it still remained high by any long term yardstick. For another, driven mainly by a reduction in imports, India's trade deficit reduced by 29% to US\$180 billion in April 2013-February 2014 compared to the corresponding period in the previous year. Consequently, the current account deficit as a ratio to GDP has narrowed significantly. In addition, since September 2013 there has been a surge in foreign capital inflows into India, and India's foreign exchange reserves reached US\$313 billion by the end of May 2014, which was an accretion of US\$23.1 billion over end August 2013.

However, one needs to be careful. Even if it is the case that the business cycle has bottomed out, it is equally true that the upswing will be gradual, especially in infrastructure.

## A. India's Infrastructure Sector

While the long term requirement for rapid infrastructure development in India remains a vital necessity, the sector faces several challenges.

Apart from various structural problems that plague execution including a slow, almost paralyzed government decision-making process, and practical issues with land acquisition as well as the challenges of dealing with social and environmental constraints that arise while developing infrastructure projects, the sector is fundamentally affected by a severe liquidity crunch and a financial squeeze.

Infrastructure financing in India has to work its way out of two fundamental problems before credit lines can start to improve significantly. First, the system has to gradually rid itself of numerous excesses of the past including aggressive bidding, weak and inexperienced sponsors, poor project planning, high leverage, weak financial structures and revenue over-estimation. Second, it has to deal with the constraints imposed by a harsh external environment – such as a slowing economy, rising interest costs, difficult equity markets and policy uncertainty.

Although there have been some efforts at resolving infrastructural issues, these have been far from satisfactory. By the end of January 2014, the Cabinet

Committee on Investment (CCI) and the Project Monitoring Group (PMG) had together undertaken resolution of impediments for 296 projects with an estimated project cost of ₹6.6 trillion. But it is a proverbial tip of the iceberg. As at end-March 2014, 284 projects worth ₹15.6 trillion are under the consideration of PMG for which issues are yet to be resolved. Official data indicates that there has been a slight decline in the total number of delayed central sector infra-projects. However, 15% to 20% of these projects, mostly in roads, power and petroleum, have reported additional delays, for which the dates of completion have been extended further. Also, there has been an increase in the number of projects without date of commissioning, mostly in roads reflecting the growing uncertainty about their completion. This suggests that it may take significantly more time before these clearances result in investment cycle turnaround.

More recently, there have been delays in awarding infrastructure projects on account of the run up to the general elections in April-May 2014. One expects that after the new government assumes office, there will be some clear direction and positive intent for this sector.

## B. Opportunities and Strengths

The company at present has eleven divisions comprising the following:

1. Buildings and Housing

2. Transportation
3. Water and Environment
4. Electrical
5. Irrigation
6. Oil & Gas
7. Metals
8. Power
9. International
10. Mining
11. Railways

We have one of the most diversified business portfolios which will help us in mitigating the risk of slowdown in any one particular division. With the starting of the four new divisions comprising of Oil and Gas, Metals, Railways and Mining, the business mix of the company has undergone a substantial modification. During the last 36 years, we executed various construction projects all over the country. The client list of the Company includes reputed organizations in public and private sectors. The Company has developed excellent engineering, planning and project execution skills during this period along with a pool of talented and skilled employees with our continued emphasis on training and adopting new technology at the earliest. It is well recognized for quality consciousness and timely completion of the projects without cost over-run. The track record of the Company and proven skills of its employees at various

levels will be useful in further improving the performance of the Company in the years to come.

During the year under review, the company has bagged new orders valued at ₹93.8 billion and executed projects worth ₹69.8 billion. The order book of the company as on 31st March 2014 stood at ₹209.6 billion.

## C. Risk and Concerns

### Overview

NCC has put in place the Enterprise Risk Management (ERM) Process which is a holistic, integrated and structured approach to manage risks with the objective of maximizing shareholders' value. It aligns strategy, processes, people & culture, technology and governance with the purpose of evaluating and managing the uncertainties faced by the organization while creating value.

Effective Risk Management allows NCC to:

- enhance confidence in achieving its desired goals and objectives
- effectively restrain threats to acceptable levels;
- take informed decisions about exploiting opportunities

NCC realizes the need to better understand, anticipate and mitigate business risks in order to minimize the frequency of occurrence of risks and

impact thereof. The Company is looking for greater assurance that there is a system in place which provides relevant information for decision making to the appropriate people in a timely and effective manner.

### Risk Management Process

The Risk Management process adopted by NCC comprises of the following steps:

1. Risk Identification with focus on Strategic, Operational, Financial and Compliance
2. Risk Prioritization to identify the key risks for the business
3. Nomination of Risk Champions who will own and monitor the risks on an ongoing basis
4. Development of a robust Mitigation Plans monitoring mechanism at the enterprise level by usage of computer software

During the year, the Board has reviewed the process and the Risks that have already been identified for the business.

A process has been institutionalized in the organization through which Internal Audit will monitor the implementation of the mitigation plans for management's review.

## D. Internal Control System

The Company has effective and robust system of internal controls to help

management review the effectiveness of the financial and operating controls and assurance about adherence to company's laid down systems and procedures. Proper controls are in place which is reviewed at regular intervals to ensure that transactions are properly authorized & correctly reported and assets are safeguarded. The Audit Committee along with the management periodically review the findings and recommendations of the Auditors and take necessary corrective actions as deemed necessary.

## E. Financial Performance

(NCC Stand alone)

**1) Share capital:** During the year no change in share capital.

**2) Reserves and surplus:** The Reserves and surplus of the Company has gone up from ₹24.17 billion to ₹24.69 billion in 2013-14 and the entire increase is on account of profits made in 2013-14.

**3) Net worth:** The Company's net worth increased from ₹24.68 billion to ₹25.20 billion on account of internal generation of profits.

**4) Borrowings (Long-Term & Short-Term):** There was an increase in loans from ₹22.25 billion to ₹24.75 billion.

**5) Assets:**

**a) Fixed assets:** The Company's fixed assets (gross block and Capital WIP)

increased by ₹0.52 billion in 2013-14 from ₹11.13 billion to ₹11.65 billion. The net block including Capital WIP stands at ₹7.02 billion as of 31.03.2014 as against ₹7.25 billion in the previous year

**b) Investments:** The investments decreased by ₹0.90 billion, from ₹12.54 billion to ₹11.64 billion during the year 2013-14

**c) Inventories:** The Company's inventories stand at ₹15.99 billion as against ₹14.26 billion of previous year

**d) Trade Receivables:** The company's Trade Receivables increased by ₹1.98 billion in 2013-14 from ₹11.43 billion to ₹13.41 billion.

**e) Loans and advances (Long-Term & Short-Term):** Loans and advances increased from ₹24.33 billion to ₹30.74 billion during the year under review. The increase represents the advances made to subsidiaries & Suppliers besides increase in advance taxes.

**f) Other Non-Current & Other Current Assets:** Other Non-Current & Other Current Assets increased from ₹10.67

billion to ₹11.79 billion during the year under review mainly due to increase in retention money and interest accrued on deposits & others

## F. Operational Performance

**a) Revenue from Operations:** There has been an increase in the Revenue from operations of the Company from ₹57.25 billion to ₹61.17 billion, registering a growth of 6.85% over the previous year.

**b) Other Income:** The other income of the company increased from ₹1.26 billion to ₹1.54 billion. Other income comprises of Interest on advances, interest on bank deposits and miscellaneous income.

**c) Direct cost:** The direct cost for the year under review works out to 86.21% of the turnover as against 84.24 % last year.

**d) Overheads:** Overheads, comprising salaries and administrative expenses, work out to ₹4.39 billion for the year under review as against ₹4.31 billion in the previous year. The overheads as % of revenue have come down from 7.53% to 7.17%.

**e) Interest cost:** The Interest cost during the year as a % of revenue has increased from 7.11% to 7.62%. There is a increase in absolute terms in interest cost from ₹4.07 billion to ₹4.66 billion, which was on account of increase in average interest cost of borrowings and increase in volume of borrowings.

**f) Depreciation:** The Company's depreciation for the year has decreased from ₹0.92 billion to ₹0.90 billion.

**g) Tax Expense:** The tax expense of the company for the year 2013-14 is ₹(0.38) billion as against ₹0.35 billion of previous year. During the year provision of ₹0.36 billion towards prior years has been reversed.

**h) Net profit:** The Company's operations during the year under review have resulted in a net profit of ₹0.41 billion as against ₹0.63 billion in the previous year.

**i) Dividend:** The Board of Directors have recommended a dividend of ₹0.20 per share (10%) and the total payout works out to ₹0.05 billion as against ₹0.08 billion in the previous year.

# Corporate Governance Report

In compliance with Clause 49 of the Listing Agreement entered into with the stock exchanges in India, the Company hereby submits the report on the matters as mentioned in the said Clause and practices followed by it. .

## 1. Philosophy of the Company on the Code of Governance

The Company aims at maintaining, transparency, Accountability and Equity in all facets of its operations on a continuous basis and in all interactions with the Stakeholders, including the Shareholders, employees, government, lenders and other constituents while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to sustain the high standards of Corporate Governance on a continuous basis by laying emphasis on Ethical Corporate Citizenship and establishment of transparent Corporate Cultures which aim at effective Governance. The Corporate Governance process and systems have gradually been strengthened over the years.

The Company believes all its operations and actions must result in enhancing the overall shareholder value in terms of maximization of shareholder's benefits, among others, over a sustained period of time.

## 2. Board of Directors

As on March 31, 2014 the Company's Board of Directors comprised a judicious mix of Fourteen Directors consisting of Six Executive Directors, Four Non-Executive Directors (including one Alternate Director) and Four Independent Directors as defined under the Listing Agreement entered with Stock Exchanges in India. The below table gives the composition of the Company's Board, category, number of Board Meetings held during the year, attendance of each Director at the Board Meeting and at the last Annual General Meeting and other Directorships, Memberships and Chairmanships of Committees held by each of the Director during the Financial Year.

Name of the Director	Category	Designation	No. of Board meetings held during the financial year	No. of Board Meetings attended	Other Directorships #	Committee Memberships ##	Chairmanship in Committees ##	Attendance of each Director at last AGM
Sri P. Abraham	Non-Executive and Independent Director	Director	5	4	11	3	Nil	Yes
Sri P. C. Laha*	Non-Executive and Independent Director	Director	5	4	NA	NA	NA	Yes
Sri R. V. Shastri	Non-Executive and Independent Director	Director	5	4	NIL	NIL	NIL	Yes
Sri T N Manoharan	Non-Executive and Independent Director	Director	5	4	2	Nil	1	Yes
Sri Anil P Gupta	Non-Executive and Independent Director	Director	5	3	Nil	Nil	Nil	No
Dr. Rakesh R. Jhunjhunwala**	Non-Executive and Non-Independent Director	Director	5	Nil	NA	NA	NA	No
Sri A. S. N. Raju	Promoter/ Executive Director	Wholetime Director	5	4	3	Nil	1	Yes
Sri N. R. Alluri	Promoter/ Non- Executive Director	Director	5	2	5	2	Nil	No
Sri J. V. Ranga Raju	Promoter/ Executive Director	Whole-time Director	5	1	1	Nil	Nil	No
Sri A. V. N. Raju	Promoter/ Executive Director	Whole-time Director	5	1	1	1	Nil	No
Sri A. G. K. Raju	Promoter/ Executive Director	Executive Director	5	5	4	3	1	No
Sri A. A. V. Ranga Raju	Promoter/ Executive Director	Managing Director	5	5	5	1	1	Yes
Sri Akhil Gupta \$	Non-Executive/ Non Independent Director	Nominee Director	5	Nil	2	Nil	Nil	No
Sri Amit Dixit \$\$	Non-Executive/ Non Independent Director	Alternate Director \$\$	5	4	7	4	Nil	No
Sri Utpal Sheth***	Non-Executive/ Non Independent Director	Additional Director	5	4	5	3	Nil	No
Sri A K H S Rama Raju	Promoter/ Executive Director	Whole-time Director	5	2	Nil	Nil	Nil	Yes

\*Sri P C Laha has resigned from the Board w.e.f. February 12, 2014.

\*\* Sri Rakesh R Jhunjhunwala retired by rotation at the 23rd AGM held on September 27, 2013 and did not seek re-appointment.

\*\*\* Sri Utpal Sheth was appointed as an Additional Directors w.e.f. October 11, 2013.

Subsequent to March 31 2014, Sri Hemanth Madhusudan Nerurkar has been appointed as an Additional Director on April 9, 2014.

\$Nominee of Blackstone Group

\$\$ Alternate Director to Sri Akhil Gupta

# Directorships in other Public Companies

(directorships other than NCC) as per the Companies Act, 1956.

##Represents Membership/ Chairmanship in Audit and Investors' / Shareholders' Grievance Committees of public limited companies (Excluding memberships in committees of Board of Directors of NCC Ltd).



During FY-2013-14, the Company's Board met five times on May 22, 2013, August 7, 2013, September 27, 2013, November 12, 2013 and February 12, 2014. The Company convened one Board Meeting in each quarter as required under the Companies Act, 1956 and the Listing Agreement.

The Promoter Directors namely Sri A. A. V. Ranga Raju, Sri A. S. N. Raju, Sri A. G. K. Raju, Sri N. R. Alluri, Sri A. V. N. Raju, Sri J. V. Ranga Raju and Sri A. K. H. S. Rama Raju are related to each other in terms of the definition 'relative' under Section 6 read with Schedule IA of the Companies Act, 1956. Dr. A. V. S. Raju, Chairman Emeritus is the father of Sri A. A. V. Ranga Raju, Sri A. S. N. Raju, Sri A. G. K. Raju, Sri N. R. Alluri, Sri A. V. N. Raju and Sri A. K. H. S. Rama Raju and father in law of Sri J. V. Ranga Raju, The aforementioned Promoter Directors are not related to the other Board members.

### Board Procedure

The Company plans and prepares the schedule of the Board and Committee Meetings for the year in advance by fixing the calendar of the meetings. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The meetings are generally held at the Company's Registered Office NCC House, Madhapur, Hyderabad - 500 081

All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/ approval/decision at the Board/Board

Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/Committee meetings.

Notices convening the Board and Committee Meetings are sent to the Board of Directors by the Company Secretary in consultation with the Managing Director and the detailed agenda along with the notes is circulated in advance to facilitate the Board of Directors better decision making.

The Board is given presentations covering business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the Quarterly/ Annual Financial Results of the Company.

The Company Secretary as a part of the Governance process disseminates the outcome of the Board Meetings to the Heads of the divisions/ Regions and Subsidiary Companies. There is a post meeting compliance mechanism by which the necessary follow-ups, review and reporting process for actions taken/ pending on the approval so accorded by the Board/ Committees, will be reviewed and the same forms part of agenda of the subsequent meetings of Board/ Committee.

### Information supplied to the Board

As a policy measure, all the major decisions which involve new investments and capital expenditure, in addition to the matters which statutorily require Board approval, are put up for consideration of the Board, inter-alia, the following information is regularly provided to the Board as part of the agenda papers well in advance of the Board meetings or is

tabled at the Board Meeting.

- Annual operating plans, budgets & any updates
- Capital budgets and any updates
- Quarterly, half-yearly and annual results of the Company and its operating divisions and minutes/financial statements of the unlisted subsidiary companies
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution matters
- Any material default in financial obligations to and by the Company, or substantial non- payment by clients
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture/ collaboration agreement.
- Non-compliance with any regulatory, statutory or listing requirement and shareholders service such as non payment of dividend, delay in share transfer, among others.

### Code of Conduct

The Board of Directors of the Company

laid a Code of Conduct for Directors and senior management personnel. The Code of Conduct is posted on the Company's web-site www.ncclimited.com. All Directors and designated personnel in the senior management affirmed compliance with the Code for the year under review. The declaration to this effect, signed by Sri A A V Ranga Raju, Managing Director is annexed to this report.

### Board Committees

As on March 31, 2014 the Company has Seven Board level Committees, inter alia the Audit Committee, the

HR & Compensation Committee, the Shareholders / Investors Grievance Committee, the Nomination Committee, and the Corporate Governance Committee.

### 3. Audit Committee of the Board

The Audit Committee presently comprises Five Non-Executive Directors, of which four are Independent Directors. The members of the Committee are financially literate and bring in expertise in the fields of Finance, Strategy, Banking, Energy and Management.

Sri R. V. Shastri, Chairman of the Committee is an Independent Director has accounting and financial management expertise.

The Audit Committee met four times during the year on May 22, 2013, August 7, 2013, November 12, 2013 and February 12, 2014. The Company is in compliance with the requirements of Clause 49 in terms of time gap between any two Audit Committee Meetings. Sri R.V. Shastri, Chairman of the Committee, was present at the last Annual General Meeting of the Company held on September 27, 2013.

The following is the Composition of the Audit Committee as on March 31, 2014 and details of attendance:

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Sri R.V. Shashtri	Chairman	4	3
Sri P. Abraham	Member	4	4
Sri T.N. Manoharan	Member	4	3
Sri Anil P. Gupta	Member	4	3
Sri Akhil Gupta	Member	4	Nil
*Sri P.C. Laha	Member	4	3

\*Sri P C Laha resigned from the Board w.e.f. February 12, 2014.

### Terms of Reference:

The terms of reference as stipulated by the Board to the Audit Committee include

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

c. Reviewing with the management, the annual financial statements before submission to the Board, focusing primarily on-

- Any changes in accounting policies and practices
- Major accounting entries based on exercise on judgment by management
- Qualifications in the draft audit report
- Significant adjustments arising out of audit

- The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Disclosure of any related party transactions
- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems

e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval

f. Discussion with internal auditors regarding any significant findings and follow up there on

g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board

h. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

i. Carrying out any other function as mentioned in the terms of reference of the Audit Committee

The Company Secretary is the Secretary to the Audit Committee.

#### 4. HR and Compensation Committee

The Committee comprises of Three Non-Executive Directors, of which two are Independent Directors. Sri P. Abraham, an Independent Director acting as Chairman of the Committee and Sri Anil P. Gupta Independent Director and Sri Akhil Gupta Non-Executive and non – Independent Director are other members of the Committee. The Committee met once on February 12, 2014 during this financial year and Sri. P. Abraham and Sri. Anil P. Gupta Directors attended the meeting.

Sri P. C. Laha, ceased to be a member of the Committee consequent to his resignation from the Board.

The HR and Compensation Committee review the remuneration of the managerial personnel like Managing Director and Whole time Directors. The remuneration policy is directed towards

rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is to be in consonance with the existing industry practices. The Committee also considers and approves issues relating to manpower planning, attrition, training and review of appraisal norms in relation to the employees, among others.

Sri Anil P. Gupta an Independent Director was co-opted as a member of the HR and Compensation Committee during the Board Meeting held on February 12, 2014 in place of Sri P C Laha who has resigned from the Board and committees of the Board w.e.f. February 12, 2014.

**Note:** Pursuant to provisions of the Companies Act, 2013, the Board of Directors of the Company in their meeting held on April 9, 2014 renamed HR and Compensation Committee as Nomination and Remuneration Committee.

#### Details of remuneration paid to the Directors

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2014 to the Managing Director, Executive Director and the Whole time Directors of the Company and the details of the sitting fee paid to the Non-Executive Directors are as follows-

(₹ Million)

Name of the Director	Salary	Other benefits (including perquisites, allowances)	Total
Sri A. A. V. Ranga Raju	9.60	11.69	21.30
Sri A. G. K. Raju	4.80	6.30	11.10
Sri A. S. N. Raju	4.80	6.23	11.03
Sri J. V. Ranga Raju	8.40	9.83	18.23
Sri A. V. N. Raju	4.80	5.70	10.50
Sri A K H S Rama Raju	4.80	4.90	9.70

Besides the above remuneration, the Managing Director, Executive Director and the Whole time Directors are also eligible for gratuity and encashment of leave at the end of their respective tenures as per the rules of the Company.

The Shareholders of the Company approved the remuneration paid/payable to the its whole-time Directors. Owing to inadequacy of profits for the current year, as computed under Section 349 of the Companies Act, 1956 ("the Act") the managerial remuneration paid/payable exceeds the limits specified under Section 198 read with Section 309 of the Act by ₹54.43 million. The Company is in the process of obtaining the requisite approval from the Shareholders and the Central Government.

Sitting Fees paid to Non- Executive Directors

₹ Millions	
Name of the Director	* Amount
Sri P. C. Laha@	0.20
Sri P. Abraham	0.20
Sri R. V. Shastri	0.20
Sri Anil P Gupta	0.16
Sri T N Manoharan	0.18
Sri Akhil Gupta	0.02
Sri Amit Dixit	0.08
Sri Utpal Sheth	0.08

\* Excludes Service Tax

@ Sri P C Laha has resigned from the Board w.e.f February 12, 2014.

## 5. Shareholders / Investors Grievance Committee:

The Committee primarily focuses on Shareholder grievances, inter-alia, redressal of Investor complaints, attending Investor requests, approves

the issue of duplicate Share Certificates and oversees and reviews all matters connected with servicing of investors. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall quality improvement of investor services. The Chairman of the Committee is an Independent Director and the Company Secretary is the Secretary of the Committee, Sri M.V. Srinivasa Murthy, Company Secretary and Sr. Vice-President (Legal) was designated as the Compliance Officer.

As on March 31, 2014 the Committee comprises four Directors viz., Sri R. V. Shastri Chairman of the Committee), Sri Akhil Gupta, Sri. T N Manoharan and Sri A. G. K. Raju as its members.

Sri P. C. Laha, ceased to be a member of the Committee consequent to his resignation from the Board.

The Committee met four times during the Financial Year 2103-14 i.e. on May 22, 2013, August 7, 2013, November 12, 2013 and February 12, 2014.

Details of attendance of the Shareholders' / Investors' Grievance Committee meetings held during the year are as follows:

Name of the Director	Designation	No, of meetings held	No. of Meetings attended
Sri R.V. Shastri	Chairman	4	3
Sri Akhil Gupta	Member	4	Nil
*Sri P C Laha	Member	4	3
Sri A G K Raju	Member	4	4

\* Sri P C Laha has resigned from the Board w.e.f February 12, 2014.

**Note:** Pursuant to Provisions of the Companies Act, 2013 the Board of Directors of the Company in their meeting held on April 9, 2014 renamed of the Shareholders' / Investors' Grievance Committee to Stakeholders Relationship Committee.

Sri T N Manoharan, an Independent Director was co-opted as a member of the Shareholders'/Investors' Grievance Committee in the Board Meeting held on February 12, 2014.

During the year, the Company has received 133 requests from the shareholders/investors. All the requests were promptly attended to and there were no un-resolved shareholder requests pending as on March 31, 2014. The Company has processed and approved all valid requests received for transfer and dematerialization of Shares and there were no pending requests

as on March 31, 2014. The Company designated a separate email id for investor grievances at "ho.secr@nccltd.in".

## 6. Corporate Governance Committee

The Company constituted "Corporate Governance Committee" to review and recommend the best practices of Board processes, disclosure practices, policies

on the code of conduct and business ethics. The Committee as on March 31, 2014 consists of Sri Akhil Gupta (Chairman), Sri P Abraham, Sri A A V Ranga Raju and Sri A G K Raju. The Committee met on November 12, 2013 and all the members of the committee except Sri. Akhil Gupta were present at the meeting.

Shares held by Non-Executive Directors as on March 31, 2014

Name of the Director	No. of Shares held	% on paid-up capital of the company
Sri N R Alluri	40,88,680	1.59
Sri R V Shastri	100	-

## 7. Initiatives on prevention of Insider Trading practices

In compliance with the SEBI regulations on prevention of insider trading, the Company framed a comprehensive Code of Conduct for its Directors and designated employees. The Code lays down guidelines, which mandates the Directors and the designated employees to comply with the procedures to be followed and disclosures to be made while dealing with shares of the Company and cautions them on consequences of violations. Detailed code for prohibition of Insider Trading is available at Company's website, [www.ncclimited.com](http://www.ncclimited.com).

## 8. Subsidiary Companies

All the subsidiary companies of the Company are Board managed with their respective Board's having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company has nominated Sri. P. Abraham an Independent Director of the Company, on the Board of NCC Infrastructure Holdings Ltd, a material unlisted Indian subsidiary of the Company.

As a majority shareholder, the Company has its representatives on the Boards of the subsidiary companies and monitors the performance of such companies,

inter-alia, by the following means:

- Financial statements and particulars of investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company;
- Minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board regularly;
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board;

## 9. General Body Meetings

I. The below detailed Special Resolutions were passed by show of hands with requisite majority in the Annual General Meetings held during the last three years.

Year	Type of Meeting	Location	Date	Time	Special Resolutions passed
2010-11	AGM	Bharatiya Vidya Bhavan, 5-9-1105, Basheerbagh, Kingkoti, Hyderabad - 500029	August 12, 2011	3.30 p.m	<ul style="list-style-type: none"> <li>■ Reappointment of Sri A.V.N Raju as Whole time Director.</li> <li>■ Commencement of Business covered under the "Other Objects" clause</li> </ul>
2011-12	AGM	K L N Prasad, Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry, FAPCCI Marg, Red Hills, Hyderabad - 500004	September 26, 2012	3.30 p.m	<ul style="list-style-type: none"> <li>■ Appointment of Sri A K H S Rama Raju as a Whole time Director.</li> <li>■ Reappointment of Sri A.A.V.Ranga Raju as Managing Director</li> <li>■ Reappointment of Sri A. G. K. Raju as Executive Director</li> <li>■ Reappointment of Sri J. V. Ranga Raju as Whole-time Director</li> <li>■ Keeping of Books and Registers other than Registered office of the Company</li> </ul>
2012-13	AGM	K L N Prasad, Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry, FAPCCI Marg, Red Hills, Hyderabad - 500004	September 27, 2013	3.30 p.m	Nil

No Special Resolution was passed through Postal Ballot during the Financial year 2013-14. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

## 10. Means of communication

The Company has 62,104 shareholders as on March 31, 2014. The main channel of communication to the shareholders is through the annual report which inter alia includes the statement of Chairman Emeritus, the Directors' Report,

Corporate Governance, Management Discussion and Analysis Report, the Standalone and Consolidated Financial Statements along with the Auditor's Report thereon, Social Initiatives and Shareholders Information.

The Annual General Meeting (AGM) is the principal forum for interaction with Shareholders, where the board answers specific queries raised by the Shareholders. The Board acknowledges its responsibility towards its Shareholders and encourages open and active dialogue with all its members and Stake Holders.

The Company communicates with its Institutional Shareholders through meetings with analysts. The presentations made to the analysts are uploaded on the Company's website [www.ncclimited.com](http://www.ncclimited.com).

Regular communication with shareholders ensures that the Company's strategy is being clearly understood.

Details relating to quarterly performance and financial results are disseminated to the shareholders through press releases and are also uploaded on the Company's website.

#### Quarterly results

The Quarterly Results of the Company are published in leading newspapers such as Business Line/Andhra Prabha (regional language), along with the official press releases.

## 11. General shareholders' information

Day, date and time of 24th Annual General Meeting

24th Annual General Meeting of Members of the Company is scheduled to be held on September 25, 2014 at 3.30 pm at K L N Prasad, Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry, FAPCCI Marg, Red Hills, Hyderabad-500004

### Financial calendar for the Financial Year 2014-15

Results for quarter ending June 30, 2014	on or before August 14, 2014
Results for quarter ending September 30, 2014	on or before November 15, 2014
Results for quarter ending December 31, 2014	on or before February 15, 2015
Results for year ending March 31, 2015	on or before May 30, 2015

**Book closure date:** 10th July, 2014 to 12th July, 2014 (both days inclusive) for payment of dividend.

**Dividend payment schedule:** 1st to 15th October 2014 (subject to approval of shareholders at AGM)

**Listing on stock exchanges and stock codes Equity shares**  
BSE Limited (BSE):500294

National Stock Exchange of India Limited (NSE): NCC

Listing fee for the financial year 2014-15 has been paid to the stock exchanges.

#### Global depositary receipts (GDR)

The Company's GDRs are listed on the Luxembourg Stock Exchange.

International Securities Identification Number (ISIN): INE868B01028

#### Debt Securities

The Company's Debt Securities are listed on the National Stock Exchange of India Ltd (NSE).

#### Debenture Trustee

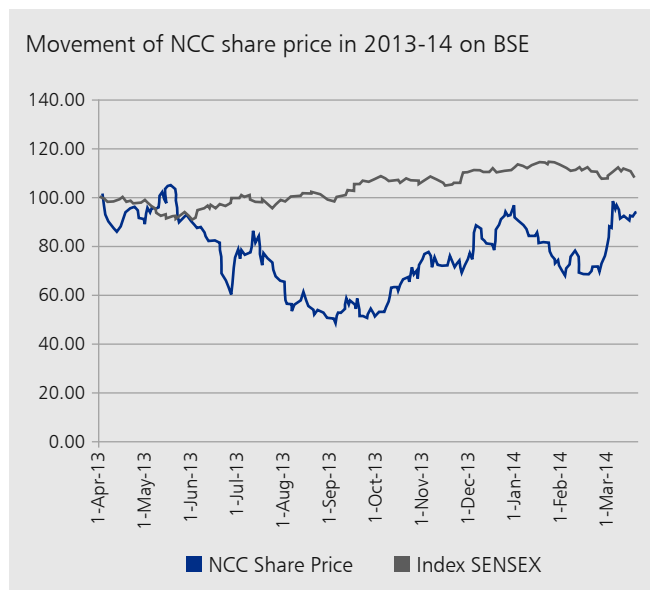
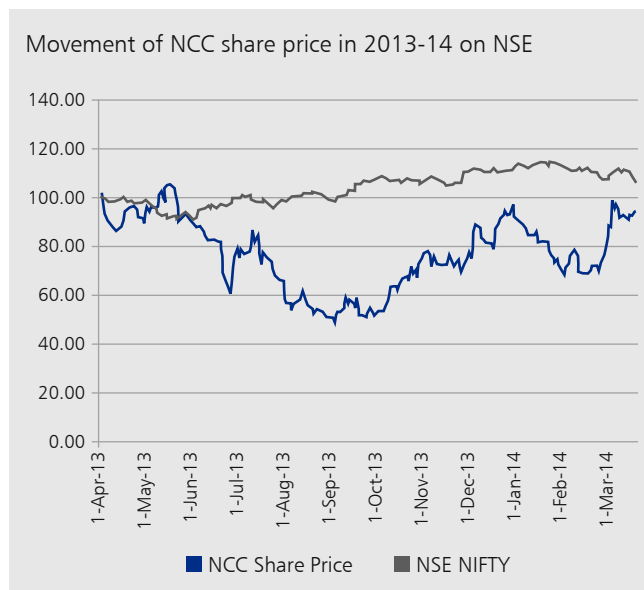
IDBI Trusteeship Services Ltd, Regd off: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400001

### Market price data

The monthly high and low stock quotations during the year under review and performance in comparison to BSE and NSE are given below-

Month	BSE			NSE		
	High price (₹)	Low price (₹)	No. of shares traded	High price (₹)	Low price (₹)	No. of shares traded
Apr 2013	36.70	29.30	4270402	36.70	29.20	20660284
May 2013	37.60	30.90	4414577	37.40	30.90	22833860
Jun 2013	32.30	20.60	3302535	31.95	20.55	19140012
Jul 2013	30.50	21.65	7203346	30.55	21.60	27610478
Aug 2013	23.90	17.25	5175970	23.90	17.30	15513614
Sept 2013	21.20	16.55	6523733	21.25	16.50	24623010
Oct 2013	26.15	17.80	14317755	26.10	17.80	47568557
Nov 2013	27.80	22.75	7457593	27.80	22.65	27894144
Dec 2013	33.70	25.20	9974309	33.70	25.25	45367227
Jan 2014	34.90	24.50	5308756	34.90	24.50	20615549
Feb 2014	27.40	22.70	5918980	27.45	22.75	17149082
Mar 2014	37.70	25.75	8757811	37.70	25.75	37606415

### Performance in comparison to broad based indices such as Index Nifty (NSE) and Index Sensex (BSE)





## Share Transfer System

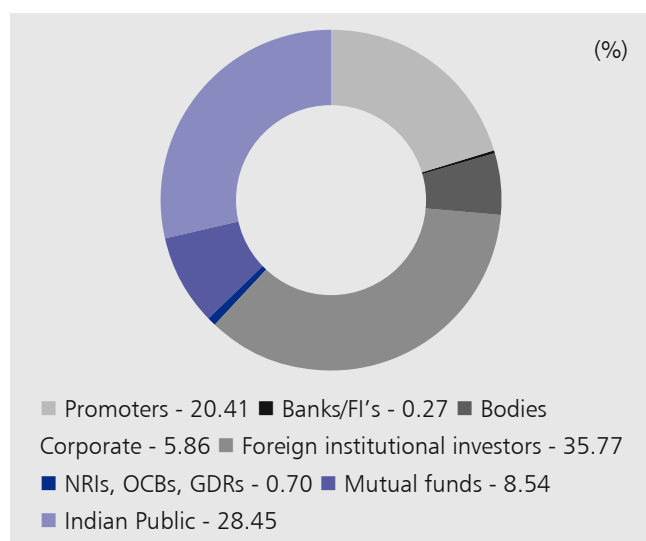
The share transfers which are received in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being found valid and complete in all respects.

The Company appointed M/s. Karvy Computershare Pvt. Ltd as common Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the Securities of the Company.

**Registrar and Transfer Agents**  
M/s. Karvy Computershare Pvt. Ltd  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad-500081  
Phone: 040-23420818  
Fax: 040-23420814  
Email: einward.ris@karvy.com;  
www.karvycomputershare.com

## Distribution of shareholding as on March 31, 2014

Number of shares	Number of shareholders		Details of shareholding	
	Number	%	No. of shares of ₹2 each	%
1 - 5000	59226	95.36	16908506	6.59
5001 - 10000	1496	2.40	5508091	2.15
10001 - 20000	668	1.08	4981425	1.94
20001 - 30000	211	0.34	2660988	1.04
30001 - 40000	110	0.18	2027892	0.79
40001 - 50000	68	0.11	1561006	0.61
50001 - 100000	146	0.24	5426622	2.11
100001 and above	179	0.29	217509280	84.77
<b>Total</b>	<b>62104</b>	<b>100.00</b>	<b>256583810</b>	<b>100.00</b>



## Shareholding pattern as on March 31, 2014

Category	No. of shares of ₹2 each	%
Promoters	52361750	20.41
Domestic Institutional Investors/Banks	680185	0.27
Bodies Corporate	15045684	5.86
Foreign Institutional Investors	91783260	35.77
NRIs, OCBs, GDRs etc.,	1817380	0.70
Mutual Funds	21915109	8.54
Indian Public	72380442	28.45
	<b>256583810</b>	<b>100.00</b>

## Equity History

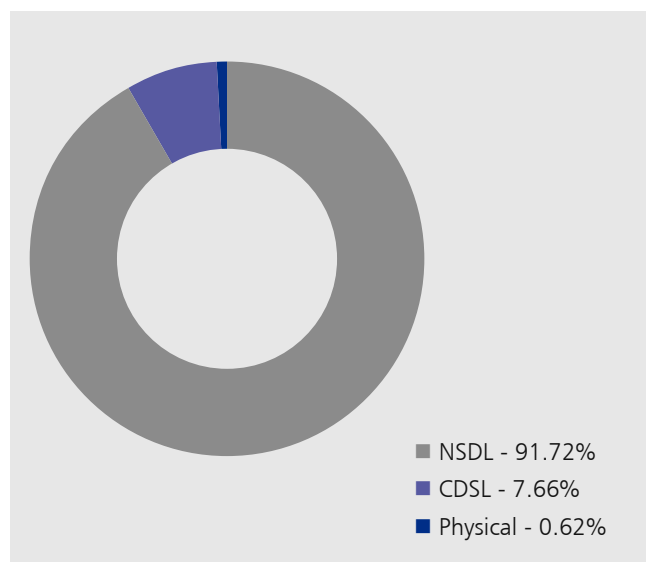
(No. of Shares)

Date	Particulars	Issued	Cumulative
23.03.1990	Subscription to the Memorandum	81	81
27.06.1990	Issued to promoters	999919	1000000
09.09.1992	Public Issue	2311200	3311200
01.06.1996	Rights Issue	4139000	7450200
01.03.2002	Warrants issued to Promoters on preferential basis which were converted into equity shares of ₹10/- each	2000000	9450200
21.02.2004	Equity shares issued to select investors on preferential basis	2000000	11450200
01.12.2004	Equity shares issued to select investors on preferential basis	2950000	14400200
29.03.2005	Warrants issued to select investors on preferential basis which were converted into equity shares of ₹10/- each	700000	15100200
31.03.2005	Warrants issued to Promoters on preferential basis which were converted into equity shares of ₹10/- each	800000	15900200
31.08.2005	Splitting of shares of ₹10/- each into shares of ₹2/- each	79501000	79501000
19.09.2005	Issue of shares under NCC-ESOP plan-2004	7150	79508150
19.12.2005	Issue of 20,547,940 equity shares underlying GDR's	20547940	100056090
05.01.2006	Issue of 2,935,420 equity shares underlying GDRs under Green Shoe Option	2935420	102991510
11.02.2006	Issue of shares under NCC – ESOP Plan – 2004	320150	103311660
11.04.2006	Issue of shares under NCC – ESOP Plan – 2004	48350	103360010
22.08.2006	Issue of shares under NCC – ESOP Plan – 2004	8520	103368530
23.09.2006	Issue of bonus shares in the ratio of 1:1	103368530	206737060
14.02.2007	Issue of shares under NCC – ESOP Plan – 2004.	709800	207446860
30.03.2007	Issue of shares under NCC – ESOP Plan – 2004.	1064040	208510900
23.07.2007	Issue of shares under NCC – ESOP Plan – 2004	11380	208522280
03.10.2007	Equity shares issued preferential basis to M/s. Blackstone Group	20246900	228769180
07.01.2008	Issue of shares under NCC – ESOP Plan – 2004	4740	228773920
13.02.2008	Issue of shares under NCC – ESOP Plan – 2004	64800	228838720
01.08.2008	Issue of shares under NCC – ESOP Plan – 2004	7530	228846250
02.03.2009	Issue of shares under NCC – ESOP Plan – 2004	4660	228850910
03-09-2009	Issue of shares to QIB's under QIP	27732900	256583810

### Dematerialization of shares and liquidity

Over 99.38% of the outstanding shares were dematerialized up to March 31, 2014. The Company's shares are liquid and actively traded. The monthly volume of the Company's shares traded on the Indian stock exchanges forms part of this report.

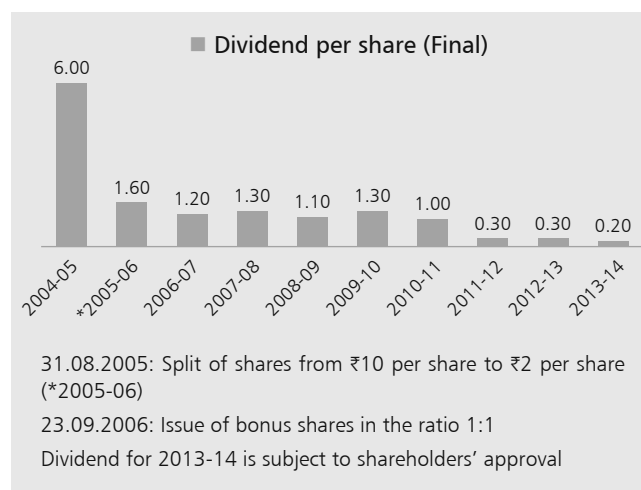
#### Demat status as on March 31, 2014



### GDR & their impact on equity shares

As on March 31, 2014, there were 39,700 GDRs pending for conversion. The overseas depository is Deutsche Bank Trust Company Americas at 60 Wall Street New York NY 10005, USA and the custodian is ICICI Bank Ltd, Securities Processing Division, North Tower, II floor, ICICI towers, Bandra Kurla Complex, Mumbai - 400051, India.

#### Dividend History for the past Ten Years



### ECS Facility

The Company is providing facility of "Electronic Clearing Service" (ECS) for payment of dividend to shareholders who are requested to provide details of their bank account for availing ECS facility. Further, ECS facility is also available to the beneficial owners of shares held in electronic form. Those desirous of availing the ECS facility may provide their mandate to the Company in writing, in the form which is annexed to the notice

convening the AGM of the Company or can be obtained from the Company's Registrar and Transfer Agents M/s. Karvy Computershare Pvt Ltd.

#### Unclaimed dividend

In terms of Sections 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unclaimed dividend

account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the IEPF. During the year, in compliance with Sections 205A(6) & 205A(7) of the Companies Act, 1956, the Company transferred the unclaimed dividend amounting to ₹5,33,287 pertaining to the year 2005-2006 to the IEPF.

#### Due dates for transfer of dividend unclaimed to IEPF

Financial year	Type of dividend	Date of declaration	Amount of unclaimed dividend outstanding as on 31.3.2014 (₹)	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2006-2007	Interim	21.03.2007	667324.00	27.04.2014	26.05.2014
2006-2007	Final	30.07.2007	370034.00	05.09.2014	04.10.2014
2007-2008	Final	31.07.2008	935959.00	06.09.2015	05.10.2015
2008-2009	Final	30.07.2009	920890.90	05.09.2016	04.10.2016
2009-2010	Final	10.08.2010	969592.00	16.09.2017	15.10.2017
2010-2011	Final	12.08.2011	896319.00	18.09.2018	17.10.2018
2011-2012	Final	26-09-2012	430650.30	02.11.2019	01.12.2019
2012-2013	Final	27-09-2013	422184.00	03.11.2020	02.12.2020

#### Top ten shareholders of the Company as on March 31, 2014

Sl. No	Name of the shareholder	Number of shares	% of shareholding
1	Blackstone GPV Capital Partners Mauritius V-A Ltd	25399699	9.90
2	Warhol Limited	25384700	9.89
3	Jhunjhunwala Rekha Rakesh	24608266	9.59
4	A V S R Holdings Private Limited	14147167	5.51
5	City Group Global Markets Mauritius Private Limited	12190265	4.75
6	DSP Blackrock	11111157	4.33
7	Beacon India Private Equity Fund	9818207	3.83
8	UTI	6226198	2.43
9	A A V Ranga Raju	5931740	2.31
10	Rakesh R. Jhunjhunwala	5000000	1.95

#### Compliance with Clause 5 A of the Listing Agreement

The Movement of un-claimed Shares in the 'NCC Ltd –Unclaimed Suspense Account' during the year as follows.

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate Number of Share holders and outstanding Shares lying in the Suspense account as on April 1, 2013	159	97265
Number of share holders approached the Company for transfer of shares from Suspense account during the year	Nil	Nil
Aggregate Number of Share holders and outstanding Shares lying in the Suspense account as on March 31, 2014	159	97265

## Compliance with Clause 49

### Disclosures

During 2013-14 certain transactions were entered into with related parties. The details thereof are given under

Note No. 32 forming a part of the Standalone Financial Statements.

There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.

The Company has no written whistle blower policy.

During the year, there was no treatment of any transaction different from that of prescribed in the Accounting Standards as required under Section 211(3C) of the Companies Act, 1956.

A report on risk management forms a part of the Management Discussion and Analysis in this Annual Report. This

Annual Report has a detailed section on Management Discussion and Analysis.

The information on appointment/ re-appointment of Directors and their brief profiles forms part of the Notice of the ensuing Annual General Meeting for the information of shareholders.

### Mandatory requirements

The Company has complied with all the applicable mandatory requirements of Clause 49 of the listing agreement and also submits a quarterly compliance report duly signed by compliance officer of the Company to the stock exchanges within the time prescribed under the listing agreement.

### Non-mandatory requirements

The Company has constituted the HR and Compensation Committee of the Board of Directors. Necessary details are provided under the section "HR and Compensation Committee of the Board."

As a measure of good corporate governance practice, the Company

has appointed M/s. BS & Co, Company Secretaries to conduct Secretarial Audit of records and documents of the Company.

### Investor's correspondence

#### Physical/Electronic mode

M/s. Karvy Computershare Pvt. Ltd.,  
Plot No 17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500081  
Phone: 40-23420818  
Fax: 040-23420814  
Email: einward.ris@karvy.com  
www.karvycomputershare.com

### Shareholders general correspondence

#### Compliance Officer

Sri. M.V. Srinivasa Murthy  
Company Secretary & Sr. Vice-  
President (Legal) NCC House, 9th Floor,  
Madhapur, Hyderabad-500081  
Phone: 040-23268888  
Fax: 040- 23125555  
E-mail: ho.secr@nccltd.in  
www.ncclimited.com

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## Declaration of compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct for Board members and senior management personnel in respect of the financial year ended March 31, 2014.

Place: Hyderabad  
Date:15th May 2014

For NCC Limited

A. A. V. Ranga Raju  
Managing Director

## Chief Executive Officer and Chief Financial Officer Certification

### Under Clause 49 of the Listing Agreement with the Stock Exchanges

In relation to the Audited Financial Accounts of the company as at 31st March, 2014, we hereby certify that

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Hyderabad  
Date: 15th May, 2014

**A. A. V Ranga Raju**  
*Managing Director*  
*(Chief Executive Officer)*

**R. S. Raju**  
*Executive Vice President (F&A)*  
*(Chief Financial Officer)*

## Auditors Certificate on Corporate Governance

**M. Bhaskara Rao & Co.**  
*Chartered Accountants*  
5D, Fifth Floor  
6-3-352, Somajiguda  
Hyderabad - 500 082

**Deloitte Haskins & Sells**  
*Chartered Accountants*  
1 -8-384 & 385, 3rd Floor  
Gowra Grand, S.P. Road  
Secunderabad - 500 003

To the members of  
**NCC Limited**

We have examined the compliance of conditions of Corporate Governance by NCC Limited ("the Company"), for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the condition of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except as stated in the section 'Details of remuneration paid to Directors' of the Corporate Governance Report of the Company regarding remuneration paid /payable to Managing Director, Executive Director and Whole-time Directors which is in excess of relevant provisions of the Companies Act, 1956 by ₹54.43 Million for which the Company is in the process of obtaining requisite approval from shareholders and the Central Government.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness, with which the management has conducted the affairs of the Company.

**For M. Bhaskara Rao & Co**  
*Chartered Accountants*  
(Firm Registration No.000459S)

**For Deloitte Haskins & Sells**  
*Chartered Accountants*  
(Firm Registration No.008072S)

**M.V Ramana Murthy**  
*Partner*  
Membership No.206439

**Ganesh Balakrishnan**  
*Partner*  
Membership No.201193

Place: Hyderabad

Date: May 15, 2014

# FINANCIAL STATEMENTS



# INDEPENDENT AUDITORS' REPORT

To The Members of  
NCC Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of NCC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by branch auditors of the Company's overseas branches at Oman, Nepal and Sri Lanka ("the Branches") audited by other auditors.

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports on the accounts of the Company's overseas branches audited by the branch auditors which have been forwarded to us and have been properly dealt with, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Emphasis of Matter

Attention is invited to Note 45 to the Financial Statements regarding managerial remuneration. The Company is in the process of obtaining requisite approvals from shareholders and the Central Government.

Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the branches audited by the branch auditors appointed under Section 228 of the Act have been forwarded to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - (e) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
  - (f) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For M. Bhaskara Rao & Co.  
Chartered Accountants  
(Firm Registration No.000459S)

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm Registration No.008072S)

M V Ramana Murthy  
Partner  
Membership No. 206439

Ganesh Balakrishnan  
Partner  
Membership No. 201193

Hyderabad, May 15, 2014

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (xii), (xiii), (xiv), (xviii) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
  - (a) According to the information and explanations given to us, the Management has physically verified the inventories during the year. In our opinion, having regard to the nature of business and location of stocks, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of account.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
  - (a) The Company has granted loans aggregating ₹3,587.87 million to one party during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹9,842.33 million (six parties) and the maximum amount involved during the year was ₹9,842.33 million (six parties).
  - (b) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
  - (c) Having regard to rollover of loans given, the receipts of principal amounts and interest have been regular during the year.
  - (d) There is no overdue amount in respect of the aforesaid loans.
  - (e) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 accordingly, clauses(iii) (f) and(g) of paragraph 4 of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in to the Register maintained under the said Section have been so entered.
  - (b) In our opinion, the transactions (excluding loans reported under paragraph (iv) above) exceeding the value of ₹5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available.
- (vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants and an external agency appointed by the Management is commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanation given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax /VAT, Wealth Tax, Customs Duty, Cess and other material statutory dues applicable to it with appropriate authorities, except for certain delays in the payments of Service Tax dues and tax deducted at source in Income Tax Act, 1961.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax / VAT, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Million)
Sales Tax and VAT Laws	Sales Tax	Hon'ble High Court of Andhra Pradesh	1994 - 1995 & 2005-2006	16.17
	Sales Tax	Sales Tax Appellate Tribunal, Andhra Pradesh	1999 - 2004 & 2006 - 2007	57.00
	VAT	Appellate Deputy Commissioner, Hyderabad	2006 - 2007	17.96
	VAT	Appellate Additional Commissioner, Uttar Pradesh	2005 - 2007	18.92
	VAT	Deputy Commissioner of Sales tax (Appeals), Assam	2005 - 2007	184.10
	Sales Tax	Hon'ble High Court of Tamil Nadu.	2006 - 2007	4.36
	VAT	Sr.Joint Commissioner (Appeals), West Bengal	2008 - 2010	172.93
	VAT	Appellate Deputy Commissioner, Kerala	2007 - 2009	23.99
	Entry tax	Hon'ble High Court of Andhra Pradesh	2012 - 2013	9.86
Central Excise Laws	Excise Duty	CESTAT, Bangalore	2007 - 2009	4.73
Finance Act, 1994	Service Tax	Hon'ble High Court of Andhra Pradesh	2007 - 2008	137.31
Finance Act, 1994	Service Tax	CESTAT, Bangalore	2005 - 2012	3,092.61

Note: There are no disputed dues of Wealth Tax which have not been deposited as on March 31, 2014.

- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, having regard to the rollover of term loans and debentures, the Company has not defaulted in repayment of dues to banks and debenture holders except in respect of following dues:

(₹ In Million)

Particulars	Principal	Interest	Period of delay
			(in days)
Banks – Loans	750.00	70.95	1 to 30 days
	750.00*	5.34	31 to 60 days
	500.00	-	61 to 90 days
Bank – Debentures	-	70.66	1 to 30 days
	-	47.89	31 to 60 days

\*includes principal amount of ₹500 million is outstanding for repayment to banks as at March 31, 2014 of which ₹250 million paid subsequently.

- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie, prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xv) According to the information and explanations given to us and records examined by us, securities/charges have been created in respect of debentures issued.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **M. Bhaskara Rao & Co.**  
Chartered Accountants  
(Firm Registration No.000459S)

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No.008072S)

**M V Ramana Murthy**  
Partner  
Membership No. 206439

**Ganesh Balakrishnan**  
Partner  
Membership No. 201193

Hyderabad, May 15, 2014

## BALANCE SHEET as at March 31, 2014

(₹ in million)

	Note	As at March 31, 2014		As at March 31, 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	3	513.17		513.17	
Reserves and Surplus	4	24,689.56		24,167.17	
			25,202.73		24,680.34
<b>Non Current Liabilities</b>					
Long Term Borrowings	5	732.15		1,716.18	
Deferred Tax Liabilities (Net)	6	124.86		231.21	
Other Long Term Liabilities	7	631.77		543.37	
Long Term Provisions	8	197.41		176.53	
			1,686.19		2,667.29
<b>Current Liabilities</b>					
Short Term Borrowings	9	22,327.17		18,842.60	
Trade Payables	10	15,389.67		13,989.99	
Other Current Liabilities	11	26,542.47		20,696.67	
Short Term Provisions	12	126.44		396.81	
			64,385.75		53,926.07
<b>Total</b>			<b>91,274.67</b>		<b>81,273.70</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Fixed Assets	13				
Tangible Assets		6,866.69		7,122.58	
Intangible Assets		49.65		62.81	
Capital Work in Progress		103.62		61.24	
Non Current Investments	14.1	11,643.08		12,536.23	
Long Term Loans and Advances	15	2,564.46		3,201.66	
Other Non Current Assets	16	1,187.34		1,506.42	
			22,414.84		24,490.94
<b>Current Assets</b>					
Current Investments	14.2	0.03		0.03	
Inventories	17	15,987.50		14,263.53	
Trade Receivables	18	13,410.13		11,429.52	
Cash and Bank Balances	19	687.86		800.04	
Short Term Loans and Advances	20	28,174.77		21,126.48	
Other Current Assets	21	10,599.54		9,163.16	
			68,859.83		56,782.76
<b>Total</b>			<b>91,274.67</b>		<b>81,273.70</b>
Corporate information and Significant accounting policies	1 & 2				

See accompanying notes forming part of the financial statements

In terms of our report attached

For M BHASKARA RAO & CO.  
CHARTERED ACCOUNTANTS

For DELOITTE HASKINS & SELLS  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V. RAMANA MURTHY  
Partner

GANESH BALAKRISHNAN  
Partner

R.S. RAJU  
Executive Vice President (F&A)

A.A.V. RANGA RAJU  
Managing Director

M.V. SRINIVASA MURTHY  
Company Secy. & Sr. V.P (Legal)  
Hyderabad, May 15, 2014

A.G.K. RAJU  
Executive Director

Hyderabad, May 15, 2014

## STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in million)

	Note	Year ended March 31, 2014	Year ended March 31, 2013
<b>REVENUE</b>			
Revenue from Operations	22	61,173.02	57,249.18
Other Income	23	1,535.30	1,258.89
<b>Total Revenue</b>		<b>62,708.32</b>	<b>58,508.07</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	28,682.83	22,794.36
Construction Expenses	25	26,649.39	27,431.07
Changes in Inventories of Work in Progress	26	(2,593.64)	(1,997.06)
Employee Benefits Expense	27	2,403.92	2,426.98
Finance Costs	28	4,659.85	4,070.38
Depreciation and Amortization Expense	13.3	895.13	920.22
Other Expenses	29	1,981.94	1,884.90
<b>Total Expenses</b>		<b>62,679.42</b>	<b>57,530.85</b>
<b>Profit Before Tax</b>		<b>28.90</b>	<b>977.22</b>
Tax Expense	30	(376.25)	350.56
<b>Profit for the year</b>		<b>405.15</b>	<b>626.66</b>
<b>Earnings per share of face value of ₹ 2 each.</b>			
Basic and Diluted - ₹	35	1.58	2.44
Corporate information and Significant accounting policies	1 & 2		

See accompanying notes forming part of the financial statements

In terms of our report attached

For M BHASKARA RAO & CO.  
CHARTERED ACCOUNTANTS

For DELOITTE HASKINS & SELLS  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V. RAMANA MURTHY  
Partner

GANESH BALAKRISHNAN  
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Managing Director

M.V. SRINIVASA MURTHY  
Company Secy. & Sr. V.P (Legal)

A.G.K. RAJU  
Executive Director

Hyderabad, May 15, 2014

Hyderabad, May 15, 2014

## CASH FLOW STATEMENT for the year Ended March 31, 2014

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	28.90	977.22
<b>Adjustments for:</b>		
Depreciation and amortisation expense	895.13	920.22
(Profit) on sale / write off of assets	7.93	(108.00)
Finance costs	4659.85	4,070.38
Interest income	(1,392.49)	(1,041.65)
Net (gain) on sale of investments	(162.20)	-
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Rental income from operating leases	(14.94)	(31.49)
Net unrealised exchange loss	3.71	-
	<b>4,416.02</b>	<b>3,879.46</b>
<b>Operating profit before working capital changes</b>	<b>4,444.92</b>	<b>4,856.68</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(1,723.97)	(1,928.28)
Trade receivables	(2,002.14)	1,635.25
Short-term loans and advances	(3,035.82)	850.67
Long-term loans and advances	-	68.63
Other current assets	(751.79)	(1,222.48)
Other non-current assets	319.07	(167.55)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	1,399.68	1,565.82
Other current liabilities	4,764.31	(1,540.10)
Other long-term liabilities	88.40	149.97
Short-term provisions	5.27	6.76
Long-term provisions	20.88	(5.39)
	<b>(916.11)</b>	<b>(586.70)</b>
Cash generated from operations	<b>3,528.81</b>	<b>4,269.98</b>
Net income tax (paid)	170.04	(584.67)
<b>Net cash flow from operating activities (A)</b>	<b>3,698.85</b>	<b>3,685.31</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(761.69)	(1,270.34)
Proceeds from sale of fixed assets	85.30	821.64
Bank balances not considered as Cash and cash equivalents	(87.59)	(23.39)
Purchase of long-term investments - Subsidiaries	(2,616.27)	1,933.95
Purchase of long-term investments - others	(18.38)	(17.50)
Refund of share application money	2,689.78	-
Proceeds from sale of long-term investments	1,877.36	-
Advance received towards sale of shares	1,000.00	-
Loans given to subsidiaries, associates and other body corporates	(1,077.84)	(1,290.92)
Inter Corporate Deposits given	(3,587.87)	-
Loans realised from subsidiaries, associates and other body corporates	46.85	0.02
Interest received	704.19	487.92
Rental income from operating leases	14.94	31.49
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(1,731.22)</b>	<b>672.87</b>

## CASH FLOW STATEMENT for the year Ended March 31, 2014 (Contd.)

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>C. Cash flow from financing activities</b>		
Repayment of Debentures	(800.00)	(1,050.00)
Proceeds from long term borrowings	254.75	292.97
Repayment of Long term borrowings	(442.85)	(845.68)
Net increase / (decrease) in short term borrowings	3,484.57	1,512.05
Finance cost paid	(4,573.69)	(4,047.71)
Dividend & Tax on dividend paid	(90.18)	(89.47)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(2,167.40)</b>	<b>(4,227.84)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(199.77)</b>	<b>130.34</b>
Cash and cash equivalents at the beginning of the year	650.97	520.63
<b>Cash and cash equivalents at the end of the year (Refer note 19)</b>	<b>451.20</b>	<b>650.97</b>

Note: Figures in brackets represents cash outflows.

See accompanying notes forming part of the financial statements

In terms of our report attached

For M BHASKARA RAO & CO.  
CHARTERED ACCOUNTANTS

M.V. RAMANA MURTHY  
Partner

Hyderabad, May 15, 2014

For DELOITTE HASKINS & SELLS  
CHARTERED ACCOUNTANTS

GANESH BALAKRISHNAN  
Partner

R.S. RAJU  
Executive Vice President (F&A)

M.V. SRINIVASA MURTHY  
Company Secy. & Sr. V.P (Legal)  
Hyderabad, May 15, 2014

For and on behalf of the Board

A.A.V. RANGA RAJU  
Managing Director

A.G.K. RAJU  
Executive Director

## Notes forming part of the financial statements

### 1 Corporate information:

NCC Limited, formerly Nagarjuna Construction Company Limited ("NCCL", / "the Company") was established as a Partnership firm in 1978, which was subsequently converted into a limited Company in 1990. The shares of the Company are listed on the stock exchanges in India in 1992 pursuant to Public offer of equity shares. The Company is engaged in the infrastructure sector, primarily in the construction of industrial and commercial buildings, roads, bridges and flyovers, water supply and environment projects, housing, power transmission lines, irrigation and hydrothermal power projects, real estate development, etc.

### 2 Significant accounting policies:

#### 2.1 Basis of Accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless otherwise stated separately herein below.

#### 2.2 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Fixed Assets and Depreciation:

Fixed Assets are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred upto that date.

Capital work-in-progress: Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 except for construction accessories which are depreciated at 20% p.a. based on useful life determined by the Management. Leasehold improvements are amortised over the period of lease. Intangible assets are amortised over a period of five years.

Fixed assets in joint venture operations, which are accounted to the extent of the Company's interest in the venture, are depreciated on Straight Line Method / Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at higher rates as stated below:

S.No.	Description	Straight Line Method	Written Down Value Method
1	Plant and Equipment	4.75%	15% - 25%
2	Furniture and Fixtures	6.33%	10% - 20%
3	Office Equipments	4.75%	15% - 25%
4	Computers	16.21%	60%
5	Construction Vehicles	-	15% - 25%
6	Construction Accessories	20%	15% - 25%
7	Office Vehicles	9.50%	15% - 25%



## Notes forming part of the financial statements

### 2.4 Impairment of Assets:

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

### 2.5 Borrowing Costs

Borrowing Costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

### 2.6 Inventories

#### Raw Materials:

Raw Materials, construction materials and stores & spares are valued at weighted average cost or under. Cost excludes refundable duties and taxes.

#### Work in Progress:

Project Division: Work-in-Progress is valued at the contracted rates less profit margin / estimates.

Light Engineering Division: Work-in-Progress is valued at lower of cost and net realisable value.

Properties under development are valued at cost or under. Cost comprises all direct development expenditure, administrative expenses and borrowing costs. Land held for resale is valued at lower of cost and net realisable value.

### 2.7 Investments

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

### 2.8 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 'Employee Benefits' notified under Section 211 (3c) of the Companies Act, 1956.

#### Defined Benefit Plan

##### i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees.

Liability on account of gratuity is:

- covered partially through a recognised Gratuity Fund managed by Life Insurance Corporation of India and contributions are charged to revenue; and
- balance is provided on the basis of valuation of the liability by an independent actuary as at the year end.

##### ii) Compensated Absences

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

In respect of Oman branch employees, end of service benefit is accrued in accordance with terms of employment. Employee entitlements to annual leave and gratuity are recognized on actual basis and charged to the Statement of Profit and Loss.

## Notes forming part of the financial statements

### Defined Contribution Plan

#### iii) Superannuation

The Company makes monthly contribution to an approved superannuation fund covered by a policy with Birla Sunlife Insurance Company Limited. The Company has no further obligation beyond the monthly contribution.

#### iv) Provident Fund

Contribution to Provident fund (a defined contribution plan) made to Regional Provident Fund Commissioner are recognised as expense.

### 2.9 Revenue Recognition

- i) Project Division: Revenue from construction contracts is recognised by reference to the percentage of completion of the contract activity gross of applicable taxes. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure.
- ii) Property Development: Revenue is recognised when the Company enters into an agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer and there is no uncertainty regarding realisability of the sale consideration.
- iii) Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

### 2.10 Joint Venture Projects:

- i) In respect of Joint Venture Contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognized in the agreed proportions under respective heads in the financial statements.
- ii) Assets, Liabilities and Expenditure arising out of contracts executed wholly by the Company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturer's share under turnover in these financial statements.
- iii) Share of turnover attributable to the Company in respect of contracts executed by the other joint venture partners pursuant to Joint Venture Agreement, is accounted under Turnover in these financial statements.

### 2.11 Foreign exchange translation and foreign currency transactions:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.

Foreign branches are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate at the end of the respective month. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments.

### 2.12 Leases :

The Company's leasing arrangements are mainly in respect of operating leases for premises and construction equipment. The leasing arrangements range from 11 months to 10 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

### 2.13 Taxes on Income:

- i) Current Tax: Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act, 1961.

## Notes forming part of the financial statements

- ii) **Deferred Taxes:** Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

### 2.14 Contingency Reserve :

The Company transfers to Contingency Reserve out of the Surplus in the Statement of Profit and Loss, such amounts as the Management considers appropriate based on their assessment to meet any contingencies relating to substantial expenditure incurred during the maintenance period of a contract, non-realisation of contract bills earlier recognised as income and claims, if any, lodged by the contractees or by sub-contractors or by any third party against the Company in respect of completed projects for which no specific provision has been made.

### 2.15 Earnings Per Share :

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, Earnings Per Share notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

### 2.16 Provisions, Contingent Liabilities and Contingent Assets :

The Company recognised provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.18 Operating cycle

The Company adopts operating cycle based on the project period and accordingly all project related asstes and liabilities are classified into current and non current. Other than project related assets and liabilities are classified 12 months as its normal operating cycle.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
<b>3 Share Capital</b>				
<b>Authorised :</b>				
Equity Shares of ₹2 each	300,000,000	600.00	300,000,000	600.00
<b>Issued :</b>				
Equity Shares of ₹2 each	256,833,810	513.67	256,833,810	513.67
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹2 each	256,583,810	513.17	256,583,810	513.17
<b>Total</b>		513.17		513.17

### 3.1 Reconciliation of the number of equity shares and amount outstanding at beginning and at end of the year

(₹ in million)

	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	256,583,810	513.17	256,583,810	513.17
Add: Changes during the year	-	-	-	-
Balance at end of the year	256,583,810	513.17	256,583,810	513.17

### 3.2 Details of shares held by each shareholder holding more than 5% shares (excluding shares represented by underlying Global Depository Receipts (GDRs))

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	% holding	Number of shares	% holding
Blackstone GPV Capital Partners Mauritius V-A Ltd.	25,399,699	9.90	25,399,699	9.90
Warhol Limited	25,384,700	9.89	25,384,700	9.89
Smt. Rekha Jhunjunwala	24,608,266	9.59	16,000,000	6.24
A V S R Holdings Private Limited	14,147,167	5.51	17,967,167	7.00

### 3.3 Details of unsubscribed equity shares

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹2 each	250,000	0.50	250,000	0.50

3.4 Unclaimed equity shares of 97,265 (31.03.2013: 97, 265) are held in "NCC Limited - Unclaimed suspense account " in trust.

### 3.5 Rights of the share holders

- The equity shares of the company having par value of ₹2 per share, rank pari passu in all respects including voting rights (except GDRs) and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.
- 39,700 (31.03.2013: 39,700) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹2. The GDRs, rank pari passu in all respects with the equity shares issued by the Company, except in respect of voting rights.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
<b>4 Reserves and Surplus</b>				
<b>Capital Reserve</b>		54.33		54.33
<b>Securities Premium</b>		14,649.35		14,649.35
<b>Debenture Redemption Reserve</b>				
Opening balance	675.00		940.00	
Less : Transfer to General Reserve	200.00		265.00	
Closing balance		475.00		675.00
<b>Contingency Reserve</b>		220.00		220.00
<b>Foreign Currency Translation Reserve</b>				
Opening balance	2.73		(30.38)	
Add : Effect of foreign exchange variations during the year	177.28		33.11	
Closing balance		180.01		2.73
<b>General Reserve</b>				
Opening balance	5,429.59		5,014.59	
Add : Transfer from Debenture Redemption Reserve	200.00		265.00	
Add : Transfer from Surplus in Statement of Profit and Loss	150.00		150.00	
Closing balance		5,779.59		5,429.59
<b>Surplus in Statement of Profit and Loss</b>				
Opening balance	3,136.17		2,749.56	
Add : Profit for the year	405.15		626.66	
	3,541.32		3,376.22	
Less : Appropriations				
Dividend proposed to be distributed to equity share holders ₹0.20 per share (31.03.2013 : ₹0.30 per share)	51.32		76.97	
Tax on Dividend	8.72		13.08	
Transfer to General Reserve	150.00		150.00	
	210.04		240.05	
Closing balance		3,331.28		3,136.17
<b>Total</b>		24,689.56		24,167.17

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current*	Non Current	Current*
<b>5 Long Term Borrowings</b>				
<b>Debentures</b>				
<b>Secured</b>				
11.95% Redeemable, Non-convertible Debentures (Refer note 5.1)	-	500.00	-	500.00
10.50% Redeemable, Non-convertible Debentures (Refer note 5.2)	-	400.00	400.00	300.00
<b>Unsecured</b>				
9.50% Redeemable, Non-convertible Debentures (Refer note 5.3)	500.00	500.00	1,000.00	500.00
<b>Term Loans</b>				
<b>Secured</b>				
From Banks (Refer note 5.4)	60.31	123.53	183.94	229.09
From Other Parties (Refer note 5.5)	157.44	145.43	113.52	136.67
<b>Vehicle Loans</b>				
<b>Secured</b>				
From Banks (Refer note 5.6)	14.40	17.83	18.72	25.55
<b>Total</b>	732.15	1,686.79	1,716.18	1,691.31

\* Current maturities are included in Note 11 - Other Current Liabilities

## Notes forming part of the financial statements

### 5.1 11.95% Redeemable Non convertible Debentures

- (i) Debentures numbering to 1,000 having a face value of ₹1 million each aggregating to ₹1,000 million privately placed with Life Insurance Corporation of India on February 4, 2009. These are secured by first charge created in favour of IDBI Trusteeship Services Limited, trustees to the debenture holders
  - by way of hypothecation of the Company's movable properties specified in the Schedule-2 of Memorandum of Hypothecation dated April 25, 2009;
  - first charge by way of equitable mortgage by deposit of title deeds of the Company's immovable property situated at Gujarat as specified in first schedule to the Debenture Trust Deed dated April 23, 2009;
  - equitable mortgage by deposit of title deeds of Company's immovable properties situated at Hyderabad, Bangalore, Mumbai and New Delhi as specified in Schedule-A of Declaration and Undertaking dated April 25, 2009.
- (ii) These debentures are to be redeemed at par in 3 installments in the ratio of 25:25:50 commencing at the end of 3rd year from the date of allotment i.e., February 4, 2012 onwards.
- (iii) The debenture holders have consented for deferment of due date for final installment of ₹500.00 million from February 04, 2014 to September 30, 2014 with an increase in rate of interest by 25 basis points effective from February 04, 2014.

### 5.2 10.50% Redeemable Non convertible Debentures

- (i) Debentures numbering to 1,000 having a face value of ₹1 million each comprising of ten (10) Detachable and Separately Transferable, Redeemable Principal Parts ("STRPPS") aggregating to ₹1,000 million privately placed during 2009-10 with various banks and financial institutions. These are secured by first charge created in favour of IDBI Trusteeship Services Limited, trustees to the debenture holders, by way of equitable mortgage of the title deeds in respect of the company's immovable property situated at Kadi Taluka, Mehasana district, Gujarat as specified in the first schedule to the Debenture Trust Deed dated September 15, 2009 and by way of equitable mortgage by deposit of title deeds of the immovable properties of the Company and its subsidiary and its step-down subsidiaries, situated at Hyderabad as specified in Schedule-A to I of Declaration and Undertaking dated October 12, 2009.
- (ii) These debentures are to be redeemed at par in 3 installments in the ratio of 30:30:40 commencing at the end of 3rd year from the date of allotment i.e., July 24, 2012 onwards.

### 5.3 9.50 % Redeemable Non-Convertible Debentures

- (i) Debentures numbering to 500 having face value of ₹4 million each comprising of four (4) Detachable and Separately Transferable Redeemable principal parts ("STRPPS") of face value of ₹1 million each aggregating to ₹2,000 million privately placed with ICICI Bank Limited.
- (ii) These Debentures are to be redeemed at par in four equated installments commencing at the end of second year from the date of allotment i.e. August 11, 2012 onwards.

### 5.4 Term Loans from Banks

- (i) HDFC Bank and Indus Ind Bank Ltd
  - Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery
- (ii) Standard Chartered Bank
  - Secured by hypothecation of specific assets, comprising Plant and Machinery
- (iii) Axis Bank Limited and Kotak Mahindra Bank
  - Secured by hypothecation of specific assets purchased out of the loan

The details of rate of interest and repayment terms of term loans are as under.

## Notes forming part of the financial statements

The details of rate of interest and repayment terms of term loans are as under.

S. No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹in million)		Interest Range % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	HDFC Bank	4	5	23.37	45.39	8.61 to 10.50	13 to 29	10 to 44	Monthly	March 20, 2010 to November 06, 2016
(ii)	Standard Chartered Bank	-	4	-	78.25	7.40 to 8.23	-	2 to 3	Quarterly	November 29, 2010 to October 11, 2013
(iii)	Indus Ind Bank Ltd	4	5	129.83	235.69	12 to 12.25	8 to 23	20 to 35	Monthly	April 15, 2010 to February 15, 2016
(iv)	Axis Bank Limited	1	1	30.63	43.66	10.75	24	36	Monthly	May 01, 2012 to March 01, 2016
(v)	Kotak Mahindra Bank	-	1	-	10.04	10.63	-	9	Monthly	August 02, 2011 to December 02, 2013

### 5.5 Term Loans from Others Parties:-

Secured by hypothecation of specific assets purchased out of loan, comprising Plant and Machinery and Construction equipment

The details of rate of interest and repayment terms of term loans are as under.

S. No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹in million)		Interest Range % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	SREI Equipment Finance Private Limited	5	4	50.27	121.07	10.09 to 12	8 to 29	6 to 22	Monthly	May 10, 2010 to August 22, 2016
(ii)	L&T Finance Limited	3	3	96.76	129.12	11.46 to 12	28 to 30	40 to 42	Monthly	September 10, 2012 to September 05, 2016
(iii)	Siemens Financial Services (P) Limited	1	-	42.10	-	12	26	-	Monthly	June 22, 2013 to May 22, 2016
(iv)	Shri Ram Equipment Finance Company Limited	1	-	71.25	-	12.50	25	-	Monthly	June 22, 2013 to April 22, 2016
(v)	Tata Capital Financial Services Limited	3	-	42.49	-	12.04 to 12.75	31 to 33	-	Monthly	December 09, 2013 to December 14, 2016

### 5.6 Vehicle Loans

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 years and carry interest rate ranging between 9.49 % to 11.61 % per annum.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>6 Deferred Tax Liabilities (Net)</b>		
(i) Deferred Tax Liability on timing difference due to:		
Depreciation	432.86	420.12
(ii) Deferred Tax Asset on timing differences due to:		
Provision for Gratuity and Compensated absences	97.78	90.94
Provision for Doubtful Trade Receivables / Advances	210.22	97.97
<b>Total</b>	<b>308.00</b>	<b>188.91</b>
<b>Deferred Tax Liabilities (Net) (i) - (ii)</b>	<b>124.86</b>	<b>231.21</b>
<b>7 Other Long Term Liabilities</b>		
Retention Money payable	631.77	543.37
<b>Total</b>	<b>631.77</b>	<b>543.37</b>
<b>8 Long Term Provisions</b>		
Provision for Employee Benefits (Refer note 8.1)		
Compensated absences	146.78	144.23
Gratuity	50.63	32.30
<b>Total</b>	<b>197.41</b>	<b>176.53</b>

8.1 In accordance with the Payment of Gratuity Act, 1972 the company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India (LIC) and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The management understands that LIC overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

### A Defined benefit plans

- (i) Liability for retiring gratuity as on March 31, 2014 is ₹101.88 million (31.03.2013: ₹97.56 million) of which ₹33.99 million (31.03.2013: ₹52.40 million) is funded with the Life Insurance Corporation of India. The balance of ₹67.89 million (31.03.2013: ₹45.16 million) is included in Provision for Gratuity.
- (ii) Details of the company's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors.

Amount to be recognised in Balance Sheet

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
Present Value of Funded Obligations	101.88	97.56
Fair Value of Plan Assets	(33.99)	(52.40)
<b>Net Liability</b>	<b>67.89</b>	<b>45.16</b>

- (iii) Expenses to be recognised in Statement of Profit and Loss.

	Year Ended March 31, 2014	Year Ended March 31, 2013
Current Service Cost	13.17	13.78
Interest on Defined Benefit Obligation	8.78	7.46
Expected Return on Plan assets	(3.61)	(3.42)
Net Actuarial Losses / (Gains) Recognised in Year	4.33	(1.94)
<b>Total included in "Employee Benefits Expense"</b>	<b>22.67</b>	<b>15.88</b>



## Notes forming part of the financial statements

### (iv) Reconciliation of benefit obligation and plan assets for the year

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	97.56	93.20
Current Service Cost	13.17	13.78
Interest Cost	8.78	7.46
Actuarial Losses / (Gain)	4.33	(1.94)
Direct Receipts	0.06	-
Benefits Paid	(22.02)	(14.94)
Closing Defined Benefit Obligation	101.88	97.56
Opening Fair Value of Plan assets	52.40	41.77
Expected Return on Plan Assets	3.61	3.42
Contributions by Employer	-	22.03
Benefits Paid	(22.02)	(14.82)
Closing Fair Value of Plan Assets	33.99	52.40
Expected Employer's Contribution Next Year	25.50	24.65

### (v) Summary of principal actuarial assumptions

	Year Ended March 31, 2014	Year Ended March 31, 2013
Discount rate (p.a)	9%	8%
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.		
Expected Rate of Return on Assets (p.a)	8.75%	9.25%
This is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.		
Salary Escalation Rate (p.a)	8%	8%
The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
Attrition Rate	25%	25%

### (vi) Asset information

	As at March 31, 2014	As at March 31, 2013
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in million	33.99	52.40

### (vii) Experience Adjustments

(₹ in million)

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligations	101.88	97.56	93.20	78.79	48.72
Plan Assets	33.99	52.40	41.77	28.04	18.45
Surplus/(Deficit)	(67.89)	(45.16)	(51.43)	(50.75)	(30.27)
Experience Adjustments on Plan Assets	3.61	3.42	2.54	2.70	2.62

## Notes forming part of the financial statements

- B Long term gratuity in respect of employees working with Joint Venture Projects / branches outside India is ₹0.22 million (31.03.2013: ₹0.20 million)
- C The Liability for Cost of Compensated absences is ₹195.69 million (31.03.2013: ₹192.30 million) has been actuarially determined and provided for in the books.

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>9 Short Term Borrowings</b>		
Loans repayable on demand		
Secured Loans - Banks		
Working Capital Demand Loan (Refer note 9.1)	4,922.00	5,761.65
Cash Credit (Refer note 9.1)	13,067.67	5,712.88
Term Loans (Refer note 9.2)	2,599.43	3,500.00
Unsecured Loans		
Term Loans		
From Banks (Refer note 9.3)	1,438.07	3,868.07
From Others (Refer note 9.4)	300.00	-
	1,738.07	3,868.07
<b>Total</b>	<b>22,327.17</b>	<b>18,842.60</b>

9.1 Working Capital Demand Loans and Cash Credit facilities availed from consortium of banks are secured by:

- Hypothecation against first charge on stocks, book debts, shares of NCC Infrastructure Holdings Limited (Refer note 14.3) and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu with consortium banks.
- Hypothecation against first charge on unencumbered fixed assets of the Project Division and Light Engineering Division(excluding Land & Buildings) of the Company rank parri passu with consortium banks.
- Equitable mortgage of three properties (Land & Buildings).

9.2 Secured - term loans from Banks:

- Collateral security / First charge on immovable property and second charge on current assets of the company
- The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 14.00 % per annum.

9.3 Unsecured - term loans from Banks:

- Includes an amount of ₹948.07 million (31.03.2013: ₹1,128.07 million) availed from Standard Chartered Bank under retention money discounting facility.
- The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 13.05% per annum.

9.4 Unsecured - term loans from Others: having a maturity of less than one year and carry interest rate of 12.00 % per annum

9.5 Details of delay in repayment of loans as on the Balance sheet date

Particulars	Period of Delay As at 31.03.2014	₹ in Million
Term loan from Banks:		
Syndicate Bank	31 to 59 days	500

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>10 Trade Payables</b>		
Acceptances	3,179.67	2,539.19
Other than Acceptances (Refer note 10.1)	12,210.00	11,450.80
<b>Total</b>	<b>15,389.67</b>	<b>13,989.99</b>
<b>10.1</b> Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:		
a) Principal amount remaining unpaid	6.15	8.84
b) Interest due thereon	0.56	1.85
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) Interest accrued and remaining unpaid	0.05	1.85
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
<b>11 Other Current Liabilities</b>		
Current maturities of Long Term Borrowings (Refer note 5)	1,686.79	1,691.31
Interest Accrued but not due on borrowings and others	334.03	246.58
Unpaid Dividend Accounts (Refer note 11.1)	5.61	5.74
Other Payables		
Statutory remittances	758.63	650.04
Payables on purchase of Fixed Assets	0.15	14.94
Interest Accrued on Trade Payables (Refer note 10.1)	0.56	1.85
Retention Money Payable	3,018.32	2,551.12
Advances from Customers (Refer note 43)	11,165.88	8,540.38
Mobilisation Advance	9,572.50	6,994.71
<b>Total</b>	<b>26,542.47</b>	<b>20,696.67</b>
<b>11.1</b> There are no amounts due for payment to the Investor Education and Protection Fund as at Balance Sheet date.		
<b>12 Short Term Provisions</b>		
Provision for Employee Benefits (Refer note 8.1)		
Compensated absences	48.92	48.07
Gratuity	17.48	13.06
Provision for Tax (Net of Advance Taxes of ₹ Nil (31.03.2013: ₹338.58 million))	-	245.63
Provision for proposed Equity Dividend	51.32	76.97
Provision for Tax on proposed Equity Dividend	8.72	13.08
<b>Total</b>	<b>126.44</b>	<b>396.81</b>



## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Amount	No. of shares	Amount
<b>14 Investments</b>				
<b>14.1 Non Current Investments</b>				
<b>A Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity instruments</b>				
<b>a In Subsidiaries</b>				
In Shares of ₹10 each, fully paid up				
NCC Infrastructure Holdings Limited (Refer note 14.3)	471,323,320	4,915.80	146,332,293	5,846.27
NCC Urban Infrastructure Limited	120,000,000	1,200.00	120,000,000	1,200.00
NCC Vizag Urban Infrastructure Limited	50,000,000	500.00	50,000,000	500.00
OB Infrastructure Limited (Refer note 14.4)	7,548,281	745.78	7,548,281	745.78
Patnitop Ropeway & Resorts Limited	2,255,300	22.56	2,255,300	22.56
Naftogaz Engineering Private Limited	50,000	0.50	50,000	0.50
NCC International Convention Centre Limited	1,000,000	10.00	1,000,000	10.00
NCC Oil & Gas Limited	40,000	0.40	40,000	0.40
Western UP Tollway Limited (Refer note 14.5)	225,000	2.25	225,000	2.25
Vaidehi Avenues Limited	4,510,000	45.10	4,510,000	45.10
NCC Power Projects (Sompeta) Private Limited	69,600	0.69	-	-
Aster Rail Private Limited	3,098,800	15.49	-	-
In Shares of Omani Rials one each, fully paid up				
Nagarjuna Construction Company International LLC, Oman	5,100,000	611.69	5,100,000	611.69
In Shares of US\$10 each, fully paid up				
NCC Infrastructure Holdings Mauritius Pte. Ltd.	2,687,508	1,218.79	2,687,508	1,218.79
In Shares of 'AED' 1000 each, fully paid up				
Nagarjuna Contracting Company Limited, LLC, Dubai (Refer note 14.6)	300	3.44	300	3.44
In Shares of 'Shillings' 100, each fully paid up				
Nagarjuna Construction Company Limited, Kenya	65	-*	65	-*
* (Valued at ₹3,250)				
<b>b In Associates</b>				
In Shares of ₹10 each, fully paid up				
Jubilee Hills Land Mark Projects Limited	2,500,000	25.00	2,500,000	25.00
Tellapur Techno City Private Limited	14,702,600	147.03	14,702,600	147.03
Paschal Form Work (India) Private Limited	5,668,000	60.32	5,668,000	60.32
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	1,498,757	79.97	1,498,757	79.97
In Shares of 'AED' 1000 each fully paid up				
Nagarjuna Facilities Management Services, LLC, Dubai	147	1.72	147	1.72
<b>c In Jointly controlled entities</b>				
In Shares of ₹10 each, fully paid up				
Brindavan Infrastructure Company Limited (Refer note 14.7)	11,062,313	44.26	5,899,725	59.00
Bangalore Elevated Tollway Limited (Refer note 14.8)	80,400	0.80	80,400	0.80
Pondichery Tindivanam Tollway Limited (Refer note 14.9)	1,775,250	168.53	1,775,250	168.53
<b>d In Other entities</b>				
In Shares of ₹10 each, fully paid up				
SNP Infrastructures Private Limited	7,620,551	75.82	7,620,551	75.82
SNP Developers and Projects Private Limited	548,113	5.39	548,113	5.39
SNP Ventures Private Limited	3,368,231	33.20	3,368,231	33.20
SNP Property Developers Private Limited	1,700,275	19.47	1,700,275	19.47
NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00
In Shares of ₹25 each, fully paid up				
Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Amount	No. of shares	Amount
<b>(ii) Investment in preference shares</b>				
<b>In Associates</b>				
2% Redeemable Preference Shares of ₹100 each fully paid up				
Jubilee Hills Land Mark Projects Private Limited	4,274,999	427.50	4,274,999	427.50
<b>(iii) Investment in debentures</b>				
<b>In Associates</b>				
Jubilee Hills Land Mark Projects Limited (of ₹100 each, fully paid up)	5,092,252	509.23	5,092,252	509.23
Tellapur Techno City Private Limited (of ₹1 each, fully paid up)	737,248,092	737.25	701,368,092	701.37
<b>B Trade (Quoted)</b>				
<b>Investment in equity instruments</b>				
In Shares of ₹10 each, fully paid up				
NCC Finance Limited [** (Value ₹90) ]	9	_**	9	_**
<b>Total</b>		11,643.08		12,536.23
<b>14.2 Current Investments</b>				
<b>Trade (Unquoted) (At Cost)</b>				
<b>(i) In Other entities</b>				
Himachal Sorang Power Limited (Refer note 14.10)	3,400	0.03	3,400.00	0.03
<b>Total</b>		0.03		0.03
Aggregate amount of Unquoted Investments		11,643.11		12,536.26
Aggregate market value of Quoted Investments		_**		_**

\*\* Market value of ₹3.33 (31.03.2013: ₹7.74 )

- 14.3 Of these 55,873,182 (31.03.2013: 25,661,000) equity shares have been pledged with State Bank of India and 20,800,000 (31.03.2013: Nil) equity shares have been pledged to Standard Chartered Bank (Refer note 43).
- 14.4 Of these 3,849,368 (31.03.2013: Nil) equity shares have been pledged with IDBI Trustee Ship Services Limited for the Redeemable Non convertible debentures issued by OB Infrastructure Limited.
- 14.5 Of these 224,600 (31.03.2013: 224,600) equity shares have been pledged to the consortium of bankers for the term loan availed by Western UP Tollway Limited.
- 14.6 Of these 153 (31.03.2013: 153) equity shares are held by the joint venture partner under trust for NCC Limited.
- 14.7 Of these Nil (31.03.2013: 5,624,725) equity shares have been pledged in favor of Infrastructure Development Finance Company Limited for the term loan availed by Brindavan Infrastructure Company Limited
- 14.8 Of these 40,800 (31.03.2013: 40,800) equity shares have been pledged to the consortium of bankers for the term loan availed by Bangalore Elevated Tollway Limited.
- 14.9 Of these 564,833 (31.03.2013: 523,552) equity shares have been pledged to IDBI Trustee Ship Services Limited and 1,37,831 (31.03.2013: 1,79,112) equity shares have been pledged to Axis Bank for the term loan availed by Pondichery Tindivanam Tollway Limited.
- 14.10 Of these 2,652 (31.03.2013: 2,652) equity shares have been pledged with Axis Bank and 748 (31.03.2013: 748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. During the previous year, the Company has entered into securities purchase agreement for disposal of these shares, subject to compliance with the various conditions mentioned in the agreement.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>15 Long Term Loans and Advances</b>		
Unsecured, Considered good		
Capital Advances	1.01	1.01
Loans to Related Parties (Refer note 20.1)		
Subsidiary	1,893.13	776.23
Partnership firm	-	628.97
Share / Debenture Application Money to subsidiaries and associate	4.76	881.87
Advance Taxes and Tax Deducted at Source (Net of Provisions of ₹117.09 million (31.03.2013: ₹1,348.53 million))	665.56	913.58
<b>Total</b>	<b>2,564.46</b>	<b>3,201.66</b>
<b>16 Other Non - Current Assets</b>		
Unsecured, Considered good		
Retention Money	1,184.00	1,502.79
Deposits with Customers and Others	3.34	3.63
<b>Total</b>	<b>1,187.34</b>	<b>1,506.42</b>
<b>17 Inventories</b>		
Raw Materials - at cost or under	3,641.68	4,449.50
Raw Material in Transit - at cost or under	24.19	59.68
Work-in-progress - contract rates less profit margin	12,115.93	9,522.29
Property Development Cost (Refer note 17.1) - at cost or under	205.70	232.06
<b>Total</b>	<b>15,987.50</b>	<b>14,263.53</b>

17.1 Property and property development cost ₹16.55 million (31.03.2013: ₹16.55 million) representing the cost of acquisition of land from a land owner, for which the Company holds General Power of Attorney to deal with such land including registration of the sale in the name of the Company.

<b>18 Trade Receivables</b>		
Unsecured		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	3,672.81	3,755.92
Considered Doubtful	60.00	63.47
	3,732.81	3,819.39
Less : Provision for doubtful trade receivables	60.00	63.47
	3,672.81	3,755.92
Other Trade receivables		
Considered Good	9,737.32	7,673.60
<b>Total</b>	<b>13,410.13</b>	<b>11,429.52</b>

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
<b>19 Cash and Bank Balances</b>				
<b>Cash and Cash Equivalents (Refer note 19.5)</b>				
Cash on hand (Refer note 19.1)	16.34		11.60	
Balances with Banks				
In Current Accounts (Refer note 19.2)	434.86		639.37	
		451.20		650.97
<b>Other Bank Balances</b>				
In Deposit Accounts				
Margin Money Deposits (Refer note 19.3)	52.30		38.56	
Long Term Deposits	43.75		104.77	
		96.05		143.33
Earmarked balances with Banks				
Unpaid dividend accounts	5.61		5.74	
Long Term Deposits (Refer note 19.4)	135.00		-	
		140.61		5.74
<b>Total</b>		<b>687.86</b>		<b>800.04</b>

- 19.1 Cash on hand includes ₹0.14 million (31.03.2013: ₹0.21 million) held in foreign currency.
- 19.2 Current account balance includes ₹35.55 million (31.03.2013: ₹0.16 million) remittance in transit
- 19.3 Margin Money Deposits have been lodged with Banks against Guarantees issued by them.
- 19.4 Pursuant to notification issued by Ministry of Corporate Affairs, vide circular no. 04/2013, dated February 11, 2013, the company has deposited an amount of ₹135.00 million (31.03.2013: ₹Nil) in a scheduled bank.
- 19.5 Balances meet the definition of "Cash and Cash Equivalents" as per AS - 3 'Cash Flow Statements'.

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
<b>20 Short Term Loans and Advances</b>				
Secured, considered good				
Loans to Related Parties				
Other Body Corporate (Refer note 20.1 & 20.2)		68.25		67.32
Unsecured, considered good				
Loans to Related Parties (Refer note 20.1)				
Subsidiaries	6,989.33		6,260.43	
Associates	70.74		70.74	
		7,060.07		6,331.17
Inter Corporate Deposits - Subsidiary (Refer note 20.1)		3,587.87		-
Loan to Other Body Corporate		196.00		196.00
Loans and Advances to Employees		141.96		101.40
Prepaid Expenses		267.84		274.75
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		2,967.82		2,597.59
Service Tax credit receivable		198.32		154.22



## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
Advances to Suppliers, Sub-contractors and Others (Refer note 20.3)				
Considered Good	11,832.73		9,753.64	
Considered Doubtful	617.10		297.10	
	12,449.83		10,050.74	
Less : Provision for doubtful advances	617.10		297.10	
		11,832.73		9,753.64
Advances recoverable in cash or in kind or for value to be received		835.01		733.72
Advance Taxes and Tax Deducted at Source		1,018.90		916.67
(Net of Provisions of ₹346.42 million (31.03.2013: ₹193.05 million))				
<b>Total</b>		<b>28,174.77</b>		<b>21,126.48</b>

### 20.1 Particulars of Loans and Advances in the nature of loans as required by clause 32 of the Listing Agreement

(₹ in million)

	As at March 31, 2014	Maximum outstanding during the year (2013-14)	As at March 31, 2013	Maximum outstanding during the year (2012-13)
(i) Subsidiaries				
NCC Urban Infrastructure Limited	4,062.20	4,062.20	4,109.04	4,109.04
NCC Vizag Urban Infrastructure Limited	1,099.30	1,099.30	1,099.29	1,099.29
NCC Infrastructure Mauritius Pte Limited	1,955.92	1,955.92	816.51	816.51
Western UP Tollway Limited	235.59	235.59	235.59	235.59
Nagarjuna Contracting Company LLC	707.55	707.55	640.78	640.78
NCC International LLC, Oman	149.44	149.44	135.45	135.45
NCC Power Project (Sompeta) Private Limited (Refer note 32 (i))	628.97	628.97	-	-
NCC Infrastructure Holdings Limited	3,587.87	3,587.87	-	-
Aster Rail Private Limited	43.49	43.49	-	-
(ii) Associates				
Jubilee Hills Landmark Projects Private Limited	0.74	0.76	0.74	0.76
Himalayan Green Energy Private Limited.	70.00	70.00	70.00	70.00
(iii) Partnership firm				
NCC Power Project (Sompeta) (Refer note 32 (i))	-	-	628.97	628.97
(iv) Advances in the nature of Loan to company in which Directors are interested and where there is no repayment schedule				
NCC Blue Water Products Limited	68.25	68.25	67.32	67.32
(v) Advances in the nature of Loans where no interest is charged or interest is below section 372A of Companies Act, 1956				
NCC Blue Water Products Limited	68.25	68.25	67.32	67.32
Aster Rail Private Limited - Subsidiary	43.49	43.49	-	-

20.2 Secured by equitable mortgage of immovable properties of a body corporate

20.3 Advances to Suppliers, Sub-contractors and others, include ₹3,094.13 million (31.03.2013: ₹1,932.70 million) representing amounts withheld by contractees and includes advance to subsidiaries and associates ₹232.23 million (31.03.2013: ₹266.32 million); Jointly Controlled Entities ₹0.64 million (31.03.2013: ₹0.65 million)

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>21 Other Current Assets</b>		
Unsecured, considered good		
Retention Money	8,814.30	8,324.04
Deposits with Customers and Others	764.36	506.54
Interest Accrued on Deposits and others	1,020.88	332.58
<b>Total</b>	<b>10,599.54</b>	<b>9,163.16</b>

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>22 Revenue from Operations</b>		
Income from Contracts and Services	61,102.14	56,594.30
Other Operating Income	70.88	654.88
<b>Total</b>	<b>61,173.02</b>	<b>57,249.18</b>
<b>23 Other Income</b>		
Interest Income		
Deposits and Others	28.97	25.28
Loans and Advances	1,167.83	859.49
Income Tax refund	185.67	3.24
Others	10.02	153.64
Profit on Sale of Long Term Investment	162.20	-
Net Gain / (Loss) on foreign currency transactions	(118.86)	1.04
Other Non-Operating Income		
Rental Income from operating lease	14.94	31.49
Profit on Sale of Fixed Assets (Net)	-	108.00
Miscellaneous Income	84.53	76.71
<b>Total</b>	<b>1,535.30</b>	<b>1,258.89</b>
<b>24 Cost of Materials Consumed</b>		
Construction Materials, Stores and Spares		
Opening Stock	4,509.18	4,486.36
Add : Purchases	27,839.52	22,817.18
	32,348.70	27,303.54
Less : Closing Stock	3,665.87	4,509.18
<b>Total</b>	<b>28,682.83</b>	<b>22,794.36</b>

## Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>25 Construction Expenses</b>		
Sub-contractors Work Bills	15,085.14	16,700.59
Job Work Charges	4,545.83	5,089.63
Transport Charges	940.07	648.67
Indirect Taxes		
Value Added Tax	1,418.57	1,220.55
Service Tax	490.20	633.87
	1,908.77	1,854.42
Repairs and Maintenance		
Machinery	815.56	642.81
Others	129.66	112.60
	945.22	755.41
Hire Charges for Machinery and others	1,510.82	1,139.39
Power and Fuel	127.30	124.60
Technical Consultation	311.42	215.96
Royalties, Seigniorage and Cess	344.25	291.84
Other Expenses	930.57	610.56
	3,224.36	2,382.35
<b>Total</b>	<b>26,649.39</b>	<b>27,431.07</b>
<b>26 Changes in Inventories of Work in Progress</b>		
Opening Balance	9,522.29	7,525.23
Closing Balance	12,115.93	9,522.29
<b>Total</b>	<b>(2,593.64)</b>	<b>(1,997.06)</b>
<b>27 Employee Benefits Expense</b>		
Salaries and Other Benefits	2,183.73	2,212.10
Contribution to Provident Fund and Other Funds (Refer note 27.1)	189.87	190.98
Staff Welfare Expenses	30.32	23.90
<b>Total</b>	<b>2,403.92</b>	<b>2,426.98</b>

### 27.1 Defined contribution plans

The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹130.15 million (31.03.2013: ₹133.23 million) for Provident Fund contributions and ₹34.85 million (31.03.2013: ₹39.29 million) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

## Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>28 Finance Costs</b>		
Interest Expense on Borrowings		
Debentures	224.69	312.66
Term Loans	886.42	1,096.94
Working Capital Demand Loans and Cash Credit	2,426.57	1,764.60
Mobilisation Advance	436.80	368.96
Others	233.60	214.97
	4,208.08	3,758.13
Other Borrowing Costs		
Commission on - Bank Guarantees	293.87	175.80
- Letters of Credit	125.11	93.30
	418.98	269.10
Bank and Other Financial Charges	32.79	43.15
<b>Total</b>	<b>4,659.85</b>	<b>4,070.38</b>
<b>29 Other Expenses</b>		
Rent (Refer note 37)	505.26	401.87
Travelling and Conveyance	379.69	334.06
Office Maintenance	175.38	146.38
Electricity Charges	48.92	47.08
Rates and Taxes	63.85	92.13
Consultation Charges	60.07	58.65
Postage, Telegrams and Telephones	46.29	46.33
Insurance	68.83	55.76
Printing and Stationery	31.73	31.34
Legal and Professional Charges	49.21	59.10
Auditors' Remuneration (Refer note 29.1)	13.95	13.38
Directors' Sitting Fees	1.25	0.75
Trade Receivables / Advances Written off	15.56	420.40
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Loss on Sale of Fixed Assets	7.93	-
Miscellaneous Expenses	94.99	107.67
<b>Total</b>	<b>1,981.94</b>	<b>1,884.90</b>
<b>29.1 Auditors' Remuneration</b>		
(Excluding service tax and education cess thereon)		
Statutory Audit fee	12.62	12.62
Tax Audit fee	0.59	0.59
Certification fee	0.74	0.17
<b>Total</b>	<b>13.95</b>	<b>13.38</b>

## Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>30 Tax Expense</b>		
Current Tax	92.49	278.25
Current Tax - Prior year's Tax (Refer note 44)	(362.38)	95.82
Deferred Tax	(106.36)	(23.51)
<b>Total</b>	<b>(376.25)</b>	<b>350.56</b>

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>31 Contingent Liabilities and Commitments</b>		
(i) Contingent Liability		
(a) Claims against the Company not acknowledged as debt		
- Disputed sales tax / entry tax liability for which the Company preferred appeal	499.49	1,144.37
- Disputed central excise duty relating to clearance of goods of LED division in favour of Developers of SEZ, for which the Company has filed an appeal to CESTAT, Bangalore	5.73	5.73
- Disputed service tax liability for which the Company preferred appeal	3,249.89	1,116.74
- Disputed Income tax liability for which the Company preferred appeal	179.81	98.11
(Net off Tax Deduction at Source certificates and interest thereon submitted to the Tax Authorities)		
- Disputed sole arbitrator award in case of counter claim by Bhartiya Reserve Bank Note Mudran Private Limited, against which the Company has filed appeal before City Civil Court, Bangalore	-	30.00
- Others	2.86	236.76
- Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	Amount not ascertainable	Amount not ascertainable
- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	Amount not ascertainable	Amount not ascertainable
(b) Guarantees		
Counter Guarantees and Letter of Credits given to the Bankers *	1,558.35	1,429.98
Performance guarantees, given on behalf of Subsidiaries *	362.50	465.32
Corporate Guarantees given to Banks for financial assistance extended to Subsidiaries.	11,566.06	13,655.55
* Excludes Guarantees given against Company's liabilities, in terms of Guidance Note on Revised Schedule VI, issued by the Institute of Chartered Accountants of India.		
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances ₹1.01 million (31.03.2013:₹1.01 million)]		
Tangible	8.62	61.97
(b) Other commitments		
Commitment towards investment in companies [net of advances ₹24,480.11 million (31.03.2013:₹21,421.31 million)]	2,609.11	4,417.23
Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	517.90	517.90

## Notes forming part of the financial statements

### 32 Related Party Transactions

i) Following is the list of related parties and relationships:

S.No	Particulars	S.No	Particulars
<b>A)</b>	<b>Subsidiaries</b>	59	Premco - NCC
1	NCC Infrastructure Holdings Limited	60	SDB-NCC-NEC
2	NCC Urban Infrastructure Limited	61	NCC-PNC
3	NCC Vizag Urban Infrastructure Limited	62	NCC - SJRIPL
4	Nagarjuna Construction Co.Ltd and Partners LLC	63	NCC - MSKEL
5	OB Infrastructure Limited		
6	NCC Infrastructure Holdings Mauritius Pte. Limited	<b>D)</b>	<b>Associates</b>
7	Nagarjuna Construction Company International LLC	64	Paschal Form Work (I) Private Limited
8	Nagarjuna Contracting Co.LLC	65	Nagarjuna Facilities Management Services LLC
9	Patnitop Ropeway and Resorts Limited	66	Himalayan Green Energy Private Limited
10	Western UP Tollway Limited	67	Jubilee Hills Landmark Projects Private Limited
11	Vaidehi Avenues Limited	68	Tellapur Technocity (Mauritius)
12	NCC International Convention Centre Limited	69	Tellapur Technocity Private Limited
13	NCC Oil & Gas Limited	70	Apollonius Coal and Energy Pte.Ltd.
14	Nagarjuna Construction Company (Kenya) Limited	71	NCC Power Projects Limited
15	Naftagaz Engineering Private Limited		
16	NCC Power Projects (Sompeta) Private Limited*	<b>E)</b>	<b>Key Management Personnel</b>
17	Aster Rail Private Limited	72	Sri AAV Ranga Raju
		73	Sri ASN Raju
		74	Sri AGK Raju
<b>B)</b>	<b>Step-Down Subsidiaries</b>	75	Sri AVN Raju
18	Liquidity Limited	76	Sri NR Alluri
19	Dhatri Developers & Projects Private Limited	77	Sri AKHS Ramaraju
20	Sushanti Avenues Private Limited	78	Sri JV Ranga Raju
21	Sushruta Real Estates Private Limited		
22	PRG Estates Private Limited	<b>F)</b>	<b>Relatives of Key Management Personnel</b>
23	Thrilekya Real Estates Private Limited	79	Dr AVS Raju
24	Varma Infrastructure Private Limited	80	Smt. A.Bharathi
25	Nandyala Real Estates Private Limited	81	Smt.B.Kausalya
26	Kedarnath Real Estates Private Limited	82	Smt.A.Satyanarayanamma
27	AKHS Homes Private Limited	83	Smt.J.Sridevi
28	JIC Homes Private Limited	84	Smt. Sowjanya
29	Sushanthi Housing Private Limited	85	Smt. A.Arundathi
30	CSVs Property Developers Private Limited	86	Sri. A. Srinivasa Rama Raju
31	Vera Avenues Private Limited	87	Smt. A.Swetha
32	Sri Raga Nivas Property Developers Private Limited	88	Smt.A. Sridevi
33	VSN Property Developers Private Limited	89	Sri. J.K. Chaitanya Varma
34	M A Property Developers Private Limited	90	Smt. A. Subhadra Jyothirmayi
35	Vara Infrastructure Private Limited	91	Smt. A.Shyama
36	Sri Raga Nivas Ventures Private Limited	92	Smt. A.Suguna
37	Mallelavanam Property Developers Private Limited	93	Sri. A. Harsha Varma
38	Sradha Real Estates Private Limited	94	Smt. A. Neelavathi Devi
39	Siripada Homes Private Limited		
40	NJC Avenues Private Limited	<b>G)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>
41	NCC Urban Lanka (Private) Limited	95	NCC Blue Water Products Limited
42	NCC WLL	96	Swetha Estates
43	Al Mubarakia Contracting Company LLC	97	NCC Finance Limited
44	NCCA International Kuwait General Contracts Company LLC	98	Sirisha Memorial Charitable Trust
45	Samashti Gas Energy Limited	99	Shyamala Agro Farms Private Limited
46	NCC Infra Limited	100	Ranga Agri Impex Private Limited
47	NCC Urban Homes Pvt Ltd	101	NCC Foundation
48	NCC Urban Ventures Pvt. Ltd	102	Sirisha Projects Private Limited
49	NCC Urban Meadows Pvt Ltd	103	Ruthvik Estates Private Limited
50	NCC Urban Villas Pvt Ltd	104	Narasimha Developers Private Limited
51	Nagarjuna Suites Pvt Ltd	105	Mihika Agro Farms Private Limited
		106	Lalit Agro Farms Private Limited
<b>C)</b>	<b>Joint Ventures</b>	107	Bhuvanesh Realtors Private Limited
52	Brindavan Infrastructure Company Limited	108	Armesh Ventures Private Limited
53	Bangalore Elevated Tollway Limited	109	Suguna Estates Private Limited
54	Pondicherry Tindivanam Tollway Limited	110	AVSR Holdings Private Limited
55	Varapradha Real Estates Private Limited		
56	NCC - Himachal		
57	NCC - NEC - Maytas		
58	NCC - VEE		

\*During the current year the partnership firm was converted into a private limited company under the name of "NCC Power Projects (Sompeta) Private Limited."

## Notes forming part of the financial statements

### 32 Related Party Transactions

(ii) Related Party transactions during the year ended March 31, 2014 are as follows:

(₹ in million)

S. No	Particulars	Subsidiaries	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnel or their relatives
1	Share Application Money paid	2,600.09	-	-	-	-	-
		523.52	-	-	-	-	-
2	Share Application Money Refund	2,689.78	-	-	-	-	-
		2,467.50	-	-	-	-	-
3	Debenture Application Money paid	-	18.38	-	-	-	-
		-	17.50	-	-	-	-
4	Investments in Equity shares	786.12	-	-	-	-	-
		129.37	-	-	-	-	-
5	Investments in Debentures	-	35.88	-	-	-	-
		-	-	-	-	-	-
6	Sale of Investments	1,827.58	-	49.78	-	-	-
		-	-	-	-	-	-
7	Loans granted	1,076.91	-	-	-	-	0.93
		1,289.67	0.40	-	-	-	0.85
8	Loan Repayment Received	46.85	-	-	-	-	-
		-	0.40	-	-	-	-
9	Inter Corporate Deposit given	3,587.87	-	-	-	-	-
		-	-	-	-	-	-
10	Advances granted	449.26	8.58	20.91	-	-	-
		193.36	8.15	0.59	-	-	-
11	Advances Repayment received	486.24	0.47	20.91	-	-	-
		185.54	0.23	-	-	-	-
12	Advances received	0.02	18.63	69.83	-	-	-
		-	-	-	-	-	-
13	Advances repaid	-	9.69	20.05	-	-	-
		-	-	-	-	-	-
14	Mobilisation Advance received	-	3,115.40	-	-	-	-
		-	200.00	-	-	-	-
15	Mobilisation Advance recovered / adjusted	-	1,648.46	-	-	-	-
		-	647.14	-	-	-	-
16	Retention Money recovered	-	1,248.63	-	-	-	-
		-	407.63	-	-	-	-
17	Share of Profit / (Loss)	-	-	-	-	-	-
		-	-	9.15	-	-	-
18	Revenue from Operations	219.42	12,808.89	30.53	-	-	-
		2.61	4,140.08	51.75	-	-	-
19	Material Purchases	37.18	8.64	-	-	-	-
		-	80.26	-	-	-	-

## Notes forming part of the financial statements

(₹ in million)

S. No	Particulars	Subsidiaries	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnel or their relatives
20	Interest Income	1,056.63	67.74	-	-	-	-
		734.25	58.76	-	79.77	-	-
21	Interest Expense	-	52.06	-	-	-	-
		-	-	-	-	-	-
22	Reimbursement of Expenses	26.18	18.63	-	-	-	-
		14.51	-	-	-	-	-
23	Sub-Contractors work bills	36.73	-	-	-	-	-
		-	-	-	-	-	-
24	Remuneration ( Including commission)	-	-	-	-	81.85	-
		-	-	-	-	106.93	-
25	Rent received	0.53	-	-	-	-	-
		0.53	-	-	-	-	-
26	Rent expenses	-	-	-	-	-	126.50
		-	-	-	-	-	136.52
27	Dividend paid	-	-	-	-	10.11	5.11
		-	-	-	-	10.00	5.68
28	Donations	-	-	-	-	-	0.80
		-	-	-	-	-	1.11
29	Performance Guarantee	-	-	-	-	-	-
		465.32	-	-	-	-	-
30	Corporate Guarantees	8,163.03	-	-	-	-	-
		13,655.55	-	-	-	-	-
31	Counter Guarantees and Letter of Credits	354.28	507.69	-	-	-	-
		1,350.07	79.91	-	-	-	-
32	<b>Debit Balances outstanding as at March 31, 2014</b>						
	NCC Urban Infrastructure Limited	4,289.37	-	-	-	-	-
		4,239.20	-	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	1,262.07	-	-	-	-	-
		1,099.30	-	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte.Limited	2,158.68	-	-	-	-	-
		846.40	-	-	-	-	-
	Nagarjuna Contracting Company LLC	864.22	-	-	-	-	-
		715.31	-	-	-	-	-
	Nagarjuna Construction Company & Partners LLC	3.14	-	-	-	-	-
		2.85	-	-	-	-	-
	Nagarjuna Construction Company International LLC	269.15	-	-	-	-	-
		245.79	-	-	-	-	-



## Notes forming part of the financial statements

(₹ in million)

S. No	Particulars	Subsidiaries	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnel or their relatives
	NCC International Convention Centre Limited	46.48	-	-	-	-	-
		46.48	-	-	-	-	-
	NCC Infrastructure Holdings Limited	3,607.09	-	-	-	-	-
		859.62	-	-	-	-	-
	Western UP Tollway Limited	270.82	-	-	-	-	-
		242.42	-	-	-	-	-
	NCC Power Project (Sompeta) Private Limited	800.46	-	-	-	-	-
		-	-	-	708.74	-	-
	OB Infrastructure Limited	8.64	-	-	-	-	-
		67.48	-	-	-	-	-
	Vaidehi Avenues Limited	0.52	-	-	-	-	-
		0.15	-	-	-	-	-
	Patnitop Ropeways Private Limited	0.13	-	-	-	-	-
		-	-	-	-	-	-
	Aster Rail Private Limited	43.49	-	-	-	-	-
		-	-	-	-	-	-
	Himalayan Green Energy Private Limited	-	103.41	-	-	-	-
		-	95.31	-	-	-	-
	NCC Power Projects Limited	-	3,256.95	-	-	-	-
		-	412.60	-	-	-	-
	Jubilee Hills Landmark Projects Private Limited	-	201.18	-	-	-	-
		-	142.25	-	-	-	-
	Tellapur Technocity Private Limited	-	36.51	-	-	-	-
		-	54.01	-	-	-	-
	Paschal Form Work (I) Private Limited	-	5.81	-	-	-	-
		-	0.12	-	-	-	-
	Bangalore Elevated Tollway Limited	-	-	5.23	-	-	-
		-	-	6.35	-	-	-
	Brindavan Infrastructure Company Limited	-	-	6.48	-	-	-
		-	-	0.57	-	-	-
	Pondicherry Tindivanam Tollway Limited	-	-	144.95	-	-	-
		-	-	145.06	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	-	68.25
		-	-	-	-	-	67.32

## Notes forming part of the financial statements

(₹ in million)

S. No	Particulars	Subsidiaries	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnel or their relatives
33	<b>Credit Balances outstanding as at March 31, 2014</b>						
	Aster Rail Private Limited	18.02	-	-	-	-	-
		-	-	-	-	-	-
	Nagarjuna Facilities Management Services LLC	-	-	-	-	-	-
		-	2.17	-	-	-	-
	NCC Power Projects Limited	-	9,148.97	-	-	-	-
		-	7,529.12	-	-	-	-
	Sri AAV Ranga Raju	-	-	-	-	7.92	-
		-	-	-	-	1.44	-
	Sri ASN Raju	-	-	-	-	3.96	-
		-	-	-	-	0.72	-
	Sri AGK Raju	-	-	-	-	3.96	-
		-	-	-	-	0.72	-
	Sri AVN Raju	-	-	-	-	3.80	-
		-	-	-	-	0.72	-
	Sri AKHS Rama Raju	-	-	-	-	2.32	-
		-	-	-	-	-	-
	Sri JV Ranga Raju	-	-	-	-	4.48	-
		-	-	-	-	-	-
	Sirisha Projects Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Ruthvik Estates Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Narasimha Developers Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Mihika Agro Farms Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Lalit Agro Farms Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Bhuvanesh Realtors Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Arnesh Ventures Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Suguna Estates Private Limited	-	-	-	-	-	4.09
		-	-	-	-	-	-
	Shyamala Agro Farms Private Limited	-	-	-	-	-	5.07
		-	-	-	-	-	-
	Ranga Agri Impex Private Limited	-	-	-	-	-	0.15
		-	-	-	-	-	-

Figures in italics represent previous year's figures

## Notes forming part of the financial statements

(iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

	(₹ in million)	
Particulars	2013-14	2012-13
<b>Share Application Money Paid</b>		
- NCC Infrastructure Holdings Limited	2,600.09	523.52
<b>Share Application Money Refunded</b>		
- NCC Infrastructure Holdings Limited	2,689.78	2,467.50
<b>Debenture Application Money Paid</b>		
- Tellapur Technocity Private Limited	18.38	17.50
<b>Investments in Equity Shares - Made</b>		
- NCC Infrastructure Holdings Limited	769.93	-
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	129.37
<b>Investments in Debentures</b>		
- Tellapur Technocity Private Limited	35.88	-
<b>Sale of Investments</b>		
- NCC Infrastructure Holdings Limited	1,827.58	-
<b>Loans Granted</b>		
- NCC Urban Infrastructure Limited	-	85.73
- NCC Power Projects Limited	-	0.40
- NCC Infrastructure Holdings Mauritius Pte. Limited	1,033.42	819.95
- Western UP Tollway Limited	-	235.59
- NCC Blue Water Products Limited	0.93	0.85
- Aster Rail Private Limited	43.49	-
<b>Loan Repayment Received</b>		
- NCC Power Projects Limited	-	0.40
- NCC Urban Infrastructure Limited	46.85	-
<b>Inter Corporate Deposit given</b>		
- NCC Infrastructure Holdings Limited	3,587.87	-
<b>Advances Granted</b>		
- Nagarjuna Contracting Company LLC, Dubai	154.23	67.51
- Nagarjuna Partners LLC	71.63	-
- NCC International LLC Oman	218.63	71.02
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	35.07
<b>Advances Repayment Received</b>		
- Nagarjuna Contracting Company LLC, Oman	170.41	-
- Nagarjuna Partners LLC	71.33	-
- NCC International LLC Oman	241.48	49.65
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	116.02
<b>Advances Received</b>		
- Brindavan Infrastructure Company Limited	69.83	-
- NCC Power Projects Limited	18.63	-
<b>Advances Repaid</b>		
- Brindavan Infrastructure Company Limited	20.05	-
- NCC Power Projects Limited	9.69	-

## Notes forming part of the financial statements

(₹ in million)

Particulars	2013-14	2012-13
<b>Mobilisation Advance received</b>		
- NCC Power Projects Limited	3,115.40	200.00
<b>Mobilisation Advance recovered / adjusted</b>		
- NCC Power Projects Limited	1,648.48	647.14
<b>Retention Money recovered</b>		
- NCC Power Projects Limited	1,248.63	407.63
<b>Share of Profit / (Loss)</b>		
- NCC-VEE JV	-	9.37
<b>Revenue from Operations</b>		
- NCC Power Projects Limited	12,808.89	4,140.08
- NCC Urban Infrastructure Limited	182.24	-
- Brindavan Infrastructure Company Limited	30.53	-
- OB Infrastructure Limited	-	2.61
- Bangalore Elevated Tollway Limited	-	0.43
- Pondicherry Tindivanam Tollway Limited	-	30.17
<b>Material Purchases</b>		
- NCC Urban Infrastructure Limited	37.18	-
- Paschal Form Work (I) Private Limited	8.64	80.26
<b>Interest Income</b>		
- NCC Urban Infrastructure Limited	486.14	481.00
- NCC Vizag Urban Infrastructure Limited	164.17	142.84
- Jubilee Hills Landmark Projects Private Limited	58.93	49.94
- Himalayan Green Energy Private Limited	8.81	8.82
- Nagarjuna Contracting Company LLC	75.17	67.12
- NCC Power Project (Sompeta) Private Limited	89.88	-
- NCC Power Project (Sompeta)	-	79.77
<b>Interest Expense</b>		
- NCC Power Projects Limited	52.06	-
<b>Reimbursement of Expenses</b>		
- Nagarjuna Construction Company International LLC	26.18	14.51
- NCC Power Projects Limited	18.63	-
<b>Sub Contract work bills</b>		
- Aster Rail Private Limited	36.73	-
<b>Rent expenses</b>		
- Sirisha Projects Private Limited	13.73	14.90
- Ruthvik Estates Private Limited	13.73	14.90
- Narasimha Developers Private Limited	13.73	14.90
- Mihika Agro Farms Private Limited	13.73	14.90
- Lalit Agro Farms Private Limited	13.73	14.90
- Bhuvanesh Realtors Private Limited	13.73	14.90
- Arnesh Ventures Private Limited	13.73	14.90
- Suguna Estates Private Limited	13.73	14.90
- Shyamala Agro Farms Private Limited	15.09	17.02

## Notes forming part of the financial statements

(₹ in million)

Particulars	2013-14	2012-13
<b>Rent income</b>		
- NCC Urban Infrastructure Limited	(0.53)	(0.53)
<b>Dividend paid</b>		
- AVSR Holdings Private Limited	4.90	5.39
- Dr AVS Raju	1.19	1.19
- Sri AAV Ranga Raju	1.78	1.78
- Sri ASN Raju	1.20	1.20
- Sri AGK Raju	1.20	1.20
- Sri AVN Raju	1.11	1.11
- Sri NR Alluri	1.23	1.23
<b>Remuneration ( Including commission)</b>		
- Sri AAV Ranga Raju	21.30	31.52
- Sri ASN Raju	11.03	16.10
- Sri AGK Raju	11.10	16.11
- Sri AVN Raju	10.50	15.27
- Sri JV Ranga Raju	18.23	18.23
- Sri AKHS Rama Raju	9.70	9.70
<b>Donations</b>		
- NCC Foundation	0.80	1.11
<b>Performance Guarantee</b>		
- NCC Infrastructure Holdings Limited	-	462.82
<b>Corporate Guarantees</b>		
- Nagarjuna Construction Company International LLC	8,163.03	8,645.82
- Nagarjuna Contracting Co. LLC	-	4,005.17
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	1,004.55
<b>Counter Guarantees and Letter of Credits</b>		
- NCC Infrastructure Holdings Limited	156.70	746.72
- NCC Power Projects Limited	507.69	79.90
- Nagarjuna Construction Company International LLC	197.58	-
- NCC Urban Infrastructure Limited	-	87.95
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	488.70

33 The Company's interest in Jointly Controlled Entities as on March 31, 2014 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Jointly Controlled Entities as on March 31, 2014 are given below:

(₹ in million)

Name of the Company	NCCL %	Subsidiary Company %	Assets	Liabilities	Contingent Liabilities	Income	Expenditure
Bangalore Elevated Tollway Ltd.	0.37%	25.48%	2,223.71	2,223.71	14.08	353.70	476.29
(Previous Year)	0.37%	37.63%	3,415.84	3,415.84	16.27	334.80	444.50
Brindavan Infrastructure Co.Ltd.	33.33%	-	233.27	233.27	-	187.96	179.66
(Previous Year)	33.33%	-	344.08	344.08	-	199.89	172.61
Pondicherry Tindivanam Tollway Ltd.	25.05%	15.41%	1,441.54	1,441.54	-	58.14	154.64
(Previous Year)	25.05%	22.76%	1,709.42	1,709.42	-	59.93	171.66

Figures in brackets represents previous year figures

## Notes forming part of the financial statements

### 34 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Accounting Standard – 17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. The Company's operations outside India do not qualify as reportable segments as the operations are not material.

### 35 Earnings per share

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Net Profit after tax available for equity shareholders (₹ in million)	405.15	626.66
Weighted Average number of equity shares for Basic EPS (Nos)	25,65,83,810	25,65,83,810
Weighted Average number of equity shares for Diluted EPS (Nos)	25,65,83,810	25,65,83,810
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	1.58	2.44

\* The Company has no dilutive instruments during the year ended March 31, 2014. As such Diluted Earnings per share equals to Basic Earnings per share

### 36 Disclosure pursuant to Accounting Standard – 7 "Construction Contracts"

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Contract revenue recognised as revenue in the year	61,102.16	56,594.30
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	2,57,996.49	2,28,102.86
Amount of advances received for contracts in progress	15,334.18	14,392.70
Amount of retention money for contracts in progress	9,998.33	9,826.83
Gross amount due from customers for contract work	13,470.13	11,457.80

### 37 Leases

- (i) Rental expenses of ₹374.34 million (31.03.2013: ₹400.72 million) has been charged to Statement of Profit and Loss in respect of cancellable operating lease.
- (ii) The Company has entered into Operating Lease arrangement for certain equipments. The lease is non-cancellable for a period of 5 years from March 28, 2013 to March 27, 2018.

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Future Minimum Lease Payments</b>		
Not later than one year	130.93	130.93
Later than one year and not later than five years	392.77	523.70
Later than five years	-	-
<b>Total</b>	<b>523.70</b>	<b>654.63</b>
Lease payments recognised in the statement of Profit and Loss	130.93	1.15

- (iii) Deductions / Adjustments to include certain assets sold and taken on operating lease by the company during the previous year aggregating to ₹557.15 million. The resultant profit of ₹0.29 million on such sale has been recognized in Statement of Profit and Loss. The applicable lease rents, pursuant to the arrangement has been charged to Statement of Profit and Loss.

## Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>38 Expenditure / Remittance in Foreign Currency</b>		
On account of Travel	9.00	5.82
Other Services	4.74	9.44
<b>Total</b>	<b>13.74</b>	<b>15.26</b>

### 39 Remittance in foreign currencies for dividend

The company has not remitted any amount in foreign currencies on account of dividends. The particulars of dividend paid in Indian rupees to non resident shareholders during the year ended March 31, 2014 are as under:

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
a) Number of non-resident shareholders	1,045	1,145
b) Number of equity shares held by them	20,11,977	17,32,624
c) i) Amount of dividend paid (Gross) (₹in million)	0.60	0.52
ii) Year to which dividend relates	2012-13	2011-12

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>40 Value of imports calculated on CIF basis</b>		
Material Purchases	286.18	89.22
Capital Goods	73.43	191.72
<b>Total</b>	<b>359.61</b>	<b>280.94</b>

(₹ in million)

	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Qty. (Nos.)	Value (₹in million)	Qty. (Nos.)	Value (₹in million)
<b>41 Consumption of Materials, Stores and Spares</b>				
Value of Imported and Indigenous material consumed and % of each to total consumption				
Construction Materials				
Imported	1.01%	286.18	0.39%	89.22
Indigenous	98.99%	28,143.38	99.61%	22,502.75
Stores & Spares				
Imported	-	-	-	-
Indigenous	100%	253.27	100%	202.39
<b>Total</b>		<b>28,682.83</b>		<b>22,794.36</b>

## Notes forming part of the financial statements

### 42 Derivative Instruments

- (i) The following derivative positions are open as at March 31, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. Cross currency Swap Contracts (being derivative instruments), which are not intended for trading or speculative purposes but for the hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

(₹ in million)

Particulars	As at March 31, 2014		As at March 31, 2013	
	US Dollar Equivalent	INR Equivalent	US Dollar Equivalent	INR Equivalent
Amount in FC (Buy / Sell) - Buy	-	-	1.71	78.25

- (ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(₹ in million)

Particulars	As at March 31, 2014		As at March 31, 2013	
	US Dollar Equivalent	INR Equivalent	US Dollar Equivalent	INR Equivalent
Amounts receivable in foreign currency on account of the following:				
Loans receivable	50.32	3,015.67	29.88	1,622.74
Advances receivable	9.62	576.65	7.72	419.34
Trade receivables	8.31	498.12	8.63	468.72
Other receivables	4.17	250.03	4.74	257.18
Cash and Bank balances	0.65	39.04	0.36	19.46
Amounts payable in foreign currency on account of the following:				
Trade payables	6.22	372.70	7.09	384.86
Other payables	18.15	1087.63	16.76	910.10

- 43 The Company sold 161,732,648 equity shares of ₹10 each of NCC Infrastructure Holdings Limited (NCCIHL) to Gayatri Energy Ventures Private Limited (GEVPL), pursuant to the agreement dated February 26, 2014 at a consideration of ₹1,827.58 million to GEVPL. Additionally, the Company has received an advance of ₹1,000.00 million, being the consideration of sale of remaining 88,495,576 of equity shares, pursuant to the agreement dated February 28, 2014.
- 44 During the current year the Company has received assessment orders for Income Tax for the financial years 2000-01, 2001-02 and 2003-04 to 2006-07 and refund orders aggregating to ₹652.26 million has been received by the Company. Accordingly, provision of ₹362.38 million towards prior years has been reversed, ₹112.81 has been recognised as Interest on income tax refunds and ₹176.12 million has been adjusted towards Advance Income Tax.
- 45 The Shareholders of the Company approved the remuneration paid / payable to its Directors. Owing to inadequate profits for the current year, as computed under Section 349 of Companies Act, 1956, the managerial remuneration paid / payable exceeded the limits specified under Section 198 read with Section 309 of the Companies Act, 1956 by ₹54.43 million. The Company is in the process of obtaining the requisite approval from the Shareholders and the Central Government.
- 46 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

For and on behalf of the Board

R.S. RAJU  
Executive Vice President (F&A)

A.A.V. RANGA RAJU  
Managing Director

M.V. SRINIVASA MURTHY  
Company Secy. & Sr. V.P (Legal)

A.G.K. RAJU  
Executive Director

Hyderabad, May 15, 2014



## INDEPENDENT AUDITORS' REPORT

To  
The Board of Directors of  
NCC Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NCC LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports

of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Emphasis of Matter

Attention is invited to Note 49 to the Financial Statements regarding managerial remuneration. The Company is in the process of obtaining requisite approvals from shareholders and the Central Government.

Our opinion is not qualified in respect of this matter.

### Other Matter

We did not audit the financial statements of seven subsidiaries and three jointly controlled entities, whose financial statements reflect total assets (net) of ₹20,279.19 million as at March 31, 2014, total revenues (net) of ₹9,935.52 million and net cash flows amounting to ₹(662.53) million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹110.38 million for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of four associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For M. Bhaskara Rao & Co.  
Chartered Accountants  
(Firm Registration No.000459S)

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm Registration No.008072S)

M V Ramana Murthy  
Partner  
Membership No. 206439

Ganesh Balakrishnan  
Partner  
Membership No. 201193

Hyderabad, May 15, 2014

## CONSOLIDATED BALANCE SHEET as at March 31, 2014

(₹ in million)

	Note	As at March 31, 2014		As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	3	513.17		513.17
Reserves and Surplus	4	27,121.06		26,452.94
			27,634.23	26,966.11
<b>Minority Interest</b>			3,705.26	1,488.52
<b>Non Current Liabilities</b>				
Long Term Borrowings	5	11,685.29		13,297.51
Deferred Tax Liabilities (Net)	6	124.86		231.22
Other Long Term Liabilities	7	945.60		594.72
Long Term Provisions	8	657.79		422.83
			13,413.54	14,546.28
<b>Current Liabilities</b>				
Short Term Borrowings	9	25,285.48		23,088.08
Trade Payables	10	20,195.54		18,249.85
Other Current Liabilities	11	30,830.08		26,724.93
Short Term Provisions	12	501.98		835.09
			76,813.08	68,897.95
<b>Total</b>			121,566.11	111,898.86
<b>ASSETS</b>				
<b>Non Current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	13	10,932.11		10,669.89
Intangible Assets		14,827.66		17,127.77
Capital Work in Progress		237.49		69.61
Goodwill on Consolidation		730.84		294.01
Non Current Investments	14.1	2,773.84		6,256.80
Deferred Tax Assets (Net)	6	5.11		0.53
Long Term Loans and Advances	15	2,543.76		3,301.66
Other Non Current Assets	16	1,265.42		1,544.45
			33,316.23	39,264.72
<b>Current Assets</b>				
Current Investments	14.2	8,306.24		454.30
Inventories	17	24,702.27		21,961.25
Trade Receivables	18	16,575.08		14,075.58
Cash and Bank Balances	19	1,629.14		2,494.23
Short Term Loans and Advances	20	23,780.78		21,319.50
Other Current Assets	21	13,256.37		12,329.28
			88,249.88	72,634.14
<b>Total</b>			121,566.11	111,898.86
Corporate information and Significant accounting policies	1 & 2			

See accompanying notes forming part of the financial statements

In terms of our report attached

For M BHASKARA RAO & CO.  
CHARTERED ACCOUNTANTS

M.V. RAMANA MURTHY  
Partner

For DELOITTE HASKINS & SELLS  
CHARTERED ACCOUNTANTS

GANESH BALAKRISHNAN  
Partner

For and on behalf of the Board

R.S. RAJU  
Executive Vice President (F&A)

A.A.V. RANGA RAJU  
Managing Director

M.V. SRINIVASA MURTHY  
Company Secy. & Sr. V.P (Legal)  
Hyderabad, May 15, 2014

A.G.K. RAJU  
Executive Director

Hyderabad, May 15, 2014

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended March 31, 2014

(₹ in million)

	Note	Year ended March 31, 2014	Year ended March 31, 2013
<b>REVENUE</b>			
Revenue from Operations	22	74,631.51	69,683.62
Other Income	23	1,055.43	909.77
<b>Total Revenue</b>		<b>75,686.94</b>	<b>70,593.39</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	32,068.33	25,419.45
Construction Expenses	25	31,703.37	31,408.29
Changes in Inventories of Work in Progress	26	(3,134.93)	(1,490.91)
Employee Benefits Expense	27	3,809.19	3,692.93
Finance Costs	28	6,541.15	5,950.85
Depreciation and Amortization Expense	13.3	2,354.47	2,284.08
Other Expenses	29	2,615.74	2,427.27
<b>Total Expenses</b>		<b>75,957.32</b>	<b>69,691.96</b>
(Loss) / Profit Before Tax		(270.38)	901.43
<b>Tax Expense</b>	30	<b>(373.90)</b>	<b>381.28</b>
<b>Profit After Tax Before Minority Interest</b>		<b>103.52</b>	<b>520.15</b>
<b>Share of Loss transferred to Minority Interest</b>		<b>122.75</b>	<b>111.38</b>
<b>Profit After Tax After Minority Interest</b>		<b>226.27</b>	<b>631.53</b>
<b>Share of Loss from Associate Companies</b>		<b>(193.47)</b>	<b>(67.71)</b>
<b>Consolidated Profit for the year</b>		<b>32.80</b>	<b>563.82</b>
<b>Earnings per equity share of face value of ₹2 each.</b>			
Basic and Diluted - ₹	42	0.13	2.20
Corporate information and Significant accounting policies	1 & 2		

See accompanying notes forming part of the financial statements

In terms of our report attached

For M BHASKARA RAO & CO.  
CHARTERED ACCOUNTANTS

For DELOITTE HASKINS & SELLS  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V. RAMANA MURTHY  
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GANESH BALAKRISHNAN  
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M.V. SRINIVASA MURTHY  
Company Secy. & Sr. V.P (Legal)  
Hyderabad, May 15, 2014

A.G.K. RAJU  
Executive Director

Hyderabad, May 15, 2014

## CONSOLIDATED CASH FLOW STATEMENT for the year Ended March 31, 2014

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>A. Cash flow from operating activities</b>		
(Loss) / Profit before tax	(270.38)	901.43
<b>Adjustments for:</b>		
Depreciation and amortisation	2,354.47	2,284.08
Loss / (Profit) on sale / write off of assets	9.70	(68.47)
Finance costs	6,541.15	5,950.85
Interest income	(686.55)	(618.97)
Dividend income	(5.35)	-
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Rental income from operating leases	(16.62)	(30.97)
Net unrealised exchange loss	3.71	-
	<b>8,619.54</b>	<b>7,586.52</b>
<b>Operating profit before working capital changes</b>	<b>8,349.16</b>	<b>8,487.95</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,741.02)	(1,390.49)
Trade receivables	(2,519.36)	2,837.14
Short term loans and advances	(2,929.35)	785.53
Long term loans and advances	502.98	(133.88)
Other current assets	(779.25)	(1,703.71)
Other non current assets	279.38	(213.14)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,945.69	2,007.67
Other current liabilities	3,486.51	5,613.63
Other long term liabilities	350.87	91.96
Short term provisions	1.38	352.48
Long term provisions	234.96	101.41
	<b>(2,167.21)</b>	<b>8,348.61</b>
Cash generated from operations	6,181.95	16,836.56
Income Tax paid (Net)	161.96	(639.59)
<b>Net cash flow from operating activities (A)</b>	<b>6,343.91</b>	<b>16,196.97</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(1,573.07)	(1,102.38)
Proceeds from sale of fixed assets	1,075.91	2,589.28
Bank balances not considered as Cash and cash equivalents	113.87	(16.76)
Purchase of Current investments	(4,414.94)	151.63
Purchase of long term investments	-	(3.92)
Proceeds from sale of long-term investments	2,085.77	1,183.76
Advance sale consideration received	-	499.54
Advance received towards sale of shares	1,000.00	-
Loans (given) - Associates	(69.06)	(204.28)
Loans (given) / realised - Other Body Corporates	(0.93)	135.81
Interest received	532.97	432.34
Dividend received	5.35	-
Rental income from operating leases	16.62	30.97
Foreign Exchange translation adjustment (arising on consolidation)	561.15	242.23
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(666.36)</b>	<b>3,938.22</b>

## CONSOLIDATED CASH FLOW STATEMENT for the year Ended March 31, 2014 (Contd.)

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>C. Cash flow from financing activities</b>		
Debtures - Issued / (redeemed)	2,666.00	(1,107.84)
Long term Borrowings - repaid (net)	(4,805.07)	(13,243.06)
Short term Borrowings - borrowed (net)	2,240.89	274.85
Finance Cost	(6,440.40)	(5,900.05)
Dividend and Dividend Tax paid	(90.19)	(89.46)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(6,428.77)</b>	<b>(20,065.56)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(751.22)</b>	<b>69.63</b>
Cash and cash equivalents at the beginning of the year	1,721.46	1,651.83
<b>Cash and cash equivalents at the end of the year (Refer note 19)</b>	<b>970.24</b>	<b>1,721.46</b>

Note: Figures in brackets represents cash outflows.

See accompanying notes forming part of the financial statements

In terms of our report attached

For M BHASKARA RAO & CO.  
CHARTERED ACCOUNTANTS

M.V. RAMANA MURTHY  
Partner

Hyderabad, May 15, 2014

For DELOITTE HASKINS & SELLS  
CHARTERED ACCOUNTANTS

GANESH BALAKRISHNAN  
Partner

R.S. RAJU  
Executive Vice President (F&A)

M.V. SRINIVASA MURTHY  
Company Secy. & Sr. V.P (Legal)  
Hyderabad, May 15, 2014

For and on behalf of the Board

A.A.V. RANGA RAJU  
Managing Director

A.G.K. RAJU  
Executive Director

## Notes forming part of the Consolidated financial statements

### 1 Corporate Information

NCC Limited, formerly Nagarjuna Construction Company Limited ("NCCL"/"the Company") was established as a Partnership firm in 1978, which was subsequently converted into a limited Company in 1990. The shares of the Company, was listed on the stock exchanges in India, in 1992 pursuant to Public offer of equity shares. The Company, its subsidiaries and jointly controlled entities collectively referred to as the "Group" is engaged in the infrastructure sector and is undertaking turn-key EPC contracts as well as BOT projects on Public-Private Partnership basis. The Group's range of verticals comprises of Buildings & Housing, Transportation, Water & Environment, Irrigation, Power, Electrical, Metals, Oil & Gas and International business.

### 2 Significant accounting policies:

#### 2.1 Basis of Accounting and preparation of Consolidated financial statements:

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### 2.2 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial Statements" notified under Section 211 (3c) of the Companies Act, 1956.
- b) Interest in jointly controlled entities have been consolidated by using the 'proportionate consolidation' method as per Accounting Standard (AS) 27 - 'Financial Reporting of Interests in Joint Ventures' notified under Section 211 (3c) of the Companies Act, 1956.
- c) In case of associates where the Company directly or indirectly through its subsidiaries holds 20% or more of equity, Investments in associates are accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" notified under Section 211 (3c) of the Companies Act, 1956.
- d) The financial statements of the subsidiaries, the jointly controlled entities and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2014 except one Associate.
- e) The excess of cost to the Company, of its investment in the subsidiaries and the jointly controlled entities over the Company's share of equity is recognised in the financial statements as Goodwill and tested for impairment annually.
- f) The excess of the Company's share of equity of the subsidiaries and jointly controlled entities on the acquisition date, over its cost of investment is treated as Capital Reserve.
- g) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the company.
- h) Minority Interest in the net assets of consolidated subsidiaries consists of:
  - i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - ii) The minorities' share of movements in the equity since the date the parent subsidiary relationship came into existence.

## Notes forming part of the Consolidated financial statements

- i) Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- j) Intra-group balances and intra-group transactions and resulting unrealised profits / loss has been eliminated.
- k) In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in "Foreign Currency Translation Reserve".
- l) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

2.3 Investments in subsidiaries, jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard (AS) 13- "Accounting for Investments" notified under Section 211 (3c) of the Companies Act, 1956.

### 2.4 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 2.5 Fixed Assets and Depreciation:

Fixed Assets are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use and other incidental expenses incurred upto that date.

Capital work-in-progress: Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 except for construction accessories which are depreciated at 20% p.a. based on useful life determined by the Management. Leasehold improvements are amortised over the period of lease. Intangible assets are amortised over a period of five years.

Fixed assets in joint venture operations, which are accounted to the extent of the Company's interest in the venture, are depreciated on Straight Line Method / Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at higher rates as stated below:

S.No.	Description	Straight Line Method	Written Down Value Method
1	Plant and Equipment	4.75%	15% - 25%
2	Furniture and Fixtures	6.33%	10% - 20%
3	Office Equipments	4.75%	15% - 25%
4	Computers	16.21%	60%
5	Construction Vehicles	-	15% - 25%
6	Construction Accessories	20%	15% - 25%
7	Office Vehicles	9.50%	15% - 25%

## Notes forming part of the Consolidated financial statements

The Cost of Concessionaire Asset of a jointly controlled entity is amortised over the period of 8 years as per the concession agreement entered into with the Public Works Department, Government of Karnataka and Karnataka Road Development Corporation Limited.

The cost in respect of carriageways representing the right to receive annuity in relation to the road project is amortised on straight line basis over the concession period from the date of Commercial Operation.

The cost in respect of carriageways representing the commercial rights to collect toll fee in relation to the road project is amortised based on the proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of Ministry of Corporate Affairs (MCA) notification dated April 17, 2012. Total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in Traffic and Toll rates and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.

Capital Work in Progress: In respect of "Concessionaire Assets" all costs incurred towards construction are accumulated under capital work in progress till the completion of construction.

### 2.6 Borrowing Costs:

Borrowing Costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

### 2.7 Impairment of Assets:

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

### 2.8 Investments:

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

### 2.9 Inventories

#### Raw Materials:

Raw Materials, construction materials and stores & spares are valued at weighted average cost or under. Cost excludes refundable duties and taxes.

#### Work in Progress:

- i) Project Division: Work-in-Progress is valued at the contracted rates less profit margin / estimates.
- ii) Light Engineering Division: Work-in-Progress is valued at lower of cost and net realisable value.
- iii) Properties under development are valued at cost or under. Cost comprises all direct development expenditure, administrative expenses and borrowing costs. Land held for resale is valued at lower of cost and net realisable value.
- iv) Real Estate Projects:
  - Completed properties held for sale are stated at the actual cost or net realizable value, whichever is lower.
  - Construction Work-in-progress is valued at cost. Cost is sale value less profit margin.



## Notes forming part of the Consolidated financial statements

### 2.10 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 'Employee Benefits' notified under Section 211 (3c) of the Companies Act, 1956.

#### Defined Benefit Plan

##### i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees.

Liability on account of gratuity is:

- covered partially through a recognised Gratuity Fund managed by Life Insurance Corporation of India and contributions are charged to revenue; and
- balance is provided on the basis of valuation of the liability by an independent actuary as at the year end.

##### ii) Compensated Absences

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

In respect of Oman branch employees, end of service benefit is accrued in accordance with terms of employment. Employee entitlements to annual leave and gratuity are recognized on actual basis and charged to Statement of Profit and Loss.

#### Defined Contribution Plan

##### iii) Superannuation

The Company makes monthly contribution to an approved superannuation fund covered by a policy with Birla Sunlife Insurance Company Limited. The Company has no further obligation beyond the monthly contribution.

##### iv) Provident Fund

Contribution to Provident fund (a defined contribution plan) made to Regional Provident Fund Commissioner are recognised as expense.

### 2.11 Revenue Recognition

- i) Project Division: Revenue from construction contracts is recognised by reference to the percentage of completion of the contract activity gross of applicable taxes. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure.
- ii) Annuity Income: Annuity is recognised on accrual basis in accordance with the provisions of the concession agreement.
- iii) Toll Income: Fee collection from the users of the facility is accounted for as and when the amount is due and recovery is certain. Revenue from sale of passes to local traffic is accounted for as and when such passes are sold.
- iv) Real Estate Project: Revenue from the sale of properties is recognised on transfer of all significant risks and rewards of ownership to the buyers, which coincides with the entering into a legally binding agreement and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on the basis of percentage completion method, measured on the basis of percentage of actual cost incurred including proportionate land cost bears to the total estimated cost of the project under execution. Revenue comprises the

## Notes forming part of the Consolidated financial statements

aggregate amount of sale price as per the terms of the agreement entered into with the customers. The recognition is subject to reaching 25% of physical progress measured in terms of estimated cost. The estimate of cost and saleable areas is reviewed periodically by the management and any effect of changes in estimates is recognised in the period of changes. Further, on periodical review if any project is expected to incur loss, the entire loss is recognised immediately.

Cost in relation to the above includes cost of land, development cost, project over heads, borrowing cost and all cost incurred for bringing the property to marketable condition or its intended use.

- v) Management fees: Management fee is accounted on accrual basis in accordance with the terms of the agreement.
- vi) Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

### 2.12 Joint Venture Projects

- i) In respect of Joint Venture Contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.
- ii) Assets, Liabilities and Expenditure arising out of contracts executed wholly by the Company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturer's share under turnover in these financial statements.
- iii) Share of turnover attributable to the Company in respect of contracts executed by the other joint venture partners pursuant to Joint Venture Agreement, is accounted under turnover in these financial statements.

### 2.13 Foreign Exchange Translation and Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.

Foreign branches are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate at the end of the respective month. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments.

### 2.14 Leases

The Company's leasing arrangements are mainly in respect of operating leases for premises and construction equipment. The leasing arrangements range from 11 months to 10 years generally and are usually cancellable /renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

### 2.15 Taxes on Income

- i) Current Tax: Provision for Current Tax is made based on taxable income computed for the year under the applicable tax laws.
- ii) Deferred Taxes: Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognised and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

## Notes forming part of the Consolidated financial statements

### 2.16 Grants

Equity support received from National Highways Authority of India for meeting capital cost of the project is treated as Capital Reserve.

### 2.17 Contingency Reserve

The Company transfers to Contingency Reserve out of the Surplus in Statement of Profit and Loss such amounts as the management considers appropriate based on their assessment to meet any contingencies relating to substantial expenditure incurred during the maintenance period of a contract, non-realisation of contract bills earlier recognised as income and claims, if any, lodged by the contractees or by sub-contractors or by any third party against the Company in respect of completed projects for which no specific provision has been made.

### 2.18 Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, "Earnings Per Share" notified under Section 211 (3c) of the Companies Act, 1956.. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

### 2.19 Provisions, Contingent Liabilities and Contingent Assets

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.21 Operating cycle

The Company adopts operating cycle based on the project period and accordingly all project related asstes and liabilities are classified into current and non current. Other than project related assets and liabilities are classified 12 months as its normal operating cycle.

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
<b>3 Share Capital</b>				
<b>Authorised :</b>				
Equity Shares of ₹2 each	300,000,000	600.00	300,000,000	600.00
<b>Issued :</b>				
Equity Shares of ₹2 each	256,833,810	513.67	256,833,810	513.67
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹2 each	256,583,810	513.17	256,583,810	513.17
<b>Total</b>		513.17		513.17

### 3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year

(₹ in million)

	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	256,583,810	513.17	256,583,810	513.17
Add: Changes during the year	-	-	-	-
Balance at end of the year	256,583,810	513.17	256,583,810	513.17

### 3.2 Details of shares held by each shareholder holding more than 5% shares (excluding shares represented by underlying Global Depository Receipts (GDRs))

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	% holding	Number of shares	% holding
Blackstone GPV Capital Partners Mauritius V-A Ltd.	25,399,699	9.90	25,399,699	9.90
Warhol Limited	25,384,700	9.89	25,384,700	9.89
Smt. Rekha Jhunjunwala	24,608,266	9.59	16,000,000	6.24
A V S R Holdings Private Limited	14,147,167	5.51	17,967,167	7.00

### 3.3 Details of unsubscribed equity shares

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹2 each	250,000	0.50	250,000	0.50

3.4 Unclaimed equity shares of 97,265 (31.03.2013: 97, 265) are held in "NCC Limited - Unclaimed suspense account " in trust.

### 3.5 Rights of the share holders

- The equity shares of the company having par value of ₹2 per share, rank pari passu in all respects including voting rights (except GDRs) and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.
- 39,700 (31.03.2013: 39,700) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹2. The GDRs, rank pari passu in all respects with the equity shares issued by the Company, except in respect of voting rights.

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>4 Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Opening balance	578.29	1,116.41
Add / (Less) : Arising on account of Consolidation	40.85	(538.12)
Closing balance (Refer note 44)	619.14	578.29
<b>Securities Premium</b>		
Opening balance	14,649.35	15,169.92
Add / (Less) : Arising on account of Consolidation	-	(520.57)
Closing balance	14,649.35	14,649.35
<b>Debenture Redemption Reserve</b>		
Opening balance	675.00	940.00
Add : Transfer from / to Surplus in Statement of Profit and Loss	10.00	-
Less : Transfer to General Reserve	200.00	265.00
Closing balance	485.00	675.00
<b>Legal / Statutory Reserve (Refer note 34)</b>		
Opening balance	160.83	127.02
Add : Transfer from Surplus in Statement of Profit and Loss	30.19	25.11
On account of Foreign Currency Fluctuation	16.63	8.70
Closing balance	207.65	160.83
<b>Reserve Fund under Section 45 - IC of RBI Act, 1934</b>	2.39	2.39
<b>Contingency Reserve</b>	220.00	220.00
<b>Foreign Currency Translation Reserve</b>		
Opening balance	529.15	295.61
Add: Effect of foreign exchange variations during the year	544.51	233.54
Closing balance	1,073.66	529.15
<b>General Reserve</b>		
Opening balance	5,436.43	5,021.43
Add : Transferred from Debenture Redemption Reserve	200.00	265.00
Add : Transfer from Surplus in Statement of Profit and Loss	150.00	150.00
Closing balance	5,786.43	5,436.43
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	4,201.50	3,786.65
Add : Arising on Account of Consolidation (Refer note 40)	96.29	116.19
Add : Profit for the year	32.80	563.82
	4,330.59	4,466.66
Less : Appropriations		
Transfer to Debenture Redemption Reserve	10.00	-
Dividend proposed to be distributed to equity share holders ₹0.20 per share (31.03.2013 : ₹0.30 per share)	51.32	76.97
Tax on Dividend	11.64	13.08
Transfer to General Reserve	150.00	150.00
Transfer to Legal / Statutory Reserve	30.19	25.11
	253.15	265.16
Closing balance	4,077.44	4,201.50
<b>Total</b>	<b>27,121.06</b>	<b>26,452.94</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current*	Non Current	Current*
<b>5 Long Term Borrowings</b>				
<b>Debentures</b>				
<b>Secured</b>				
11.95% Redeemable, Non-convertible Debentures (Refer note 5.1)	-	500.00	-	500.00
10.50% Redeemable, Non-convertible Debentures (Refer note 5.2)	-	400.00	400.00	300.00
18% Redeemable, Non-convertible Debentures (Refer note 5.3)	250.00	-	-	-
10.90% Redeemable, Non-Convertible Debentures (Refer note 5.4)	1,728.00	148.00	-	-
11.50 % Redeemable, Non-Convertible Debentures (Refer note 5.4)	500.00	-	-	-
11.50 % Redeemable, Non-Convertible Debentures(Refer note 5.4)	750.00	90.00	-	-
<b>Unsecured</b>				
9.50% Redeemable, Non-convertible Debentures (Refer note 5.5)	500.00	500.00	1,000.00	500.00
<b>Term Loans :</b>				
<b>Secured</b>				
From Banks and Financial Institutions (Refer note 5.6)	4,558.89	243.89	7,430.54	1,233.98
From Other Parties (Refer note 5.7)	157.44	272.68	113.52	136.67
<b>Vehicle Loans</b>				
<b>Secured</b>				
From Banks (Refer note 5.8)	14.81	19.35	20.64	30.13
<b>Other Loans</b>				
<b>Unsecured</b>				
Loans from Related parties (Refer note 5.9)	378.79	-	644.88	-
<b>Share from Jointly Controlled Entities</b>	2,847.36	-	3,687.93	-
<b>Total</b>	<b>11,685.29</b>	<b>2,173.92</b>	<b>13,297.51</b>	<b>2,700.78</b>

\* Current maturities are included in Note 11 - Other Current Liabilities

### 5.1 11.95% Redeemable Non Convertible Debentures

- (i) Debentures numbering to 1,000 having a face value of ₹1 million each aggregating to ₹1,000.00 million privately placed with Life Insurance Corporation of India on February 4, 2009. These are secured by first charge created in favour of IDBI Trusteeship Services Limited, trustees to the debenture holders:
  - by way of hypothecation of the Company's movable properties specified in the Schedule-2 of Memorandum of Hypothecation dated April 25, 2009;
  - first charge by way of equitable mortgage by deposit of title deeds of the Company's immovable property situated at Gujarat as specified in first schedule to the Debenture Trust Deed dated April 23, 2009;
  - equitable mortgage by deposit of title deeds of Company's immovable properties situated at Hyderabad, Bangalore, Mumbai and New Delhi as specified in Schedule-A of Declaration and Undertaking dated April 25, 2009.
- (ii) These debentures are to be redeemed at par in 3 installments in the ratio of 25:25:50 commencing at the end of 3rd year from the date of allotment i.e., February 4, 2012 onwards.
- (iii) The debenture holders have consented for deferment of due date for final installment of ₹500.00 million from February 04, 2014 to September 30, 2014 with an increase in rate of interest by 25 basis points effective from February 04, 2014.

### 5.2 10.50% Redeemable Non Convertible Debentures

- (i) Debentures numbering to 1,000 having a face value of ₹1 million each comprising of ten (10) Detachable and Separately Transferable, Redeemable Principal Parts ("STRPPS") aggregating to ₹1,000.00 million privately placed during 2009-10 with various banks and financial institutions. These are secured by first charge created in favour of IDBI Trusteeship Services Limited, trustees to the debenture holders, by way of equitable mortgage of the title deeds in respect of the company's immovable property situated at Kadi Taluka, Mehasana district, Gujarat as specified in the first schedule to the Debenture Trust Deed dated September 15, 2009 and by way of equitable mortgage by deposit of title deeds of the immovable properties of the Company and its subsidiary and its step-down subsidiaries, situated at Hyderabad as specified in Schedule-A to I of Declaration and Undertaking dated October 12, 2009.
- (ii) These debentures are to be redeemed at par in 3 installments in the ratio of 30:30:40 commencing at the end of 3rd year from the date of allotment i.e., July 24, 2012 onwards.

## Notes forming part of the Consolidated financial statements

### 5.3 18% Redeemable Non Convertible Debentures

2,500 Redeemable Non Convertible Debentures of ₹100,000/- each are issued by NCC Urban Infrastructure Limited to and subscribed by IDFC Real Estate Yield Fund on February 28, 2014 for the purpose of Undertaking & Executing the Company's Project at Yelahanka, Doddaballapur Road comprising of Phase II & Phase III. The said Project is being developed by the Company on a Joint development basis pursuant to the JDA Agreement with the Land Owners

Redeemable Non Convertible Debentures carries an Interest of 18% per annum & are secured by :

- (a) a first charge by way of hypothecation / mortgage / assignment on the Company's rights and area share (apartments) under Phase II and Phase III JDA;
- (b) a first charge on entire cashflows, receivables, book debts and revenues from the project to the extent of the company's share of whatsoever nature and wherever arising, both present and future;
- (c) a first charge by way of hypothecation/mortgage/assignment, as the case may be of - (i) all the rights, title, interest, benefits, claims and demands whatsoever of the company in the Project Documents, including but not limited to the Phase II JDA, Supplemental agreements and the Power of Attorney duly acknowledged and consented to by the relevant counter parties to such Project Documents all as amended, varied or supplemented from time to time; (ii) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearances, and (iii) all the rights, title, interest, benefits, claims and demands whatsoever of the company in any Letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents;
- (d) a first charge on the Trust and Retention account, Debt Service Reserve and any other reserves and other bank accounts of the Company wherever maintained for the Project;
- (e) mortgage over 2 acres at Yelahanka, Bangalore (part of Phase III).

### 5.4 Redeemable Non Convertible Debentures issued by OB Infrastructure Limited to L&T Infrastructure Finance Limited with the following principle terms:

#### a) Interest

The interest rate payable on the debentures depends upon the 'Rating' by rating agency and in accordance with Clause 3.1 of the Debenture Trust Deed entered between the Company and IDBI Trusteeship Services Limited, being the Debenture Trustee. Present applicable interest rate is as follows:-

20,000 Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 10.90 % p.a. payable monthly

5,000 Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹100,000 each - 11.50 % p.a. payable monthly

8,400 Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹100,000 each - 11.50 % p.a. payable monthly

#### b) Security

- 1) First pari passu charge on all the Company's tangible movable assets including vehicles both present and future save and except the Project Assets
- 2) First pari passu charge on all the intangible assets of the Company.
- 3) First pari passu charge over all accounts of the Company including Debt Service Reserve Account (DSRA), Escrow account and the subaccounts and all the funds from time to time deposited therein.
- 4) First pari passu charge over all receivables and all Authorised Investments or other securities including receivables from NHAI of the Project, whatsoever nature both present and future subject to the provisions of the Transaction Documents.
- 5) Assignment by way of security, in :
  - i) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Agreements;
  - ii) All the rights, title and interest of the Company in, to and all the Clearances;
  - iii) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
  - iv) All the rights, title, interest, benefits, claims and demands whatsoever of the Company under all insurance contracts;
- 6) A pledge on 51% of the issued, paid up and voting equity share capital of the Company held by the promoters in the Company.

## Notes forming part of the Consolidated financial statements

### c) Redemption Schedule

(₹ in million)				
Date of Installments	Series 'A'	Series 'B'	Series 'C'	Total
June 15, 2014 & December 15, 2014	148.00	-	90.00	238.00
June 15, 2015 & December 15, 2015	146.00	100.00	20.00	266.00
June 15, 2016 & December 15, 2016	176.00	150.00	20.00	346.00
June 15, 2017 & December 15, 2017	222.00	150.00	8.00	380.00
June 15, 2018 & December 15, 2018	408.00	-	10.00	418.00
June 15, 2019 & December 15, 2019	320.00	100.00	40.00	460.00
June 15, 2020 & December 15, 2020	300.00	-	198.00	498.00
June 15, 2021 & December 15, 2021	156.00	-	348.00	504.00
June 15, 2022 & December 15, 2022	-	-	106.00	106.00

### 5.5 9.50 % Redeemable Non-Convertible Debentures

- (i) Debentures numbering to 500 having face value of ₹4 million each comprising of four (4) Detachable and Separately Transferable Redeemable principal parts ("STRPPS") of face value of ₹1 million each aggregating to ₹2,000 million privately placed with ICICI Bank Limited.
- (ii) These Debentures are to be redeemed at par in four equated installments commencing at the end of second year from the date of allotment i.e. August 11, 2012 onwards.

### 5.6 Term Loans from Banks and Financial Institutions

- (i) HDFC Bank and Indus Ind Bank Ltd  
- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery
- (ii) Standard Chartered Bank  
- Secured by hypothecation of specific assets, comprising Plant and Machinery
- (iii) Axis Bank Limited and Kotak Mahindra Bank  
- Secured by hypothecation of specific assets purchased out of the loan

The details of rate of interest and repayment terms of term loans are as under.

Sl No	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹in million)		Interest Range % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	HDFC Bank	4	5	23.37	45.39	8.61 to 10.50	13 to 29	10 to 44	Monthly	March 20, 2010 to November 06, 2016
(ii)	Standard Chartered Bank	-	4	-	78.25	7.40 to 8.23	-	2 to 3	Quarterly	November 29, 2010 to October 11, 2013
(iii)	Indus Ind Bank Ltd	4	5	129.83	235.69	12 to 12.25	8 to 23	20 to 35	Monthly	April 15, 2010 to February 15, 2016
(iv)	Axis Bank Limited	1	1	30.63	43.66	10.75	24	36	Monthly	May 01, 2012 to March 01, 2016
(v)	Kotak Mahindra Bank	-	1	-	10.04	10.63	-	9	Monthly	August 02, 2011 to December 02, 2013

- (iv) Loan of OB Infrastructure Limited  
- During the year, the Company has repaid the term loans availed from the Banks and Financial Institutions in earlier years and obtained confirmations with regard to repayment. The Company is in the process of obtaining Satisfaction of Charge with Registrar of Companies by IDBI Bank on behalf of all the lenders.



## Notes forming part of the Consolidated financial statements

- (v) Loan of Nagarjuna Construction Company International LLC  
 Bank of Baroda borrowings are secured either / and - or as:
- First exclusive charge on fixed assets of value OMR 4.40 million only.
  - Assignment of project receivables.
  - Corporate guarantees from NCC Limited, India to the extent of OMR 8.554 million.
  - The loan is repayable in equal monthly installments of OMR 0.056 million.
- ICICI Bank Bahrain borrowings are secured either / and - or as:
- Assignment of project receivables.
  - Corporate guarantees from NCC Limited India to the extent of OMR 50.6 million.
  - Corporate guarantees from NCC Limited India to the extent of OMR 8.8 million against term loan.
  - Corporate guarantees from NCC Limited India to the extent of OMR 6.6 million against working capital facility for Qatar projects.
- (vi) Loan of Western UP Tollway Ltd.  
 Term Loans from Banks and financial institutions viz. Punjab National bank, Bank of Baroda, Infrastructure Development Finance Company Limited and Infrastructure India Finance Company Limited are secured by:
- (i) First mortgage and charge in a form satisfactory to the Security Agent of all the company's immovable properties, present and future except project assets,
  - (ii) A first charge by way of hypothecation of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, Furniture, Fixtures, Vehicles and all other movable assets, present and future, except the project assets.
  - (iii) A first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - (iv) A first charge of all intangibles including but not limited to goodwill, uncalled capital, present and future.
  - (v) Subject to the provisions of the Concession Agreement, a first charge on the Escrow Account, Debt service reserve, MMR and other reserves
  - (vi) A first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum of 51% of the total paid up capital of the company held by the promoter during the currency of the Loan.

Term Loans from Banks and Financial Institutions carry an interest of 11.50% to 12.00% and are repayable as follows:

Period	Banks		Financial Institutions	
	Number of Instalments	Amount per Instalment (₹ in million)	Number of Instalments	Amount per Instalment (₹ in million)
September 15, 2011 to March 15, 2012	3	9.88	3	10.82
June 15, 2012 to March 15, 2013	4	14.50	4	15.79
June 15, 2013 to March 15, 2014	4	17.13	4	19.23
June 15, 2014 to March 15, 2015	4	28.86	4	31.81
June 15, 2015 to March 15, 2016	4	42.43	4	46.20
June 15, 2016 to March 15, 2017	4	49.38	4	55.11
June 15, 2017 to March 15, 2018	4	48.60	4	55.48
June 15, 2018 to March 15, 2019	4	60.80	4	69.51
June 15, 2019 to March 15, 2021	8	61.26	8	70.21
June 15, 2021 to March 15, 2022	4	42.90	4	54.15
June 15, 2022 to March 15, 2023	4	51.23	4	61.66
June 15, 2023 to March 15, 2024	4	38.90	4	55.03

## Notes forming part of the Consolidated financial statements

c) The company has delayed repayment of loans and interest of the following:

Particulars	March 31,2014		March 31,2013	
	Period of Default	Amount (₹) million	Period of Default	Amount (₹) million
a) Term Loans from Banks				
Principal	March, 2014	4.94	March, 2013	14.50
Interest	March, 2014	21.55	January, February & March, 2013	67.62
b) Term Loans from financial institutions				
Principal	March, 2014	-	March, 2013	15.79
Interest	March, 2014	7.53	February & March, 2013	65.60

Note : March, 2014 dues cleared by April 16, 2014

### 5.7 Term Loans from Others

Secured by hypothecation of specific assets purchased out of loan, comprising Plant and Machinery and Construction equipment

The details of rate of interest and repayment terms of term loans are as under.

Sl. No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in million)		Interest Rate % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	SREI Equipment Finance Private Limited	5	4	50.27	121.07	10.09 to 12	8 to 29	6 to 22	Monthly	May 10, 2010 to August 22, 2016
(ii)	L&T Finance Limited	3	3	96.76	129.12	11.46 to 12	28 to 30	40 to 42	Monthly	September 10, 2012 to September 05, 2016
(iii)	Siemens Financial Services (P) Limited	1	-	42.10	-	12	26	-	Monthly	June 22, 2013 to May 22, 2016
(iv)	Shri Ram Equipment Finance Company Limited	1	-	71.25	-	12.50	25	-	Monthly	June 22, 2013 to April 22, 2016
(v)	Tata Capital Financial Services Limited	3	-	42.49	-	12.04 to 12.75	31 to 33	-	Monthly	December 09, 2013 to December 14, 2016

### 5.8 Vehicle Loans

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 years and carry interest rate ranging between 9.49 % to 11.61 % per annum.

### 5.9 Other Loans

Loans of Western UP Tollway Limited

Represents Loan from Gayatri Infra Ventures Limited carries zero percent interest and is repayable in six equal instalments with the approval of the lenders and after clearing their dues.

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>6 Deferred Tax Liabilities (Net)</b>		
(i) Deferred Tax Liability on timing difference due to:		
Depreciation	433.79	424.99
(ii) Deferred Tax Asset on timing differences due to:		
Provision for Gratuity and Compensated absences	103.79	96.33
Provision for Doubtful Trade Receivables / Advancess	210.25	97.97
<b>Total</b>	<b>314.04</b>	<b>194.30</b>
<b>Deferred Tax Liabilities (Net) (i) - (ii)</b>	<b>119.75</b>	<b>230.69</b>
(iii) Disclosure		
Deferred Tax Liabilities (Net)	124.86	231.22
Deferred Tax Asset (Net)	5.11	0.53
	<b>119.75</b>	<b>230.69</b>
<b>7 Other Long Term Liabilities</b>		
Trade Payables	11.38	16.11
Retention Money payable	905.48	559.43
Interest accrued but not due on borrowings	28.74	-
Share from Jointly Controlled Entities	-	19.18
<b>Total</b>	<b>945.60</b>	<b>594.72</b>
<b>8 Long Term Provisions</b>		
Provision for Employee Benefits		
Compensated absences	155.79	152.16
Gratuity (Refer note 39)	210.70	165.62
Provision for contractual obligations (Refer note 8.1)	241.13	60.50
Share from Jointly Controlled Entities	50.17	44.55
<b>Total</b>	<b>657.79</b>	<b>422.83</b>

8.1 In respect of a subsidiary Western UP Tollway Limited and OB Infrastructure Limited provision has been made for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

(₹ in million)

Particulars	As at March 31, 2013	Additions	As at March 31, 2014
Periodic Maintenance	60.50	180.63	241.13

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>9 Short Term Borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Secured Loans - Banks</b>		
Working Capital Demand Loan (Refer note 9.1)	6,152.74	7,990.71
Cash Credits and Overdrafts (Refer note 9.1)	13,740.54	6,782.78
Term Loans (Refer note 9.2)	2,792.70	3,636.24
<b>Unsecured Loans</b>		
Term Loans		
From Banks (Refer note 9.3)	1,438.07	3,868.07
From Others (Refer note 9.4)	1,161.43	810.28
	2,599.50	4,678.35
<b>Total</b>	<b>25,285.48</b>	<b>23,088.08</b>

9.1 Working Capital Demand Loans, Cash Credit and Overdraft facilities availed from consortium of banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu with consortium banks
- Hypothecation against first charge on unencumbered fixed assets of the Project Division and Light Engineering Division (excluding Land & Buildings) of the Company rank parri passu with consortium banks.
- Equitable mortgage of three properties (Land & Buildings).

d) Loan of NCC Urban Infrastructure Limited

Working Capital facilities of ₹60.00 million from Bank of India, Mid-corporate branch, Hyderabad , carrying an interest of 14% per annum is secured by

- First charge on the Fixed and Current Assets of the Façade Division by way of hypothecation
- Equitable Mortgage of Ac.8.30 and Ac.9.60 of lands of Dhatri Developers and Projects Pvt Ltd and Sushruta Real Estates Private Limited respectively.
- The facilities are further secured by Corporate Guarantee provided by subsidiary companies namely Dhatri Developers and Projects Private Limited and Sushruta Real Estates Private Limited.

e) Loan of Nagarjuna Construction Company International LLC

Bank of Baroda borrowings are secured either / and - or as:

- First exclusive charge on fixed assets of value OMR 4.40 million only.
- Assignment of project receivables.
- Corporate guarantees from NCC Limited, India to the extent of OMR 14.124 million.
- The loan is repayable in equal monthly installments of OMR 0.056 million.

Bank Muscat borrowings are secured either / and - or as:

- Counter guarantee from ICICI Bank Ltd.
- Corporate guarantees from NCC Limited India to the extent of OMR 7.656 million.
- Lien on fixed deposits of OMR 1.54 million held with bank.

## Notes forming part of the Consolidated financial statements

State Bank of India borrowings are secured either / and - or as:

- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of OMR 10.819 million.
- SBLC from SBI CAG Hyderabad for OMR 11.155 million.

ICICI Bank Bahrain borrowings are secured either / and - or as:

- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of OMR 50.6 million.
- Corporate guarantees from NCC Limited India to the extent of OMR 8.8 million against term loan.
- Corporate guarantees from NCC Limited India to the extent of OMR 6.6 million against working capital facility for Qatar projects.

f) Loan of Aster Rail Private Limited

- Loan from IDBI Bank is secured by First Pari passu charge on the entire current assets of the Company and Corporate Guarantee of NCC Limited.

### 9.2 Secured - term loans from Banks:

- a) Collateral security / First charge on immovable property and second charge on current assets of the company
- b) The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 14.00 % per annum.
- c) Loan of Nagarjuna Construction Company International LLC

Term loan includes Trust Receipts of ₹193.27 million (31.03.2013: ₹136.24 million) secured against assignment of receivables from muscut municipality and corporate guarantee from NCC Limited.

### 9.3 Unsecured - term loans from Banks:

- a) Includes an amount of ₹948.07 million (31.03.2013: ₹1,128.07 million) availed from Standard Chartered Bank under retention money discounting facility.
- b) The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 13.05% per annum.

9.4 Unsecured - term loans from Others: having a maturity of less than one year and carry interest rate of 12.00 % per annum and loan of NCC Urban Infrastructure Limited having outstanding balance of ₹84.90 million (31.03.2013: ₹11.40 million) carry interest rate of 13.00 % per annum.

### 9.5 Details of delay in repayment of loans as on the Balance sheet date

Particulars	Period of Delay As at 31.03.2014	₹ in Million
Term loan from Banks:		
Syndicate Bank	31 to 59 days	500

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>10 Trade Payables</b>		
Acceptances	3,936.69	3,160.33
Other than Acceptances	16,231.59	15,061.91
	20,168.28	18,222.24
Share from Jointly Controlled Entities	27.26	27.61
<b>Total</b>	<b>20,195.54</b>	<b>18,249.85</b>
<b>11 Other Current Liabilities</b>		
Current maturities of Long Term Borrowings (Refer note 5)	2,173.92	2,700.78
Interest Accrued but due on borrowings	29.08	166.74
Interest Accrued but not due on borrowings and others	532.65	294.24
Unpaid Dividend Accounts (Refer note 11.1)	5.61	5.74
Other Payables		
Statutory remittances	776.76	660.12
Payable on purchase of Fixed Assets	14.43	14.94
Interest Accrued on Trade Payables	0.56	1.85
Retention Money Payable	3,453.83	2,934.21
Advances from Customers and others (Refer note 47)	11,539.86	9,970.01
Advance Sale consideration received (Refer note 12.1)	499.54	499.54
Other Liabilities	1,196.99	624.48
Mobilisation Advance	10,478.68	8,584.55
Share from Jointly Controlled Entities	128.17	267.73
<b>Total</b>	<b>30,830.08</b>	<b>26,724.93</b>
11.1 There are no amounts due for payment to the Investor Education and Protection Fund as at Balance Sheet date.		
<b>12 Short Term Provisions</b>		
Provision for Employee Benefits		
Compensated absences	50.54	49.52
Gratuity (Refer note 39)	18.73	14.15
Obligation on sale of Investment (Refer note 12.1)	346.79	346.79
Provision for Tax (Net of Advance Taxes of ₹Nil (31.03.2013: ₹338.58 million))	5.05	309.54
Provision for proposed Equity Dividend	51.32	76.97
Provision for Tax on proposed Equity Dividend	8.72	13.08
	481.15	810.05
Share from Jointly Controlled Entities	20.83	25.04
<b>Total</b>	<b>501.98</b>	<b>835.09</b>

12.1 Represents amount received for and provision made towards sale of investment in Himachal Sorang Power Limited by NCC Infrastructure Holdings Limited (Refer note 36).

## Notes forming part of the Consolidated financial statements

### 13 Fixed Assets

	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK			
	As at March 31, 2013	Additions	Deductions / Adjustments (Refer note 46 (iii))	Effect of Foreign Currency Exchange Differences	As at March 31, 2014	Upto March 31, 2013	For The Year	Deductions / Adjustments	Effect of Foreign Currency Exchange Differences	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>												
Land												
Freehold	345.22	546.48	0.50	-	891.20	-	-	-	-	-	891.20	345.22
(Previous Year)	(1,424.01)	(64.75)	(1,143.54)	-	(345.22)	-	-	-	-	-	(345.22)	-
Leasehold	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(19.76)	-	(19.76)	-	-	-	-	-	-	-	-	-
Buildings												
Own	191.31	3.17	5.07	-	189.41	14.30	3.46	0.84	-	16.92	172.49	177.01
(Previous Year)	(119.46)	(104.02)	(32.17)	-	(191.31)	(13.04)	(2.26)	(1.00)	-	(14.30)	(177.01)	-
Given under operating lease	302.74	-	(2.54)	-	305.28	18.16	4.98	(0.43)	-	23.57	281.71	284.58
(Previous Year)	(362.22)	(61.15)	(120.63)	-	(302.74)	(24.04)	(5.95)	(1.83)	-	(18.16)	(284.58)	-
Plant and Machinery	7,798.37	391.24	174.85	270.50	8,285.26	1,736.02	389.71	93.15	55.83	2,088.41	6,196.85	6,062.35
(Previous Year)	(7,366.64)	(512.00)	(241.94)	(161.67)	(7,798.37)	(1,406.03)	(368.02)	(62.64)	(24.61)	(1,736.02)	(6,062.35)	-
Furniture and Fixtures	94.80	11.68	0.96	2.72	108.24	34.18	5.92	(0.35)	1.07	41.52	66.72	60.62
(Previous Year)	(110.40)	(14.71)	(31.94)	(1.63)	(94.80)	(31.03)	(6.72)	(4.14)	(0.57)	(34.18)	(60.62)	-
Construction Vehicles	2,636.27	14.29	33.53	112.75	2,729.78	1,108.37	303.79	22.54	52.65	1,442.27	1,287.51	1,527.90
(Previous Year)	(2,330.85)	(252.88)	(15.55)	(68.09)	(2,636.27)	(811.75)	(278.36)	(5.12)	(23.38)	(1,108.37)	(1,527.90)	-
Office Vehicles	724.29	73.10	44.94	31.86	784.31	257.37	72.45	22.35	10.90	318.37	465.94	466.92
(Previous Year)	(681.80)	(64.42)	(41.19)	(19.26)	(724.29)	(202.98)	(68.35)	(18.15)	(4.19)	(257.37)	(466.92)	-
Office Equipment	475.39	43.84	9.06	14.07	524.24	224.56	40.93	5.22	4.01	264.28	259.96	250.83
(Previous Year)	(446.51)	(34.34)	(13.84)	(8.38)	(475.39)	(186.71)	(41.93)	(5.90)	(1.82)	(224.56)	(250.83)	-
Lease Hold Improvements	59.79	0.12	-	-	59.91	5.31	6.19	-	-	11.50	48.41	54.48
(Previous Year)	(414.81)	(113.21)	(468.23)	-	(59.79)	(32.63)	(38.87)	(66.19)	-	(5.31)	(54.48)	-
Construction Accessories	3,669.56	314.58	87.96	74.25	3,970.43	2,257.08	487.52	70.10	48.72	2,723.22	1,247.21	1,412.48
(Previous Year)	(3,197.56)	(468.94)	(41.94)	(45.00)	(3,669.56)	(1,724.90)	(542.55)	(33.20)	(22.83)	(2,257.08)	(1,412.48)	-
Share from Jointly Controlled Entities	67.75	0.15	21.04	-	46.86	40.25	7.18	14.68	-	32.75	14.11	27.50
(Previous Year)	(66.27)	(1.64)	(0.16)	-	(67.75)	(32.98)	(7.31)	(0.04)	-	(40.25)	(27.50)	-
<b>Total</b>	<b>16,365.49</b>	<b>1,398.65</b>	<b>375.37</b>	<b>506.15</b>	<b>17,894.92</b>	<b>5,695.60</b>	<b>1,322.13</b>	<b>228.10</b>	<b>173.18</b>	<b>6,962.81</b>	<b>10,932.11</b>	<b>10,669.89</b>
<b>Previous Year</b>	<b>(16,540.29)</b>	<b>(1,692.06)</b>	<b>(2,170.89)</b>	<b>(304.03)</b>	<b>(16,365.49)</b>	<b>(4,466.09)</b>	<b>(1,360.32)</b>	<b>(208.21)</b>	<b>(77.40)</b>	<b>(5,695.60)</b>	<b>(10,669.89)</b>	-
<b>Intangible Assets</b>												
Computer Software	100.59	4.08	-	-	104.67	37.78	17.23	-	-	55.01	49.66	62.81
(Previous Year)	(95.14)	(7.97)	(2.52)	-	(100.59)	(21.32)	(16.68)	(0.22)	-	(37.78)	(62.81)	-
Carriage way	13,971.77	2.44	(9.94)	-	13,984.15	1,970.96	732.79	-	-	2,703.75	11,280.40	12,000.81
(Previous Year)	(13,291.67)	(131.39)	548.71	-	(13,971.77)	(1,313.17)	(657.79)	-	-	(1,970.96)	(12,000.81)	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(1,234.20)	-	(1,234.20)	-	-	-	-	-	-	-	-	-
Share from Jointly Controlled Entities	6,145.24	-	1,451.54	-	4,693.70	1,081.09	282.32	167.31	-	1,196.10	3,497.60	5,064.15
(Previous Year)	(6,226.07)	(16.14)	(96.97)	-	(6,145.24)	(831.80)	(249.29)	-	-	(1,081.09)	(5,064.15)	-
<b>Total</b>	<b>20,217.60</b>	<b>6.52</b>	<b>1,441.60</b>	<b>-</b>	<b>18,782.52</b>	<b>3,089.83</b>	<b>1,032.34</b>	<b>167.31</b>	<b>-</b>	<b>3,954.86</b>	<b>14,827.66</b>	<b>17,127.77</b>
<b>Previous Year</b>	<b>(20,847.08)</b>	<b>(155.50)</b>	<b>(784.98)</b>	<b>-</b>	<b>(20,217.60)</b>	<b>(2,166.29)</b>	<b>(923.76)</b>	<b>(0.22)</b>	<b>-</b>	<b>(3,089.83)</b>	<b>(17,127.77)</b>	-
<b>Capital Work in Progress</b>												
	-	-	-	-	-	-	-	-	-	-	237.49	69.61

(₹ in million)

## Notes forming part of the Consolidated financial statements

13.1 Joint Venture Assets included in Gross Block of ₹283.89 million (31.03.2013: ₹359.03 million) and Net Block of ₹81.99 million (31.03.2013: ₹118.09 million).

13.2 Details of Assets acquired under hire purchase agreements

(₹ in million)

PARTICULARS	GROSS BLOCK (AT COST)		ACCUMULATED DEPRECIATION		NET BLOCK	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Office Vehicles	90.82	107.91	15.41	16.81	75.41	91.10

13.3 Depreciation / amortization expense

(₹ in million)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Tangible Assets	1,322.13	1,360.32
Intangible Assets	1,032.34	923.76
Less: Depreciation on Tangible Assets Capitalised	-	-
<b>Total</b>	<b>2354.47</b>	<b>2,284.08</b>

13.4 Additions for the year includes reclassification of land of ₹Nil (31.03.2013: ₹64.75 million) from inventory to fixed assets

Figures in brackets represents previous year figures

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Amount	Number of Shares	Amount
<b>14 Investments</b>				
<b>14.1 Non Current Investments</b>				
<b>A Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity instruments</b>				
<b>a In Subsidiaries (Refer note 33.1)</b>				
In Equity Shares of "LKR" 10 each, fully paid up				
NCC Urban Lanka Private Limited (Value in ₹7)	2	-	2	-
In Shares of ₹10/- each, fully paid up				
Naftogaz Engineering Private Limited	50,000	0.50	50,000	0.50
<b>b In Associates</b>				
In Shares of ₹10 each, fully paid up				
Jubilee Hills Land Mark Projects Private Limited	2,500,000	-	2,500,000	-
Tellapur Techno City Private Limited	14,702,600	-	14,702,600	-
NCC Power Projects Limited (Refer note 14.3 & 45 )	-	-	346,214,091	3,437.00
Paschal Form Work (I) Private Limited	5,668,000	25.98	5,668,000	39.77
Himalayan Green Energy Private Limited	1,000,000	143.00	1,000,000	134.60
In Shares of one USD each fully paid up				
Apollonius Coal and Energy PTE Limited	3,698,757	211.82	3,698,757	199.43
In Shares of 1000 Dirham each fully paid up				
Nagarjuna Facilities Management Services LLC, Dubai	147	3.64	147	3.71
In Shares of US \$ one each fully paid up				
Tellapur Technocity (Mauritius)	17,140,129	916.81	17,140,129	925.60



## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Amount	Number of Shares	Amount
<b>c In Other entities</b>				
In Shares of ₹10 each, fully paid up				
SNP Infrastructures Private Limited	7,620,551	75.82	7,620,551	75.82
SNP Developers and Projects Private Limited	548,113	5.39	548,113	5.39
SNP Ventures Private Limited	3,368,231	33.20	3,368,231	33.20
SNP Property Developers Private Limited	1,700,275	19.47	1,700,275	19.47
NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00
Machilipatnam Port Limited	1,000	0.01	1,000	0.01
In Shares of ₹25 each, fully paid up				
Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10
<b>(ii) Investment in preference shares</b>				
<b>In Associates</b>				
2% Redeemable Preference Shares of ₹100 each fully paid up				
Jubilee Hills Land Mark Projects Private Limited	4,274,999	302.43	4,274,999	355.74
<b>(iii) Investment in debentures</b>				
<b>In Associates</b>				
Jubilee Hills Land Mark Projects Private Limited (of ₹100 each, fully paid up)	5,092,252	509.23	5,092,252	509.23
Tellapur Techno City Private Limited (of ₹1 each, fully paid up)	701,368,092	510.44	701,368,092	479.56
<b>(iv) In Association Of Persons (AOP)</b>				
JV of Aster Teleservices & MCML		1.00		-
<b>B Trade (Quoted)</b>				
<b>Investment in equity instruments</b>				
In Shares of ₹10 each, fully paid up				
NCC Finance Limited [* (Value ₹90) ]	-	_*	-	_*
<b>C Share from Jointly Controlled Entities</b>				
<b>Total</b>		<b>2,773.84</b>		<b>6,256.80</b>
<b>14.2 Current Investments</b>				
<b>A In Associates (Unquoted)</b>				
<b>In Shares of ₹10 each, fully paid up</b>				
NCC Power Projects Limited (Refer note 14.3 & 45)	818,691,749	7,548.96	-	-
<b>B In Other entities (Unquoted)</b>				
<b>In Shares of ₹10 each, fully paid up</b>				
Himachal Sorang Power Limited (Refer note 14.4)	3,994,890	402.52	3,994,890	402.52
<b>C In Mutual Funds (Quoted)</b>				
L&T Mutual Fund (Refer note 14.5)				
- Debt Funds	20,089,516	220.00	-	-
- Liquid Funds	45,817	80.03	-	-
<b>D Share from Jointly Controlled Entities</b>				
		54.73		51.78
<b>Total</b>		<b>8,306.24</b>		<b>454.30</b>
Aggregate value of current Quoted Investments		300.03		-
Aggregate amount of Unquoted Investments		10,780.05		6,711.10
Aggregate market value of Non Current Quoted Investments		_*		_*
* Market value of ₹3.33 (31.03.2013: ₹7.74)				
Aggregate market value of Current Quoted Investments		301.86		-

## Notes forming part of the Consolidated financial statements

- 14.3 a) 468,532,791 shares (31.03.2013: 168,158,078 shares) have been pledged with the lenders against the term loans availed by NCC Power Projects Limited.
- b) 74,749,590 shares have been pledged with IFCI against the Compulsorily Convertible Debentures issued by Gayatri Energy Ventures Private Limited.
- 14.4 Of these 39,94,138 shares (31.03.13 : 39,94,138 shares) are pledged with Axis Bank Limited as security for term loans availed by Himachal Sorang Power Limited and 748 (31.03.2013: 748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. During the previous year, the Company has entered into securities purchase agreement for disposal of these shares, subject to compliance with the various conditions mentioned in the agreement.
- 14.5 Includes investments held pursuant to the provisions of Debenture Trust Deed to meet Debt Service Reserve Account (DSRA) ₹150.00 million and Major Maintenance Reserve ₹70.00 million.

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>15 Long Term Loans and Advances</b>		
Un-Secured, Considered good		
Capital Advances	1.01	1.01
Loans and Advances to Related Parties		
Partnership firm	-	628.97
Joint ventures	663.21	634.81
Associate	17.67	14.03
Advance towards debenture application money		
Associate	4.76	22.26
Deposits with Customers and Others	4.13	4.04
Advance for Purchase of Land (Refer note 15.1)	202.01	197.60
Deposits - Joint Development (Refer note 15.2)	669.59	599.19
Advance Taxes and Tax Deducted at Source	672.52	913.58
(Net of Provisions of ₹126.17 million (31.03.2013: ₹1,348.53 million)		
Other Loans and Advances	308.86	286.17
<b>Total</b>	<b>2,543.76</b>	<b>3,301.66</b>

- 15.1 Advances for Purchase of Land includes ₹167.35 million (31.03.2013: ₹197.60 million) towards three properties during the years from 2005-2006 to 2008-2009, in respect of which agreements were expired. The registrations in the name of the Company are pending due to non-fulfillment of certain obligations like obtaining necessary permissions, sanctions, clearances, approvals for conversions, etc from statutory authorities as per the agreement, either by the Company or by the vendor. Erosion, if any, is not ascertainable. Company is confident of negotiating with the respective vendors for extension of the agreements and/ or registration as per mutually agreed terms.
- 15.2 Represents Deposits made for Joint Development ₹669.59 million (31.03.2013: ₹599.19 million) with respective land owners against registered Joint Development Agreements (JDAs). The lands under respective development agreements are in the possession of the company. The company is assessing the present market scenario and accordingly execute the project/s at an appropriate time.

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>16 Other Non - Current Assets</b>		
Un-Secured, Considered good		
Long term Trade Receivables	18.99	20.66
Interest accrued on loans	3.92	1.90
Retention Money	1,210.34	1,497.30
Deposits with Customers and Others	32.14	24.56
Share from Jointly Controlled Entities	0.03	0.03
<b>Total</b>	<b>1,265.42</b>	<b>1,544.45</b>
<b>17 Inventories</b>		
Raw Materials - at cost or under	4,327.39	5,148.82
Material in Transit - at cost or under	24.19	59.68
Work-in-progress - contract rates less profit margin	16,770.01	13,692.00
Property Development Cost (Refer note 17.1 & 17.2) - at cost or under	3,471.29	3,012.49
Share from Jointly Controlled Entities	109.39	48.26
<b>Total</b>	<b>24,702.27</b>	<b>21,961.25</b>
<b>17.1</b> Property development cost ₹286.55 million (31.03.2013: ₹286.55 million) representing the cost of acquisition of land from different land owners, for which the Company holds General Power of Attorney to deal with such land including registration of the sale in the name of the Company.		
<b>17.2</b> Includes land admeasuring Acre 46.33 guntas located at Poppalaguda Village, Devar Yamzal Village held by a subsidiary in respect of which charge was created in connection with issue of Non-convertible debentures of ₹1,000.00 million by NCC Limited to banks / institutions on private placement basis and 124.97 Acres located at Neman Village and Acre 6.44 cents located at Zamin Pallavaram Village, Tamil Nadu of land which was offered as collateral security to Syndicate bank and Laksmi Villas Bank respectively for loans availed.		
<b>18 Trade Receivables</b>		
Unsecured		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	4,014.42	3,946.33
Considered Doubtful	80.27	76.37
	4,094.69	4,022.70
Less : Provision for doubtful trade receivables	80.27	76.37
	4,014.42	3,946.33
Other Trade receivables		
Considered Good	12,409.41	9,978.01
	16,423.83	13,924.34
Share from Jointly Controlled Entities	151.25	151.24
<b>Total</b>	<b>16,575.08</b>	<b>14,075.58</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
<b>19 Cash and Bank Balances</b>				
<b>Cash and Cash Equivalents (Refer note 19.1)</b>				
Cash on hand	21.87		19.29	
Balances with Banks :				
In Current Accounts	948.35		1,691.89	
In Deposit Accounts	0.02		10.28	
(Includes ₹ Nil (31.03.2013: ₹ 10.26 million in IDBI Mutual Funds - Daily Dividend Scheme))				
		970.24		1,721.46
<b>Other Bank Balances</b>				
In Deposit Accounts				
Margin Money Deposits (Refer note 19.2)	139.27		107.83	
Long Term Deposits	305.57		611.62	
Earmarked balances with Banks		444.84		719.45
Unpaid dividend accounts	5.61		5.74	
Long Term Deposits (Refer note 19.3)	135.00		-	
Escrow accounts (Refer note 31 (i) (a))	30.60		28.95	
		171.21		34.69
Share from Jointly Controlled Entities		42.85		18.63
<b>Total</b>		<b>1,629.14</b>		<b>2,494.23</b>

19.1 Balances meet the definition of "Cash and Cash Equivalents" as per AS - 3 'Cash Flow Statements'.

19.2 Margin Money Deposits have been lodged with Banks against Guarantees issued by them.

19.3 Pursuant to notification issued by Ministry of Corporate Affairs, vide circular no. 04/2013, dated February 11, 2013, the company has deposited an amount of ₹135.00 million (31.03.2013: ₹ Nil) in a scheduled bank.

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
<b>20 Short Term Loans and Advances</b>				
Secured, considered good				
Loans to Related Parties				
Other Body Corporate (Refer note 20.1)		68.25		67.32
Unsecured considered good				
Loans to Related Parties				
Associates	70.74		70.74	
Joint venture	8.44		13.92	
		79.18		84.66
Loans to Other Body Corporates		196.00		196.00
Loans and Advances to Employees		173.79		132.11
Prepaid Expenses		361.92		393.48
Balances with Government Authorities				
Sales Tax/ Value Added Tax credit receivable		2,974.87		2,597.59
Service Tax credit receivable		198.32		154.22

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
Advances to Suppliers, Sub-contractors and Others (Refer note 20.2)				
Considered Good	17,446.75		15,619.71	
Considered Doubtful	617.10		297.10	
	18,063.85		15,916.81	
Less : Provision for doubtful advances	617.10		297.10	
		17,446.75		15,619.71
Advances recoverable in cash or in kind or for value to be received		1,071.03		906.22
Advance Taxes and Tax Deducted at Source (Net of Provisions of ₹368.50 million (31.03.2013: ₹228.79 million))		1,088.34		1,049.29
Share from Jointly Controlled Entities		122.33		118.90
<b>Total</b>		<b>23,780.78</b>		<b>21,319.50</b>

20.1 Secured by equitable mortgage of immovable properties of a body Corporate

20.2 Advances to Suppliers, Sub-contractors and others, includes ₹3,088.89 million (31.03.2013: ₹1,730.12 million) amounts withheld by contractees and includes advance to enterprises owned are significantly influenced by key management personnel or their relatives ₹5,101.81 million (31.03.2013: ₹4,216.35 million).

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
<b>21 Other Current Assets</b>				
Unsecured, considered good				
Retention Money		11,517.99		10,986.13
Deposits with Customers and Others (Refer note 21.1)		833.87		584.50
Interest Accrued on Deposits and Others		484.14		332.58
Unbilled Revenue - Annuity Accrued		390.93		390.93
Share from Jointly Controlled Entities		29.44		35.14
<b>Total</b>		<b>13,256.37</b>		<b>12,329.28</b>

21.1 Includes ₹50.00 million which is under litigation (Refer note 35).

(₹ in million)

	Year Ended March 31, 2014		Year Ended March 31, 2013	
<b>22 Revenue from Operations</b>				
Income from Contracts and Services		71,797.04		66,314.51
Other Divisions		2,076.57		2,077.36
Other Operating Income		150.43		700.49
Share from Jointly Controlled Entities		607.47		591.26
<b>Total</b>		<b>74,631.51</b>		<b>69,683.62</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>23 Other Income</b>		
Interest Income		
Deposits and Others	33.20	42.93
Loans and Advances	454.78	419.16
Income Tax refund	188.55	3.24
Others	10.02	153.64
Dividend Income from Investments	5.35	-
Net Gain on foreign currency transactions	(118.86)	1.04
Other Non-Operating Income		
Rental Income	16.62	30.97
Profit On Sale of Fixed Assets	-	68.47
Miscellaneous Income	459.50	184.92
Share from Jointly Controlled Entities	6.27	5.40
<b>Total</b>	<b>1,055.43</b>	<b>909.77</b>
<b>24 Cost of Materials Consumed</b>		
Construction Materials, Stores and Spares		
Opening Stock	5,208.50	5,240.26
Add : Purchases	31,231.78	25,387.69
	36,440.28	30,627.95
Less : Closing Stock	4,387.57	5,208.50
Share from Jointly Controlled Entities	15.62	-
<b>Total</b>	<b>32,068.33</b>	<b>25,419.45</b>
<b>25 Construction Expenses</b>		
Sub-contractors Work Bills	17,189.11	18,260.36
Job Work Charges	5,526.25	6,005.54
Transport Charges	951.37	663.23
Indirect Taxes		
Value Added Tax	1,421.08	1,220.55
Service Tax	490.61	633.94
	1,911.69	1,854.49
Repairs and Maintenance		
Machinery	1,328.39	1,084.79
Others	356.01	295.08
	1,684.40	1,379.87
Hire Charges for Machinery and others	2,091.58	1,551.14
Power and Fuel	147.74	143.61
Technical Consultation	376.39	266.74
Royalties, Seigniorage and Cess	354.98	303.40
Property Development Cost	121.32	61.84
Other Expenses	1,286.80	857.60
Share from Jointly Controlled Entities	61.74	60.47
	4,440.55	3,244.80
<b>Total</b>	<b>31,703.37</b>	<b>31,408.29</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>26 Changes in Inventories of Work in Progress</b>		
Opening Balance	13,692.00	12,180.93
Closing Balance	16,770.01	13,692.00
	(3,078.01)	(1,511.07)
Less: Translation Difference	-	20.16
Share from Jointly Controlled Entities	(56.92)	-
<b>Total</b>	<b>(3,134.93)</b>	<b>(1,490.91)</b>
<b>27 Employee Benefits Expense</b>		
Salaries and Other Benefits	3,312.86	3,230.34
Contribution to Provident Fund and Other Funds	255.95	258.72
Staff Welfare Expenses	215.22	184.22
Share from Jointly Controlled Entities	25.16	19.65
<b>Total</b>	<b>3,809.19</b>	<b>3,692.93</b>
<b>28 Finance Costs</b>		
Interest Expense on		
Borrowings		
Debentures	271.00	312.66
Term Loans	1,841.44	2,115.68
Working Capital Demand Loans and Cash Credit	2,610.85	1,941.31
Mobilisation Advance	436.80	368.96
Others	381.85	320.64
	5,541.94	5,059.25
Other Borrowing Costs		
Commission on - Bank Guarantees	341.40	254.95
- Letters of Credit	140.16	108.17
	481.56	363.12
Bank and Other Financial Charges	154.79	136.88
Share from Jointly Controlled Entities	362.86	391.60
<b>Total</b>	<b>6,541.15</b>	<b>5,950.85</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>29 Other Expenses</b>		
Rent (Refer note 46)	577.34	462.93
Travelling and Conveyance	463.85	406.36
Office Maintenance	186.25	158.19
Electricity Charges	81.15	79.48
Rates and Taxes	95.50	112.63
Consultation Charges	86.37	72.70
Postage, Telegrams and Telephones	67.87	73.26
Insurance	112.68	103.31
Printing and Stationery	40.83	40.86
Legal and Professional Charges	117.21	161.54
Auditors' Remuneration	17.90	16.95
Directors' Sitting Fees	1.33	0.78
Trade Receivables / Advances Written off	41.28	420.40
Loss on Sale of Fixed Assets (Net)	9.70	-
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Miscellaneous Expenses	184.72	186.75
Share from Jointly Controlled Entities	112.73	61.13
<b>Total</b>	<b>2,615.74</b>	<b>2,427.27</b>
<b>30 Tax Expense</b>		
Current Tax	97.95	406.61
Current Tax - Prior year's Tax (Refer note 48)	(362.38)	-
Deferred Tax	(109.47)	(25.33)
<b>Total</b>	<b>(373.90)</b>	<b>381.28</b>

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
<b>31 Contingent Liabilities and Commitments (to the extent not provided for)</b>		
<b>(i) Contingent Liability</b>		
(a) Claims against the Group not acknowledged as debt		
- Disputed sales tax / entry tax liability for which the Company preferred appeal	503.92	1,144.37
- Disputed central excise duty relating to clearance of goods of LED division in favour of Developers of SEZ, for which the Company has filed an appeal to CESTAT, Bangalore	5.73	5.73
- Disputed service tax liability for which the Company preferred appeal	3,249.89	1,116.74
- Disputed income tax liability for which the Company preferred appeal (Net off Tax Deduction at Source and interest thereon submitted to the Tax Authorities)	182.05	100.33
- Disputed sole arbitrator award in case of counter claim by Bhartiya Reserve Bank Note Mudran Private Limited, against which the Company has filed appeal before City Civil Court, Bangalore	-	30.00



## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
- Others	58.44	290.61
(Includes claim by National Highway Authority of India (NHAI) towards certain operating non-compliances by the company. NHAI has written to the company's Escrow Agent M/s. IDBI Bank Limited to hold ₹30.60 million (31.03.2013: ₹28.95 million) in Escrow account pending recovery. The company has represented to NHAI for releasing the amount kept on hold and is confident of a favourable decision by the NHAI).		
- Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	Amount not ascertainable	Amount not ascertainable
- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	Amount not ascertainable	Amount not ascertainable
- Compensation payable to land owners, in respect of Joint Development Agreements where delays have occurred in executing the projects and handing over the same to the respective land owners.	Amount not ascertainable	Amount not ascertainable
(b) Guarantees		
Counter Guarantees given to the Bankers *	1,565.91	947.50
Performance guarantees, given on behalf of Subsidiaries and Associates*	362.50	465.32
Corporate Guarantees given to Banks and financial institutions on behalf of Associate.	35,784.74	52,850.00
*Excludes Guarantees given against Company's liabilities, in terms of Guidance Note on Revised Schedule VI, issued by the Institute of Chartered Accountants of India.		
(c) Share of group in contingent liabilities of Joint ventures	14.08	16.27
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible	127.50	179.71
(b) Other commitments		
Commitment towards investment in companies	2,625.80	4,445.99
Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	517.90	517.90
(c) Share of group in commitments of Associates	23,092.60	26,148.74

## Notes forming part of the Consolidated financial statements

### 32 Related Party Transactions

i) Following is the list of related parties and relationships:

S.No	Particulars	S.No	Particulars
<b>A)</b>	<b>Subsidiaries (Refer note 33.1)</b>	34	Sri. AVN Raju
1	NCC Urban Lanka (Private) Limited	35	Sri. NR Alluri
2	Naftagaz Engineering Private Limited	36	Sri. AKHS Ramaraju
		37	Sri. JV Ranga Raju
<b>B)</b>	<b>Joint Ventures</b>	38	Sri. KV Rao
3	Brindavan Infrastructure Company Limited		
4	Bangalore Elevated Tollway Limited	<b>E)</b>	<b>Relatives of Key Management Personnel</b>
5	Pondicherry Tindivanam Tollway Limited	39	Dr. AVS Raju
6	Varaprada Real Estates Private Limited	40	Smt. A. Bharathi
7	Premco – NCC	41	Smt. B. Kausalya
8	SDB – NCC – NEC	42	Smt. A. Satyanarayanamma
9	NCC – PNC	43	Smt. J.Sridevi
10	NCC – SJRIPL	44	Smt. Sowjanya
11	NCC - Himachal	45	Smt. A. Arundathi
12	NCC – NEC – Maytas	46	Sri. Srinivasa Rama Raju
13	NCC – VEE	47	Smt. A. Swetha
14	NCC – MSKEL	48	Smt. A. Sridevi
15	NCCL ECIECCL ARPL JV	49	Sri. J.K. Chaitanya Varma
16	Aster Teleservices & MCML JV	50	Smt. A. Subhadra Jyothirmayi
	<b>Other Venturers</b>	51	Smt. A. Shyama
17	KMC Constructions Limited	52	Smt. A. Suguna
18	Gayatri Infra Ventures Limited	53	Sri. A. Harsha Varma
19	Gayatri Projects Limited	54	Smt. A. Neelavathi Devi
20	IL & FS Engineering and Construction Company Limited	<b>F)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>
21	Soma Enterprise Limited	55	NCC Blue Water Products Limited
22	Terra Projects Limited	56	Swetha Estates
		57	NCC Finance Limited
<b>C)</b>	<b>Associates</b>	58	Sirisha Memorial Charitable Trust
23	Paschal Form Work (I) Private Limited	59	Shyamala Agro Farms Private Limited
24	Nagarjuna Facilities Management Services LLC	60	Ranga Agri Impex Private Limited
25	Himalayan Green Energy Private Limited	61	NCC Foundation
26	Jubilee Hills Landmark Projects Private Limited	62	Sirisha Projects Private Limited
27	Tellapur Technocity (Mauritius)	63	Ruthvik Estates Private Limited
28	Tellapur Technocity Private Limited	64	Narasimha Developers Private Limited
29	Apollonius Coal and Energy Pte.Ltd.	65	Mihika Agro Farms Private Limited
30	NCC Power Projects Limited (Refer note 45)	66	Lalit Agro Farms Private Limited
		67	Bhuvanesh Realtors Private Limited
<b>D)</b>	<b>Key Management Personnel</b>	68	Arnesh Ventures Private Limited
31	Sri. AAV Ranga Raju	69	Suguna Estates Private Limited
32	Sri. ASN Raju	70	AVSR Holding Private Limited
33	Sri. AGK Raju	71	NCC Urban Infrastructure Company Limited Dubai - U.A.E

## Notes forming part of the Consolidated financial statements

(ii) Related Party transactions during the year ended March 31, 2014 are as follows:

(₹ in million)

Sl. No	Particulars	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnels or their relatives
1	Share Application Money pending allotment	4,042.31	-	-	-	-
		-	-	-	-	-
2	Share Application Money refund	20.72	-	-	-	-
		979.50	-	-	-	-
3	Debenture Application Money paid	18.38	-	-	-	-
		17.50	-	-	-	-
4	Share Application Money received	-	629.94	-	-	-
		-	-	-	-	-
5	Investments in Debentures	35.88	-	-	-	-
		16.29	-	-	-	-
6	Sale of Investments	-	49.78	-	-	-
		-	-	-	-	-
7	Loans granted	-	-	-	-	0.93
		0.40	-	-	-	0.85
8	Loan Repayment Received	-	-	-	-	-
		0.40	-	-	-	-
9	Advances granted	12.23	64.81	-	-	-
		13.23	273.29	-	-	-
10	Advances Repayment received	0.47	20.91	-	-	-
		0.23	-	-	-	-
11	Advances received	18.63	69.83	-	-	-
		-	-	-	-	-
12	Advances repaid	9.69	20.05	-	-	-
		-	-	-	-	-
13	Mobilisation Advance received	3,115.40	-	-	-	-
		200.00	-	-	-	-
14	Mobilisation Advance recovered / adjusted	1,648.48	-	-	-	-
		647.14	-	-	-	-
15	Retention Money recovered	1,248.63	-	-	-	-
		407.63	-	-	-	-
16	EPC Dues paid	-	5.09	-	-	-
		-	-	-	-	-
17	Share of Profit/ (Loss)	-	-	-	-	-
		-	9.15	-	-	-
18	Revenue from Operations	12,808.89	30.53	-	-	1.53
		4,140.08	181.60	-	-	-
19	Material Purchases	8.64	-	-	-	-
		80.26	-	-	-	-

## Notes forming part of the Consolidated financial statements

(₹ in million)

Sl. No	Particulars	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnels or their relatives
20	Interest Income	69.98	-	-	-	-
		60.12	-	79.77	-	-
21	Interest Expense	52.06	31.93	-	-	-
		-	-	-	-	-
22	Reimbursement of Expenses	18.63	-	-	-	0.10
		-	-	-	-	-
23	Remuneration ( Including commission)	-	-	-	81.85	-
		-	-	-	106.93	-
24	Rent paid	-	-	-	-	131.19
		-	-	-	-	141.60
25	Management fees	-	5.70	-	-	-
		-	4.80	-	-	-
26	Lease charges paid	-	-	-	-	0.32
		-	-	-	-	0.32
27	Utility shifting bills	-	-	-	-	-
		-	31.29	-	-	-
28	Dividend paid	-	-	-	10.11	5.11
		-	-	-	10.00	5.68
29	Donations	-	-	-	-	0.80
		-	-	-	-	1.11
30	Counter Guarantees and Letter of Credits	507.69	-	-	-	-
		79.91	-	-	-	-
31 (a)	Debit Balances outstanding as at 31.03.2014					
	Himalayan Green Energy Private Limited	125.00	-	-	-	-
		111.24	-	-	-	-
	Jubilee Hills Landmark Projects Private Limited	201.18	-	-	-	-
		142.25	-	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	68.25
		-	-	-	-	67.32
	Bangalore Elevated Tollway Limited	-	406.91	-	-	-
		-	408.03	-	-	-
	Pondicherry Tindivanam Tollway Limited	-	406.48	-	-	-
		-	378.19	-	-	-
	Brindavan Infrastructure Company Limited	-	6.48	-	-	-
		-	0.57	-	-	-
	NCC Power Projects Limited	3,256.95	-	-	-	-
		412.60	-	-	-	-
	Tellapur Technocity Private Limited	36.51	-	-	-	-
		54.01	-	-	-	-
	NCC Urban Infrastructure Company Limited Dubai	-	-	-	-	5,101.81
		-	-	-	-	4,216.35

## Notes forming part of the Consolidated financial statements

(₹ in million)

Sl. No	Particulars	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnels or their relatives
	Paschal Form Work (I) Private Limited	5.81	-	-	-	-
		0.12	-	-	-	-
	NCC Power Project (Sompeta) Private Limited	-	-	-	-	-
		-	-	708.74	-	-
	NCCL ECIECCL ARPL JV	-	-	-	-	22.89
		-	-	-	-	-
	Aster Teleservices & MCML Services JV	-	-	-	-	8.44
		-	-	-	-	-
31 (b)	Credit Balances outstanding as at 31.03.2014					
	Nagarjuna Facilities Management Services LLC	27.31	-	-	-	-
		27.08	-	-	-	-
	KMC Constructions Limited	-	4.97	-	-	-
		-	3.27	-	-	-
	NCC Power Projects Limited	9,148.97	-	-	-	-
		7,259.12	-	-	-	-
	Gayatri Projects Limited	-	300.97	-	-	-
		-	275.56	-	-	-
	Gayatri Infra Ventures Limited	-	378.79	-	-	-
		-	378.79	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	0.97
		-	-	-	-	0.68
	Sri AAV Ranga Raju	-	-	-	7.92	-
		-	-	-	1.44	-
	Sri ASN Raju	-	-	-	3.96	-
		-	-	-	0.72	-
	Sri AGK Raju	-	-	-	3.96	-
		-	-	-	0.72	-
	Sri AVN Raju	-	-	-	3.80	-
		-	-	-	0.72	-
	Sri AKHS Rama Raju	-	-	-	2.32	-
		-	-	-	-	-
	Sri JV Ranga Raju	-	-	-	4.48	-
		-	-	-	-	-
	Sirisha Projects Private Limited	-	-	-	-	4.25
		-	-	-	-	-
	Ruthvik Estates Private Limited	-	-	-	-	4.25
		-	-	-	-	-
	Narasimha Developers Private Limited	-	-	-	-	4.25
		-	-	-	-	-

## Notes forming part of the Consolidated financial statements

(₹ in million)

Sl. No	Particulars	Associates	Joint ventures	Partnership firm	Key management personnel and relatives	Enterprises owned and significantly influenced by key management personnels or their relatives
	Mihika Agro Farms Private Limited	-	-	-	-	4.25
		-	-	-	-	-
	Lalit Agro Farms Private Limited	-	-	-	-	4.25
		-	-	-	-	-
	Bhuvanesh Realtors Private Limited	-	-	-	-	4.25
		-	-	-	-	-
	Arnesh Ventures Private Limited	-	-	-	-	4.25
		-	-	-	-	-
	Suguna Estates Private Limited	-	-	-	-	4.25
		-	-	-	-	-
	Shyamala Agro Farms Private Limited	-	-	-	-	5.23
		-	-	-	-	-
	Ranga Agri Impex Private Limited	-	-	-	-	0.15
		-	-	-	-	-

Figures in italics represent previous year's figures.

(iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Particulars	2013-14	2012-13
<b>Share Application Money pending allotment</b>		
- NCC Power Projects Limited	4,037.52	-
<b>Debenture Application Money paid</b>		
- Tellapur Technocity Private Limited	18.38	17.50
<b>Share Application Money received</b>		
- Gayatri Energy Ventures Private Limited	629.94	-
<b>Share Application Money Refunded</b>		
- NCC Power Projects Limited	20.72	979.50
<b>Investments in Equity Shares - Made</b>		
- Apollonius Coal and Energy Pte.Ltd.	-	16.29
<b>Investments in Debenture</b>		
- Tellapur Technocity Private Limited	35.88	-
<b>Sale of Investments</b>		
- Brindavan Infrastructure Company Limited	49.78	-
<b>Advances / Loan granted</b>		
- Varaprada Real estates Private Limited	15.50	-
- KMC Constructions Limited	-	2.70
- Brindavan Infrastructure Company Limited	20.91	158.07
- Pondichery Tindivanam Tollway Limited	28.40	112.00
- Himalayan Green Energy Private Limited	12.23	13.22
- NCC Blue water Projects Limited	-	0.87
- Sirisha Projects Private Limited	-	5.80

## Notes forming part of the Consolidated financial statements

(₹ in million)

Particulars	2013-14	2012-13
<b>Advances / Loan Repayment Received</b>		
- Himalayan Green Energy Private Limited	0.47	-
- Sirisha Projects Private Limited	-	5.80
<b>Advances Received</b>		
- Brindavan Infrastructure Company Limited	69.83	-
- NCC Power Projects Limited	18.63	-
<b>Advances repaid</b>		
- Brindavan Infrastructure Company Limited	20.05	-
- NCC Power Projects Limited	9.69	-
<b>Mobilisation Advance received</b>		
- NCC Power Projects Limited	3,115.40	200.00
<b>Mobilisation Advance recovered / adjusted</b>		
- NCC Power Projects Limited	1,648.48	647.14
<b>Retention Money recovered</b>		
- NCC Power Projects Limited	1,248.63	407.63
<b>EPC Dues paid</b>		
- KMC Constructions Limited	5.09	-
<b>Share of Profit / (Loss)</b>		
- NCC-VEE JV	-	9.37
<b>Revenue from Operations</b>		
- NCC Power Projects Limited	12,808.89	4,140.08
- Brindavan Infrastructure Company Limited	30.53	30.71
- Gayatri Projects Limited	-	129.85
- NCCL ECIECCL ARP JV	1.53	-
<b>Material Purchases</b>		
- Paschal Form Work (I) Private Limited	8.64	80.26
<b>Interest Income</b>		
- Jubilee Hills Landmark Projects Private Limited	58.93	49.94
- Himalayan Green Energy Private Limited	11.05	10.18
<b>Interest Expense</b>		
- NCC Power Projects Limited	52.06	-
- Gayatri Projects Limited	31.93	-
<b>Reimbursement of Expenses</b>		
- NCC Power Projects Limited	18.63	-
- Aster Teleservices & MCML Services JV	0.10	-
<b>Remuneration (Including commission)</b>		
- Sri AAV Ranga Raju	21.30	31.52
- Sri ASN Raju	11.03	16.10
- Sri AGK Raju	11.10	16.11
- Sri AVN Raju	10.50	15.27
- Sri JV Ranga Raju	18.23	18.23
- Sri AKHS Rama Raju	9.70	9.70
<b>Rent paid</b>		
- Sirisha Projects Private Limited	14.25	15.46
- Ruthvik Estates Private Limited	14.25	15.46

## Notes forming part of the Consolidated financial statements

(₹ in million)

Particulars	2013-14	2012-13
- Narasimha Developers Private Limited	14.25	15.46
- Mihika Agro Farms Private Limited	14.25	15.46
- Lalit Agro Farms Private Limited	14.25	15.46
- Bhuvanesh Realtors Private Limited	14.25	15.46
- Arnesh Ventures Private Limited	14.25	15.46
- Suguna Estates Private Limited	14.25	15.46
- Shyamala Agro Farms Private Limited	15.61	17.59
<b>Management fees</b>		
- Bangalore Elevated Tollway Limited	4.50	4.50
- Brindavan Infrastructure Company Limited	1.20	1.20
<b>Lease charges paid</b>		
- NCC Blue Water Products Limited	0.32	0.32
<b>Utility shifting bills paid</b>		
- Gayatri Projects Limited	-	31.29
<b>Dividend paid</b>		
- AVSR Holdings Private Limited	4.91	5.39
- Dr AVS Raju	1.19	1.19
- Sri AAV Ranga Raju	1.78	1.78
- Sri ASN Raju	1.20	1.20
- Sri AGK Raju	1.20	1.20
- Sri AVN Raju	1.11	1.11
- Sri NR Alluri	1.23	1.23
<b>Donations</b>		
- NCC Foundation	0.80	1.11
<b>Counter Guarantees and Letter of Credits</b>		
- NCC Power Projects Limited	507.69	79.90

33 The Subsidiaries, Jointly Controlled Entities and Associate companies considered for Consolidated financial statements are:

Name of the Entity	Country of incorporation	Proportion of Ownership Interest	
		As at March 31, 2014	As at March 31, 2013
<b>Subsidiaries of the Company</b>			
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	67.71%	100%
NCC Vizag Urban Infrastructure Limited	India	95%	95%
OB Infrastructure Limited	India	64.02%	64.02%
Nagarjuna Construction Co.Ltd & Partners LLC	Sultanate of Oman	100%	100%
Nagarjuna Construction Company International LLC	Sultanate of Oman	100%	100%
NCC Infrastructure Holdings Mauritius Pte.Limited	Mauritius	100%	100%
Patnitop Ropeway & Resorts Limited	India	100%	100%
Nagarjuna Contracting Company LLC	Dubai	100%	100%
NCC International Convention Centre Limited.	India	100%	100%
NCC Oil & Gas Limited	India	80%	80%
Nagarjuna Construction Company (Kenya) Limited	Kenya	65%	65%



## Notes forming part of the Consolidated financial statements

Name of the Entity	Country of incorporation	Proportion of Ownership Interest	
		As at March 31, 2014	As at March 31, 2013
Vaidehi Avenues Limited	India	100%	100%
Aster Rail Private Limited	India	100%	-
NCC Power Projects (Sompeta) Private Limited	India	100%	-
<b>Subsidiaries of NCC Urban Infrastructure Limited</b>			
Dhatri Developers & Projects Private Limited	India	100%	100%
Sushanti Avenues Private Limited	India	100%	100%
Sushruta Real Estates Private Limited	India	100%	100%
PRG Estates Private Limited	India	100%	100%
Thrilekya Real Estates Private Limited.	India	100%	100%
Varma Infrastructure Private Limited	India	100%	100%
Nandyala Real Estates Private Limited	India	100%	100%
Kedarnath Real Estates Private Limited	India	100%	100%
AKHS Homes Private Limited	India	100%	100%
JIC Homes Private Limited	India	100%	100%
Sushanthi Housing Private Limited	India	100%	100%
CSVS Property Developers Private Limited	India	100%	100%
Vera Avenues Private Limited	India	100%	100%
Sri Raga Nivas Property Developers Private Limited	India	100%	100%
VSN Property Developers Private Limited	India	100%	100%
M A Property Developers Private Limited	India	100%	100%
Vara Infrastructure Private Limited	India	100%	100%
Sri Raga Nivas Ventures Private Limited	India	100%	100%
Mallelavanam Property Developers Private Limited	India	100%	100%
Sradha Real Estates Private Limited	India	100%	100%
Siripada Homes Private Limited	India	100%	100%
NJC Avenues Private Limited	India	100%	100%
Nagarjuna Suites Private Limited	India	100%	100%
NCC Urban Homes Private Limited	India	100%	100%
NCC Urban Ventures Private Limited	India	100%	100%
NCC Urban Meadows Private Limited	India	100%	100%
NCC Urban Villas Private Limited	India	100%	100%
<b>Jointly Controlled Entity of NCC Urban Infrastructure Limited</b>			
Varaprada Real Estates Private Limited	India	40%	40%
<b>Partnership Firm</b>			
NR Avenues	India	100%	100%
<b>Subsidiary of NCC Infrastructure Holdings Limited</b>			
Western UP Tollway Limited	India	51%	51%
NCC Infra Limited	India	100%	100%
Samashti Gas Energy Limited	India	100%	100%
<b>Subsidiary of NCC Infrastructure Holdings Mauritius Pte. Limited</b>			

## Notes forming part of the Consolidated financial statements

Name of the Entity	Country of incorporation	Proportion of Ownership Interest	
		As at March 31, 2014	As at March 31, 2013
Liquidity Limited	Mauritius	100%	100%
Al Mubarakia Contracting Co.LLC	Dubai	100%	100%
<b>Subsidiary of Nagarjuna Construction Company International LLC</b>			
NCCA International Kuwait General Contracts Company LLC	Kuwait	100%	100%
NCC WLL	Qatar	100%	-
<b>Jointly Controlled Entities</b>			
Brindavan Infrastructure Company Limited	India	33.33%	33.33%
Bangalore Elevated Tollway Limited	India	25.85%	38%
Pondicherry Tindivanam Tollway Limited	India	40.46%	47.80%
<b>Associates of the Company</b>			
Jubilee Hills Landmark Projects Private Limited	India	25%	25%
Himalayan Green Energy Private Limited	India	50%	50%
Nagarjuna Facilities Management Services LLC	Dubai	49%	49%
Tellapur Technocity (Mauritius)	Mauritius	26%	26%
Tellapur Technocity Private Limited	India	26%	26%
Paschal Form Work (I) Private Limited	India	26%	26%
Apollonius Coal and Energy Pte. Ltd.	Singapore	43.96%	43.96%
<b>Associates of NCC Infrastructure Holdings Limited</b>			
NCC Power Projects Limited (Refer note 45)	India	55%	55%

33.1 In respect of subsidiary companies, NCC Urban Lanka (Private) Limited, where there are no transactions during the year and Naftogaz Engineering Private Limited which is in the process of dissolution have not been considered for consolidation.

### 34 Legal / Statutory Reserve

As per Article 106 of the Commercial law of 1974 in the Sultanate of Oman, 10% of the Subsidiary Companies Net Profit is required to be transferred to a non-distributable legal reserve until the amount of the legal reserve equals one-third of the Company's issued share capital. Similarly, as per the provisions of the UAE Commercial Companies Act, 10% of the Subsidiary Companies Net Profit is required to be transferred to a non-distributable statutory reserve until the amount of the statutory reserve equals 50% of the Company's paid up share capital. Accordingly, the company has transferred an appropriate amount to the legal reserve.

35 In respect of a subsidiary NCC International Convention Centre Limited the Consortium of M/s. NCC Limited - NCC Infrastructure Holdings Limited, was awarded the Project for Development of Andhra Pradesh International Centre at New Delhi, on Public-Private - Partnership mode, by Government of Andhra Pradesh/ Infrastructure Corporation of Andhra Pradesh (INCAP) vide Letter of Award dated October 6, 2008.

In pursuance of the Letter of Award, the Consortium submitted Bank Guarantee for ₹50.00 million towards bid security. The Consortium also remitted an amount of ₹50.00 million towards Project Development Fee and requested for deferment of balance of Project Development Fee of ₹250.00 million at the time of execution of the Development Agreement and for submission of Performance Security at the time of achieving Financial Closure. In response, vide letter dated October 30, 2008, INCAP agreed for payment of Project Development Fee by the Consortium within 30 days submission of Performance Security at the time of execution of the Development Agreement.

As the development of the said project entailed an estimated investment of ₹10,640.00 million, to avail financial assistance

## Notes forming part of the Consolidated financial statements

from Bank (s), the Consortium addressed several letters to INCAP requesting them to provide documents relating to title deeds. But, the title documents relating to the project land were not furnished by INCAP.

Subsequently, Govt. of A.P vide G.O.Ms.No.8 dated February 20, 2009 cancelled the Letter of Award ( LOA)dated October 6, 2008, alleging certain defaults on the part of the Consortium. The Consortium challenged the said cancellation of the Project and filed Writ Petition (WP No.3589/2009) before the High Court of Andhra Pradesh. During the pendency of the Writ Petition, the Govt. of Andhra Pradesh/ INCAP were directed to maintain status- quo with regard to the Bank Guarantee submitted against Bid Security.

The Hon'ble Single Judge vide his Orders dated June 26, 2009 dismissed W.P.No 3589/2009. Challenging the said orders, the Consortium filed Writ Appeal ( W A MP 1771 of 2009 in WA No. 891/2009 ) as stay of operation of the orders of the Single Judge was not granted, INCAP encashed the Bank Guarantee for ₹50.00 million, provided towards Bid Security.

As per the Request for Proposal, Project, Development Fee has to be remitted by the Developer ( Consortium ) and In view of the cancellation of LOA by the Government of Andhra Pradesh, the consortium cannot be deemed to be Developer. Accordingly, the consortium filed a Writ Appeal ( W A M P No. 1805 2009 in WA no: 81 of 2009) seeking an order for refund of Project Development Fee of ₹50.00 million paid to INCAP.

The appeal and the petitions are to be listed for final hearing. Based on the Legal Counsel's opinion, that the company has fair chances success in the Writ Appeal, the management is confident of recovering the Project Development Fee of ₹50.00 million paid to INCAP.

In addition to the above appeal the company has filed a Civil Suit against M/s Infrastructure Corporation of Andhra Pradesh (INCAP) before the City Civil Court, Hyderabad for recovery of ₹135 million, which includes interest @12% per annum, calculated up to the date of filing the suit.

Pending the outcome of the Writ Appeal the accounts of the subsidiary company have been drawn up on a going concern basis and the amount of ₹50 million paid towards Project Development Fee to INCAP has been shown as receivable from INCAP and grouped under Other Current Assets (Refer note 21).

### 36 Sale of investments in Himachal Sorang Power Limited

During the year 2012 - 13, NCC Infrastructure Holdings Limited (NCC IHL) a wholly owned subsidiary of NCC Limited, together with IL & FS Energy Development Company Limited (IEDCL), NCC Limited, Infrastructure Leasing and Financial Services Limited (ILFS), and Himachal Sorang Power Limited (HSPL) entered into a Securities Purchase Agreement (SPA) on September 19, 2012 with TAQA Jyothi Energy Ventures Private Limited (TAQA) for sale of Equity Shares and Zero Coupon Irredeemable Fully Convertible Debentures (ZCD) at a total consideration of ₹2,783.30 million.

Further, NCCIHL along with NCC Limited and IEDCL entered into a Share Holders Agreement (SHA) with TAQA, pursuant to which NCCIHL has transferred the control of operations to TAQA effective from December 10, 2012.

The SPA, amongst other terms provided the following:

- a) Sale of securities in two tranches:
  - i) 'Initial Sale' – 5% of Equity Shares (152,810 Equity Shares held by NCC IHL and 65,490 Equity Shares held by IEDCL) and sale of entire 13,643,000 ZCDs for a consideration of ₹2,167.58 million (NCC IHL – ₹1,183.28 million and IEDCL – ₹984.30 million).
  - ii) 'Subsequent Sale' – balance of 95% of Equity Shares (3,991,490 Equity Shares NCC IHL; 3,400 Equity Shares held by NCC Limited and 152,810 Equity Shares held by IEDCL) to be transferred after receiving the requisite approvals for a consideration of ₹615.72 million (NCC IHL – ₹589.52 million; NCC – ₹0.50 million and IEDCL – ₹25.71 million).

## Notes forming part of the Consolidated financial statements

- b) The project cost was fixed at ₹8,900.00 million and was to be completed by March 31, 2013. Any cost escalations are to be borne by NCC IHL. However, if such cost escalations are due to force majeure reasons, such escalations will be shared between, NCC IHL and IEDCL as per the terms of the Interse agreement dated October 9, 2012.

Company provided the following to TAQA:

- i) Security Bond 1: At the request of NCC Limited, the Holding Company, on behalf of the Company, Andhra Bank and Allahabad Bank have furnished Bank Guarantees for an aggregate amount of ₹360 million which TAQA can invoke in the event of failure to commission the project by the agreed date - March 31, 2013. This Bank Guarantee was initially valid till June 30, 2013. The same were further extended upto June 30, 2014.
- ii) NCC Limited., the Holding Company, on behalf of the Company has furnished a Bank Guarantee for an amount of ₹590 million which TAQA can invoke, in the event of failure to transfer of Subsequent Sale shares within the agreed time. The said Guarantees are valid till March 31, 2015.
- iii) The company has to furnish Security Bond II in the form of Bank Guarantee for an amount of ₹180 million which TAQA can invoke in the event of project failing to achieve certain specific performance parameter tests. This Bank Guarantee is required to be furnished on or before wet commissioning date.

As per the terms of the agreement:

NCC IHL had out of its share of consideration received ₹1,682.80 million (including advance sale consideration received ₹499.54 million, Refer Note 11) and the balance of ₹90.00 million was to be received on fulfilment of conditions of SPA. Accordingly NCC IHL had completed initial sale of shares and ZCDs. NCC Limited was in receipt of consideration of ₹0.50 million.

The wet commissioning of the project not having been achieved by March 31, 2013, the control over the construction and commissioning of the project was ceded to TAQA in term of SPA and is been continued by them. The cost, if any, of the project beyond the agreed amount of ₹8,900.00 million to be borne by the company which is indeterminable at this stage pending final settlement with TAQA. Project construction is still under progress as at March 31, 2014.

The progress of the project was hampered due to force-majeure events and as per Clause 5 of Inter - Se Agreement, the Company raised a claim on IEDCL which has denied such claims. The company issued a dispute notice on March 22, 2014 to IEDCL and awaiting reply from them.

Meanwhile, the Company, made a request to TAQA for a One Time Settlement and the discussions are under progress.

The company during the year ended March 31, 2013 had estimated cost escalations for project overrun aggregating to ₹346.79 million (net of ₹172.78 million to be incurred and relating the subsequent sale), which has been adjusted against the sale consideration received from sale of Shares and Debentures. At present, the Company, estimates that the said provision is sufficient to settle the issue with TAQA and further costs, to be incurred, if any, towards cost overrun will be recognized as and when the liability crystalizes.

Pending fulfilment of the obligations by the parties concerned, as per the terms of the agreement, and the consequent approvals required from appropriate authorities, the subsequent sale has not been consummated. Accordingly, the Company has classified such amounts under Current Investments.

- 37 The subsidiary NCC Infrastructure Holdings Limited which has invested in Equity Shares and / or in Preference Shares or has advanced monies in the following companies have incurred losses during the year and also have accumulated losses as at the end of the reporting period

- i) Western UP Tollways Limited
- ii) Bangalore Elevated Tollway Limited
- iii) Pondicherry Tindivanam Tollway Limited

Management is of the opinion that the erosion in the value of the investment and present financial position of these companies is temporary in nature and that the fair value of these investments is more than the cost. Hence, no provision for diminution in the value of investments has been made. Further, management is of the opinion that the advances are fully recoverable and hence no provision has been made.

## Notes forming part of the Consolidated financial statements

38 In respect of subsidiary Nagarjuna Construction Company Limited and Partners LLC as at March 31, 2014 the company had accumulated losses of R.O. 1.41 million equivalent to ₹220.17 million and net liabilities of R.O.1.23 million equivalent to ₹191.14 million. These factors, amongst others, indicate that the Company shall require continued financial support from its members. The financial statements have been prepared on the going concern basis on the assumption that the Members of the Company will continue to provide the necessary financial support.

The Company's Members have confirmed that they shall continue to support and provide the necessary financial assistance to the Company and on the strength of this assurance, the financial statements have been prepared on the going concern basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

### 39 Employee Benefits

Liability for retiring gratuity as on March 31, 2014 is ₹ 101.88 million (31.03.2013: ₹97.56 million) of which ₹33.99 million (31.03.2013: ₹52.40 million) is funded with the Life Insurance Corporation of India. The balance of ₹67.89 million (31.03.2013: ₹45.16 million) is included in Provision for Gratuity.

The liability for retiring gratuity as on March 31, 2013 in respect of employees working with branches outside India is ₹0.22 million (31.03.2013: ₹0.20 million).

The liability for retiring gratuity as on March 31, 2014 in respect of subsidiary companies NCC Infrastructure Holdings Limited is ₹1.47 million (31.03.2013: ₹1.57 million), NCC Urban Infrastructure Limited is ₹9.43 million (31.03.2013: ₹9.38 million), OB Infrastructure Limited is ₹0.35 million (31.03.2013: ₹0.05 million), Western UP Tollway Limited ₹0.10 million (31.03.2013: ₹0.19 million), Aster Rail Private Limited ₹1.04 million (31.03.2013: ₹Nil), Nagarjuna Construction Co. International LLC ₹133.43 million (31.03.2013: ₹113.05 million), Nagarjuna Contracting Company LLC ₹13.10 million (31.03.2013: ₹7.70 million) and Al Mubarakia Contracting Co. LLC ₹2.39 million (31.03.2013: ₹2.47 million).

40 Adjustment to Net consolidated profit represents the changes in the Group's share holding in the Jointly Controlled Entities. (31.03.2013: represents the carried forward losses and the minorities share of loss in respect of Himachal Sorang Power Limited which has ceased to be a subsidiary with effect from December 10, 2012).

### 41 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Accounting Standard – 17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. The Company's operations outside India do not qualify as reportable segments as the operations are not material.

### 42 Earnings per share

	Year Ended March 31, 2014	Year Ended March 31, 2013
Net Profit after tax available for equity shareholders (₹ in million)	32.80	563.82
Weighted Average number of equity shares for Basic EPS (Nos)	256,583,810	256,583,810
Weighted Average number of equity shares for Diluted EPS (Nos)	256,583,810	256,583,810
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	0.13	2.20

\* The Company has no dilutive instruments during the year ended March 31, 2014. As such Dilutive Earnings per share equals to Basic Earnings per share

## Notes forming part of the Consolidated financial statements

43 In respect of an associate Himalayan Green Energy Private Limited, Ministry of Environment and Forest (MOEF) vide its letter dated October 8, 2008 had ordered a restriction on the construction of dams and large scale development activities above a specified area in which the project of the company is situated. However, on further studies the MOEF had vide its letter dated May 31, 2010 permitted the company to conduct the geological investigation and hydrological studies. However, as on March 31, 2012 due to certain local issues and resistance, the survey and investigation works was not carried out. The management is confident of the technical and financial viability of the project and obtaining all the requisite permissions and clearances and achieving the financial closure.

Meanwhile, the Government of Sikkim vide letter dated December 5, 2011 has issued a show cause notice regarding termination of Implementation Agreement on account of non-compliance of various mandatory provisions of the Implementation Agreement. The company has applied to the Government of Sikkim for extending the Implementation Agreement. However, the Government of Sikkim has cancelled the Implementation Agreement on June 22, 2012 without citing any reasons. Since, NCC Limited is very keen to pursue development of this Project, it has represented to the Government of Sikkim to re-consider the cancellation of the Implementation Agreement and allow the company to develop this Project. Company filed Writ Petition (WP (C) No.43 of 2012) on November 1, 2012 before the Hon'ble High Court of Sikkim. Hon'ble High Court in its order dated directed that the Government of Sikkim shall not, in the mean time, create any third party right in respect of the said project and that the State Government shall ensure the protection of the property of the company if any lying at the project site.

Upon hearing, the writ petition was disposed off by the Hon'ble High Court of Sikkim on August 12, 2013 and directed that the parties shall appoint an arbitrator or arbitrators in terms of clause 9.1 of the supplementary IA dated January 18, 2008 entered into between the Government of Sikkim and the company.

The company has suggested the name of the arbitrator and awaiting for the response from the Government of Sikkim.

In spite of the adverse developments, management is confident about the technical and financial viability of the project; obtaining all the requisite permissions, clearances; achieving the financial closure and successful execution of the project. Accordingly accounts for the year have been drawn on going concern basis and interest expenditure, for the year under review, incurred on unsecured loans and other revenue expenditure, for the year under review, incurred on unsecured loans and other revenue expenses have been charged off to statement of profit and loss.

44 In respect of a subsidiary Western UP Tollway Limited Capital Reserve includes group share of ₹287.54 million (31.03.2013: ₹287.54 million) and in respect of share from Jointly Controlled Entity Pondicherry Tindivanam Tollway Limited of ₹215.10 million (31.03.2013: ₹215.10 million) towards equity support received from National Highways Authority of India during the construction period.

45 The Group is proposing to sell / dilute its stake in NCC Power Projects Limited (NCCPPL), and the Control in the subsidiary is intended to be temporary and accordingly, NCCPPL is considered as an 'Associate' in the Consolidated Financial Statements.

### 46 Leases

(i) Rental expenses of ₹446.41 million (31.03.2013: ₹461.78 million) has been charged to Statement of Profit and Loss in respect of cancellable operating lease.

(ii) The Company has entered into Operating Lease arrangement for certain equipments. The lease is non-cancellable for a period of 5 years from March 28, 2013 to March 27, 2018.

	(₹ in million)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Future Minimum Lease Payments</b>		
Not later than one year	130.93	130.93
Later than one year and not later than five years	392.77	523.70
Later than five years	-	-
<b>Total</b>	<b>523.70</b>	<b>654.63</b>
Lease payments recognised in the statement of Profit and Loss	130.93	1.15

## Notes forming part of the Consolidated financial statements

- (iii) Deductions / Adjustments to include certain assets sold and taken on operating lease by the company during the previous year aggregating to ₹557.15 million. The resultant profit of ₹0.29 million on such sale has been recognized in Statement of Profit and Loss. The applicable lease rents, pursuant to the arrangement has been charged to Statement of Profit and Loss.
- 47 The Company sold 161,732,648 equity shares of ₹10 each of NCC Infrastructure Holdings Limited (NCCIHL) to Gayatri Energy Ventures Private Limited (GEVPL), pursuant to the agreement dated February 26, 2014 at a consideration of ₹1,827.58 million to GEVPL. Additionally, the Company has received an advance of ₹1,000.00 million, being the consideration of sale of remaining 88,495,576 of equity shares, pursuant to the agreement dated February 28, 2014.
- 48 During the current year the Company has received assessment orders for Income Tax for the financial years 2000-01, 2001-02 and 2003-04 to 2006-07 and refund orders aggregating to ₹652.26 million has been received by the Company. Accordingly, provision of ₹362.38 million towards prior years has been reversed, ₹112.81 has been recognised as Interest on income tax refunds and ₹176.12 million has been adjusted towards Advance Income Tax.
- 49 The Shareholders of the Company approved the remuneration paid / payable to its Directors. Owing to inadequate profits for the current year, as computed under Section 349 of Companies Act, 1956, the managerial remuneration paid / payable exceeded the limits specified under Section 198 read with Section 309 of the Companies Act, 1956 by ₹54.43 million. The Company is in the process of obtaining the requisite approval from the Shareholders and the Central Government.
- 50 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

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For and on behalf of the Board

**R.S. RAJU**  
*Executive Vice President (F&A)*

**A.A.V. RANGA RAJU**  
*Managing Director*

**M.V. SRINIVASA MURTHY**  
*Company Secy. & Sr. V.P (Legal)*  
Hyderabad, May 15, 2014

**A.G.K. RAJU**  
*Executive Director*

## Financial information of Subsidiary and Step down Subsidiary Companies for the Financial Year ended 31st March 2014, pursuant to Section 212 of the Companies Act, 1956

(₹ in million)

S. No	Name of the Subsidiary/Step-down subsidiary Company (1)	Issued and Subscribed Share Capital (2)	Reserves (3)	Total Assets (4)	Total Liabilities (Excluding 2&3) (5)	Investments (6)	Turnover (7)	Profit/(Loss) before taxation (8)	Provision for taxation (9)	Profit (Loss) after taxation (10)	Proposed Dividend (11)
1	NCC Infrastructure Holdings Ltd	6960.50	12.02	11436.31	4463.79	10003.31	17.57	(58.40)	-	(58.40)	-
2	NCC Urban Infrastructure Limited	1500.00	112.44	7416.06	5803.62	902.75	2224.39	66.53	(2.41)	68.93	-
3	NCC Vizag Urban Infrastructure Limited	526.25	(5.46)	1785.93	1265.14	-	-	(0.39)	-	(0.39)	-
4	Nagarjuna Construction Company Limited & Partners – LLC	23.35	(214.48)	43.32	234.45	-	21.97	16.42	-	16.42	-
5	OB Infrastructure Ltd	147.57	1264.80	4779.94	3367.57	-	899.81	(79.53)	-	(79.53)	-
6	NCC Infrastructure Holdings Mauritius PTE Ltd	1610.62	376.50	4157.64	2170.52	1310.00	168.93	(31.30)	-	(31.30)	-
7	Nagarjuna Construction Company International LLC,	793.89	1771.68	10866.75	8301.18	-	8762.53	316.93	-	316.93	-
8	Nagarjuna Contracting Co. LLC	4.90	1063.31	6094.84	5026.33	-	359.91	24.91	-	24.91	-
9	Patnitop Ropeway & Resorts Limited	22.55	(2.03)	20.84	0.32	-	-	(0.09)	-	(0.09)	-
10	Western UP Tollway Ltd	100.75	937.45	6823.20	5784.99	-	1004.71	(216.77)	-	(216.77)	-
11	Vaidehi Avenues Ltd	45.10	(0.54)	45.10	0.54	-	-	(0.04)	-	(0.04)	-
12	NCC International Convention Centre Limited	10	(6.50)	50.01	46.51	-	-	(0.03)	-	(0.03)	-
13	NCC Oil & Gas Limited	0.50	(0.14)	0.37	0.02	-	-	(0.01)	-	(0.01)	-
14	Liquidity Limited	7.61	(5.38)	7.25	5.03	7.16	-	(0.78)	-	(0.78)	-
15	Dhatri Developers & Projects (P) Ltd.	1.00	(0.17)	63.90	63.07	-	-	(0.01)	-	(0.01)	-
16	Sushanti Avenues (P) Ltd.	1.00	(0.03)	46.75	45.77	-	-	0.003	(0.0005)	0.02	-
17	Sushruta Real Estates (P) Ltd.	1.00	(0.14)	17.73	16.87	-	-	(0.014)	-	(0.014)	-
18	PRG Estates (P) Ltd.	0.10	34.01	55.04	20.93	-	-	0.007	(0.001)	0.006	-
19	Thrilekya Real Estates (P) Ltd.	1.15	26.27	44.59	17.17	-	-	0.004	(0.0007)	0.003	-
20	Varma Infrastructure (P) Ltd.	0.10	49.64	67.32	17.58	-	-	0.006	(0.004)	0.002	-
21	Nandyala Real Estates (P) Ltd.	1.16	26.07	57.25	30.02	-	-	0.0013	(0.0002)	0.001	-
22	Kedarnath Real Estates (P) Ltd.	1.71	31.57	49.02	15.74	-	.	0.02	(0.0004)	0.0016	-
23	AKHS Homes (P) Ltd.	0.50	(0.01)	31.18	30.69	-	-	0.007	(0.001)	0.006	-
24	JIC Homes (P) Ltd.	0.50	0.025	18.39	17.86	-	-	0.01	(0.002)	0.008	-
25	Sushanthi Housing (P) Ltd.	0.50	0.02	17.50	16.98	-	-	0.009	(0.002)	0.007	-
26	CSVS Property Developers (P) Ltd.	0.50	0.02	18.44	17.91	-	-	0.01	(0.002)	0.008	-
27	Vera Avenues (P) Ltd.	0.50	(0.02)	14.14	13.64	-	-	0.005	(0.001)	0.004	-
28	Sri Raga Nivas Property Developers (P) Ltd.	0.50	(0.026)	33.61	33.13	-	.	0.005	(0.001)	0.004	-



## Financial information of Subsidiary and Step down Subsidiary Companies for the Financial Year ended 31st March 2014, pursuant to Section 212 of the Companies Act, 1956

(₹ in million)

S. No	Name of the Subsidiary/Step-down subsidiary Company (1)	Issued and Subscribed Share Capital (2)	Reserves (3)	Total Assets (4)	Total Liabilities (Excluding 2&3) (5)	Investments (6)	Turnover (7)	Profit/(Loss) before taxation (8)	Provision for taxation (9)	Profit (Loss) after taxation (10)	Proposed Dividend (11)
29	VSN Property Developers (P) Ltd.	0.50	(0.024)	33.65	33.18	-	-	0.005	(0.001)	0.004	-
30	M A Property Developers (P) Ltd.	0.50	(0.02)	17.50	16.98	-	-	0.009	(0.002)	0.007	-
31	Vara Infrastructure (P) Ltd.	0.50	(0.09)	0.48	0.07	-	„	(0.009)	-	(0.009)	-
32	Sri Raga Nivas Ventures (P) Ltd.	0.50	(1.87)	0.69	2.06	-	-	(0.28)	-	(0.28)	-
33	Mallelavuam Property Developers (P) Ltd.	0.50	(0.02)	9.91	9.44	~	-	-	-	-	-
34	Sradha Real Estates (P) Ltd.	0.50	(0.09)	0.48	0.07	-	-	(0.009)	-	(0.009)	-
35	SriPada Homes Private Limited	0.50	(0.09)	0.48	0.07	-	-	(0.009)	-	(0.009)	-
36	NJC Avenues Pvt Ltd	0.50	(0.87)	1293.60	1293.98	-	-	(0.01)	-	(0.01)	-
37	NCC Urban Lanka Infrastructure Limited	0.000007	-	0.000007	-	-	-	-	-	-	-
38	Nagarjuna Suites Private Limited	0.10	(0.017)	0.10	0.017	-	-	(0.009)	-	(0.009)	-
39	NCC Power Projects(Sompot) Private Ltd.	1.20	(93.22)	709.33	801.35	-	-	(93.22)	-	(93.22)	-
40	Aster Rail Private Ltd	30.99	(35.62)	97.82	102.45	1.00	53.42	(20.65)	(1.08)	(21.74)	-
41	Al Mubarikia Contracting Co. LLC	16.32	8.38	1498.13	1473.44	-	32.25	-	-	(-)	-
42	NCCA International Kuwait General Contracting Company	53.16	(24.07)	45.44	16.36	-	0.23	(9.66)	-	(9.66)	-
43	Samashti Gas Energy Limited	0.50	(15.07)	0.47	15.04	-	-	(2.67)	-	(2.67)	-
44	NCC Infra Limited	0.50	(0.06)	0.48	0.03	-	-	(0.02)	-	(0.02)	-
45	NCC WLL	16.47	(2.38)	25.13	11.04	-	-	(2.45)	-	(2.45)	-
46	Nagarjuna Construction Company (Kenya) Limited	0.01	(0.07)	0.02	0.09	-	-	(0.07)	-	(0.07)	-
47	NCC Urban Homes Private Ltd	0.10	(0.04)	0.10	0.04	-	-	(0.03)	-	(0.03)	-
48	NCC Urban Ventures Private Ltd	0.10	(0.04)	0.10	0.04	-	-	(0.03)	-	(0.03)	-
49	NCC Urban Meadows Private Ltd	0.10	(0.04)	0.10	0.04	-	-	(0.03)	-	(0.03)	-
50	NCC Urban Villas Private Ltd	0.10	(0.04)	0.10	0.04	-	-	(0.03)	-	(0.03)	-
51	Naftogaz Engineering Private Ltd	-	-	-	-	-	-	-	-	-	-

### Notes:

- Exchange rate as on 31.03.2014: Rial Omani = ₹155.665, AED = ₹16.32, US\$ = ₹59.93, KWD = ₹212.63.242, KES = ₹0.69 QAR=₹16.47
- Naftogaz Engineering Private Ltd appearing under Sl.No.51 of the above table has not prepared Financial Statements as the Company has applied for striking off its name and notice was served by Ministry of Corporate Affairs on July 15, 2011 under Section 560(3) of the Companies Act, 1956 and dissolution of the Company is under process.



## REGIONAL OFFICES

### 1. Ahmedabad

211-212, Sarthik - II  
Opp: Rajpath Club  
Sarkhej - Gandhinagar Highway  
Ahmedabad - 380 054  
Tel:91-079-26871478/69  
Email:ro.ahmd@nccltd.in

### 2. Bengaluru

301, Batavia Chambers  
8, Kumara Krupa Road  
Kumara Park East  
Bangalore-560 001  
Tel:91-080-22258991  
Email:ro.blr@nccltd.in

### 3. Bhopal

Plot No.25, Deepak Housing Society  
Kolar Road, Chuna Bhatti  
Bhopal-462016  
Tel:91-0755-2428784  
Email:ro.bhopal@nccltd.in

### 4. Bhubaneswar

3rd floor, 98, Keshari Complex  
Kharavela Nagar  
Bhubaneswar-751001  
Tel:91-0674-2393059  
Email:ro.bbnr@nccltd.in

### 5. Chennai

No.190 A, 7th and 8th floors  
Pettukola Towers  
Poonamalle High Road  
Chennai-600010  
Tel:91-044-25323030  
Email:ro.chennai@nccltd.in

### 6. Kochi

Sherwali, CC 44/1725-A Perandoor  
Road, Opp. Masthan Tower  
Kaloor, Cochin-682017  
Tel:0484-2530160  
Email:ncckochi@vsnl.net

### 7. Lucknow

23, Srijan Vihar Vipul Khand  
Gomti Nagar, near Sahara Shahaar  
Lucknow-226010  
Tel:91-0522-2990231  
Email:ro.lucknow@nccltd.in

### 8. Mumbai

B-402, Dipti Classic  
Off M V Road, Suren Lane  
Andheri (E), Mumbai-400 093  
Tel:91-022-26826790  
Email:ro.mumbai@nccltd.in

### 9. Kolkata

ECO Space Business Park  
Block No-4A, 5th Floor  
New Town Action Area - II  
Kolkata-700156 (W.B.)  
Tel:91-033-40298888  
Email:kolkatta@nccltd.in

## OVERSEAS OFFICES

Dubai

Muscat

Doha



# NCC LIMITED

(CIN: L72200AP1990PLC011146)

Regd.Office: NCC House , Madhapur, Hyderabad – 500 081.

Email : ho.secr@nccltd.in, Web site: www.ncclimited.com

# NCC

## NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of **NCC LIMITED** will be held on Thursday, the 25<sup>th</sup> September, 2014, at 3.30 P.M. at KLN Prasad Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills Hyderabad-500004, Telangana to transact the following business:

### A AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on the Equity Shares for the financial year 2013-2014.
3. To appoint a Director in place of Sri J V Ranga Raju( DIN – 00020547), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri N R Alluri( DIN – 00026723), who retires by rotation and being eligible, offers himself for reappointment.
5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder and based on the recommendation of the Audit Committee, M/s. M Bhaskara Rao & Co., Chartered Accountants (Registration No. 000459S) and M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration No.008072S) the retiring Joint Statutory Auditors of the Company, be and are hereby re-appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company”.

### B AS SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri.Utpal Sheth, ( DIN – 00081012) who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri.Amit Dixit, (DIN - 01798942) who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the Annual General Meeting be and is hereby appointed as a Director of the Company not liable to retire by rotation.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time and pursuant to the recommendation of the Board in its meeting held on 15<sup>th</sup> May, 2014, Sri.P.Abraham (holding DIN 00280426), who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as such, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from 25<sup>th</sup> September, 2014.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time and pursuant to the recommendation of the Board in its meeting held on 15<sup>th</sup> May, 2014, Sri.R V Shastri (holding DIN 00026892), who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as such, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from 25<sup>th</sup> September, 2014.

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time and pursuant to the recommendation of the Board in its meeting held on 15<sup>th</sup> May, 2014, Sri T N Manoharan (holding DIN -01186248), who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as such, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from 25<sup>th</sup> September, 2014.

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time and pursuant to the recommendation of the Board in its meeting held on 15<sup>th</sup> May, 2014, Sri Anil P Gupta (holding DIN -02498457), who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as such, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from 25<sup>th</sup> September, 2014.

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time,

Sri Hemant M Nerurkar (holding DIN - 00265887), who was appointed by the Board as an Additional Director and who holds office upto the date of the Annual General Meeting and who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as such and who has been recommended by the Board in its meeting dated 15<sup>th</sup> May, 2014, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from 25<sup>th</sup> September, 2014.

**13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED** that pursuant to the provisions of Sections 149, 152,160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, , Smt.Renu Challu (holding DIN - 00157204), who was appointed by the Board as an Additional Director and who holds office up to the date of the Annual General Meeting and who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as such and who has been recommended by the Board in its meeting held on 13th August 2014, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from 25<sup>th</sup> September, 2014.

**14. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**RESOLVED** that pursuant to the provisions of Sections 197, 200 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government and subject to such other approvals / consents of such authorities / agencies as may be required, the Company do hereby accord its approval for the remuneration of Rs.8.00 lakhs p.m. and perquisites and other amenities paid / provided to Sri A A V Ranga Raju, Managing Director during the 12 months period ended 31<sup>st</sup> March, 2014 as detailed in the Explanatory Statement annexed here to notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 read with Schedule XIII of the Companies Act, 1956.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions if any of the Companies Act, 2013, read with Schedule V, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company does hereby accord its approval for the payment of the following remuneration to Sri A A V Ranga Raju, Managing Director during his remaining term of office;

<b>Salary (Rs.per month)</b>	Rs.8.00 lakhs per month in the scale of Rs.8.00 lakhs to Rs. 15.00 lakhs
<b>Perquisites and allowances</b>	Upto a limit of 75% of the monthly salary
<b>Exgratia</b>	Subject to a limit of 15% of basic salary
<b>Commission</b>	1% (One percent) of the net profits of the company computed in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Rules framed thereunder

The aforesaid perquisites and allowances payable to Sri A A V Ranga Raju, Managing Director shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of leave and such other perquisites and / or allowances, upto the amounts specified above and in addition he shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Provision of car with chauffer for the purpose of Company's business and telephone as per the rules of the Company and the same would not be considered as perquisites.

**RESOLVED FURTHER THAT** the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961, and gratuity payable and encashment of Leave as per the rules of the Company shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such approvals, permissions as may be required including that of the Central Government (to the extent required), Sri A A V Ranga Raju, Managing Director, be paid the aforesaid remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his remaining term of office, in accordance with the provisions of Schedule V to the Companies Act, 2013, or any amendment thereto or re-enactment thereof".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such things as may be necessary for implementing the aforesaid decision of the Company.

**15. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals / consents of such authorities / agencies as may be required, the Company does hereby accord its approval for the remuneration of Rs. 4.00 lakhs per month and perquisites and other amenities paid / provided to Sri A G K Raju, Executive Director, during the 12 months period ended 31<sup>st</sup> March, 2014 as detailed in the Explanatory Statement annexed here to notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions if any of the Companies Act, 2013, read with Schedule V, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to such other approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company

hereby accords its approval for the payment of the following remuneration to Sri A G K Raju, Executive Director, during his remaining term of office;

<b>Salary (Rs.per month)</b>	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs
<b>Perquisites and allowances</b>	Upto a limit of 75% of the monthly salary
<b>Exgratia</b>	Subject to a limit of 15% of basic salary
<b>Commission</b>	0.5% (half percent) of the net profits of the company computed in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Rules framed thereunder

The aforesaid perquisites and allowances payable to Sri A G K Raju, Executive Director, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of leave and such other perquisites and / or allowances, upto the amounts specified above and in addition he shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Provision of car with chauffer for the purpose of Company's business and telephone as per the rules of the Company and the same would not be considered as perquisites.

**RESOLVED FURTHER THAT** the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961, and gratuity payable and encashment of Leave as per the rules of the Company shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such approvals, permissions as may be required including that of the Central Government (to the extent required), Sri A G K Raju, Executive Director, be paid the aforesaid remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his remaining term of office, in accordance with the provisions of Schedule V to the Companies Act, 2013, or any amendment thereto or re-enactment thereof".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such things as may be necessary for implementing the aforesaid decision of the Company

**16. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals / consents of such authorities / agencies as may be required, the Company does hereby accord its approval for the remuneration of Rs. 7.00 lakhs per month and perquisites and other amenities paid /

provided to Sri J V Ranga Raju, Wholetime Director, during the 12 months period ended 31<sup>st</sup> March, 2014 as detailed in the Explanatory Statement annexed here to notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197 and 200 and other applicable provisions if any of the Companies Act, 2013, read with Schedule V, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as detailed in the Explanatory Statement annexed here to and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to such other approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of the following remuneration to Sri J V Ranga Raju, Wholetime Director, during his remaining term of office;

<b>Salary (Rs.per month)</b>	Rs.7.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs
<b>Perquisites and allowances</b>	Upto a limit of 75% of the monthly salary
<b>Exgratia</b>	Subject to a limit of 15% of basic salary

The aforesaid perquisites and allowances payable to Sri Sri J V Ranga Raju, Wholetime Director, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of leave and such other perquisites and / or allowances, upto the amounts specified above and in addition he shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Provision of car with chauffer for the purpose of Company's business and telephone as per the rules of the Company and the same would not be considered as perquisites.

**RESOLVED FURTHER THAT** the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961, and gratuity payable and encashment of Leave as per the rules of the Company shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such approvals, permissions as may be required including that of the Central Government (to the extent required), Sri J V Ranga Raju, Wholetime Director, be paid the aforesaid remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his remaining term of office, in accordance with the provisions of Schedule V to the Companies Act, 2013, or any amendment thereto or re-enactment thereof".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such things as may be necessary for implementing the aforesaid decision of the Company.

**17. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals / consents of such authorities / agencies as may be required, the Company does hereby accord its approval for the remuneration of Rs. 4.00 lakhs per month and perquisites and other amenities paid / provided to Sri A V N Raju, Wholetime Director, during the 12 months period ended 31<sup>st</sup> March, 2014 as detailed in the Explanatory Statement annexed here to notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions if any of the Companies Act, 2013, read with Schedule V, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to such other approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of the following remuneration to Sri A V N Raju, Wholetime Director, during his remaining term of office;

<b>Salary (Rs.per month)</b>	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs
<b>Perquisites and allowances</b>	Upto a limit of 75% of the monthly salary
<b>Exgratia</b>	Subject to a limit of 15% of basic salary
<b>Commission</b>	0.5% (half percent) of the net profits of the company computed in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Rules framed thereunder

The aforesaid perquisites and allowances payable to Sri A V N Raju, Wholetime Director, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of leave and such other perquisites and / or allowances, upto the amounts specified above and in addition he shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Provision of car with chauffer for the purpose of Company's business and telephone as per the rules of the Company and the same would not be considered as perquisites.

**RESOLVED FURTHER THAT** the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961, and gratuity payable and encashment of Leave as per the rules of the Company shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such approvals, permissions as may be required including that of the Central Government (to the extent required), Sri A V N Raju, Wholetime Director, be paid the aforesaid remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his remaining term of office, in accordance with the provisions of Schedule V to the Companies Act, 2013, or any amendment thereto or re-enactment thereof".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such things as may be necessary for implementing the aforesaid decision of the Company

**18. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals / consents of such authorities / agencies as may be required, the Company does hereby accord its approval for the remuneration of Rs. 4.00 lakhs per month and perquisites and other amenities paid / provided to Sri A K H S Rama Raju, Wholetime Director, during the 12 months period ended 31<sup>st</sup> March, 2014 as detailed in the Explanatory Statement annexed here to notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions if any of the Companies Act, 2013, read with Schedule V, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to such other approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of the following remuneration to Sri A K H S Rama Raju, Wholetime Director, during his remaining term of office;

<b>Salary (Rs.per month)</b>	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs
<b>Perquisites and allowances</b>	Upto a limit of 75% of the monthly salary
<b>Exgratia</b>	Subject to a limit of 15% of basic salary

The aforesaid perquisites and allowances payable to Sri A K H S Rama Raju, Wholetime Director, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of leave and such other perquisites and / or allowances, upto the amounts specified above and in addition he shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Provision of car with chauffer for the purpose of Company's business and telephone as per the rules of the Company and the same would not be considered as perquisites.



**RESOLVED FURTHER THAT** the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961, and gratuity payable and encashment of Leave as per the rules of the Company shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such approvals, permissions as may be required including that of the Central Government (to the extent required), Sri A K H S Rama Raju, Wholetime Director, be paid the aforesaid remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his remaining term of office, in accordance with the provisions of Schedule V to the Companies Act, 2013, or any amendment thereto or re-enactment thereof".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such things as may be necessary for implementing the aforesaid decision of the Company.

**19. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force and subject to such approvals / consents of such authorities / agencies as may be required, the Company hereby accords its approval for the remuneration of Rs.4.00 lakhs p.m. and perquisites and other amenities paid / provided to Sri A S N Raju, Wholetime Director during the period 1<sup>st</sup> April, 2013 to 30<sup>th</sup> April, 2014 as detailed in the Explanatory Statement annexed here to notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such things as may be necessary for implementing the aforesaid decision of the Company

**20. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 200 and other applicable provisions if any of the Companies Act, 2013, read with Schedule V, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and in partial modification of the approval accorded by the Members of the Company at the Extraordinary General Meeting held on 22<sup>nd</sup> May, 2014 and subject to the approval of the Central Government and such other approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such approvals and permissions, the approval of the Company be and is hereby accorded for the payment of the following remuneration to Sri A S N Raju, Wholetime Director during a period of 3 years i.e. 1<sup>st</sup> May, 2014 to 30<sup>th</sup> April, 2017;

<b>Salary (Rs.per month)</b>	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs
<b>Perquisites and allowances</b>	Upto a limit of 75% of the monthly salary
<b>Exgratia</b>	Subject to a limit of 15% of basic salary

**Commission**

0.5% (half percent) of the net profits of the company computed in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Rules framed thereunder

The aforesaid perquisites and allowances payable to Sri A S N Raju, Wholetime Director shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of leave and such other perquisites and / or allowances, upto the amounts specified above and in addition he shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force.

Provision of car with chauffer for the purpose of Company's business and telephone as per the rules of the Company and the same would not be considered as perquisites.

**RESOLVED FURTHER THAT** the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961, and gratuity payable and encashment of Leave as per the rules of the Company shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such approvals, permissions as may be required including that of the Central Government (if required), Sri A S N Raju, Wholetime Director, be paid the aforesaid remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during during his remaining term of office, in accordance with the provisions of Schedule V to the Companies Act, 2013, or any amendment thereto or re-enactment thereof".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such things as may be necessary for implementing the aforesaid decision of the Company

**BY ORDER OF THE BOARD**  
For NCC Limited

**M V SRINIVASA MURTHY**  
COMPANY SECRETARY & Sr.VP (Legal)

**Place: Hyderabad**  
**Date :13<sup>th</sup> August,2014**

**NOTES:**

- 1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item No(s).6 to 20 set out above is annexed hereto.**
- 2. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m upto the date of the Annual General Meeting.**

3. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting.**
4. **Corporate members intending to send their authorized representative (s) to attend the Meeting, are requested to send to the Registered Office of the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting**
5. Members are requested to notify immediately any change of address or bank mandates to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the Company i.e. Karvy Computershare Private Ltd , Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081 in respect of their physical share folios, if any.
6. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue.
7. **A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query in writing to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.**
8. In order to service the shareholders effectively and for administrative convenience, members are requested to notify multiple folios standing in their name for consolidation, if any, to the Secretarial Department at the Registered Office of the Company immediately.
9. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form SH - 13 as prescribed under the Companies Act, 2013 to the Registrars of the Company
10. The equity dividend of Rs.0.20 per share (10%) for the year ended March 31, 2014 as recommended by the Board, if approved at the ensuing Annual General Meeting, will be payable to those members whose names appear on the Company's Register of Members on 12<sup>th</sup> July, 2014.
11. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 as amended, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remains unpaid or unclaimed for a period of 7(seven) years will be transferred to the Investor Education and Protection Fund. Shareholders / Investors who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio No./ DP ID and Client ID to the Secretarial Department of the Company at NCC House, Madhapur, Hyderabad – 500 081. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, and a claim shall lie in respect thereof, under the provisions of Section 125 of the Companies Act, 2013 and the Rules made thereunder.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or M/s. Karvy Computershare Private Ltd for assistance in this regard.
13. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of Karvy Computershare Pvt. Ltd., (Karvy) to provide e-voting facilities and for enabling the members to cast their vote in a secure manner.
14. **It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.karvy.com> during the following voting period:  
Commencement of e-voting: From 9.00 a.m. on 18<sup>th</sup> September, 2014  
End of e-voting: Up to 6.00 p.m. on 20<sup>th</sup> September, 2014  
e- Voting shall not be allowed beyond 6.00 p.m. on 20<sup>th</sup> September, 2014.**
15. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the record date may cast their vote electronically. The record date for the purpose of e-voting is 22<sup>nd</sup> August, 2014.
16. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
17. The Company has appointed Mr. A Ravishankar, Practicing Company Secretary, as 'scrutinizer' (the "Scrutinizer"), for conducting the e-voting process and the poll process at the Annual General Meeting in a fair and transparent manner.
18. **Appointment/Re-appointment of Directors**
  - a. **Sri J. V. Ranga Raju** is one of the Promoter Directors and a Wholtime Director and has been associated with the Company since inception. He holds a Masters Degree in Commerce and has over 30 years experience in the construction and education fields. He is also Director on the Board of Brindavan Infrastructure Company Ltd. Sri JV Ranga Raju holds 17,01,277 equity shares of Rs.2/- in the Company.
  - b. **Sri N. R. Alluri** is one of the Promoter Directors and has been associated with the Company since inception. He holds a Bachelors Degree in Engineering and has over 22 years experience in the construction industry and Real Estate and allied areas. Mr. Alluri is also a director on the Board of Western UP Tollway Ltd., NCC Urban Infrastructure Ltd, NCC Vizag Urban Infrastructure Ltd, NAFTOGAZ Engineering Pvt Ltd, Tellapur Technocity Pvt Ltd, NCC Oil & Gas Ltd, Nextgreen Infrastructure Private Ltd, Prakrithi Realty Private Ltd, Natural Buildtech Private Ltd, Prakrithi Promoters Private Ltd, Jubilee Hills Landmark Projects Private Ltd, Sri Harsha Warehousing Private Ltd & Patnitop Ropeway & Resorts Ltd. He is also a director on the Board of Nagarjuna Construction Company Ltd & Partners LLC, Nagarjuna Contracting Co. LLC, Nagarjuna Facility Management Services LLC, Nagarjuna Construction Company International LLC, Nagarjuna Construction Company Kenya and Al Mubarika Contracting Co.LLC,Dubai. Sri N R Alluri holds 40,88,680 equity shares of Rs.2/- in the Company.
  - c. **Sri Utpal Sheth** is a Cost Accountant and a Chartered Financial Analyst. He started his professional career at an early age of 18 years as an analyst. He was earlier associated with ASK Financial Consultants and Insight Asset Management (India) Pvt Ltd. He worked as a Principal Relationship Manager in the Investment Banking practice of Enam Financial Consultants Pvt Ltd. He is presently the CEO of RARE Enterprises. He is also Director on the Board of Aptech Limited, Chanakya Corporate Services Pvt Ltd, Clue Leasing & Finance Private Limited, Cinline India Ltd Concord Biotech Ltd, Caerus Advisors Pvt Ltd, Chanakya Wealth Creations Pvt Ltd, Enlightened Buildcon Pvt Ltd, HRS Insight Financial

Intermediaries Pvt. Ltd, Hillcraft Investments Co.Pvt Ltd, Insight asset Management Pvt. Ltd,Kanakia Hospitality Pvt Ltd, Praj Industries Ltd, Metro Shoes Ltd, Rare Equity Pvt Ltd, Race Ahead Properties Pvt Ltd, Trust Capital Holdings Pvt Ltd, Trust Plus Wealth Advisors Pvt Ltd, Designated Partner in Insync Capital Partners LLP, Chanakya Vaue Creation LLP & Zen Superstructure LLP and Partner in M/s Sheth and Rugani, RaRe Investments & Kalpa Vruksha Landscape LLP. He does not hold any shares in the Company. The Board of Directors had appointed him as an Additional Director and he holds office up to the date of AGM.

- d. **Sri Hemant M Nerurkar** is a B.Tech (Metallurgical) and has over 42 years of rich experience in the Steel and Mining Sector. He was till recently associated as Managing Director (India & South East Asia) in Tata Steel Ltd. Sri Hemant M Nerurkar received accolades for his contribution for strategy implementation, Greenfield projects commissioning and adoption of TQM and achieving cost efficient techniques for manufacture.He is also a Director on the Board of Centennial Steel Company Ltd, T R L Krosaki Refractories Ltd and Skill Council for Mining Sector. He does not hold any shares in the Company. The Board of Directors had appointed him as an Additional Director and he holds office up to the date of AGM.
- e. **Sri Amit Dixit** is a Nominee Director of M/s. Blackstone on the Board of the Company. **Amit Dixit** is a Senior Managing Director and Co-Head of Private Equity of M/s.Blackstone Advisors India Pvt. Ltd. in India, based in Mumbai.
- Mr. Amit Dixit received an MBA from Harvard Business School, an MS in Engineering from Stanford University, and a B.Tech. from Indian Institute of Technology Mumbai where he was awarded the Director's Silver Medal for graduating at the top of his program. He does not hold any shares in the Company. He is also a Director on the Board of Jagran Prakashan Limited, MB Power (Madhya Pradesh) Ltd, Midday Infomedia Ltd, Igarashi Motors India Ltd, Monnet Power Company Ltd, Monnet Ispat and Energy Ltd, Jagran Media Network Investment Private Ltd, Blackstone Advisors India Pvt Ltd, S H Kelkar and Company Pvt Ltd, Hindustan Power Projects Private Ltd, Salt Bidco, Seaplane Holding Cayman Ltd, Hummingbird Island Airlines Ltd, Maldivian Air Taxi Private Ltd, Trans Maldivian Airways Private Ltd and Salt Tipco.
- f. **Sri P.Abraham, IAS (Retd.)** is a Non-Executive Independent Director on the Board of the Company and joined the Board in the year 2006. He held senior positions in the Govt. of India including that of Secretary, Ministry of Power, Govt. of India. He was also the Chairman of Maharashtra State Electricity Board. He does not hold any shares in the Company. He also serves on the Boards of Taj GVK Hotels & Resorts Ltd, JSW Energy Ltd, Vijay Electricals Ltd, Lanco Infratech Limited, GVK Energy Ltd, Visaka Industries Ltd, NCC Infrastructure Holdings Ltd, Lanco Amarkantak Power Ltd, Raj West Power Ltd and Orient Green Power Company Ltd.
- g. **Sri R V Shastri** an Independent Director is the former Chairman & Managing Director of Canara Bank and Indian Overseas Bank. He holds Master Degree in Economics. He served in various Banks in Top Executive Grade and has rich and varied experience in finance,

banking and other related areas. He holds 100 equity shares of Rs.2/- each in the Company. He is also on the Board of Religare Invesco Trustee Co.Ltd.

- h. **Sri T N Manoharan**, M.Com, LL.B and FCA has around 30 years of rich experience with specialization in Taxation & Accountancy. He was the President of the Institute of Chartered Accountants of India (2006-07); Chairman ICAI Accounting Research Foundation; Member of Central Direct Taxes Advisory Committee constituted by the Central Board of Direct Taxes, Ministry of Finance, Government of India, Member of National Advisory Committee on Accounting Standards constituted by the Ministry of Corporate Affairs, Government of India, Member on the Board of Insurance Regulatory & Development Authority, Chairman of National Committee on Accounting Standards of Confederation of Indian Industry (CII) etc., Sri Manoharan has received a number of awards and has also been invested with the Civilian Award "PADMA SHRI" by the Hon'ble President of India. He has authored several books in the field of Taxation & Accountancy. He has widely travelled abroad covering over 80 countries representing Indian accounting profession. He does not hold any shares in the Company.

He is also director on the Board of Tech Mahindra Limited, MCA Management Consultants Limited, MCA Financial and Capital Advisors Private Limited, MCA Technology Solutions Private Limited, Nani Palkhivala Arbitration Centre - A sec.25 company, Founder Partner of Manohar Chowdhary & Associates and Governing Body Member of Public Health Foundation of India.

- i. **Sri Anil P Gupta**, BE (Hons) from BITS Pilani and MBA from the Faculty of Management Studies, Delhi University and a certified GE Six Sigma Master Blackbelt with over 35 years of diverse Global and Regional Leadership experience in top companies both in India and abroad. Sri Gupta was earlier associated with Reliance ADAG Infrastructure Group as its President & Head of Infrastructure. Prior to that he served in positions of responsibility in reputed organizations like NTPC, ABB, GE and Honeywell. He does not hold any shares in the Company.
- j. **Smt. Renu Challu**, holds a Master Degree in Economics (Gold Medalist) and Associate Member of Indian Institute of Bankers and has over 41 years of rich experience in the fields of Banking, Finance and allied fields. She retired as Dy. Managing Director of State Bank of India and was earlier Managing Director of State Bank of Hyderabad. She earlier served as a Director on the Boards of Clearing Corporation of India Ltd. Investor Services India Ltd. SBICAP Securities Ltd. SBICAP Ventures Ltd. SBICAP Trustee Co. Ltd. OTCEI Ltd. British Corp of India Ltd. and Association of Merchant Bankers of India (AMBI) as Vice Chairman
- Currently, Smt. Renu Challu is a Director on the Boards of Torrent Power Limited, Reliance Life Insurance Limited, SMS Infrastructure Ltd, and Dhanush Infotech Pvt Ltd.,
- At the meeting held on 13<sup>th</sup> August, 2014 the Board had appointed Smt Renu Challu, as an Additional Director (Independent Director) on the Board of the Company. She does not hold any shares in the Company.

## ANNEXURE TO NOTICE:

### Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the Special Business specified in item no(s) 6 to 20 of the Notice of the Meeting.

#### A. Item No.6

Sri Utpal Sheth was appointed as an Additional Director by the Board of Directors of the Company with effect from 11-10-2013 pursuant to section 161 (1) of the Companies Act, 2013 and holds office upto the date of 24<sup>th</sup> Annual General Meeting He is also a member of the Nomination and Remuneration Committee and Performance Review Committee of the Board of Directors of the Company. As stipulated under Section 160 of the Companies Act, 2013 the Company has received a notice of intention proposing Sri Utpal Sheth as a Director of the Company together with the requisite deposit from a member of the Company. Profile of Sri Utpal Sheth is given as a part of the requirements of Clause 49 under Sl.No.18(c) forming part of the Notes to the Notice convening the 24<sup>th</sup> Annual General Meeting of the Company.

Sri Utpal Sheth is proposed to be appointed as a Director of the Company liable to retire by rotation.

Sri Utpal Sheth and his relatives may be deemed to be interested or otherwise concerned in the resolution set out at Item No.6 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice convening the meeting.

The Board commends the resolution for your approval.

#### B. Item No.7

Sri Amit Dixit who is a nominee of Blackstone was appointed as an Additional Director by the Board of Directors with effect from 15-05-2014 pursuant to section 161 (1) of the Companies Act, 2013 and holds office upto the date of 24<sup>th</sup> Annual General Meeting. He is also a member of the Audit Committee, Nomination and Remuneration Committee, Project Monitoring Committee and Performance Review Committee of the Board of Directors of the Company. As stipulated under Section 160 of the Companies Act, 2013 the Company has received a notice of intention proposing Sri Amit Dixit as a Director together with the requisite deposit from a member of the Company. Profile of Sri Amit Dixit is given as a part of the requirements of Clause 49 under Sl.No.18 (e) forming part of the Notes to the Notice convening the 24<sup>th</sup> Annual General Meeting of the Company.

Sri Amit Dixit is proposed to be appointed as a Director of the Company not liable to retire by rotation.

Sri.Amit Dixit and his relatives may be deemed to be interested or otherwise concerned in the resolution set out at Item No.7 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice convening the meeting.

The Board commends the resolution for your approval.

#### C. Item nos.8 to 13

The Members may please note that as per the provisions of Section 149,150 &152 and other applicable provisions of the Companies Act,2013, Independent Directors on the Board of the Companies shall be appointed for a continuous period of Five years and are not liable to retire by rotation.

It is, therefore, necessary for the members to pass Ordinary Resolution(s) under Section 149,150 &152 and other applicable provisions of the Companies Act, 2013, as set out at Item Nos. 8 to 13 of the Notice for

appointment of Independent Directors of the Company for Five Years from the Date of ensuing Annual General Meeting.

The detailed profiles of Sri P.Abraham, Sri.R.V.Shastrri, Sri.Anil P. Gupta, Sri.T.N.Manoharan, Sri. Hemant M Nerurkar and Smt Renu Challu is set out at Sl.No.18(d), 18(f) to 18(j) of the notes forming part of the Notice convening the meeting.

As stipulated under Section 160 of the Companies Act, 2013 the Company has received Notice(s) of intention proposing Sri P.Abraham, Sri.R.V.Shastrri, Sri.Anil P. Gupta, Sri.T.N.Manoharan Sri. Hemant M Nerurkar and Smt Renu Challu as Directors of the Company together with the requisite deposit from members of the Company.

None of the Directors other than the Independent Directors viz. Sri.P.Abraham, Sri.R.V.Shastrri, Sri.Anil P. Gupta, Sri.T.N.Manoharan Sri. Hemant M Nerurkar and Smt Renu Challu as mentioned in the respective resolutions and their respective relatives may be deemed to be concerned or interested in the resolutions set out under serial Nos.8 to 13 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No.8 to 13 of the Notice convening the meeting.

The Board commends the resolutions set out at item Nos. 8 to 13 for your approval.

#### D. Item nos. 14 to 20

Sri.A A V Ranga Raju, Managing Director, Sri A G K Raju, Executive Director and Sri. J V Ranga Raju Whole-Time Director were re-appointed with effect from 1<sup>st</sup> April 2012 for a period of Five Years at specified remuneration approved by the members of the Company in their Annual General Meeting held on 26<sup>th</sup> September 2012.

Sri A K H S Rama Raju was appointed as a Whole-Time Director with effect from 4<sup>th</sup> November 2011 for a period of Five Years at specified remuneration approved by the members of the Company in their Annual General Meeting held on 26<sup>th</sup> September 2012

Sri A V N Raju was Re-appointed as a Whole-Time Director with effect from 30<sup>th</sup> May, 2011 for a period of Five Years at specified remuneration approved by the members of the Company in their Annual General Meeting held on 12<sup>th</sup> August, 2011

Sri A S N Raju was Re-appointed as a Whole-Time Director with effect from 1<sup>st</sup> May, 2009 for a period of Five Years i.e. upto 30<sup>th</sup> April, 2014 at specified remuneration approved by the members of the Company in their Annual General Meeting held on 30<sup>th</sup> July, 2009. The shareholders of the Company at the Extraordinary General Meeting held 22<sup>nd</sup> May, 2014 had reappointed Sri A S N Raju as Wholetime Director for a further period of five years w.e.f. 1<sup>st</sup> May, 2014.

Accordingly the remuneration was paid/provided to the aforesaid working directors during the financial year 2013-14. However for the financial year 2013-14, the Company had inadequate profits for the payment of remuneration to the aforesaid working Directors as per the approval(s) earlier accorded by the members.

The Remuneration paid/provided to the above said working directors exceeds the limits stipulated under Section 198 and 309 of the Companies Act 1956 read with Schedule XIII of the Companies Act, 1956 (corresponding to Schedule V of the Companies Act,2013).The Nomination and the Remuneration Committee of the Board of Directors of the Company and the Board considering the rich experience of the aforesaid Directors approved the remuneration already paid/provided subject to obtaining the approval of the members by way of Special Resolution and the Central Government wherever necessary and to pay the remuneration as specified in the foregoing resolution(s) and explanatory statement for the rest of their tenure not exceeding Three Years subject to compliance with the provisions of the Companies Act,2013. Accordingly approval of the

members by way of special resolutions is sought for the aforesaid proposals set out at item Nos. 14 to 20 of the Notice. The Promoter / Working Directors viz., Sri.A.A.V.Ranga Raju, Sri.A.G.K.Raju, Sri.J.V.Ranga Raju Sri. A.S.N.Raju, Sri.A.V.N.Raju , Sri.N.R.Alluri and Sri A K H S Rama Raju and their Relatives may be deemed to be concerned or interested in the proposed Resolutions set out at Item Nos. 14 to 20 of the Notice convening the meeting. Other than the aforesaid Promoter / Working Directors and their Relatives none of the other Directors, Key Managerial Personnel of the Company and their Relatives are interested or concerned whether financially or otherwise in the Resolutions set out at Item Nos. 14 to 20 of the Notice convening the meeting.

The Board of Directors commend the resolutions set out at item Nos. 14 to 20 of the Notice for your approval.

#### General Information:

- (1) Nature of industry: Construction and Infrastructure Industry
- (2) Date or expected date of commencement of commercial production: Existing Company with over 23 years of excellent track record.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus; Not Applicable.
- (4) Financial performance based on given indicators-

(Rs.in million)

Sr.No	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
1	Paid-up capital	513.17	513.17	513.17	513.17	513.17
2	Reserves&Surplus	21943	23274	23597	24167	24690
3	Turn-over	48322	51794	53710	58508	62708
4	Net Profit After Tax	1922	1635	360	627	405
5	Rate of Dividend	65%	50%	15%	15%	10%

- (5) Foreign investments or collaborations, if any; As on 30<sup>th</sup> June, 2014. FII's & NRIs were together holding 37.45% of the Equity Capital of the Company . There are no collaborations.
- (6) Export performance and net foreign exchange collaborations: - NIL

#### II. Information about the appointees:

##### (1) Background details

**Mr. A A V Ranga Raju**, aged 59 years, is one of the Core Promoters and has been the Managing Director of the Company since inception. He has experience of 40 years in the construction and infrastructure development and allied fields.

**Mr. A G K Raju**, aged 55 years, is one of the Core Promoters and has been the Executive Director of the Company since inception. He holds a Bachelors degree in Commerce from Osmania University and master of business administration from University of Pune and has 32 years of experience in the construction industry, finance and allied fields.

**Mr. J V Ranga Raju**, aged 55 years, is one of the Core Promoters and has been the Whole-time Director of the Company since inception. He holds a Master degree in Commerce from Andhra University and has an experience of over 30 years in the construction and infrastructure industry.

**Mr. A V N Raju**, aged 52 years, is one of the Core Promoters and has been the Whole-time Director of the Company. He has experience of over 28 years in the construction industry.

**Mr. A K H S Rama Raju**, aged 44 years, is one of the Core Promoters and has been the Whole-time Director of the Company. He has experience of over 20 years in the field of construction of buildings roads and mining.

**Mr. A S N Raju**, aged 56 years, is one of the Core Promoters and has been the Whole-time Director of the Company since inception. He has experience of over 35 years in the construction industry.

#### (2) Past remuneration

Name & Designation	Salary (Rs.per month)	Perquisites and allowances	Exgratia	Commission
Sri A A V Ranga Raju Managing Director	Rs.8.00 lakhs per month in the scale of Rs.8.00 lakhs to Rs. 15.00 lakhs	75% of the monthly salary	As per the rules of the Company	1% (One percent) of the net profits of the company computed in accordance with Section 349 & 350 of the Companies Act, 1956
Sri AGK Raju, Executive Director	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs	75% of the monthly salary	As per the rules of the Company	0.5% (half percent) of the net profits of the company computed in accordance with Section 349 & 350 of the Companies Act, 1956
Sri JV Ranga Raju, Wholetime Director	Rs.7.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs	75% of the monthly salary	As per the rules of the Company	---
Sri AVN Raju, Wholetime Director	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs	75% of the monthly salary	As per the rules of the Company	0.5% (half percent) of the net profits of the company computed in accordance with Section 349 & 350 of the Companies Act, 1956
Sri AKHS Rama Raju, Wholetime Director	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs	75% of the monthly salary	As per the rules of the Company	---
Sri ASN Raju, Wholetime Director	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs	75% of the monthly salary	As per the rules of the Company	0.5% (half percent) of the net profits of the company computed in accordance with Section 349 & 350 of the Companies Act, 1956

**(3) Recognition or awards :**

The Company has received the following recognition / awards during the last five years;

- a. **The Company** has been rated among the India's Top 10 Most Admired Companies in the Construction and Engineering space for 2013-14 by the Construction World.
- b. An award from the South Asian Federation of Accountants (SAFA) in 2010 for the Company's Annual Report and Accounts for the year 2008-09 being awarded Certificate of Merit the "Best Presented Accounts and Corporate Governance Disclosures Awards 2009".
- c. An award from the ICAI Awards for Excellence in Financial Reporting 2010 adjudging the Company's Annual Report and Accounts for the year ended March 31, 2009 as the 2nd best under the category Infrastructure & Construction Sector.

**(4) Job profile and suitability:**

The Managing Director, Executive Director and the Wholetime Directors who have been at the helm of the affairs of the Company have been responsible for the growth achieved by the Company during the last twenty five years. NCC is rated as one of the top few Construction & Infrastructure Development Companies in the country. The Company has executed several prestigious projects both in India and Abroad. The Company has 8 Divisions viz., Buildings, Water & Environment, Irrigation, Electrical, Power, Metals, Mining and International Divisions. From a modest turnover of Rs.13.49 crores in the F.Y 1990-91, the turnover of the Company has increased manifold to over Rs.6100 crores in the F.Y 2013-14.

**(5) Remuneration proposed :**

The details of remuneration proposed to be paid to Sri A A V Ranga Raju, Sri A G K Raju, Sri J V Ranga Raju, Sri A V N Raju, Sri AKHS Rama Raju and Sri A S N Raju for the rest of their respective tenure has been mentioned at Item Nos. 14 to 20 of the Notice convening the meeting.

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.**

The Nomination & Remuneration Committee of the Board and the Board of Directors considering the size of the Company, the profiles of the managerial personnel, the responsibilities to be shouldered by them and the industry benchmark, approved payment of the remuneration as detailed in the resolutions set out at item Nos.14 to 20 of the Notice convening the meeting.

**(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Except the remuneration being received as Managing Director, Executive Director / Wholetime Director(s) and the shares held by them in the Company, the aforesaid Directors do not have any other pecuniary relationship with the Company. Sri.AAV Ranga Raju, Managing Director, Sri.A G K Raju, Executive Director and Sri. A S N Raju , Sri AV N Raju , Sri AK H S Rama raju, Whole-Time Directors

and Sri N R Alluri , Director are related to each other as own Brothers and Sri. J V Ranga Raju Wholetime Director, is their brother-in-law.

**III. Other information:**

**(1) Reasons of loss or inadequate profits:**

Due to high interest cost prevailing in the Country coupled with substantial increase in the prices of most of the inputs, increase in commission charges levied by the Banks funding the operations of the Company are the main reasons for the decrease of profits for the last few years.

**(2) Steps taken or proposed to be taken for improvement:**

The Company has adopted cost control measures and the company is in the process of divesting the equity held in the various SPVs and is also in the process of raising funds through Rights Issue. The funds so raised will be utilized mainly for reducing the debt and which is expected to result in substantial saving of interest costs. Further, once the financial position of the company improves the company will be able to seek reduction in the BG and LC commission charges being levied by the Bankers.

**(3) Expected increase in productivity and profits in measurable terms:**

Barring unforeseen circumstances, the overall outlook for the financial year 2014-15 appears to be positive and the Company is optimistic of achieving improvements in its performance. It is however difficult in the present scenario to predict profits in measurable terms but the above initiatives are expected to improve the productivity and the profitability of the Company.

**IV. Disclosures:**

Necessary disclosures have been made in the Director's Report under the heading "Corporate Governance", attached to the financial statements.

None of the Directors other than Sri.AAV Ranga Raju, Sri. AGK Raju, Sri. ASN Raju, Sri. JV Ranga Raju, Sri.AVN Raju, Sri.N.R.Alluri and Sri AKHS Rama Raju, as mentioned in the respective resolutions and their respective relatives may be deemed to be concerned or interested in the resolutions set out under serial Nos.14 to 20 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos.14 to 20 of the Notice convening the Meeting.

The Board commends the resolutions set out under Sl.No. 14 to 20 of the notice for your approval.

**BY ORDER OF THE BOARD  
For NCC Limited**

**Place: Hyderabad  
Date: 13.08.2014**

**M V SRINIVASA MURTHY  
COMPANY SECRETARY & Sr.VP (Legal)**

# NCC LIMITED

**Registered Office:** NCC House, Madhapur, Hyderabad – 500 081, A.P.  
**Corporate Identity Number:** L72200AP1990PLC011146



**ATTENDANCE SLIP**  
**ANNUAL GENERAL MEETING – 25<sup>TH</sup> SEPTEMBER, 2014 AT 3:30 P.M.**

DP Id.		Name & Address of the registered Shareholder
Client Id/Regd. Folio No.		
No. of Shares held		

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.  
 I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company at the KLN Prasad Auditorium, FAPCCI , Federation House, 11-6-841, Redhills Hyderabad-500004, Andhra Pradesh, on Thursday, 25<sup>TH</sup> SEPTEMBER, 2014 at 3:30 p.m.

Note: Please complete this and hand it over at the entrance of the hall.

.....  
 Member's/Proxy's Signature

**Form No. MGT-11**  
**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN	L72200AP1990PLC011146		
Name of the Company	<b>NCC LIMITED</b>		
Registered Office	NCC House, Madhapur, Hyderabad – 500 081, A.P.		
Name of the member (s)			
Registered address			
E-mail Id			
Folio No/ Client Id		DP ID	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name			
Address			
E-mail Id		Signature	
or failing him			
2. Name			
Address			
E-mail Id		Signature	
or failing him			
3. Name			
Address			
E-mail Id		Signature	
or failing him			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 25<sup>TH</sup> September, 2014 at 3:30 p.m. at the KLN Prasad Auditorium, FAPCCI , Federation House, 11-6-841, Redhills Hyderabad-500004, Andhra Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolutions (Please tick (✓) against the box)**

1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>	6	<input type="checkbox"/>	7	<input type="checkbox"/>	8	<input type="checkbox"/>	9	<input type="checkbox"/>	10	<input type="checkbox"/>
11	<input type="checkbox"/>	12	<input type="checkbox"/>	13	<input type="checkbox"/>	14	<input type="checkbox"/>	15	<input type="checkbox"/>	16	<input type="checkbox"/>	17	<input type="checkbox"/>	18	<input type="checkbox"/>	19	<input type="checkbox"/>	20	<input type="checkbox"/>

Signed this ..... day of ..... 2014.

Signature of shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_




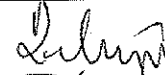


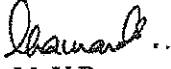

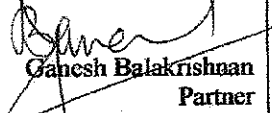
Affix Revenue Stamp
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





**FORM A**

1.	Name of the Company:	NCC Limited
2.	Annual Standalone financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	<p><b>Emphasis of Matter:</b></p> <p>Attention is invited to Note 45 to the Financial Statements regarding managerial remuneration. The Company is in the process of obtaining requisite approvals from shareholders and the Central Government.</p> <p>Our opinion is not qualified in respect of this matter.</p>
4.	Frequency of observation	Not Applicable
5.	Signed by: Hyderabad May 15, 2014	
	Mr. A. A. V. Ranga Raju Managing Director	
	A. G. K. Raju Executive Director	
	M. V. Srinivasa Murthy Company Secretary & Sr. V.P (Legal)	
	Mr. R. S. Raju Chief Financial Officer	
	Mr. R.V Shastri Chairman of Audit Committee	
	Statutory Auditors of the company	<p>Refer our Audit Report dated May 15, 2014 on the Standalone financial statements of the Company</p>
	M. Bhaskara Rao & Co.	<p>For M. BHASKARA RAO &amp; Co. Chartered Accountants (Firm Registration No. 000459S)</p>  <p> M. V Ramana Murthy Partner Membership No. 206439 Hyderabad, May 15, 2014</p>
	Deloitte Haskins & Sells	<p>For DELOITTE HASKINS &amp; SELLS Chartered Accountants (Firm Registration No. 008072S)</p>  <p> Ganesh Balakrishnan Partner Membership No. 201193 Hyderabad, May 15, 2014</p>