



Ref. No.: NCCL/Regulation 34/2018

Date : 17-08-2018

**The Secretary**  
**National Stock Exchange of India Ltd**  
5<sup>th</sup> Floor, Exchange Plaza  
Bandra – Kurla Complex  
Bandra (E)  
**MUMBAI - 500 051.**  
Fax No: 022 – 2659 8237 / 38

**The Secretary**  
**Bombay Stock Exchange Ltd,**  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P J Towers  
Dalal Street, Fort  
**M U M B A I – 400 001.**  
Fax : 022-22722037/39

Dear Sir(s),

**Scrip Code : NSE: NCC & BSE : 500294**

**Sub: Submission of Annual Report for the Financial Year 2017-18**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith Annual Report for the Financial year 2017-18, which has been duly approved and adopted at the 28<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August, 2018.

We request you to take the same on record and acknowledge.

Thanking you,

Yours faithfully  
For NCC LIMITED

*17-08-2018*  
M V SRINIVASA MURTHY  
COMPANY SECRETARY & EVP (L)

**NCC Limited**

(Formerly Nagarjuna Construction Company Limited)

CIN: L72200AP1990PLC011146

NCC House, Madhapur, Hyderabad 500 081 T +91 40 2326 8888 F +91 40 2312 5555 ncclimited.com



**NCC Limited**  
Annual Report 2017-18

40 years of Excellence

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**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

40 years of excellence. It is indeed an eventful landmark as NCC enters its 40th year of excellence. Having started its journey with humble beginnings way back in 1978 as a partnership firm founded by its visionary founder & Chairman Emeritus Dr.AVS Raju, NCC has progressed with excellence and has created significant value for all its stakeholders.

# 40 Years of Excellence

NCC is the second largest among listed construction companies in India. NCC's construction execution methodology is in alignment with the emerging India's vision to drive growth by building the physical infrastructure. NCC's standing as a differentiated construction company is an outcome of its astute understanding of the strategic environment along with its experience, expertise, data & risk analysis, project evaluation & monitoring by its highly committed and performance oriented teams.

NCC has established and implemented robust Environment, Health & Safety Management Systems in compliance with International Standards.

NCC considers excellence in execution as the key driver for fulfilling its vision to be a world-class construction and infrastructure enterprise.



## OUR PEOPLE

Experienced human capital of 5503 currently executing around 120 active sites at various locations



## QUALITY POLICY

NCC strives to achieve enhanced customer satisfaction by delivering quality products through timely completion in safe working environments. 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 staff for continual improvement of quality standards.
- To update and implement the procedures complying with international standards



## ENVIRONMENT, HEALTH AND SAFETY POLICY

NCC Limited is committed to prevent Ill Health & Injury to its Employees, Contractors and Visitors' and Environmental Pollution associated with all its activities and services through:

- Establishing, implementing and maintaining Environmental and Occupational Health & Safety Management Systems in compliance with the International Standards.
- Continually improving the Health, Safety & Environmental performance by setting and reviewing relevant objectives and targets.
- Complying with applicable EHS legal and other requirements.
- Dissemination of this EHS Policy through effective communication and training to personnel working for and on behalf on NCC and be made available to other interested parties, as required.



## STRATEGIC FOCUS

- Current Focus on India
- Improving operational efficiencies and Financial metrics
- Technology up gradation and mechanization



## STRONG FINANCIAL PERFORMANCE

NCC Limited has to its credit a stable financial performance in terms of margins and return metrics along with low leverage.

India Ratings and ICRA have assigned the rating of "A" with stable outlook for the company's borrowing programme in view of reduced debt levels and improvement in EBITDA margins.



Dun & Bradstreet India in its premier publication "India's Top 500 Companies-2018" has ranked NCC at 116 among top 500 companies in terms of revenue, and 2nd among Infrastructure and Construction Companies.

# COMPANY OVERVIEW & BUSINESS DIVISIONS

1. Buildings & Housing
2. Water & Environment
3. Roads
4. Electrical
5. Irrigation
6. Railways
7. Power
8. Metals
9. Mining

## About us

Established in 1978, as a partnership firm and converted into a limited company in 1990, NCC has progressed consistently over past four decades. Today we are the second largest Construction Company in India in terms of revenue. NCC was born from a vision to provide world class construction solutions with focus on quality, timely completion, customer satisfaction, continuous learning and enhancement of stakeholders value.

NCC undertakes civil construction in segments such as buildings, water, roads, irrigation, power, electrical, railways, metals, mining.

## Business Divisions :

NCC's business divisions include buildings and housing, roads, electrical, water and environment, irrigation, railways, power, metals, mining. NCC's diversified operating base across these 9 divisions helps mitigate risk against a slowdown in any single division.



## Our Major Customers

Maharashtra Metro Rail Corporation Ltd.  
 Amaravathi Development Corporation Ltd.  
 National Highways Authority of India (NHAI)  
 State Public Works Departments (of various states)  
 Karnataka Road Development Corporation  
 Irrigation and CAD departments (of various States)  
 Hyderabad Metropolitan Water Supply and Sewerage Board  
 Gujarat Water Supply and Sewerage Board  
 Chennai Metropolitan Water Supply and Sewerage Board  
 State Electricity Boards (of various States)  
 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  
 Engineers India Limited | Bennett Coleman and Company Limited  
 Patni Computers | Singareni Collieries Company Limited  
 Delhi Metro Rail Corporation Limited  
 Ansal Properties & Infrastructure Limited, Lucknow  
 Uttar Pradesh Housing & Development Board, Lucknow  
 Employees State Insurance Corporation (ESIC)  
 Chennai Metro Rail Limited | Shriram 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 | Rail Vikas Nigam Limited  
 NBCC Limited | Allahabad Development Authority Limited  
 Ministry of Transport & Communication - Govt. of Oman  
 Bihar Agricultural University  
 Maharashtra State Road Development Corporation Ltd  
 Purvanchal Vidyut Vyapar Nigam Limited  
 Public Health Engineering Department (of various states)  
 Rashtriya Madhyamika Shiksha, Karnataka  
 Guntur Municipal Corporation, Andhra Pradesh  
 UP Expressway Industrial Development Authority  
 Indian Institute of Technology, Jodhpur  
 Directorate of Arts & Culture, Meghalaya  
 Tamil Nadu Housing Board |  
 National Mineral Development Corporation Limited  
 Hyderabad Growth Corridor Limited, Hyderabad  
 Sardar Sarovar Narmada Nigam Limited  
 Dept. of Sports, Govt. of Uttarakhand  
 Irrigation & CAD Department, Govt of Telangana  
 Nagpur Metro Rail Corporation Ltd.  
 Nagpur | Dept. of Space, Govt. of India, Sriharikota  
 Indian Institute of Management, Raipur  
 Bangalore Metro Rail Corporation, Bangalore  
 Andhra Pradesh Township Infrastructure Development Corporation Limited,  
 Vijayawada, AP | AP Capital Region Development Authority, Vijayawada  
 Greater Visakha Municipal Corporation, Visakhapatnam, AP  
 Karnataka Residential Educational Institutional Society  
 Airport Authority of India, New Delhi



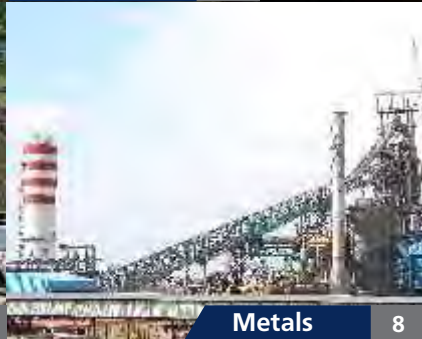
**Power** 5



**Electrical** 6



**Water & Environment** 7



**Metals** 8



**Mining** 9



# CORPORATE INFORMATION

## **Padma Shri Awardee**

Dr. A V S Raju, Founder & Chairman Emeritus

### **Board of Directors**

#### **Sri Hemant M Nerurkar**

Chairman  
Independent Director

#### **Sri R. V. Shastri**

Independent Director

#### **Smt. Renu Challu**

Independent Director

#### **Sri S Ravi**

Independent Director

#### **Dr. A S Durga Prasad**

Independent Director

#### **Sri Utpal Sheth**

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

### **Chief Financial Officer**

#### **Sri R S Raju**

Associate Director (F&A)

### **Company Secretary & EVP (Legal)**

#### **Sri M V Srinivasa Murthy**

### **Statutory Auditors**

M/s. S R Batliboi & Associates LLP  
Chartered Accountants  
Oval Office, 18, iLabs Centre  
HITECH City, Madhapur,  
Hyderabad - 500 081

### **Bankers**

State Bank of India  
Canara Bank  
Andhra Bank  
Punjab National Bank  
Syndicate Bank  
Indian Overseas Bank  
Allahabad Bank  
ICICI Bank  
Standard Chartered Bank  
IDBI Bank  
Oriental Bank of Commerce  
Union Bank of India

### **28th Annual General Meeting**

Friday the 10th August, 2018,  
at 3.30 p.m. at  
The Federation of Telangana and  
Andhra Pradesh Chambers of  
Commerce and Industry,  
K L N Prasad Auditorium,  
Federation House, 11-6-841,  
FTAPCCI Marg,  
Red Hills, Hyderabad - 500 004.

### **Registered Office**

#### **NCC House**

Madhapur, Hyderabad - 500 081  
Tel: +91 40 23268888  
Fax: +91 40 23125555  
Email: ho.secr@nccltd.in

### **Registrar and Share Transfer Agents**

#### **M/s. Karvy Computershare Pvt. Ltd**

Karvy Selenium Tower B,  
Plot No.31 & 32  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad -500 032  
Tel: +91 40 67161500  
Fax: +91 40 23420814  
Toll Free No: 1800-3454-001  
Email: einward.ris@karvy.com

# MESSAGE FROM THE FOUNDER & CHAIRMAN EMERITUS

## Greetings from NCC Limited!

I am extremely happy to address stakeholders of NCC once again.

This year we are completing four decades since our beginning as Nagarjuna Construction Company. It is indeed an eventful landmark as NCC enters its 40th year of excellence. We have progressed with excellence and have created significant value for all our stakeholders. At 40 NCC Limited is among the top infrastructure construction firms in India and a key contributor to building India.

We achieved many milestones during this journey. We could overcome many challenges related to the external environment and in the process strengthened our internal environment by way of learning, innovation and working always with a sense of urgency.

We are committed to uphold values, maintain quality, ensure timely completion of projects and focus on customer satisfaction. Enhancing stakeholders' value continues to be our corporate approach.

FY18 has been a year of remarkable performance for NCC by securing the highest value of orders in a single year. I congratulate the Team NCC for this remarkable achievement and thank our customers for their continued patronage.

Warm regards

**Dr. AVS Raju**  
Founder & Chairman Emeritus

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**We could overcome many challenges related to the external environment and in the process strengthened our internal environment by way of learning, innovation and working always with a sense of urgency.**



## Vision

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

## Mission

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

## Values

- Openness and Trust
- Integrity and reliability
- Team work and collaboration
- Commitment
- Creativity

# CHAIRMAN'S MESSAGE

**We will be completing 40 years during the calendar year 2018 . The annual report theme of the year has appropriately summarised the 40 years journey of the company as "40 years of excellence".**

---

## **Dear Shareholders,**

On behalf of the Board of NCC Ltd it is my pleasure to present the Annual Report and Audited Financial Statements for the year ended 31st March, 2018.

## **40 Years**

We will be completing 40 years during the calendar year 2018 . The annual report theme of the year has appropriately summarised the 40 years journey of the company as "40 years of excellence". The promoters along with the BODs and employees of NCC Ltd have been building the company on its unique attributes such as quality, timely completion, customer satisfaction and addressing the challenges being faced by the construction industry.

## **FY18 Performance**

Company posted a turnover of ₹76751.56 million for the year ended 31st March, 2018 as against ₹80321.49 million in FY-2016-17 and earned a PBIDT of ₹9707.16 million for the FY 2017-18 as against ₹8252.52 million for the FY 2016-17. After deducting financial charges of ₹3789.40 million, providing a sum of ₹1174.71 million towards depreciation, ₹809.37 million for income tax and after exceptional items of Rs.1065.64 million, the operations resulted in a net profit of ₹2868.04 million as against ₹2255.01 million in FY-2016-17

## **Dividend**

Board of Directors of the company takes pleasure in recommending Dividend of ₹ 1/- per Equity Share of

₹ 2/- each (50%) as against ₹0.40 (20%) per Equity Share in the Previous Year for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

## **Key Developments in FY18**

During the year the company improved the order book significantly thus ensuring our revenue visibility for FY19 and FY20 and beyond.

The QIP Issue made by the Company in January, 2018 received very good response from the Institutional Investors and the Company had successfully raised an amount of ₹ 5500 million. Post the QIP Issue, the Paid-Up Capital of the Company has increased from ₹1111.86 million to ₹1201.29 million.

The Board of Directors of the company subject to the approval of the shareholders has also decided to issue ₹1.1 bn of warrants, on preferential basis ,to the promoters which will help them increase their stake, diluted by the recent QIP issue. During the year Dun & Bradstreet India in its premier publication "India's Top 500 Companies-2018" has ranked NCC at 116 among top 500 companies in terms of revenue, and 2nd among Infrastructure and Construction Companies.

## **The Road ahead**

The Indian economy grew at 6.7 per cent in 2017-18. In the fourth quarter (January-March) the GDP grew at 7.7 per cent, supported by strong

performance in construction, manufacturing and public services. From the adverse impacts of demonetization and GST implementation, the growth steadily recovered to 6.3%, 7.0% and 7.7% in the second, third and fourth quarters of 2017-18, respectively. This sharp recovery is based entirely on domestic factors as the contribution of net export growth to GDP has been zero or negative since the third quarter of 2016-17. From the demand side, government consumption and overall investment demand supported growth, particularly in the fourth quarter of 2017-18.

The Infrastructure sector is a key driver of the Indian economy. During FY18, there has been a significant push for this sector by the Government of India. Allocation for infrastructure has been increased by 20%, giving a boost to the sector and ensuring continued funding of various initiatives in roads, railways and urban infrastructure. The

ambitious Bharatmala Pariyojana has been approved to provide seamless connectivity between interior and backward areas and India's borders, and develop around 35,000 km of roads in Phase-I at an estimated cost of INR 5,35,000 crore. Around 9,000 km of National Highways are being completed in 2017-18.

Another major policy initiative was powering the power sector. Electrification of villages has been given a huge thrust during the year with the launch of the Saubhagya Scheme to electrify all households—to provide electricity for 40 million households before March 2019. Commercial real estate picked up in FY18 and it is expected to continue in FY19 which in turn along with smart cities and increased construction of public utility building by central and state governments will give a boost for the building construction sector. The emerging strategic environment is

favourable and more predictable for the company.

I take this opportunity to thank our Team, customers, shareholders, suppliers, banks, Central and State Government agencies for their continued support.

Yours truly  
**Hemant M Nerurkar**  
Chairman



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**The QIP Issue made by the Company in January, 2018 received very good response from the Institutional Investors and the Company had successfully raised an amount of ₹ 5500 million.**

# REVIEW BY MANAGING DIRECTOR

**On key operational performance indicators we progressed further by expanding our order book as well as deciding to cease unviable overseas operations to strengthen our balance sheet. The focus for FY19 and beyond will be strengthening our position in India by excellence in execution.**

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## **On FY18**

FY18 has been a year of bettering our performance in many ways.

We ended the year with a year on year Q4 revenue growth of 12%. For the full year, after making adjustment for GST, the top line has grown by about 5% compared to the previous year. On the positive side, our margins radically improved in FY18. EBITDA margin has shown good improvement at 11.3%. On key operational performance indicators we progressed further by expanding our order book as well as deciding to cease unviable overseas operations to strengthen our balance sheet. The focus for FY19 and beyond will be strengthening our position in India by excellence in execution. In the past we had made good progress on monetising BOT assets.

We will continue the same with focus on our real estate assets and thereby further strengthen our balance sheet.

## **On Performance:**

On standalone basis the company reported a turnover of ₹7675 Crores for the year as against ₹8032 Crores in the previous year. As I mentioned in the beginning of this letter, FY18 revenue excludes GST and FY17 includes the taxes. So if FY18 revenue is calculated on a tax included basis the top line will show an increase by 5%. For the year the company has posted an EBITDA of ₹855 Crores and a net profit of ₹287 Crores as against ₹685 Crores and ₹225 Crores respectively in the previous year. The company reported an EPS for the 12 months period at ₹5.09 as against ₹4.06 of the previous year.

## **Order Book**

Key highlight of FY18 has been securing orders worth ₹25304 Crores as against ₹9226 Crores in FY 17. Our cumulative order book as on 31.03.18 stood at ₹32532 Crores. This is a notable 80% increase year on year. The fresh flow of orders is from across our business segments such as buildings, water, roads and irrigation thus showing a robust diversified order pie. Many of the orders are under the fast track execution thus ensuring a revenue visibility in the next 12-18 months.

## **Our Strategic Environment**

During 2017 and 2018 there has been a significant push from the Government, which has been providing financial support and

implementing initiatives to give a boost to the construction and infrastructure sector. The ambitious Bharatmala Pariyojana has been approved to provide seamless connectivity between interior and backward areas and India's borders, and to develop around 35,000 km of roads in Phase-I at an estimated cost of INR 5,35,000 crore. Other ambitious projects like Sagar Mala, Pradhan Mantri Awas Yojna, Namami Gange Programme, Freight Corridors, Industrial Corridors and Smart Cities projects are being implemented giving additional impetus to Construction industry.

NCC, as a premier infrastructure construction company in India with unique execution skills, robust balance sheet and experienced senior management and staff is poised to benefit from this favourable strategic environment.

Considering the substantial order booking that took place in the year 2017-18, we have targeted to achieve 45% growth in top line for the year 2018-19 and targeting new order accretion of ₹14,000 crore in FY.2019.

Warm regards

**A A V Ranga Raju**  
Managing Director

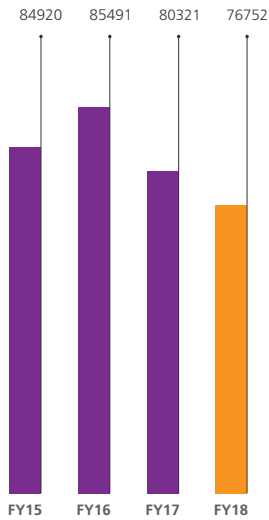


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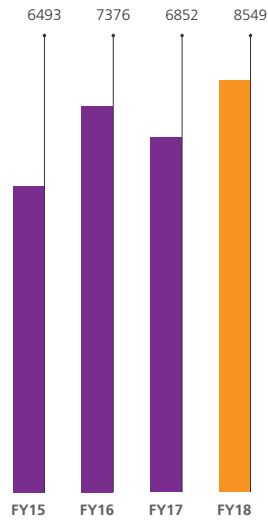
**NCC as a premier infrastructure construction company in India with unique execution skills, robust balance sheet and experienced senior management and staff is poised to benefit from this favourable strategic environment.**

# KEY PERFORMANCE INDICATORS

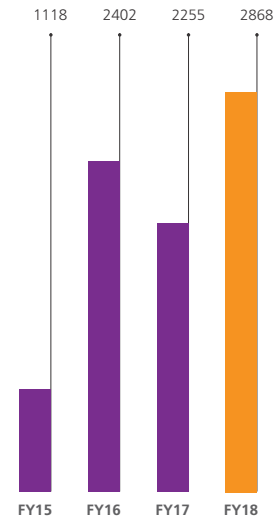
REVENUE (₹ Million)



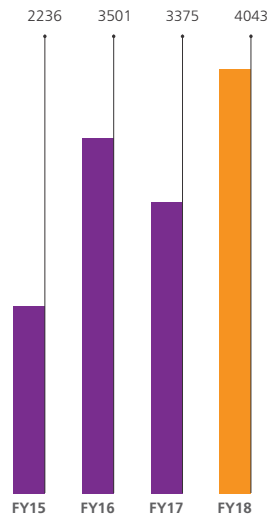
EBIDTA (₹ Million)



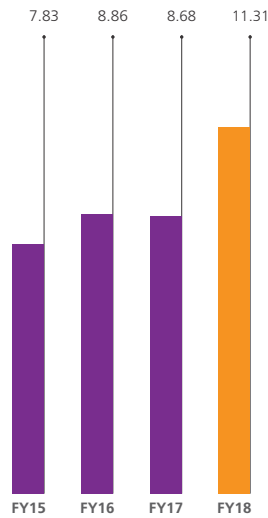
POST TAX PROFIT (₹ Million)



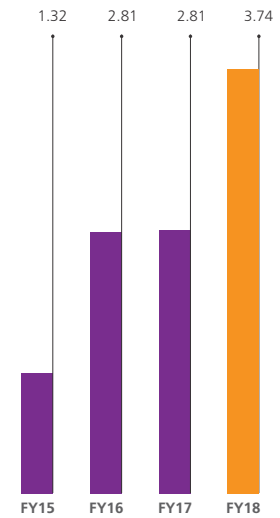
CASH PROFIT (₹ Million)



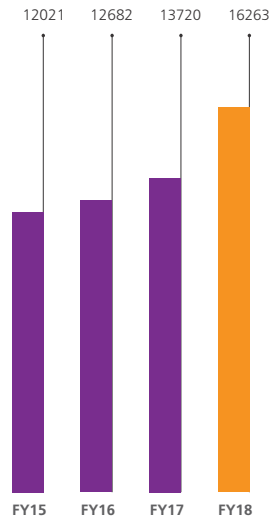
EBIDTA (Margin %)



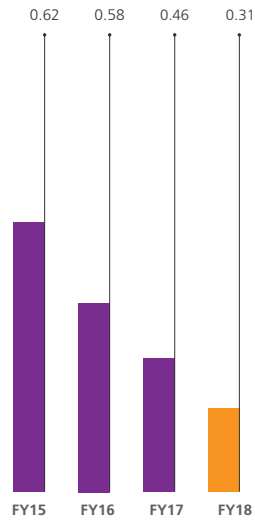
POST TAX PROFIT (Margin %)



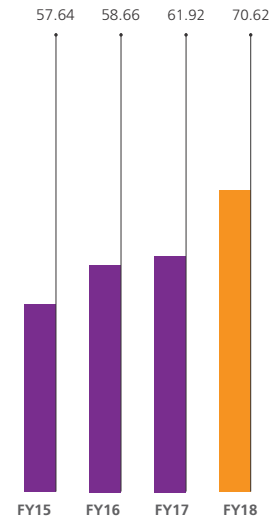
GROSS BLOCK (₹ Million)



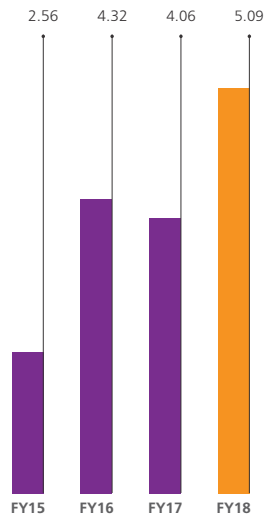
DEBT EQUITY RATIO



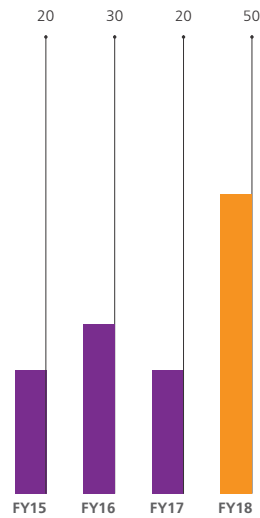
BOOK VALUE PER SHARE (₹)



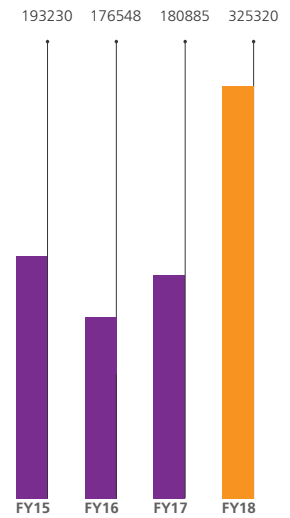
EPS BASIC (₹)



DIVIDEND (%)



ORDER BOOK (₹ in Million)





# CORPORATE SOCIAL RESPONSIBILITY

**NCC believes in fulfilling its Corporate Social Responsibility by contributing a part of its net profit towards various social schemes and towards the welfare of the poorer sections of the society.**



AMOUNT SPENT ON  
CSR ACTIVITY - FY 18

₹ **47** Million



# Directors' Report

## To the Members,

Your Directors take pleasure in presenting the 28<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2018.

### Standalone Financial Results

₹ in Million

	2017-18	2016-17
Revenue from Operations	75593.23	78920.73
Other Income	1158.33	1400.76
<b>Total Income</b>	<b>76751.56</b>	<b>80321.49</b>
Profit before Interest, Depreciation, Exceptional Items and Tax	9707.16	8252.52
Less: Finance Costs	3789.40	3956.99
Profit before Depreciation, Exceptional Items and Tax	5917.76	4295.53
<b>Less: Depreciation and Amortisation Expenses</b>	<b>1174.71</b>	<b>1120.63</b>
<b>Profit before exceptional item &amp; tax</b>	<b>4743.05</b>	<b>3174.90</b>
<b>Exceptional item</b>	<b>(1065.64)</b>	<b>(503.37)</b>
<b>Profit before tax</b>	<b>3677.41</b>	<b>2671.53</b>
Provision for Tax(Including earlier Year Taxation)	809.37	416.52
<b>Profit after Tax</b>	<b>2868.04</b>	<b>2255.01</b>
Other comprehensive income / (loss) for the year	(19.70)	(38.85)
<b>Total comprehensive income for the year</b>	<b>2848.34</b>	<b>2216.16</b>
<b>Retained earnings- Opening Balance</b>	<b>4103.64</b>	<b>2250.09</b>
<b>Add: Profit for the Year</b>	<b>2868.04</b>	<b>2255.01</b>
Less: Dividend paid during the year (Including Dividend Tax)	267.65	401.46
<b>Retained earnings - Closing Balance</b>	<b>6704.03</b>	<b>4103.64</b>
<b>Paid up Capital</b>	<b>1201.29</b>	<b>1111.86</b>

### Operational performance

#### A. Standalone

You will note that your Company posted a turnover of ₹ 76751.56 million for the year ended 31st March, 2018 as against ₹ 80321.49 million in FY-2016-17 and earned a PBIDT of ₹ 9707.16 million for the F.Y 2017-18 as against ₹ 8252.52 million for the F.Y 2016-17. After deducting financial charges of ₹ 3789.40 million, providing a sum of ₹ 1174.71 million towards depreciation ₹ 809.37 million for income tax and after exceptional items of ₹ 1065.64 million, the operations

resulted in a net profit of ₹ 2868.04 million as against ₹ 2255.01 million in FY-2016-17.

#### B. Consolidated

During the year under review, your Company achieved a consolidated turnover of ₹ 84919.98 million as against ₹ 92044.73 million in the previous fiscal. Your Company has earned a PBIDT of ₹ 9807.49 million as against ₹ 8736.21 million in the previous year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ 1686.34 million as against ₹ 316.84 million in the previous year.

During the year the Company, on consolidated basis, bagged new orders valued around ₹ 238750.00 million (net of GST) and the order Book of the company as on March 31, 2018 stood at ₹ 325320.00 million.

#### QIP ISSUE

The QIP Issue made by the Company in January, 2018 received very good response from the Institutional Investors and the Company had successfully raised an amount of ₹ 5500 million. Post the QIP Issue the Paid-Up Capital of the Company had increased from ₹ 1111.86 million to ₹ 1201.29 million.

#### Proposed Dividend

Your Board takes pleasure in recommending Dividend of ₹ 1/- per Equity Share of ₹ 2/- each (50%) as against ₹ 0.40 (20%) per Equity Share in the Previous Year for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

#### Transfer to Reserves

The Directors have decided to retain the entire amount of ₹ 6704.03 million in the retained earnings.

#### Management Discussion and Analysis

Business Overview and Outlook and the state of the affairs of the Company and the Industry in which it operates, is discussed in detail in the section relating to Management Discussion & Analysis.

#### Change in nature of business:

There is no change in the nature of business carried on by the Company during the year under review.

#### Material Changes and Commitments affecting the financial position of the Company

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

#### Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered during the financial year were in the ordinary course of the business of the Company and were on an arm's length basis. There were no materially significant related party transactions entered by the Company during the year with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

The policy on Related Party Transactions as approved by the Audit Committee and the Board of Directors is hosted on the website of

the Company and the link for the same is (<http://nclimited.com/Policies.html>).

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, the requirement of furnishing the requisite details in Form AOC-2 is not applicable to the Company.

#### Directors' responsibility statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge and ability confirm as under:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) We have selected such 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 at the end of the financial year and of the profit of the Company for that period;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis; and
- (e) The Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

#### Subsidiary Companies/ Joint venture Companies / Associate Companies:

The Company has 51 subsidiaries (including step down subsidiaries) as of March 31, 2018. There was no material change in the nature of the business carried on by the subsidiaries. During the year under review the Company has floated a new subsidiary viz., Talaipalli Coal Mining Private Ltd under a Joint Venture with another Company.

As per the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/Joint Ventures is prepared in **Form AOC-1** and is attached to the Financial Statements of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are being made available on the website of the Company and are not attached with the Annual Accounts of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any member at the Registered office of the Company and that of the respective subsidiary companies.

In compliance with Section 134 of the Companies Act, 2013 read with the rules framed there under and Provisions of SEBI ( Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time the Financial Statements for the F.Y 2017-18 have been prepared in compliance with the applicable Indian Accounting Standards.

#### Consolidated financial statements

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2018, which forms part of the Annual Report.

#### Preferential Issue of Warrants to Promoters

The Board of Directors of the Company at its meeting held on 24th May, 2018 subject to the approval of the members of the Company and other requisite approvals had accorded in principle approval for raising an amount upto ₹ 1100 million by issue of convertible warrants to M/s. AVSR Holdings Private Limited one of the promoters of the Company.

#### 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 during the F.Y 2017-18  
Foreign exchange earnings - Nil  
Foreign exchange outgo
  - i. Towards travel ₹ 1.12 million
  - ii. Towards import of capital goods & material supplies ₹ 887.11 million
  - iii. Others ₹ 1.04 million

During the year under review no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

#### Particulars of Loans, Guarantees or Investments under Section 186;

In compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the details of Loans, Guarantees, Investments given / made during the Financial Year ended 31st March, 2018 are given in **Annexure- 1**

## Directors :

In pursuance of Section 152 of the Companies Act, 2013 and the Rules framed thereunder, Sri A G K Raju (DIN-00019100), Executive Director and Sri A S N Raju (DIN-00017416) Whole-time Director are liable to retire by rotation, at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

During the period under review Sri N R Alluri and Sri Amit Dixit Directors have resigned from the Board due to pre-occupation. Sri Neeraj Mohan, Director had resigned from the Board on 7th May, 2018 due to pre-occupation. Your Board places on record the valuable services rendered by Sri N R Alluri, Sri Amit Dixit and Sri Neeraj Mohan during their tenure as Directors of the Company.

The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149 of the Companies Act, 2013.

## Key Managerial Personnel

Sri A A V Ranga Raju, Managing Director, Sri A G K Raju, Executive Director, Sri A S N Raju, Sri J V Ranga Raju and Sri A V N Raju, Wholetime Director(s), Sri R S Raju, Associate Director (F&A) & CFO and Sri M V Srinivasa Murthy, Company Secretary & EVP (Legal) are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51), and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There has been no change in the Key Managerial Personnel during the Financial Year under review.

## Policy on Directors' Appointment and remuneration and other details

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is hosted on the Company's website and the weblink thereto is (<http://ncclimited.com/Policies.html>).

## Meetings of Board of Directors

During the Financial Year seven (7) meetings of the Board of Directors were held. The details of the meetings of the Board are given under the Section Corporate Governance Report which forms part of this Report.

The details of the familiarization programme formulated for Independent Directors is hosted on the Company's website and the web link thereto is [http://ncclimited.com/corporate\\_governance.html](http://ncclimited.com/corporate_governance.html).

## Audit Committee

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the Rules made thereunder and Regulation 18 of the SEBI (LODR) Regulations, 2015. The details relating to the Audit Committee are given in the section relating to Corporate Governance forming part of the Board Report.

During the year under review Sri Amit Dixit Non-executive Director ceased to be a member of the Audit Committee consequent to his resignation as a Director of the Company.

## Whistle Blower Policy/Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to the provisions of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a mechanism through which all the stakeholders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle Blower Policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company (<http://ncclimited.com/Policies.html>). During the year under review the Company has not received any complaint(s) under the said policy.

## Risk Management

The Company has established Enterprise Risk Management process to manage risks with the objective of maximizing shareholders value.

## Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## Compliance with Secretarial Standards

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under Section 118(10) of the Companies Act, 2013.

## Extract of Annual Return

The extract of the Annual Return of the Company in Form MGT-9 for the Financial Year ended 31st March, 2018 is given in **Annexure- 2** and forms part of the Directors' Report.

## Statutory Auditors and their report

M/s. S R Batliboi & Associates LLP (Firm Registration No 101049W / E300004 ), Chartered Accountants who were appointed as Statutory Auditors of the Company for a term of Five years from the conclusion of the 27th Annual General Meeting till conclusion of 32nd Annual General Meeting conducted the Statutory Audit for the FY-2017-18. The Independent Auditors' Report(s) to the Members of the Company in respect of the Stand alone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2018 form part of this Annual Report and do not contain any qualification(s) or adverse observations.

## Secretarial Audit Report

As per the provisions of Section 204(1) of the Companies Act, 2013, the Company has appointed M/s. BS & Company, Company Secretaries LLP, Practicing Company Secretaries to conduct Secretarial Audit of the records and documents of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended 31st March, 2018 in Form MR-3 is annexed to the Directors Report - **Annexure - 3** and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2018 does not contain any qualification(s) or adverse observations

## Cost Audit

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting

held on May 23, 2017 had appointed M/s. Vajralingam & Co., Cost Accountants (Firm Registration No.101059) as the Cost Auditors of the Company for the FY 2017-18. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for FY 2017-18.

### Corporate Governance

Pursuant to the provisions of Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders. A certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under the said Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Annual Report.

### Business Responsibility Report

As stipulated under Regulation 34 of the SEBI (LODR) Regulation 2015, Business Responsibility Report is attached and forms part of the Annual Report.

### Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven (7) years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. In compliance with the aforesaid provisions the Company has transferred the unclaimed and unpaid dividends and corresponding shares to IEPF. The details of the unclaimed / unpaid dividend during the last seven (7) years and also the details of the unclaimed shares transferred to IEPF are given in the Report on Corporate Governance forming part of the Annual Report.

### Reporting of Frauds

There have been no instances of fraud reported by the Auditors including the Statutory of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government

### Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-4** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company. (<http://nclimited.com/Policies.html>)

### Particulars of Employees

Details in respect of remuneration paid to employees as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014, as amended from time to time forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure – 5** and forms part of this Report.

### Evaluation of performance of the Board, Members of the Board and the Committees of the Board of Directors.

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Directors, Chairperson, Board Level Committees and the Board as a whole and also the evaluation process for the same. The Nomination and Remuneration Committee has reviewed the performance evaluation of the Directors, Chairperson, Nomination and Remuneration Committee, Audit Committee and Stakeholders Relationship Committee and the Board as a whole.

The statement indicating the manner in which formal annual evaluation of the Directors, the Board and the Board level Committees are given in the report on Corporate Governance, which forms part of this Annual Report.

### Protection of Women at Work Place

The Company has formulated a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2018, the Company has not received any complaints pertaining to Sexual Harassment.

### 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, sub-contractors, 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**

**Hemant M Nerurkar**  
Chairman  
(DIN No. 00265887)

Place: Hyderabad  
Date: 24<sup>th</sup> May, 2018

# Annexure-1

Particulars of Loans, Guarantees or Investments made during the F.Y ended 31 <sup>st</sup> March, 2018 (pursuant to section 186)							
Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	Date of passing Board resolution	For loans	
						Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Investment in Equity	11-07-2017	Nagarjuna Construction Company International LLC, P.O.BOX:3678, PC 112, Ruwi, Sultanate of Oman	OMR 0.5 million	Not Applicable	09-02-2017	Not Applicable	Not Applicable
Investment in Equity	06-08-2017	Nagarjuna Construction Company International LLC, P.O.BOX:3678, PC 112, Ruwi, Sultanate of Oman	OMR 0.8 million	Not Applicable	29-04-2017	Not Applicable	Not Applicable
Investment in Equity	21-11-2017	Nagarjuna Construction Company International LLC, P.O.BOX:3678, PC 112, Ruwi, Sultanate of Oman	OMR 2.44 million	Not Applicable	29-04-2017	Not Applicable	Not Applicable
Investment in Equity	18-01-2018	Nagarjuna Construction Company International LLC, P.O.BOX:3678, PC 112, Ruwi, Sultanate of Oman	OMR 0.762 million	Not Applicable	29-04-2017	Not Applicable	Not Applicable
Investment in Equity	01-02-2018	Talaipalli Coal Mining Private Ltd, NCC House, Madhapur, Hyderabad	Rs.4,59,000/-	Not Applicable	30-11-2017	Not Applicable	Not Applicable
Corporate Guarantee provided in connection with the credit facilities availed by Nagarjuna Contracting Company LLC, Dubai (Wholly-owned Subsidiary of NCC Limited)	21-02-2018	First Abudhabi Bank PJSC, 1-A1, Qurum, P O Box 6316, Abu Dhabi, United Arab Emirates	AED 30 Million	31-12-2018	14-02-2018	Not Applicable	Not Applicable

# ANNEXURE – 2

Form No. MGT – 9

## EXTRACT OF ANNUAL RETURN

For the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS :

I) CIN	: L72200TG1990PLC011146
II) Registration Date	: 22nd March, 1990
III) Name of the Company	: NCC Limited
IV) Category/Sub-Category of the Company	: Company having Share Capital
V) Address of Registered Office And contact details	: NCC House, Madhapur, Hyderabad – 500 081, Telangana; Ph. No.040-23268888, Fax:040-23125555 Email: <a href="mailto:ho.secr@nccltd.in">ho.secr@nccltd.in</a> <a href="http://www.ncclimited.com">www.ncclimited.com</a>
vi) Whether listed Company	: YES BSE Limited National Stock Exchange of India Limited
Vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032, Telangana State; Phone: +91 040 67161500 Fax : +91 040 23420814 Email Id : <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover (Consolidated) of the Company shall stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Construction & Civil Engineering	41001, 41002, 41003, 42101, 42204	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES -

S. No.	Name of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	NCC Urban Infrastructure Limited	U45200 TG2005PLC048375	Subsidiary Company	80.00	Section 2 (87)
2	NCC Infrastructure Holdings Limited	U67110AP2005PLC046367	Subsidiary Company	62.13	Section 2 (87)
3	NCC Vizag Urban Infrastructure Limited	U45200 TG2006PLC048891	Subsidiary Company	95.00	Section 2 (87)
4	OB Infrastructure Limited #	U45200 TG2006PLC049067	Subsidiary Company	64.02	Section 2 (87)
5	Nagarjuna Construction Co. Ltd & Partners LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
6	Nagarjuna Construction Company International LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
7	NCC Infrastructure Holdings Mauritius Pte. Limited	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
8	Patnitop Ropeway & Resorts Limited	U45200 TG2007PLC052759	Subsidiary Company	100.00	Section 2 (87)
9	Nagarjuna Contracting Company LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
10	NCC International Convention Centre Limited.	U74900 TG2008PLC062109	Subsidiary Company	100.00	Section 2 (87)
11	NCC Oil & Gas Limited	U40107HR2010PLC041349	Subsidiary Company	80.00	Section 2 (87)
12	Talaipalli Coal Mining Private Limited	U10100TG2017PTC121116	Subsidiary Company	51.00	Section 2 (87)
13	Vaidehi Avenues Limited	U70109TG2011PLC073648	Subsidiary Company	100.00	Section 2 (87)
14	Aster Rail Private Limited	U72200TG2007PTC053398	Subsidiary Company	100.00	Section 2 (87)
15	Savitra Agri Industrial Park Private Limited	U15100TG2014PTC092525	Subsidiary Company	100.00	Section 2 (87)
16	Pachhvara Coal Mining Private Limited	U10200TG2016PTC110024	Subsidiary Company	51.00	Section 2 (87)
17	Dhatri Developers & Projects Private Limited	U45200TG2006PTC049114	Subsidiary Company	100.00	Section 2 (87)
18	Sushanti Avenues Private Limited	U72200TG2006PTC049115	Subsidiary Company	100.00	Section 2 (87)
19	Sushruta Real Estates Private Limited	U45200TG2006PTC049116	Subsidiary Company	100.00	Section 2 (87)
20	PRG Estates Private Limited	U45200TG2003PTC041925	Subsidiary Company	100.00	Section 2 (87)
21	Thrilekya Real Estates Private Limited.	U70102TG2002PTC039242	Subsidiary Company	100.00	Section 2 (87)
22	Varma Infrastructure Private Limited	U45200TG1997PTC027547	Subsidiary Company	100.00	Section 2 (87)
23	Nandyala Real Estates Private Limited	U70102TG2002PTC039244	Subsidiary Company	100.00	Section 2 (87)
24	Kedarnath Real Estates Private Limited	U70102TG2002PTC039268	Subsidiary Company	100.00	Section 2 (87)
25	AKHS Homes Private Limited	U45200TG2007PTC052708	Subsidiary Company	100.00	Section 2 (87)
26	JIC Homes Private Limited	U45200TG2007PTC052709	Subsidiary Company	100.00	Section 2 (87)
27	Sushanti Housing Private Limited	U45200 TG 2007PTC052710	Subsidiary Company	100.00	Section 2 (87)
28	CSVS Property Developers Private Limited	U45200TG2007PTC052743	Subsidiary Company	100.00	Section 2 (87)
29	Vera Avenues Private Limited	U45200TG2007PTC052745	Subsidiary Company	100.00	Section 2 (87)
30	Sri Raga Nivas Property Developers Private Limited	U45200TG2007PTC052807	Subsidiary Company	100.00	Section 2 (87)
31	VSN Property Developers Private Limited	U45200TG2007PTC052808	Subsidiary Company	100.00	Section 2 (87)
32	M A Property Developers Private Limited	U45200TG2007PTC052809	Subsidiary Company	100.00	Section 2 (87)
33	Vara Infrastructure Private Limited	U45203TG2007PTC053076	Subsidiary Company	100.00	Section 2 (87)
34	Sri Raga Nivas Ventures Private Limited	U70102TG2007PTC053048	Subsidiary Company	100.00	Section 2 (87)
35	Mallelavanam Property Developers Private Limited	U45200TG2007PTC053137	Subsidiary Company	100.00	Section 2 (87)
36	Sradha Real Estates Private Limited	U70102TG2007PTC053160	Subsidiary Company	100.00	Section 2 (87)
37	Siripada Homes Private Limited	U45200TG2007PTC053442	Subsidiary Company	100.00	Section 2 (87)
38	NJC Avenues Private Limited	U45200TG2007PTC053484	Subsidiary Company	100.00	Section 2 (87)
39	Nagarjuna Suites Private Limited	U55101TG2011PTC076528	Subsidiary Company	100.00	Section 2 (87)



S. No.	Name of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
40	NCC Urban Homes Private Limited	U45201TG2012PTC083002	Subsidiary Company	100.00	Section 2 (87)
41	NCC Urban Ventures Private Limited	U45400TG2012PTC083004	Subsidiary Company	100.00	Section 2 (87)
42	NCC Urban Meadows Private Limited	U45400TG2012PTC083003	Subsidiary Company	100.00	Section 2 (87)
43	NCC Urban Villas Private Limited	U45400TG2012PTC083005	Subsidiary Company	100.00	Section 2 (87)
44	NCC Infra Limited #	U45400TG2011PLC077680	Subsidiary Company	100.00	Section 2 (87)
45	Samashti Gas Energy Limited #	U40300TG2010PLC070627	Subsidiary Company	100.00	Section 2 (87)
46	Liquidity Limited	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
47	Al Mubarakia Contracting Co.LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
48	NCCA International Kuwait General Contracts Company LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
49	NCC WLL	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
50	NCC Urban Lanka Private Limited	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
51	Naftogaz Engineering Private Limited *	U74900TG2007PTC055292	Subsidiary Company	100.00	Section 2 (87)
52	Jubilee Hills Landmark Projects Private Limited	U45201TG2006PTC098108	Associates Company	25.00	Section 2 (6)
53	Himalayan Green Energy Private Limited	U40101DL2005PTC137235	Associates Company	50.00	Section 2 (6)
54	Nagarjuna Facilities Management Services LLC	Not Applicable	Associates Company	49.00	Section 2 (6)
55	Tellapur Technocity (Mauritius) LLC	Not Applicable	Associates Company	25.59	Section 2 (6)
56	Tellapur Technocity Private Limited	U45400TG2007PTC053720	Associates Company	25.92	Section 2 (6)
57	Paschal Form Work (I) Private Limited	U74900AP2008FTC058963	Associates Company	26.00	Section 2 (6)
58	Apollonius Coal and Energy Pte. Ltd.#	Not Applicable	Associates Company	44.22	Section 2 (6)
59	Ekana Sportz City Private Limited#	U45202UP2014PTC063932	Associates Company	26.00	Section 2 (6)
60	Brindavan Infrastructure Company Limited#	U45203TG2003PLC042006	Associates Company	33.33	Section 2 (6)
61	Pondicherry Tindivanam Tollway Limited #	U45400TG2007PTC053321	Associates Company	47.80	Section 2 (6)
62	Varaprada Real Estates Private Limited#	U70102TG2007PTC053171	Associates Company	40.00	Section 2 (6)

\* Applied for Striking off under Section 560(3) of the Companies Act, 1956.

# Percentage of ownership interest in step subsidiaries and associates reported above represents ownership interest of immediate holding company and not the effective interest of the Group.

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year		
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
<b>A.</b>	<b>Promoters</b>									
(1)	Indian									
(a)	Individuals / HUF	62993207	-	62993207	11.33	52236597	-	52236597	8.70	-2.63
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	46535123	-	46535123	8.37	56523183	-	56523183	9.41	+1.04
(e)	Banks/Fl	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub - Total (A) (1):-	109528330	-	109528330	19.70	108759780	-	108759780	18.11	-1.59
(2)	Foreign	-	-	-	-	-	-	-	-	-
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/Fl	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub - Total (A) (2):-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>109528330</b>	<b>-</b>	<b>109528330</b>	<b>19.70</b>	<b>108759780</b>	<b>-</b>	<b>108759780</b>	<b>18.11</b>	<b>-1.59</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	124459726	6000	124465726	22.39	195150918	1000	195151918	32.49	+10.10
(b)	Banks/Fl	1971670	1000	1972670	0.35	1598339	1000	1599339	0.27	-0.08
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	129107447	17500	129124947	23.23	106014968	-	106014968	17.65	-5.58
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (Specify)	-	-	-	-	-	-	-	-	-
	Foreign bodies – DR	443341	-	443341	0.08	381	-	381	0.00	-0.08
	<b>Sub - Total (B) (1):-</b>	<b>255982184</b>	<b>24500</b>	<b>256006684</b>	<b>46.05</b>	<b>302764606</b>	<b>2000</b>	<b>302766606</b>	<b>50.41</b>	<b>+4.36</b>

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Central Government/State Government/President if India	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(2)</b>	0	0	0	0	0	0	0	0	0
3	Non-Institutions									
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	54287948	24272	54312220	9.77	59812194	21512	59833706	9.96	+0.19
ii)	Overseas (OCB)	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to ₹ 2 lakh.	53145991	1511182	54657173	9.83	44891849	1243463	46135312	7.68	-2.15
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh.	75153308	-	75153308	13.52	73129462	-	73129462	12.18	-1.34
iii)	NBFCs Registered with RBI	30607	-	30607	0.01	15632	-	15632	0.00	-0.01
c)	Others (Specify)									
i.	Trusts	20602	-	20602	0.00	266768	-	266768	0.04	+0.04
ii.	Alternative Investment Fund	-	-	-	-	3486129	-	3486129	0.58	+0.58
iii.	Non Resident Individuals	4477128	-	4477128	0.81	1814949	-	1814949	0.30	-0.51
iv.	Clearing Members	1243705	-	1243705	0.22	1547742	-	1547742	0.26	+0.04
v.	Nonresident Indian Non Reparable Clearing Members	-	-	-	-	2530467	-	2530467	0.42	+0.42
vi.	IEPF	-	-	-	-	341335	-	341335	0.06	+0.06
	<b>Sub - Total (B) (3):-</b>	<b>188359289</b>	<b>1535454</b>	<b>190338084</b>	<b>34.24</b>	<b>187836527</b>	<b>1264975</b>	<b>189101502</b>	<b>31.48</b>	<b>-2.68</b>
	Total B=B(1)+B(2)+B(3)	<b>444341473</b>	<b>1559954</b>	<b>445901427</b>	<b>80.21</b>	<b>490601133</b>	<b>1266975</b>	<b>491868108</b>	<b>81.89</b>	<b>1.68</b>
	<b>Total (A+B)</b>	<b>553869803</b>	<b>1559954</b>	<b>555429757</b>	<b>99.91</b>	<b>599360913</b>	<b>1266975</b>	<b>600627888</b>	<b>100.00</b>	<b>+0.09</b>
C.	Shares held by Custodian for GDR & ADRs	501831	-	501831	0.09	18700	-	18700	0.00	-0.09
	<b>Grand Total (A+B+C)</b>	<b>554371634</b>	<b>1559954</b>	<b>555931588</b>	<b>100.00</b>	<b>599379613</b>	<b>1266975</b>	<b>600646588</b>	<b>100.00</b>	<b>0.00</b>

ii) Shareholding of Promoters/Promoters Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	
1	Mr. Alluri Narayana Raju	8858806	1.60	1.26	8858806	1.47	1.00	-0.13
2	M/s. A V S R Holdings Private Limited	36352278	6.54	2.93	40453278	6.74	1.96	+0.20
3	Mr. Alluri Ananta Venkata Ranga Raju	13563196	2.44	1.75	13563196	2.26	1.45	-0.18
4	Mrs. Alluri Arundhathi	847222	0.15	0.00	847222	0.14	0.00	-0.01
5	Mrs. Alluri Bharathi	124059	0.02	0.00	124059	0.02	0.00	0.00
6	Mr. Alluri Gopala Krishnam Raju	9759080	1.76	1.29	6359080	1.06	0.71	-0.70
7	Mrs. Alluri Nilavathi Devi	73281	0.01	0.00	73281	0.01	0.00	0.00
8	Mrs. Alluri Shyama	99902	0.02	0.00	99902	0.02	0.00	0.00
9	Mrs. Alluri Sridevi	113884	0.02	0.00	113884	0.02	0.00	0.00
10	Mr. Alluri Srimannarayana Raju	8652215	1.56	0.70	6252215	1.04	0.23	-0.52
11	Mr. Alluri Srinivasa Rama Raju	3346668	0.61	0.56	3346668	0.56	0.52	-0.05
12	Mrs. Alluri Subhadra Jyothirmayi	308091	0.06	0.00	308091	0.05	0.00	-0.01
13	Mrs. Alluri Suguna	68202	0.01	0.00	68202	0.01	0.00	0.00
14	Mrs. Manthena Swetha	1225530	0.22	0.00	1225530	0.20	0.00	-0.02
15	Mr. Alluri Venkata Narasimha Raju	7985791	1.44	1.26	7985791	1.33	0.00	-0.11
16	Mr. Alluri Venkata Satyanarayana Raju	4188060	0.76	0.00	0	0.00	0.00	-0.76
17	Mrs. Alluri Venkata Satyanarayanamma	7288	0.00	0.00	7288	0.00	0.00	0.00
18	M/s. Arnesh Ventures Private Limited	4259666	0.77	0.00	0	0.00	0.00	-0.77
19	M/s. Avathesh Property Developers Private Limited	3467000	0.62	0.00	3467000	0.58	0.00	-0.04
20	Mrs. Bhupathi Raju Kausalya	11090	0.00	0.00	11090	0.00	0.00	0.00
21	Mrs. J Sowjanya	409166	0.07	0.00	409166	0.07	0.00	0.00
22	Mrs. J Sridevi	187859	0.03	0.00	137859	0.02	0.00	-0.01
23	Mr. Jampana Venkata Ranga Raju	3015916	0.54	0.00	2265916	0.38	0.00	-0.16
24	Mr. Jampana Krishna Chaitanya Varma	106121	0.02	0.00	106121	0.02	0.00	0.00
25	M/s. Narasimha Developers Private Limited	1516179	0.27	0.00	1516179	0.25	0.00	-0.02
26	Mr. Sri Harsha Varma Alluri	41780	0.01	0.00	41780	0.01	0.00	0.00
27	M/s. Bhuvanesh Realtors Private Limited	940000	0.17	0.00	0	0.00	0.00	-0.17
28	M/s. Sirisha Projects Private Limited	-	-	-	11086726	1.85	0.00	+1.85
29	Mrs. Alluri Sravani	-	-	-	31450	0.01	0.00	+0.01
	<b>Total</b>	<b>109528330</b>	<b>19.72</b>	<b>9.75</b>	<b>108759780</b>	<b>18.11</b>	<b>5.87</b>	<b>- 1.61</b>

**(iii) Change in Promoters'/Promoters' Group Shareholding**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	Mr. Alluri Narayana Raju	8858806	1.60	-	-	8858806	1.47
2	M/s. A V S R Holdings Private Limited	36352278	6.54	4101000	-	40453278	6.74
3	Mr. Alluri Ananta Venkata Ranga Raju	13563196	2.44	-	-	13563196	2.26
4	Mrs. Alluri Arundhathi	847222	0.15	-	-	847222	0.14
5	Mrs. Alluri Bharathi	124059	0.02	-	-	124059	0.02
6	Mr. Alluri Gopala Krishnam Raju	9759080	1.76	-	3400000	6359080	1.06
7	Mrs. Alluri Nilavathi Devi	73281	0.01	-	-	73281	0.01
8	Mrs. Alluri Shyama	99902	0.02	-	-	99902	0.02
9	Mrs. Alluri Sridevi	113884	0.02	-	-	113884	0.02
10	Mr. Alluri Srimannarayana Raju	8652215	1.56	-	2400000	6252215	1.04
11	Mr. Alluri Srinivasa Rama Raju	3346668	0.61	-	-	3346668	0.56
12	Mrs. Alluri Subhadra Jyothirmayi	308091	0.06	-	-	308091	0.05
13	Mrs. Alluri Suguna	68202	0.01	-	-	68202	0.01
14	Mrs. Manthena Swetha	1225530	0.22	-	-	1225530	0.20
15	Mr. Alluri Venkata Narasimha Raju	7985791	1.44	-	-	7985791	1.33
16	Mr. Alluri Venkata Satyanarayana Raju	4188060	0.76	-	4188060	0	0.00
17	Mrs. Alluri Venkata Satyanarayanamma	7288	0.00	-	-	7288	0.00
18	M/s. Arnesh Ventures Private Limited	4259666	0.77	-	4259666	0	0.00
19	M/s. Avathesh Property Developers Private Limited	346700	0.62	-	-	3467000	0.58
20	Mrs. Bhupathi Raju Kausalya	11090	0.00	-	-	11090	0.00
21	Mrs. J Sowjanya	409166	0.07	-	-	409166	0.07
22	Mrs. J Sridevi	187859	0.03	-	50000	137859	0.02
23	Mr. Jampana Venkata Ranga Raju	3015916	0.54	-	750000	2265916	0.38
24	Mr. Jampana Krishna Chaitanya Varma	106121	0.02	-	-	106121	0.02
25	M/s. Narasimha Developers Private Limited	1516179	0.27	-	-	1516179	0.25
26	Mr. Sri Harsha Varma Alluri	41780	0.01	-	-	41780	0.01
27	M/s. Bhuvanesh Realtors Private Limited	940000	0.11	-	940000	0	0.00
28	M/s. Sirisha Projects Private Limited	-	-	118086726	-	11086726	1.85
29	Mrs. Alluri Sravani	-	-	31450	-	31450	0.01
	<b>Total</b>	<b>109528330</b>	<b>19.72</b>	<b>15219176</b>	<b>15987726</b>	<b>108759780</b>	<b>18.11</b>

**Note :** The Paid up Share Capital of the Company has gone up from ₹ 11118.63 million to ₹12012.93 million consequent to the QIP Issue of 4,47,15,000 Equity Shares of ₹ 2/- made by the Company in Jan-Feb, 2018. As a result of the QIP Issue the percentages of holdings of the share holders differs from Opening and Closing although there has been no sale of Shares by the concerned Shareholders during the year.

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs after clubbing of all holdings under their PAN:)**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	Mrs. Jhujhunwala Rekha Rakesh	45108266	8.11	-	-	45108266	7.51
2	Government Pension Fund Global	25173847	4.53	-	4197185	20976662	3.49
3	U T I	24323973	4.38	-	3857253	20466720	3.41
4	Tata Balanced Fund	18136500	3.26	-	3601000	14535500	2.42
5	Reliance Capital Trustee Company Limited	16982841	3.05	29925516	-	46908357	7.81
6	ICICI Prudential Midcap Fund	16051267	2.89	-	12107267	3944000	0.66
7	Beacon India Private Equity Fund	13951740	2.51	-	13951740	0	0.00
8	Azim Premji Trust	13705133	2.47	608000	-	14313133	2.38
9	DSP Blackrock Equity Fund	12055316	2.17	5621084	-	17676400	2.94
10	Mr. Rakesh Jhunjhunwala	11600000	2.09	-	-	11600000	1.93

**(v) Shareholding of Directors and Key managerial Personnel :**

Sl. No	Name of the Director and KMP	Shareholding at the beginning of the year		Change in Shareholding ( No. of Shares)		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
<b>Directors</b>							
1	Mr. Sri R V Shastri	216	0.00	-	-	216	0.00
2	Dr. A S Durga Prasad	-	-	-	-	-	-
3	Mr. Amit Dixit *	-	-	-	-	-	-
4	Mr. Hemant M Nerurkar	-	-	-	-	-	-
5	Mr. Utpal Sheth	-	-	-	-	-	-
6	Mr. Neeraj Mohan \$	-	-	-	-	-	-
7	Smt Renu Challu	-	-	-	-	-	-
8	Mr. S Ravi	-	-	-	-	-	-
9	Mr. A S N Raju	8652215	1.56	-	2400000	6252215	1.04
10	Mr. N R Alluri @	8858806	1.60	-	-	8858806	1.47
11	Mr. J V Ranga Raju	3015916	0.54	-	750000	2265916	0.38
12	Mr. A V N Raju	7985791	1.44	-	-	7985791	1.33
13	Mr. A G K Raju	9759080	1.76	-	3400000	6359080	1.06
14	Mr. A A V Ranga Raju	13563196	2.44	-	-	13563196	2.26
<b>KMPs</b>							
1	Mr. R S Raju	2000	0.00	-	-	-	-
2	Mr. M V Srinivasa Murthy	-	-	-	-	-	-

\* Mr.Amit Dixit resigned from the Board w.e.f. February 05, 2018.

@ Mr.A Narayana Raju resigned from the Board w.e.f. November 14, 2017.

\$ Mr.Neeraj Mohan resigned from the Board w.e.f May 05, 2018

## V. Indebtedness

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>				
i) Principal Amount	15766.70	0	0	15766.70
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	82.45	0	0	82.45
<b>Total ( i + ii + iii)</b>	<b>15849.15</b>	<b>0</b>	<b>0</b>	<b>15849.15</b>
<b>Change in indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	(2818.53)			(2818.53)
<b>Net Change</b>	<b>(2818.53)</b>	<b>0</b>	<b>0</b>	<b>(2818.53)</b>
<b>Indebtedness at the end of the financial year (31.03.2018)</b>				
i) Principal Amount	13000.50	0	0	13000.50
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	30.12	0	0	30.12
<b>Total ( I + ii + iii )</b>	<b>13030.62</b>	<b>0</b>	<b>0</b>	<b>13030.62</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration paid to Managing Director, Executive Director and Whole-time Directors

(Amount in ₹)

Sl. No	Particulars of Remuneration	Sri A A V Ranga Raju (MD & CEO)	Sri A G K Raju ED	Sri A S N Raju WTD	Sri A V N Raju WTD	Sri J V Ranga Raju WTD	Total Amount
1	Gross Salary	6,87,43,899	3,52,39,333	3,51,29,310	3,46,30,328	1,82,28,000	19,19,70,870
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Fixed pay, pension, LTA, Bonus and medical) & Superannuation	1,77,60,000	88,80,000	88,80,000	86,40,000	1,55,40,000	5,97,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,51,899	19,43,333	18,33,310	15,74,328	16,80,000	91,82,870
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option (*)	-	-	-	-	-	-
	Grand during the year	-	-	-	-	-	-
	Exercised during the year	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission						
	As % of profit	4,76,80,000	2,38,40,000	2,38,40,000	2,38,40,000	-	11,92,00,000
	Others, specify	-	-	-	-	-	-
5	Others (Company's contribution towards PF, Medical Reimbursement)	11,52,000	5,76,000	5,76,000	5,76,000	10,08,000	38,88,000
	<b>Total (*)</b>	<b>6,87,43,899</b>	<b>3,52,39,333</b>	<b>3,51,29,310</b>	<b>3,46,30,328</b>	<b>1,82,28,000</b>	<b>19,19,70,870</b>
6	<b>Ceiling as per the Act @ 10% of profits calculated u/s 198 of the Companies Act, 2013</b>						<b>47.67 Crores</b>

(\*) No Stock Options were issued to any of the Directors during the F.Y ended 31<sup>st</sup> March, 2018

**B. Remuneration to Key Managerial Personnel other than MD, ED & WTDs :**

(Amount in ₹)

Sl. No	Particulars of Remuneration	Sri R Subba Raju CFO	Sri M V Srinivasa Murthy CS	Total Amount
1	Gross Salary	87,75,564	60,76,836	1,48,52,400
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Fixed pay, pension, LTA, Bonus and medical)	77,24,052	53,48,697	1,30,72,749
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,84,172	4,04,523	9,88,695
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961			
2	Stock Option (*)	-	-	-
	Grand during the year	-	-	-
	Exercised during the year	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % of profit	-	-	-
	Others, specify....	-	-	-
5	Others (Company's contribution towards PF, Medical Reimbursement)	4,67,340	3,23,616	7,90,956
	<b>Total</b>	<b>87,75,564</b>	<b>60,76,836</b>	<b>1,48,52,400</b>

(\*) No Stock Options were issued to the CFO &amp; CS during the F.Y ended 31st March, 2018

**C. Remuneration to other Directors: (Amount in ₹)**

Sl. No	Particulars of Remuneration	Sri Hemant M Nerurkar	Sri R V Shastri	Smt Renu Challu	Sri S Ravi	Dr A S Durga Prasad	Sri Utpal Sheth	Total Amount
<b>1</b>	<b>Independent Directors</b>							
	Fees for attending Board / Committee Meetings	6,25,000	5,75,000	5,75,000	3,00,000	6,50,000	-	27,25,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>6,25,000</b>	<b>5,75,000</b>	<b>5,75,000</b>	<b>3,00,000</b>	<b>6,50,000</b>	-	<b>27,25,000</b>
<b>2</b>	<b>Other Non – Executive Directors</b>							
	Fees for attending board / committee meetings	-	-	-	-	-	2,75,000	-
	Commission	-	-	-	-	-	-	-
	Others, please specify (Fixed pay, pension, LTA, Bonus and medical)	-	-	-	-	-	-	-
	Others, specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	<b>2,75,000</b>	<b>2,75,000</b>
	<b>Total (1+2)</b>							
	<b>Total Managerial Remuneration</b>							<b>30,00,000</b>
	Overall Ceiling as per the Act							'Refer Note'

Note : The Non-Executive Directors have been paid only the Sitting Fee during the F.Y. ended 31<sup>st</sup> March, 2018**VII. Penalties / Punishment / Compounding of Offences**

There were no Penalties, Punishment or Compounding of Offences during the F.Y. ended 31st March, 2018.

**For and on behalf of the Board**Place: Hyderabad  
Date: 24<sup>th</sup> May, 2018**Hemant M Nerurkar**  
Chairman  
(DIN No. 00265887)



# ANNEXURE- 3

## Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

To,  
The Members,  
NCC Limited

We were appointed by the Board of Directors of NCC Limited ("the Company") to conduct the Secretarial Audit for the financial year ended March 31, 2018.

We have conducted the Secretarial audit in respect of compliance with applicable statutory provisions and the adherence to good corporate practices by **the Company**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other documents/records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2018**, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015;

The Company has identified the following industry specific laws, Regulations, Guidelines, Rules, etc., as applicable to the Company:

1. The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
2. Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the Company has appointed a Woman Director as required under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015/ The Companies Act.2013 . The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, resolutions were carried through majority. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

Based on the information, documents provided and the representations made by the Company, its officers during our audit process and also on review of the compliance reports of the Company Secretary taken on record by the Board of Directors of the Company periodically, in our opinion, there are adequate systems and processes exists in the Company to commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by us since the same have been subject to review by statutory auditors and other professionals.

**We further report that** during the audit period the Company:

- a. Has appointed M/s. S R Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors in place of the existing Joint Auditors M/s. M. Bhaskara Rao & Co and M/s. Deloitte Haskins & Sells for a period of 5 (Five) years.
- b. Has allotted 4,47,15,000 equity shares of ₹ 2/- each at a premium of ₹ 121/- per share aggregating to ₹ 549.99 Crores by way of Qualified Institutional Placement to Qualified Institutional Buyers.

**For BS & Company Company Secretaries LLP  
(Formerly known as BS & Company, Company Secretaries)**

**Date: May 18, 2018  
Place: Hyderabad**

**K.V.S. Subramanyam  
FCS No.: 5400  
C P No.: 4815**

Note: This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

## Annexure

To,  
The Members,  
NCC Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.
5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws and Data protection policy.
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

**For BS & Company Company Secretaries LLP  
(Formerly known as BS & Company, Company Secretaries)**

**Date: May 18, 2018  
Place: Hyderabad**

**K.V.S. Subramanyam  
FCS No.: 5400  
C P No.: 4815**

## Annexure - 4

### Report on corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

- Promotion of education, including special education;
- Ensuring environmental sustainability, ecological balance;
- Rural development projects
- Safety traffic engineering;
- Promoting gender equality and empowering women
- Eradicating extreme poverty and hunger

**Web link: [www.nclimited.com/policies](http://www.nclimited.com/policies)**

2.- Composition of CSR Committee:

S No.	Name	Designation
1	Sri A S N Raju	Chairman
2	Sri A G K Raju	Member
3	Sri R V Shastri	Member
4	Dr A S Durga Prasad	Member

3. Average Net profit for last three Financial Years for the purpose of computation of CSR spending: ₹ 2339.87 Million

4. Prescribed CSR expenditure (2% of Average Net Profit) : ₹.46.80 Million

5. Total amount spent during the financial year: ₹46.80 Million

6. Amount unspent, if any: -Nil

a. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S No.	CSR Projects or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Million)	Amount spent on the projects Sub heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ In Million)	Cumulative expenditure upto the reporting period (₹ in Million)	Amount spent: Direct or through implementing agency
1	Jeeyar Integrated Vedic Academy	Education & Health Care	In the State of Telangana	30.00	27.00	27.00	Through Trust
2	Construction of Rural Housing & Public Amenities	Health care and Sanitation	Antervedipalem Andhra Pradesh	56.00	16.58	49.66	Direct
3	Providing Facility to Educational Institution, Antervedipalem	Education	Malikapuram, East Godavari District Andhra Pradesh	1.97	1.97	1.97	Through Trust
4	Protection of Environment	Telangana Harithaharam - Plantation	Telangana	1.00	1.00	1.00	Direct
5	Installation of CC Cameras under Police Stations of Hyderabad	Public Amenities	Telangana	1.25	0.05	1.24	Direct
6	Rural Sports	Training to promote Rural Olympic Sports	Telangana	0.20	0.20	0.20	Direct
	<b>Total</b>				<b>₹ 46.80 million</b>		

7. The Company has spent two percent of average net profits of the last three financial years towards CSR Activities undertaken during the year.
8. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**For and on behalf of Corporate Social Responsibility Committee**

**Sd/-  
A.A.V Ranga Raju  
(Managing Director)  
(DIN No.00019161)**

**Sd/-  
A S N Raju  
(Chairman of CSR Committee)  
(DIN No.00017416)**

# ANNEXURE- 5

## Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18:

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Sri Hemant M Nerurkar	Insignificant
2.	Sri R V Shastri	Insignificant
3.	Smt Renu Challu	Insignificant
4.	Dr A S Durga Prasad	Insignificant
5.	Sri Amit Dixit*	NA
6.	Sri.S.Ravi	Insignificant
7.	Sri Utpal Sheth	Insignificant
8.	Sri Neeraj Mohan#	NA
9.	Sri A A V Ranga Raju	176.1
10.	Sri A G K Raju	90.1
11.	Sri J V Ranga Raju	47.1
12.	Sri A S N Raju	90.1
13.	Sri N R Alluri\$	NA
14.	Sri A V N Raju	88.1

Notes: \$ Resigned w.e.f November 14, 2017

\* Resigned w.e.f February 05, 2018

# Resigned w.e.f May 07,2018

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year.

S.No.	Name of the KMP	Percentage increase in the remuneration
1	(*)Directors	No Increase
2	Sri R S Raju, Associate Director (F&A) & CFO	9.72%
3	Sri M V Srinivasa Murthy, Company Secretary,& EVP(Legal)	12.73%

(\*) There has been no increase in the salaries of the Working Directors during the F.Y 2017-18. There has however been an increase in the overall remuneration of the Working Directors on account of increase in Commission on profits which has gone up on account of increase in the profits earned by the Company.

(iii) The percentage increase in the median remuneration of employees in the financial year 10.92%

(iv) The number of permanent employees on the rolls of Company as on 31st March, 2018 - 5503 employees

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year was 10.68% and there has been no increase in the managerial remuneration (other than on account of Commission on Profits) during the last financial year.

(vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

**For and on behalf of the Board**

**Hemant M Nerurkar**  
Chairman  
(DIN No. 00265887)

# Management Discussion & Analysis

## Global Economy 2017

In 2017, global economic growth reached 3 percent the highest growth rate since 2011. The growth is expected to remain steady for the coming year. The improved global economic situation provides an opportunity for countries to focus policy towards longer-term issues such as low carbon economic growth, reducing inequalities, economic diversification and eliminating deep-rooted barriers that hinder development.

## Indian Economy FY18.

The Indian economy grew at 6.7 per cent in 2017-18. Though the economic growth remained subdued in the first half of the year due to demonetization and GST implementation, it recovered in the second half on the back of robust consumer demand and buoyancy in urban and rural spending. The 7.7% growth rate achieved during Q4 FY18 has put India once again as one of the fastest growing major economies in the world. The India's fundamentals remain strong. The India Government's deftness in managing balance sheets of government and public sector banks while ensuring an employment led economic recovery would be the key to a sustained growth. With private consumption picking up, rural economy recovering and investments reviving as reflected in IIP capital growth index and gross fixed capital formation (GCF), India growth remain positive with both the World Bank and IMF predicting a higher growth trajectory in the years ahead., For FY18-19 the economy is projected to grow at 7.4%.

## Developments in the Infrastructure sector in 2017-18

The Infrastructure sector is a key driver of the Indian economy. During 2017 and in 2018, there has been a significant push from the Government, which has been providing financial support and implementing initiatives to give a boost to the sector.

The Ministry of Road Transport and Highways has designed the Bharatmala Pariyojana, which has six key components—development of economic corridors, development of inter-corridor and feeder routes, improvement of the efficiency of existing National Corridors (Golden Quadrilateral and the North-South & East-West corridors), development of coastal and port connectivity roads, development of border and international connectivity roads and development of greenfield expressways.

In the Rail segment, the New Metro Policy 2017 opened a window for private investments in several Metro operations by making PPP mandatory for availing Central assistance for new Metro projects. In addition, private investment and other innovative forms of financing for Metro projects were made compulsory to meet the huge demand for capital intensive high-capacity projects. In the Ports and Waterways segments, cargo traffic grew at a CAGR of 4.02% and the Government implemented the Sagarmala project to modernise ports and augment their capacity.

Out of 152 such projects, 52 are under construction and one was completed in December 2017. The DPD programme and New

Model Concession Agreement have resulted in disruption in the sector and aim to reduce additional time and costs earlier incurred on movement of containers from ports to factories through a CFS. However, the new agreement has brought in a much-needed reform, whereby private port operators pay actuals rather than on a notional income. In the Industrial Corridors segment, several nodes are ready in different corridors and other projects are under construction.

Last year has been significant because new-generation capacity addition was predominantly from non-carbon sources (over 80% from renewables, hydro and nuclear), contracted solely through auctions. The tariffs hit a record low.

The road map to procure about 110 GW of RE, up to 2020 has been outlined to give manufacturers, investors, financial institutions and developers the opportunity to plan their strategies. Significant progress has also been made on cross-border trade in energy as a part of increasing action taken on enhancement of regional connectivity. Another important milestone was electrification of villages during the year with the launch of the Saubhagya Scheme to electrify all households—to provide electricity to 40 million households before March 2019. The UDAY scheme has been effective in improving operational and financial efficiencies in the distribution sector, with distribution companies increasingly looking at IOT and Analytics to facilitate their response to consumers and manage assets better. The growth in consumer numbers and financial transactions, the increased cost of labour and penalties for nonsupply are expected to drive investment in automated systems.

The Government has earmarked investments of up to INR 1,50,000 crore in making an energy-efficient market over the next five years, especially in the Lighting, Pumping and Building segments to achieve potential savings of over 50 GW.

## Budget 2018 proposals for the Infrastructure Sector

### Roads

The ambitious Bharatmala Pariyojana has been approved to provide seamless connectivity between interior and backward areas and India's borders, and develop around 35,000 km of roads in Phase-I at an estimated cost of INR 5,35,000 crore.

Around 9,000 km of National Highways are being completed in 2017-18. Digitisation and adoption of technology (cashless payments at toll booths to improve efficiency and transparency) are to be implemented.

### Railways

The Railways' Capex for 2018-19 has been pegged at INR 1, 48,528 crore. Around 18,000 km of line doubling and transformation of entire network to broad gauge is planned, compared to 4,000 kilometers that were targeted for commissioning in 2017-18. Further electrification of railway lines, with a focus on safety and modernisation (W-Fi and CCTVs for all stations and escalators for

all stations with a footfall of over 25,000) has been proposed. Mumbai's transport system, the city's lifeline, is to be expanded to add 90 kilometers of double-line tracks at a cost of over INR 11,000 crore. A suburban network of around 160 kilometers (at an estimated cost of INR 17,000 crore is being planned to cater to the growth of Bengaluru.

### Smart Cities

The Smart Cities Mission aims to build 100 Smart Cities with state-of-the-art amenities; 99 cities have been selected with an outlay of INR 2.04 lakh crore.

### Real Estate

The AHF has been established to give a boost to affordable housing projects. Safe Harbour of up to 5% has been proposed where the value of stamp duty exceeds the transaction value for transfer of real estate assets.

### Power Sector

The Saubhagya scheme will ensure last mile electrical connectivity for four crore household connections with an outlay of INR 16,000 crore.

Farmers are to be enabled to install solar power pumps to irrigate their farms and the Government will take necessary measures so that state governments can buy surplus solar power from them. This will increase farmers' income. In 2018-19, electrification of a network 4,000 km of railways will be targeted.

See Table 1.1 for detailed union budget allocation for FY18-19.

Ministry/Department	Budget Estimate 2018-19 (In ₹ crore)
Ministry of Coal	15,799
Ministry of Development of North Eastern Region	600
Ministry of New and Renewable Energy	10,317
Ministry of Petroleum and Natural Gas	92,885
Ministry of Power	54,770
Ministry of Civil Aviation	4,086
Department of Telecommunication	21,486
Ministry of Defence	5,485
Ministry of Railways	1,46,500
Department of Atomic Energy	7,321
Ministry of Housing And Urban Affairs	61,361
Ministry of Road Transport and Highways	1,21,425
Ministry of Shipping	4,292
Ministry of Steel	11,294
Department of Higher Education	30,750
Ministry of Electronics & Information Technology	8,773
Total	5,97,143

## OPPORTUNITIES AND STRENGTHS

- The Company has a well diversified business portfolio spread across nine business verticals viz., Buildings & Housing, Roads, Water & Environment, Electrical, Irrigation, Metals, Power, Mining and Railways.
- The Company has four decades of experience in construction sector and is recognized as one of the key construction players in the country.
- It has carried out various projects across the country and also in international geographies.
- The Company's clientele consists of several reputed public and private sector organizations.
- The Company is recognized for timely completion of projects within budgets.
- Dun & Bradstreet's publication "India's Top 500 Companies 2018" ranks NCC at 116th among 500 companies by revenue, 2nd among Construction companies by revenue.
- Our core strength is our people who carry several years of industry experience in various domains including engineering, design, construction, procurement, planning, etc.

In FY 18, the company bagged fresh orders worth ₹ 253.04 bn. and executed projects worth ₹ 81.49 bn. As on 31st March 2018, the order book of the company stood at ₹ 325.32 bn.

### Strengths

- **Strong brand** awareness and reputation
- Recognised **industry leader** in large civil construction and infrastructure projects
- **Four decades of experience.**
- Track record of **successfully completing complex projects**
- **Ensuring quality and timely completion** of the projects without cost overruns
- **Diversified business portfolio and strong order book**
- **Enduring relationships** built on mutual trust and respect with our clients, sub-contractors, financial institutions and shareholders
- **Pan India presence**
- Large pool of **talented and skilled employees** with low attrition rate

### Opportunities

- **Demand for world class infrastructure** in India
- **“Make in India”** initiative would demand good infrastructure specifically roads, railways, etc thus **offering opportunities for construction companies**
- Government’s **“100 smart cities”** initiative
- **Higher budgetary allocation** for infrastructure sector
- **Pro- industry policies and initiatives** such as lowering of corporate tax, setting up of REITs and Infrastructure Investment Trusts would drive investment in infrastructure sector, etc.
- **Good construction opportunities in the new state of Andhra Pradesh**

### INTERNAL CONTROL SYSTEM

The Company has adequate 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. As per the provisions of the Companies Act, 2013, internal controls and documentation are in place for all the activities. Both Internal Auditors and Statutory Auditors have verified the Internal Financial Controls (IFC) at entity level and operations level and satisfied about control effectiveness. The controls are reviewed at regular intervals to ensure that transactions are properly authorized, correctly reported and assets are safeguarded. The Audit Committee periodically reviews the findings and recommendations of the Auditors and takes corrective action as deemed necessary.

Enterprise Resource Planning Software is in implementation at Head Office, Divisions, Regional Offices and most of the Projects and would further strengthen the internal control mechanism.

### E. FINANCIAL PERFORMANCE

#### (NCCL Stand alone)

- 1) **Equity Share capital:** During the current year, the Company issued and allotted 44,715,000 equity shares of ₹ 2 each, at an issue price of ₹ 123 per equity share aggregating ₹ 5.50 billion to Qualified Institutional Buyers resulting in increase share capital by ₹ 0.09 billion from ₹ 1.11 billion to ₹ 1.20 billion.
- 2) **Other Equity:** The Other Equity of the Company has gone up from ₹ 33.31 billion to ₹ 41.22 billion in 2017-18 and the increase is on account of premium of ₹ 5.32 billion (net of issues expenses) on Issue of Equity Shares and balance of ₹ 2.59 billion on account of profits made in 2017-18.
- 3) **Net worth:** The Company’s net worth increased from ₹ 34.42 billion to ₹ 42.42 billion. Primarily ₹ 5.41 billion on account of Equity Issue and ₹ 2.59 billion on account of internal generation of profits.

- 4) **Borrowings (Long-Term & Short-Term):** There was a decrease in loans from ₹ 15.77 billion to ₹ 13.00 billion.

#### 5) Assets:

- a) **Property, Plant & Equipment (PPE):** The Company’s PPE (gross block plus Capital WIP) increased by ₹ 2.65 billion in 2017-18 from ₹ 13.08 billion to ₹ 15.73 billion.
- b) **Investments:** The investments decreased by ₹ 0.05 billion, from ₹ 10.29 billion to ₹ 10.24 billion during the year 2017-18
- c) **Inventories:** The Company’s inventories stand at ₹ 16.96 billion as against ₹ 15.26 billion of previous year
- d) **Trade Receivables (Current & Non-Current):** The company’s Trade Receivables increased by ₹ 9.86 billion in 2017-18 from ₹ 37.03 billion to ₹ 46.89 billion. The trade receivables includes Retention Money not fallen due ₹ 10.44 billion
- e) **Loans & Other Financial Assets (Current & Non-Current):** Loans and Other financial assets increased from ₹ 7.69 billion to ₹ 8.35 billion during the year under review.
- f) **Other Current & Non-Current Assets:** Other Current & Non-Current Assets increased from ₹ 9.30 billion to ₹ 13.82 billion during the year under review. The increase represents advances to suppliers, subcontractors and Increase in GST receivables & other receivables.

### F. OPERATIONAL PERFORMANCE

- a) **Revenue from Operations:** The Company has reported a Revenue from Operations of ₹ 75.59 billion during the year 2017-18 as against ₹ 78.92 billion in the previous year. On comparable term, there is an increase in top-line around 5% on adjustment of GST element from revenue since post GST the revenues are exclusive of Taxes where as the revenues in pre GST period are inclusive of indirect taxes.



- b) Other Income:** The other income of the company for the year ₹ 1.16 billion as against ₹ 1.40 billion of last year. Other income comprises of Interest on loans & advances, interest on income tax refund and miscellaneous income.
- c) Direct cost:** The direct cost for the year under review works out to 81.11% of the turnover as against 84.73 % last year. The decrease represents 1.60% relating to GST element, 0.70% on account of one time early completion bonus from road project and 1.32% on account of margin expansion in ongoing projects and receipt of claims relating to old projects.
- d) Overheads:** Overheads, comprising salaries and administrative expenses, is ₹ 5.73 billion for the year under review as against ₹ 5.20 billion in the previous year.
- e) Finance cost:** The Finance cost during the year decreased to ₹ 3.79 billion from ₹ 3.96 billion, which was on account of decrease in loans and decrease in average interest cost of borrowings.
- f) Depreciation:** The Company's depreciation for the year has slightly increased from ₹ 1.12 billion to ₹ 1.17 billion.
- g) Tax Expense:** The tax expense of the company for the year 2017-18 is ₹ 0.81 billion as against ₹ 0.42 billion of previous year.
- h) EBIDTA:** The Company has reported an EBIDTA of ₹ 8.55 billion as against ₹ 6.85 billion in the previous year.
- i) Net profit:** The Company has reported a Net Profit of ₹ 2.87 billion as against ₹ 2.26 billion in the previous year.

**j) Total Comprehensive Income:** The Company has reported a Total Comprehensive Income of ₹ 2.85 billion as against ₹ 2.22 billion in the previous year.

**k) Dividend:** The Board of Directors have recommended a dividend of ₹ 1.00 per share (50%) and the dividend works out to ₹ 0.60 billion as against ₹ 0.22 billion in the previous year

## RISKS AND CONCERNS

The Company has Enterprise Risk Management process in place, which is a holistic, integrated and structured approach to manage risk with the objective of maximizing shareholder's value .The risk management process at NCC broadly consists of identification, assessment, mitigation, prioritization and monitoring of risks.

The ERM process allows NCC to:

Enhance confidence in achieving its desired goals and objectives

Effectively restrain threats to acceptable levels

Take informed decisions about exploiting opportunities

Owing to the nature of the industry the Company operates in, it is exposed to a variety of risk factors which are broadly categorized into financial, technical, construction, policy and political, market and legal. A tight risk process is carried out from pre-bid to project completion stage to manage, mitigate and monitor these risks by adopting specific risk mitigation measures. During the year, the Board has reviewed the process and the Risks that have already been identified for the business. Some of these key risks that the Company faces along with their mitigation strategies adopted are listed below:

Risk Type	Risk Probability	Risk Impact	Risk Mitigation Strategy
<b>Financial Risks</b>			
<b>Inflation Rate Fluctuation</b>	Medium	Medium	<ul style="list-style-type: none"> <li>Ensuring that appropriate price escalation clause in the Contracts is incorporated</li> <li>Incorporating likely inflation fluctuation in price bids</li> <li>In-house experts for close analysis of historical trends and forecasting of future patterns</li> <li>Regular monitoring of the inflation rates</li> </ul>
<b>Interest Rate Fluctuation</b>	Medium	Low	<ul style="list-style-type: none"> <li>Incorporating likely interest rate fluctuation in the price bids</li> <li>In-house experts for close analysis of historical trends and forecasting of future patterns</li> <li>Negotiating for the best interest rates from the financial institutions</li> </ul>
<b>Currency Exchange Rate</b>	Medium	Low	<ul style="list-style-type: none"> <li>Hedging currency exchange risks through spot contracts</li> <li>Global diversification of works as well as procurement</li> <li>Incorporating unfavorable currency exchange rates in the overall planning</li> </ul>
<b>Fuel Prices</b>	Medium	Medium	<ul style="list-style-type: none"> <li>Incorporating adversarial fuel prices in the price bids and during project planning</li> <li>Adopting hedging strategies</li> </ul>

Risk Type	Risk Probability	Risk Impact	Risk Mitigation Strategy
<b>Bankruptcy of Project Partner</b>	Low	Medium	<ul style="list-style-type: none"> <li>Carrying out extensive due diligence while selecting the partners</li> <li>Prefer partnering with established industry players with sound track record</li> </ul>
<b>Technical Risks</b>			
<b>Incomplete Design</b>	Low	High	<ul style="list-style-type: none"> <li>Carrying out extensive due diligence during the project bid phase</li> <li>Bidding for those works which are closely aligned with our core strengths</li> </ul>
<b>Inadequate Specifications</b>	Low	High	<ul style="list-style-type: none"> <li>Carrying out exhaustive due diligence before and during the bid phase</li> <li>Incorporating contingency for inadequate specifications in the price bids</li> <li>Engaging with clients and their representatives on a regular basis</li> </ul>
<b>Inadequate Site Investigation</b>	Medium	Medium	<ul style="list-style-type: none"> <li>Carrying out thorough investigation of site by in-house team of experts during initial phases</li> <li>Seeking opinions from local experts</li> </ul>
<b>Scope Change</b>	Medium	Medium	<ul style="list-style-type: none"> <li>Thorough documentation of works and communication with clients and their representatives</li> <li>Incorporating contingency for fluctuation in scope</li> </ul>
<b>Insufficient Resources</b>	Low	Medium	<ul style="list-style-type: none"> <li>Strong and efficient resources planning, both at the corporate and project levels</li> <li>Maintaining an efficient supply chain including procuring material from sources other than main vendors/subcontractors if need arises</li> <li>Strong management of vendors and subcontractors</li> <li>Carrying out due diligence on vendors and sub-contractors before entering into agreements with them</li> </ul>
<b>Physical Risks</b>			
<b>Equipment Damage/Failure</b>	Low	Medium	<ul style="list-style-type: none"> <li>Own a sizeable equipment base, specifically those, which are frequently used in our operations thus reducing dependence on equipment vendors</li> <li>Following a strict preventive and corrective maintenance schedule</li> <li>Strong relationship with equipment vendors for renting equipment</li> <li>Strong management of equipment vendors including rating their performance</li> </ul>
<b>Labor Injuries</b>	Low	Low	<ul style="list-style-type: none"> <li>Strong implementation and monitoring of health and safety protocols to prevent injuries</li> <li>Designated safety personnel at sites</li> <li>Periodical reporting on safety and health issues</li> <li>Conducting training programs on health and safety issues</li> </ul>
<b>Theft</b>	Low	Low	<ul style="list-style-type: none"> <li>Strong monitoring and control to prevent theft</li> <li>Penalising defaulters without exception</li> </ul>

Risk Type	Risk Probability	Risk Impact	Risk Mitigation Strategy
<b>Construction Risks</b>			
<b>Labor Productivity</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Ensure safe, clean and hygienic work environment at all work locations</li> <li>• Strong track record in maintaining labor</li> <li>• Regular monitoring and ensuring strong controls to ensure adherence to timelines and quality</li> </ul>
<b>Labor Disputes</b>	Low	High	<ul style="list-style-type: none"> <li>• Taking proactive steps to address issues that could lead to labour problems</li> <li>• Ensuring safe work environment</li> <li>• Sensitivity towards soft issues affecting the workforce</li> </ul>
<b>Land Disputes and right of way</b>	Medium	High	<ul style="list-style-type: none"> <li>• Focus on bidding for those projects where land acquisition is almost completed by the client</li> <li>• Thorough due diligence and reconnaissance of land and right of way required for projects</li> <li>• Frequent and clear communication with Clients with proper documentation</li> </ul>
<b>Performance Risks</b>			
<b>Achieving Required Quality</b>	Low	Medium	<ul style="list-style-type: none"> <li>• Regular inspection of works and reporting to clients</li> <li>• Strong adherence to specifications and timelines</li> <li>• Constant engagement with clients and their representatives</li> <li>• Reliable Quality assurance programs</li> <li>• ISO certification</li> </ul>
<b>Meeting Client Expectations</b>	Low	Medium	<ul style="list-style-type: none"> <li>• Experienced workforce</li> <li>• Strong track record and brand equity</li> <li>• Regular engagement with clients and representatives</li> <li>• Response mechanisms to address issues raised by clients and representatives</li> </ul>
<b>Legal Risks</b>			
<b>Claims / Disputes / Litigations</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Engagement with clients to capture and address litigious issues upfront</li> <li>• Proper and thorough documentation on each project from the pre-bid stage</li> <li>• In-house Contracts and Claims team</li> <li>• Legal firm onboard to handle pre-legal claims and/or litigations</li> <li>• Keeping ourselves abreast on regulatory issues</li> </ul>
<b>Market Risk</b>			
<b>Market Trend</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Strong management team and talented work force with capabilities to foray into new related segments</li> <li>• On the lookout for new opportunities and keeping ourselves abreast on new market trends</li> <li>• Strong focus on training and development of employees</li> </ul>
<b>Market Segments</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Well diversified business portfolio across segments</li> <li>• Experienced workforce</li> </ul>

Risk Type	Risk Probability	Risk Impact	Risk Mitigation Strategy
<b>Policy and Political Risk</b>			
<b>Policy and Regulation Changes</b>	Low	High	<ul style="list-style-type: none"> <li>Eminent members in the management and the board for advising us on coping up with and preparing ourselves for such changes</li> <li>Constant monitoring of changes in the regulatory landscape and taking appropriate internal measures</li> <li>Active participation in industry conferences, seminars and meetings, and representation in leading industry bodies</li> </ul>
<b>Social Risk</b>	Low	Medium	<ul style="list-style-type: none"> <li>Weeding out controversial projects during the bid phase</li> <li>Engaging in corporate social responsibility activities to engage social stakeholders</li> <li>Carrying out community outreach programs</li> </ul>

### Human Resources (HR)

Human Capital is a key driver to the growth and success of NCC. HR function at NCC has been playing a significant role in Planning, Recruiting, Deploying, Training, Managing and Retaining the Human Resources in accordance with the Organizational Objectives.

NCC seeks employees to follow the values of Openness & Trust, Integrity & Reliability, Team Work & Collaboration, Commitment and Creativity to create and establish an ideal work culture at the workplace.

The key HR strategies at NCC focus on optimizing individual and organizational efficiency by bringing the right Talent and create a Performance driven culture in the Company, where innovation is encouraged, Performance is recognized and employees are motivated to realize their Potential and provide a competitive advantage to the organization.

HR function co-creates all HR Strategies along with Senior Management Team and Board of Directors to facilitate and influence Change, attract Talent and build capabilities. The HR function is fully specialized to respond to varied HR needs of NCC's various Business verticals to enable them to maintain that Human Resources are Strategic advantage to the business.

NCC is currently having a Human Capital of 5503.

### Learning & Development:

NCC provides a stimulating work environment through learning & development opportunities. The key component of talent development at NCC is initiating various Technical, Behavioral & Functional training programmes as well as creating a culture of continued employee engagement.

During the year the Company organized 28 in-house and external training programmes through which 2455 employees have attended from various Project Sites. Some of the key topics covered during these programmes are Quality Management in Construction, Management basics for construction professionals, Construction Project Management, People skills for project performance enhancement and Human Excellence for Corporate Professionals etc.

# Report on Corporate Governance

In compliance with Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company sets forth the report on the Corporate Governance on the matters as mentioned in the said schedule and practices followed by the Company.

## 1. Company's philosophy 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 maintain 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 true Corporate Governance. The Corporate Governance process and systems have been gradually strengthened over the years.

The Company believes that 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. NCC Limited is committed to conduct its business in ethical manner there by attaining highest level of all its stakeholders confidence and satisfaction.

## 2. Board of Directors

As on March 31, 2018, the Company's Board of Directors comprised a judicious mix of Twelve Directors consisting of five Executive Directors, Two Non-Executive Directors and five Independent Directors and one of whom is a Woman Director as stipulated under the Companies Act, 2013 / and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following table(s) explains 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, other Directorships, Memberships and Chairmanships of Committees held by each of the Director during the Financial Year. The Company is compliant with all the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and the rules made thereunder relating to appointment of Directors.

### Composition of Board of Directors as on March 31, 2018.

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 24, 2017	Number of Director ships in other companies (including Private Limited Companies )	Number of committee positions held in other public companies ##		No. of shares of ₹ 2/- each held in the Company
					Chairman	Member	
Sri Hemant M Nerurkar (Chairperson)	Non-Executive and Independent	7	Yes	8	2	5	Nil
Sri R V Shastri	Non-Executive and Independent	5	Yes	1	Nil	NIL	216
Sri S Ravi	Non-Executive and Independent	4	Yes	1	Nil	Nil	Nil
Dr A S Durga Prasad	Non-Executive and Independent	6	Yes	6	1	2	Nil
Smt Renu Challu	Non-Executive and Independent	7	Yes	10	3	8	Nil
Sri Neeraj Mohan #	Non-Executive and Non-Independent	3	No	6	Nil	Nil	Nil
Sri Utpal Sheth	Non-Executive and non-Independent	3	No	16	Nil	1	Nil
Sri A A V Ranga Raju (Managing Director)	Promoter and Executive	7	Yes	4	Nil	Nil	13563196 (2.26%)
Sri A G K Raju (Executive Director)	Promoter and Executive	5	Yes	4	1	4	6359080 (1.06%)
Sri A S N Raju (Wholetime Director )	Promoter and Executive	7	Yes	3	1	1	6252215 (1.04%)
Sri J V Ranga Raju (Wholetime Director )	Promoter and Executive	4	Yes	Nil	Nil	Nil	2265196 (0.38%)
Sri A V N Raju (Wholetime Director )	Promoter and Executive	6	Yes	1	Nil	1	7985791 (1.33%)

Notes:

1. During the Financial Year 2017-18, Sri Alluri Narayana Raju and Sri Amit Dixit, Directors have Resigned from the Board due to pre-occupation w.e.f. 14-11-2017 & 05-02-2018 respectively.
2. None of the Directors of the Company are on the Boards of more than Ten Public Companies /overall Twenty Companies (including Private Limited Companies but excluding Companies incorporated outside India and Companies incorporated under Section 8 of the Companies Act, 2013).

# Resigned w.e.f. of 7th May, 2018 due to re-occupation.

## Represents Membership/ Chairmanship in Audit and Stakeholders Relationship Committee of other public limited companies

The Company convened minimum one Board Meeting in each quarter as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company ensured the gap between two Board Meetings has not exceeded One Hundred and Twenty Days.

#### Shares held by Non-Executive Directors as on March 31, 2018.

Name of the Director	No. of Shares held	% on paid-up capital of the company
Sri R V Shastri	216	Insignificant

#### Board Meetings held during FY-2017-18:

During the FY-2017-18 Seven Board Meeting were held as detailed below:

Date of Meeting	Board Strength	No. of Directors Present
April 29, 2017	14	09
May 23, 2017	14	11
August 8, 2017	14	11
August 24, 2017	14	10
November 14, 2017	13	10
December 13, 2017	13	6
February 14, 2018	12	9

#### Familiarization Programme

The Company conducts Familiarization Programme for the Board Members and particularly for Independent Directors to enable them to be familiarized with the company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. Details of the familiarization programmes are hosted on <http://ncclimited.com/corporate-governance.html>.

#### Inter-se relationship between Directors:

The Promoter Directors namely Sri A. A. V. Ranga Raju, Sri A. S. N. Raju, Sri A. G. K. Raju, and Sri A. V. N. Raju, are related to each other in terms of the definition of "Relative" under Section 2(77) of the Companies Act, 2013 and Rules framed there under. The aforementioned Promoter Directors are not related to the other Board members.

#### 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.

- o Annual operating plans, budgets & any updates.
- o Capital budgets and any updates.
- o Quarterly results of the Company and its operating divisions or business segments.
- o Minutes of the meetings of the Audit Committee and other Committees of the Board of the Directors.
- o The information on recruitment and remuneration of senior officers just below the level of Board of Directors including appointment or removal of Chief Financial Officer and the Company Secretary.
- o Show cause, demand, prosecution notices and penalty notices which are materially important.

- o Fatal or serious accidents, dangerous occurrences if any
- o Information required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- o Any material default in financial obligations to and by the Company, or substantial non-payment by clients.
- o 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.
- o Details of any joint venture or collaboration agreement.
- o Significant labour problems and their proposed solutions. Any significant development in Human Resources.
- o Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- o Quarterly details of foreign exchange exposures and steps taken by management to limit the risks of adverse exchange rate movement, if material,
- o 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](http://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, 2018 the Company has Eight Board level Committees, inter alia the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee, the Enterprise Risk Management Committee, the Performance Review Committee and the Corporate Governance Committee.

#### 3. Audit Committee of the Board

The Audit Committee presently comprises four 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, Chairperson of the Committee is an Independent Director and has accounting and financial management expertise.

The Audit Committee met five times during the Financial year i.e. on May 23, 2017, August 7, 2017, August 24, 2017, November 13, 2017 and February 13, 2018. The Company is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 in terms of time gap between any two Audit Committee Meetings. Sri R V Shastri, Chairperson of the Committee was present at the last Annual General Meeting of the Company held on August 24, 2017.

The following is the Composition of the Audit Committee as on March 31, 2018 and details of attendance for the Meetings of the Audit Committee.

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Sri R.V.Shastri	Chairperson	5	5
Dr A S Durga Prasad	Member	5	5
Sri Hemant M Nerurkar	Member	5	5
Sri Amit Dixit*	Member	5	0
Smt. Renu Challu	Member	5	4

Sri Amit Dixit ceased to be member of the Audit Committee consequent to his resignation from the Board w.e.f. February 5, 2018.

#### Terms of reference of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the Statutory and the Internal Auditors of the company;
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinions in the draft Audit Report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate

recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. 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;
17. To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company Secretary is the Secretary to the Audit Committee.

#### 4. Nomination and Remuneration Committee

As on 31st March, 2018 the Committee comprises of four Non-Executive Directors, of which three are Independent Directors. Smt Renu Challu, an Independent Director is the Chairperson of the Committee, Sri Hemant M Nerurkar Independent Director, Sri S Ravi, Independent Director and Sri Utpal Sheth Non-Executive and non – Independent Director are the other members of the Committee. The Committee met on May 23, 2017.

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Smt Renu Challu	Chairperson	1	1
Sri Utpal Sheth	Member	1	1
Sri Amit Dixit*	Member	1	0
Sri Hemant M Nerurkar	Member	1	1
Sri S Ravi	Member	1	0

\* Sri Amit Dixit ceased to be member of the Audit Committee consequent to his resignation from the Board w.e.f. February 5, 2018.

#### Terms of reference of the Nomination Committee

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors and various Committees of the Board.
- (3) Devising policy on diversity of Board of Directors.
- (4) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

#### 5. Details of remuneration/ sitting fee paid to the Directors for the year

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2018 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-



## a. Executive Directors

(Amount in ₹)

Name & Designation	Salary	Other benefits	Bonus/ Exgratia	Pension	Commission	Total
*Sri A. A. V. Ranga Raju Managing Director	16,551,899	3,072,000	1,440,000	Nil	47,680,000	68,743,899
*Sri A. G. K. Raju Executive Director	9,143,333	1,536,000	720,000	Nil	23,840,000	35,239,333
@Sri A. S. N. Raju Wholetime Director	9,033,310	1,536,000	720,000	Nil	23,840,000	35,129,310
*Sri J. V. Ranga Raju Wholetime Director	14,280,000	2,688,000	1,260,000	Nil	Nil	18,228,000
#Sri A. V. N. Raju Wholetime Director	8,774,328	1,296,000	7,20,000	Nil	23,840,000	34,630,328

\* Appointed for a period of 5 years w.e.f April 1, 2017

#Appointed for a period of 5 years w.e.f May 30, 2016

@ Appointed for a period of 5 years w.e.f. May 1, 2014

Note: Notice Period for all the above Directors is as per the Rules of the Company

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.

## b. Non-Executive Directors

Sitting Fee of ₹ 50,000 per meeting was paid for attending meeting of Board of Directors and ₹ 25,000 was paid for each committee meeting of Board of Directors thereof. During the year, the sitting fees paid was as follows.

Name of the Director	*Sitting Fees (Amount in ₹.)
Sri R. V. Shastri	575,000
Sri Hemanth M Nerurkar	625,000
Smt. Renu Challu	575,000
Sri Utpal Sheth	275,000
Sri S Ravi	300,000
Dr A S Durga Prasad	650,000

The Non Executive Directors have been paid only sitting fees during the Financial Year 2017-18.

\* Excludes Service Tax/GST

### Meeting of Independent Directors:

Pursuant to The Companies Act, 2013 read with rules made there under and Secretarial Standard-I issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company for the Financial Year 2017-18 was held on February 13, 2018.

### Board Level Performance Evaluation

Pursuant to provisions The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, annual performance evaluation of the Directors including Chairman, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out. The Nomination and Remuneration Committee reviews the said Performance Evaluation on annual basis. The Performance evaluation of Independent Directors was carried out by the entire Board of Directors without participation of the directors who are subject to the evaluation.

### 6. Stakeholders Relationship Committee:

The Committee primarily focuses on Shareholder grievances, inter-alia, redressal of Investor complaints, attending Investor requests, approving the issue of duplicate Share Certificates and overseeing and review 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 Chairperson of the Committee Sri R V Shastri is an Independent Director and the Company Secretary is the Secretary of the Committee. Sri M V Srinivasa Murthy, Company Secretary and EVP (Legal) was designated as the Compliance Officer.

As on March 31, 2018 the Committee comprises Three Directors viz., Sri R V Shastri (Chairperson of the Committee), Sri S Ravi and Sri A G K Raju as its members.

The Committee met four times during the Financial Year i.e. on May 23, 2017, August 7 2017, November 14, 2017 and February 13, 2018.

Attendance of Members at the Stakeholders Relationship 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	4
Smt Renu Challu*	Member	4	3
Sri A G K Raju	Member	4	2
Sri S Ravi	Member	4	3

\*Smt Renu Challu opted out from the Membership of Stakeholders Relationship Committee w.e.f.14-02-2018 due to other commitments.

During the Financial Year 2017-18, the Company has received 89 complaints/ requests from the shareholders/investors. All the requests were promptly attended to and there were no un-resolved shareholder complaints / requests were pending as on March 31, 2018. 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, 2018. The Company designated a separate email id for investor grievances reachable at [ho.secr@nccltd.in](mailto:ho.secr@nccltd.in).

## 7. General Body Meetings

The following are the details of previous three Annual /Extra-ordinary General Meetings and the Special resolutions passed there at;

Year	Location	AGM/EGM Date & Time	Special Resolutions passed
2015	K L N Prasad, Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House FAPCCI Marg, Red Hills, Hyderabad -500 004	AGM August 24, 2015 at 3.30 p m	Nil
2016		AGM August 24, 2016 at 3.30 p m	Re-appointment of Sri A V N Raju as a Whole time Director for a period of Five Years from May 30, 2016.
2017		AGM August 24, 2017 at 3.30 p.m	1.Re-appointment of Sri A A V Ranga Raju as the Managing Director for a period of Five Years from April 1 , 2017 . 2.Re-appointment of Sri A G K Raju as Executive Director for a period of Five Years from April 1 , 2017 .
2018		EGM January 8, 2018 at 11.30 a.m	Further Issue of Securities - QIP Issue

### Postal Ballot.

During the year no resolution was passed through postal ballot.

## 8. Means of Communication

The Company was having 102176 shareholders as on March 31, 2018. 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, Business Responsibility Report, Report on Corporate Governance, Management Discussion and Analysis Report, the Standalone and Consolidated Financial Statements along with the Auditor's Report thereon, the Secretarial Audit Report, Special Initiatives and Shareholders Information.

The Annual General Meeting (AGM) is the principal forum for interaction with the Shareholders, where the Board answers 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 newspapers such as Business Standard / Financial Express or Saakshi / Eenadu/ Andhra Jyothi (regional language), along with the official press releases.

### 9. General shareholders' information

#### (a) Day, date and time of 28<sup>th</sup> Annual General Meeting

The 28<sup>th</sup> Annual General Meeting of Members of the Company is scheduled to be held on Friday the 10<sup>th</sup> day of August, 2018 at 3.30 p.m at K L N Prasad, Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, FAPCCI Marg, Red Hills, Hyderabad - 500 004.

#### (b) Financial calendar (Tentative) for the Financial Year 2018-19.

Results for quarter ending June 30, 2018	: August 10, 2018
Results for quarter ending September 30, 2018	: November 13, 2018
Results for quarter ending December 31, 2018	: February 12, 2019
Results for year ending March 31, 2019	: May 23, 2019

**Dates of Book closure: August 1 , 2018 to August 3, 2018**, (both days inclusive) for payment of dividend.

(c) **Dividend payment date:** (subject to approval of shareholders at AGM) on or after August 16, 2018.

(d) **The Company's Equity Shares are listed on the BSE Limited and the National Stock Exchange of India Limited.**

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001	<b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
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Listing fee for the financial year 2018-19 has been paid to the stock exchanges.

(e) **Stock codes Equity shares**

BSE Limited (BSE) : 500294 - National Stock Exchange of India Limited (NSE) : NCC

**(f) Market price data**

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

Month	BSE		Sensex		NSE		Nifty	
	High price ₹	Low price ₹	High	Low	High price ₹	Low price ₹	High	Low
April 2017	101.50	81.60	30,184.22	29,241.48	101.50	81.50	9,367.15	9,075.15
May 2017	103.75	78.00	31,255.28	29,804.12	103.65	77.90	9,649.60	9,269.90
June 2017	93.10	84.20	31,522.87	30,680.66	93.20	84.15	9,709.30	9,448.75
July 2017	96.30	87.65	32,672.66	31,017.11	96.30	87.40	10,114.85	9,543.55
August 2017	91.95	79.30	32,686.48	31,128.02	92.00	76.20	10,137.85	9,685.55
September 2017	93.25	81.10	32,524.11	31,081.83	93.20	81.10	10,178.95	9,687.55
October 2017	111.65	82.25	33,340.17	31,440.48	111.70	82.05	10,384.50	9,831.05
November 2017	123.85	94.00	33,865.95	32,683.59	124.00	95.00	10,490.45	10,094.00
December 2017	136.10	112.25	34,137.97	32,565.16	136.00	112.20	10,552.40	10,061.90
January 2018	141.85	121.00	36,443.98	33,703.37	141.40	120.90	11,171.55	10,404.65
February 2018	133.00	101.40	36,256.83	33,482.81	133.30	101.50	11,117.35	10,276.30
March 2018	133.40	113.50	34,278.63	32,483.84	133.35	113.60	10,525.50	9,951.90

**(g) Registrar and Transfer Agents :**

M/s. Karvy Computershare Private Limited.  
 Karvy Selenium Tower B, Plot No.31 & 32,  
 Gachibowli, Financial District,  
 Nanakramguda, Serilingampally, Hyderabad -500 032  
 Phone:040-67161500 Fax:040-23420814  
 Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
[www.karvycomputershare.com](http://www.karvycomputershare.com)

**(h) 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 Private Limited 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.

**(i) Distribution of shareholding as on March 31, 2018.**

Number of shares held	Number of shareholders		Total Shares of ₹.2/-each	Details of shareholding	
	No	%		Value of shares of (₹)	%
1 - 5,000	101169	96.62	25,700,981	51,401,962.00	4.28
5,001 - 10,000	1,759	1.67	6,544,203	13,088,406.00	1.09
10,001 - 20,000	796	0.76	5,871,702	11,743,404.00	0.98
20,001 - 30,000	273	0.26	3,441,169	68,82,338.00	0.57
30,001 - 40,000	123	0.12	2,209,602	4,419,204.00	0.37
40,001 - 50,000	62	0.06	1,416,337	2,832,674.00	0.24
50,001 - 100,000	152	0.15	5,575,456	11,150,912.00	0.92
100,001 and above	374	0.36	549,887,138	1,099,774,276.00	91.55
<b>Total</b>	<b>104,708</b>	<b>100.00</b>	<b>600,646,588</b>	<b>1,201,293,176.00</b>	<b>100.00</b>

## Shareholding Pattern as on March 31, 2018

Category	No. of Shares of ₹ 2/- each	%
Promoters	108,759,780	18.11
Domestic Institutional Investors/Banks	1,599,339	0.27
Bodies Corporate	59,849,338	9.96
Foreign Institutional Investors	106,014,968	17.65
NRIs, OCBs, GDRs etc.,	4,364,497	0.73
Mutual Funds	198,638,047	33.07
Indian Public	121,420,619	20.21
<b>Total</b>	<b>600,646,588</b>	<b>100</b>

### (j) Dematerialization.

Over 99.79% of the outstanding shares were dematerialized up to March 31, 2018. The Company's shares are liquid and actively traded.

Category	No. of Shareholders	Number of Shares	%
NSDL	66,035	533,908,752	88.89
CDSL	37,611	65,470,861	10.90
Physical	1,062	1,266,975	0.21
<b>Total</b>	<b>104708*</b>	<b>600,646,588</b>	<b>100.00</b>

\*After clubbing the common PAN, No. of Shareholders are 102,176.

### (k) GDR & their impact on equity shares

As on March 31, 2018, there were 18700 GDRs pending for conversion. The overseas depository is Deutsche Bank Trust Company Americas, 60 Wall Street New York NY 10005, USA and the Custodian is ICICI Bank Ltd, Securities Processing Division, North Tower, 2<sup>nd</sup> Floor, ICICI Towers, Bandra Kurla Complex, Mumbai - 400051, India.

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

### (l) International Securities Identification Number (ISIN): INE868B01028

### (m) Address for Correspondence

Physical / Electronic mode	Shareholders General Correspondence
M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad -500 032 Phone:040-67161500 Fax:040-23420814 Email: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a> Toll Free No.1800-3454-001	Company Secretary / Compliance Officer NCC Limited 9 <sup>th</sup> Floor, NCC House, Madhapur, Hyderabad - 500 081 Phone : 040-23268888 / 23268942 Fax : 040- 23125555 E-Mail : <a href="mailto:ho.sec@nccltd.in">ho.sec@nccltd.in</a> <a href="http://www.ncclimited.com">www.ncclimited.com</a>

### 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 available to the beneficial owners of shares held in electronic form as well as in physical 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 annual general meeting of the Company or can be obtained from the Company's Registrar and Transfer Agents M/s. Karvy Computershare Private Limited.

### Unclaimed dividend

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, and corresponding sections 124 & 125 of Companies Act, 2013 which are applicable w.e.f. 7<sup>th</sup> September, 2016, 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 Investor

Education and Protection Fund. In compliance with above said provisions of the Companies Act, 1956/2013, the Company transferred the unclaimed dividend amounting to ₹ 9,35,076 (Final Dividend) pertaining to the year 2009-2010 to the Investor Education and Protection Fund.

**Due dates for transfer of dividend unclaimed to IEPF are as follows:**

Financial year	Type of dividend	Date of declaration	Amount of unclaimed dividend outstanding as on March 31, 2018 Rs.	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2010-2011	Final	12.08.2011	863,250.00	18.09.2018	17.10.2018
2011-2012	Final	26.09.2012	413,018.10	02.11.2019	01.12.2019
2012-2013	Final	27.09.2013	394,355.70	03.11.2020	02.12.2020
2013-2014	Final	25.09.2014	226,670.80	01.11.2021	01.12.2021
2014-2015	Final	24.08.2015	526,137.20	30.09.2022	30.10.2022
2015-2016	Final	24.08.2016	760,929.60	30.09.2023	30.10.2023
2016-2017	Final	24-08-2017	531,746.80	30-09-2024	30-10-2024

**Dividend Distribution policy**

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires that the top 500 listed companies based on the market capitalisation to formulate Dividend Distribution Policy. In compliance of the said requirement, the company has formulated its Dividend Distribution Policy, the details of which are available on the Company's website at: <http://ncclimited.com/Policies.html>

**10. Other Disclosures**

- (a) During 2017 -18 certain transactions were entered into with related parties. The details thereof are given in note number 37 of the Financial Statements.
- (b) 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.
- (c) The Company has formulated and adopted formal Whistle Blower Policy/vigil mechanism and the same is hosted on the Company's Web site and no concerned person has been denied access to the Audit Committee.
- (d) The Company has complied with all the mandatory requirements of Schedule V of the SEBI (Listing and Disclosure Requirements) Regulations, 2015.
- (e) Policy on Material Subsidiary(s) is hosted in our website [www.ncclimited.com](http://www.ncclimited.com)  
The following is the web link: [http://ncclimited.com/images/PDF/Policies/Policy-material-subsiary\\_NCC\\_Ltd.pdf](http://ncclimited.com/images/PDF/Policies/Policy-material-subsiary_NCC_Ltd.pdf).
- (f) Policy Related Party Transaction is hosted in our website [www.ncclimited.com](http://www.ncclimited.com), the following is the link; <http://ncclimited.com/images/PDF/Policies/Related%20Party%20Transactions-%20NCC.pdf>.

During the year, there was no treatment of any transaction different from that as prescribed in the Accounting Standards as required under Section 133 of the Companies Act, 2013.

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.

- 11. The Company has complied with all the requirements of Corporate Governance Report as set out in paras (2) to (10) above.
- 12. The Company has complied with the Non-mandatory requirements/Discretionary Requirements as stipulated in Regulation 27 (1) read with Part E of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as indicated below:
  - (a) The Company's financial statements are with unmodified audit opinion.
  - (b) The Company has appointed separate persons to the post of Chairman and Managing Director.
  - (c) The Internal auditors of the Company report directly to the Audit Committee of the Board.

13. The Company has complied with all the mandatory clauses of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of its applicability.

14. Disclosures with respect to demat suspense account / unclaimed suspense account:

The Company has followed the due procedure as provided in the Regulation 39 (4) read with Schedule V & VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in dealing with the unclaimed shares in Public issue/Rights issues. The movement of unclaimed shares in the "NCC Ltd – Unclaimed Suspense Account" during the year as follows:-

<b>Particulars</b>	<b>No of shareholders</b>	<b>No. of Equity Shares</b>
Aggregate Number of Shareholders and outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2017	168	108,667
Unclaimed shares Credited to the Account during the year	Nil	Nil
Number of shareholders approached the Company for transfer of shares from Unclaimed Suspense Account during the year	2	2,500
No.of Shares transferred to IEPF Account	129	78,195
Aggregate Number of Shareholders and outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2018	37	27,972
The voting rights of the above said unclaimed shares lying in Demat Account shall remain frozen till rightful owner of such shares claims the shares.		

## 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, 2018.

**For NCC Limited**

**A. A. V. Ranga Raju**  
**Managing Director**  
**DIN No. 00019161**

Place: Hyderabad

Date: 24th May, 2018

## Chief Executive Officer and Chief Financial Officer Certification

In relation to the Audited Financial Accounts of the Company as at March 31, 2018, 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 violate 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.

Sd/-  
**A.A.V. Ranga Raju**  
Managing Director  
(Chief Executive Officer)  
DIN No. 00019161

Sd/-  
**R. S. Raju**  
Associate Director (F&A)  
(Chief Financial Officer)

Place: Hyderabad

Date: 24th May, 2018



**S.R. Batliboi & Associates LLP**

Chartered Accountants  
Oval Office, 18, iLabs Centre  
HITECH City, Madhapur,  
Hyderabad - 500 081.

## Independent Auditor's Report on Corporate Governance

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of NCC Limited  
NCC House,  
Madhapur, Hyderabad-500 081.

1. The Corporate Governance Report prepared by NCC Limited (hereinafter "the Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following meetings held April 01, 2017 to March 31, 2018:
    - (a) Board of Directors meeting;
    - (b) Audit Committee;
    - (c) Nomination and Remuneration Committee;
    - (d) Stakeholders Relationship Committee; and
    - (e) Risk Management Committee;
  - v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

### **Other matters and Restriction on Use**

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

Place of Signature: Hyderabad

Date: May 24, 2018

# BUSINESS RESPONSIBILITY REPORT

## 1. SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L72200TG1990PLC011146
2. Name of the Company: NCC Limited
3. Registered address: NCC House, Madhapur, Hyderabad-500081, Telangana
4. Website: [www.ncclimited.com](http://www.ncclimited.com)
5. E-mail id: [ho.secr@nccltd.in](mailto:ho.secr@nccltd.in)
6. Financial Year reported: 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Construction, Engineering and Infrastructure Development activities.
8. List three key services that the Company manufactures/provides (as in balance sheet):  
Construction, Engineering and Infrastructure Development activities.
9. Total number of locations where business activity is undertaken by the Company:
  - (a) Number of National Locations: The Company executes construction projects in most of the States and Union Territories in India
  - (b) Number of International Locations: Two (Sultanate of Oman and Sri Lanka)
10. Markets served by the Company - Local, State, National & International

## SECTION B: FINANCIAL DETAILS OF THE COMPANY FY 2017-18

- 1. Paid up capital ( INR): 1201.29 million
- 2. Total turnover (INR): 75593.23 million
- 3. Total profit after taxes (INR): 2868.04 million
- 4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): As stipulated under section 135 of the Companies Act, 2013, 2% of the average net profits of the last three years have been spent on CSR activities
- 5. List of activities in which the Corporate Social Responsibility (CSR) expenditure has been incurred:
  1. Construction of Public amenities under Swachh Bharat Abhyan
  2. Contribution to eligible charitable institutions
  3. Promoting Education
  4. Safety engineering

## SECTION C: OTHER DETAILS

1	Does the Company have Subsidiary Companies	Yes, as on 31st March 2018, the Company has 51 Subsidiary Companies including step down Subsidiaries
2	Do the Subsidiary Companies participate in the BR initiatives of the parent Company	Yes, through their own BRR initiatives
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company .if yes, then indicate the 30%, 30%-60%, more than 30%)	No

## SECTION D: BR INFORMATION

### Details of Director/Directors responsible for BR

(a) Details of Director/Directors responsible for implementation of BR policy /policies

No	Particulars	Details
1	DIN Number	00019100
2	Name	Sri A G K Raju
3	Designation	Executive Director

### (b) Details of BR Head

No	Particulars	Details
1	DIN Number (if Applicable)	00019100
2	Name	Sri A G K Raju
3	Designation	Executive Director
4	Phone Number	040-23268888
5	e-mail id	ho.secr@nccltd.in

## 2. Principle-wise (as per NVGs)

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3 : Businesses should promote the well-being of all employees

Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5 : Businesses should respect and promote human rights

Principle 6 : Business should respect, protect and make efforts to restore the environment

Principle 7 : Business , when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 : Businesses should support inclusive growth and equitable development

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

### (a) Details of compliances (Reply in Y/N)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy or policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with stake holders?	Policies formulated after internal consultation covering all functional areas								
3	Does the policy conform to any national or international standards?	The Policies conform to statutory provisions								
4	Has the policy been approved by the Board? Has it been signed by MD/Owner/CEO/ Appropriate Board Director	Yes, The policies were approved by the Board of Directors and signed by the Managing Director and the Executive Director who have been authorised to take necessary steps for complying with the BRR requirements								
5	Does the Company have a specified committee of the Board of Directors /Official(s) to oversee the implementation of the policy?	Yes. Executive Director								
6	Indicate the link for the policy to be viewed online	Policies hosted on the Company's website <a href="http://ncclimited.com/images/PDF/Policies and /">http://ncclimited.com/images/PDF/Policies and /</a> or on Company's intra net								
7	Has the policy been communicated to all relevant internal and external stakeholders?	Yes. Communicated to all internal stakeholders								
8	Does the Company have in house structure to implement the policy or policies?	Yes.								

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy /policies to address the stake holders' grievances related to the policy /policies?	Yes								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by internal or external agency ?	Yes. Internal evaluation								

### 3. Governance related BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company	Annually
b	Does the Company publish a BR or a Sustainability Report ?	Yes, the Company publishes BR Report as part of the Annual Report and also hosted the same on the Company's website.
	Web link for viewing the BR Report	<a href="http://ncclimited.com/images/PDF/Policies">http://ncclimited.com/images/PDF/Policies</a>
	How frequently it is published?	Annually

### E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1	Coverage of policy relating to ethics, bribery and corruption (e.g. Joint Ventures, Suppliers, Contractors, NGOs etc.).	The policy is basically applicable to the Company. The group Companies have adopted similar policies
2	How many stake holder complaints have been received in the Financial Year 2017-18?	Nil

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
1	List three products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	a. Construction, b. Engineering and c. Infrastructure Development activities.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc)	The Company is not engaged in the business of manufacturing goods and consumer products. The company however takes necessary steps to ensure efficient use of the raw materials and goods required for execution of the projects including in relation to energy, water, raw material etc.
3	Does the company have procedures in place for sustainable sourcing ?	Yes
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. During the execution of the projects awarded to the Company, the Company to the extent possible / permitted under the contracts awarded procures raw materials including bricks, aggregates, sand etc from local & small producers. The company also utilises the services of locals to the extent possible / permitted under the contracts awarded to it
5	Does the Company have a mechanism to recycle products and waste?	Recycling the product is not applicable as the company is not engaged in manufacturing activities. Hazardous wastes are disposed off as per the statutory provisions

**Principle 3: Businesses should promote the well-being of all employees**

1	Total number of permanent employees as on 31.03.2018	5503
2	No. Of employees hired on contractual basis	Depending upon the requirements of each of the projects awarded to the Company, the Company engages employees on contractual basis
3	Number of permanent women employees	81
4	Number of permanent employees with disabilities	8
5	Employee associations	Nil
6	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Nil
7	Brief details of Training programmers' held during the F.Y 2017-18 for the employees including with regard to Safety, Skill Development / Up-gradation Programmers'. Programmers' held for exclusively for the women employees:	<p>During the year 2017-2018 total 28 Training Programs were organized covering 662 employees.</p> <p>In total 12794 training man-days were achieved during the period on various aspects viz., Personal &amp; Organizational Effectiveness (POE), Environment &amp; Health, Safety Awareness, Technical and E-learning, Communication skills, Time management, Stress management, Site acclimatization, Team spirit, Leadership skills, Presentation skills.</p> <p>Project Managers Programs:</p> <p>With a view to enrich the management and leadership abilities of our project managers, two exclusive programs were conducted The programs emphasized on upgrading the administrative skills among the project managers in the areas of a) Stakeholders' Management, b) Risk Management, c) Prudent Planning for Successful Execution of Projects, d) How to Overcome the Constraints in Project Management, e) Execution of claims in the contract, and f) stress management etc.</p> <p>Fire Fighting and Fire Safety Training</p> <p>Emergency Response Team (ERT) members of NCC actively participated in the safety awareness programs. Employees were encouraged to practically operate the fire extinguishers to put off the artificially created fire to have an on hand experience in case of fire emergencies.</p> <p>GETs &amp; DETs Training</p> <p>Intense on-the-job training was imparted to 98 Graduate Engineering Trainees (GETs) and 8 Diploma Engineering Trainees (DETs) at various sites</p> <p>ISO awareness program</p> <p>During the month of July 2017 an ISO awareness program was organized for the employees at Corporate Office. Two internal auditors' training programs were conducted during Aug 2017 at IIT Ropar site and in Sep 2017 at Corporate Office, Hyderabad respectively with a view to instill ISO auditing skills among identified employees</p> <p>Women's Day</p> <p>International Women's Day was celebrated at the HO premises on Mar-8, 2018.</p> <p>Health Awareness Programms'</p> <p>During the Financial Year 2017-18 the Company has also conducted various Health Awareness Programmers' viz., Cardio Camp, Gastro Health camp, Dermatology &amp; General Physician Camp, Cardio Medical Camp by doctors from the reputed hospitals Initiatives taken by the Company for the overall well being of the employees</p> <p>Employee well being and recognition are the key priority at NCC. Following are some of the initiatives taken for employee Wellbeing</p> <ul style="list-style-type: none"> <li>➤ Staff Cafeteria</li> <li>➤ In-House ATM Facility</li> <li>➤ In-House Gym</li> <li>➤ Employee Recreation Room</li> <li>➤ Separate Recreation Room for Janitors/ Drivers</li> <li>➤ Group insurance policy</li> <li>➤ Issue of Meal card</li> </ul>

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1	Has the Company Mapped its internal and external stakeholders?	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	For the internal Stakeholders
3	Are there any special initiatives taken by the Company to engage with disadvantaged, vulnerable and marginalised stakeholders?	As applicable

**Principle 5 : Businesses should respect and promote human rights**

1	Does the Company's policy on human rights cover only the Company or extend to the to Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?	The policy is basically applicable to the company. Same is extended to the group companies
2	How many Stake holders complaints have been received in the Financial Year 2017-18?	Nil
3	Percentage of satisfactory resolution of Stake Holders complaints?	Not Applicable as the Company has not received any complaints

**Principle 6 : Business should respect, protect and make efforts to restore the environment**

1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?	The policy is basically applicable to the Company. The group companies have adopted similar policies
2	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. (Sustainability Report's link)	Yes. The company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed off as per the statutory provisions
3	Does the company identify and assess potential environmental risks?	The company addresses the issues through the Environment, Health and Safety (EHS) Policy and also holds the ISO certification in respect of Environment, Health and Management System
4	Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the company permit adoption of Clean Development Mechanism, the company strictly adheres to the same.
5	Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	As part of the project execution the Company has undertaken initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6	Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. Complied to the extent applicable
7	Number of show cause / legal notices received from CPCB /SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

**Principle 7 : Business , when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1	Is the Company a member of any trade and chamber or association and If Yes, name of major ones that the Company deals with	Yes 1. Construction Federation of India 2. Builders Association of India 3. Construction Industry Development Council (CIDC) 4. Confederation of Indian Industry 5. Water Supply Contractors Association 6. National Highway Builders Federation 7. National Safety Council of India 8. Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry
2	Has the Company advocated/lobbied through above associations for the advancement or improvement of the public good? If yes specify the broad areas	Whenever Policy guidelines are issued, the company has been providing its suggestions to the Government and above Trade / Chamber Associations. Company officials have also been attended seminars / workshops organized by the apex organizations for facilitating views on the policies.

**Principle 8: Businesses should support inclusive growth and equitable development**

1	Does the Company carried on programmes/initiatives/projects in support of inclusive growth and equitable development?	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013 . The details of the CSR projects under taken by the Company is provided in the annexure IV to the Directors' Report
2	Are the programmes/projects undertaken through in-house team/ Own foundation/External NGO/Government structures or any other organisations?	In house teams and External Agencies viz., charitable organisations.
3	Have you done any impact assessment of your initiatives	Informal assessment
4	What is the Company's Direct contribution to the community development projects?	Rs. 46.8 Million
5	Has the Company taken any steps to ensure that that the above initiatives are successfully adopted by the community ?	Yes

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
4	Did your company carry out any consumer survey/consumer satisfaction trends?	Not Applicable



# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**NCC Limited**

## **Report on the Standalone Ind AS financial statements**

We have audited the accompanying standalone Ind AS financial statements of **NCC Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit

evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## **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 reports of the branch auditors and other auditors on separate financial statements of branches and jointly controlled operations referred to in the Other Matters paragraph below, the standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

## **Other Matters**

- a) We did not audit the financial statements and other financial information of 5 branches and 11 jointly controlled operation included in the accompanying standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹ 2542.87 million as at March 31, 2018, total revenues of ₹ 354.56 million for the year ended on that date. These financial statements and other financial information of these branches and jointly controlled operations have been audited by the branch auditors and other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and jointly controlled operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches and jointly controlled operations, is based solely on the report of such branch auditors and other auditors.

Of these 1 branch is located outside India whose financial statement and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor

under generally accepted auditing standards applicable in its country. The Company's management has converted the financial statement of such branch located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branch located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

- b) The comparative financial information of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 23, 2017 expressed an unmodified opinion.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 branches not visited by us;
  - (c) The reports on the accounts of the branch offices of the Company audited under section 143 (8) of the Act by branch auditor has been sent to us and have been properly dealt by us in preparing this report;
  - (d) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
  - (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report dated May 24, 2018 in "Annexure 2" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Notes 36 and 45 to the standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

Place of Signature: Hyderabad

Date: May 24, 2018

## ANNEXURE 1, REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

### Re: NCC Limited ('The Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) A major portion of fixed assets have been physically verified by the management in accordance with the programme of verification, which, in our opinion, provides for physical verification of all fixed assets at reasonable interval having regard to the size of the Company and 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.
- (i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii)(a) The Company has granted loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (iii)(b) The Company has granted loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (iii)(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the Construction services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, Goods and Service tax, value added tax and cess on account of any dispute, are as follows:

(₹ in million)

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Disputed Amount	Amount paid under protest
Central Sales Tax Act (CST) and Sales Tax Acts (VAT) of various States	CST	Appellate Authority, Bhopal	2011-15	8.00	4.77
	CST	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2014-15	3.12	-
	CST	Sales Tax Tribunal, Mumbai	2010-12 & 2013-14	101.83	4.75
	VAT	Additional Commissioner, Andhra Pradesh	2012-13	131.39	56.88
	VAT	Additional Commissioner, Grade-2 (Appeals), Commercial Tax, Range-5 Lucknow	2006-07	15.52	1.55
	VAT	Additional Commissioner (CT), West Bengal	2010-11	217.66	14.46
	VAT	Commissioner of Sales Tax, New Delhi	2009-11 & 2012-14	129.99	47.35
	VAT	Appellate Deputy Commissioner, Kerala	2008-09	3.14	0.50
	VAT	Additional Commissioner, West Bengal	2014-15	74.97	20.94
	VAT	Commissioner of Sales Tax, Kerala	2013-14	13.14	-
	VAT	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2010-15	73.68	6.34
	VAT	Deputy Commissioner of Sales tax (Appeals), Assam	2005-07	184.10	-
	VAT	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2005-06	14.52	-
Central Sales Tax Act (CST) and Sales Tax Acts (VAT) of various States	VAT	Hon'ble High Court of Odisha	2007-13	100.00	33.76
	VAT	Hon'ble High Court of Tamil Nadu	2006-07	4.36	-
	VAT	Sales Tax Appellate Tribunal, Andhra Pradesh	2003-04 & 2005-07	176.31	127.74
	VAT	Sales Tax Tribunal, Mumbai.	2010-14	209.67	49.81
	VAT	Sr.Joint Commissioner (Appeals), West Bengal	2008-10 & 2011-13	343.33	33.46
	VAT	Sr.Joint Commissioner, Commercial Tax, West Bengal	2013-14	139.30	48.59
	VAT	Appellate Deputy Commissioner, Hyderabad	2007-12	460.59	460.59
	VAT	Commercial Tax Officer, Jodhpur	2014-15	1.09	1.09
	VAT	Joint Commissioner, Lucknow	2011-14	64.20	64.20
	VAT	Sales Tax Tribunal, Lucknow	2010-11	18.75	18.75
	Entry Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2012-13	9.90	4.95
	Entry Tax	Hon'ble High Court of Odisha	2007-13	7.36	-
	Sales Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	1994-95	4.35	2.68
	Sales Tax	Sales Tax Appellate Tribunal, Andhra Pradesh	1999-01 & 2002-03	12.12	3.59

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Disputed Amount	Amount paid under protest
Central Excise Act, 1944	Excise Duty	CESTAT, Bangalore	2007-08	4.55	1.00
Finance Act 1994	Service Tax	CESTAT, Bangalore	2005-12	750.30	4.63
	Service Tax	CESTAT, Hyderabad	2010-15	78.69	-
	Service Tax	Commissioner (Appeals), Service Tax	2005-08	3.94	0.99
	Service Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2007-09	130.21	-

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution and banks. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has not raised the monies by way of further public offer (including debt instruments). In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

Place of Signature: Hyderabad

Date: May 24, 2018

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF NCC LIMITED

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of NCC Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

Place of Signature: Hyderabad

Date: May 24, 2018

# BALANCE SHEET AS AT MARCH 31, 2018

(₹ in million)

	Note	As at March 31, 2018		As at March 31, 2017	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, Plant and Equipment	3	7,478.33		5,899.53	
Capital Work in Progress	3	229.25		12.74	
Investment Property	3.1	586.54		481.25	
Other Intangible Assets	3.2	15.81		22.53	
Financial Assets					
Investments in Associates	4.1	1,112.85		1,430.35	
Other Investments	4.1	9,124.51		8,856.56	
Loans	5	4,872.73		-	
Trade Receivables	6	1,833.00		1,676.58	
Other Financial Assets	7	814.30		2.66	
Deferred Tax Assets (Net)	8	1,792.53		1,354.21	
Non Current Tax Assets (Net)	14	431.57		855.63	
Other Non Current Assets	15	477.00		-	
<b>Total Non - Current Assets</b>			<b>28,768.42</b>		20,592.04
<b>Current Assets</b>					
Inventories	9	16,955.64		15,258.25	
Financial Assets					
Other Investments	4.2	0.03		0.03	
Trade Receivables	10	45,056.36		35,358.09	
Cash and Cash Equivalents	11.1	591.14		1,086.60	
Bank balances other than above	11.2	67.70		8.04	
Loans	12	1,451.66		5,860.78	
Other Financial Assets	13	1,206.59		1,823.87	
Current Tax Assets (Net)	14.1	566.90		147.69	
Other Current Assets	15.1	13,341.20		9,304.94	
<b>Total Current Assets</b>			<b>79,237.22</b>		68,848.29
<b>Total Assets</b>			<b>108,005.64</b>		89,440.33

# BALANCE SHEET AS AT MARCH 31, 2018 (Contd.)

(₹ in million)

	Note	As at March 31, 2018		As at March 31, 2017	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share Capital	16	<b>1,201.29</b>		1,111.86	
Other Equity	17	<b>41,215.18</b>		33,311.00	
<b>Total Equity</b>			<b>42,416.47</b>		34,422.86
<b>Liabilities</b>					
<b>Non Current Liabilities</b>					
Financial Liabilities					
Borrowings	18	<b>1,185.31</b>		91.07	
Trade Payables	19	<b>1,243.12</b>		754.49	
Provisions	20	<b>151.02</b>		87.53	
<b>Total Non Current Liabilities</b>			<b>2,579.45</b>		933.09
<b>Current Liabilities</b>					
Financial Liabilities					
Borrowings	21	<b>10,450.93</b>		15,282.62	
Trade Payables	22	<b>33,881.92</b>		28,688.18	
Other Financial Liabilities	23	<b>1,494.55</b>		485.83	
Provisions	24	<b>288.06</b>		249.41	
Current Tax Liabilities (Net)	25	-		30.94	
Other Current Liabilities	26	<b>16,894.26</b>		9,347.40	
<b>Total Current Liabilities</b>			<b>63,009.72</b>		54,084.38
<b>Total Equity and Liabilities</b>			<b>108,005.64</b>		89,440.33

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

per **NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
Associate Director (F&A) / CFO

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

For and on behalf of the Board

**A.A.V. RANGA RAJU**  
Managing Director / CEO  
(DIN No: 00019161)

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	27	75,593.23	78,920.73
Other Income	28	1,158.33	1,400.76
<b>Total Income</b>		<b>76,751.56</b>	80,321.49
<b>EXPENSES</b>			
Cost of Materials Consumed	29	29,352.77	29,958.85
Construction Expenses	30	7,679.04	9,347.37
Changes in Inventories of Work in Progress	31	(1,587.42)	1,398.02
Sub-contractors Work Bills		25,866.08	26,166.72
Employee Benefits Expense	32	3,641.06	3,315.45
Finance Costs	33	3,789.40	3,956.99
Depreciation and Amortization Expense (Refer note 3, 3.1 and 3.2)		1,174.71	1,120.63
Other Expenses	34	2,092.87	1,882.56
<b>Total Expenses</b>		<b>72,008.51</b>	77,146.59
<b>Profit Before Exceptional Items and Tax</b>		<b>4,743.05</b>	3,174.90
Exceptional Items (Net)	44	(1,065.64)	(503.37)
<b>Profit Before Tax</b>		<b>3,677.41</b>	2,671.53
<b>Tax Expense</b>	35		
Current Tax		968.58	935.61
Deferred Tax		(159.21)	(519.09)
		<b>809.37</b>	416.52
<b>Profit for the year</b>		<b>2,868.04</b>	2,255.01
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gains / (losses) of the defined benefit plans		(30.11)	(15.46)
Income tax effect on the above		10.54	5.42
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of foreign operations		(0.20)	(44.05)
Income tax effect on the above		0.07	15.24
<b>Other comprehensive income / (loss) for the year (net of taxes)</b>		<b>(19.70)</b>	(38.85)
<b>Total comprehensive income for the year</b>		<b>2,848.34</b>	2,216.16
<b>Earnings per share of face value of ₹ 2 each.</b>			
Basic and Diluted - ₹	39	5.09	4.06

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

per **NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
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**M.V. SRINIVASA MURTHY**  
Company Secy. & E.V.P (Legal)

For and on behalf of the Board

**A.A.V. RANGA RAJU**  
Managing Director / CEO  
(DIN No: 00019161)

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital	Number of shares	Amount (₹ in million)
<b>Balance as at April 01, 2016</b>	555,931,588	1,111.86
Add: Issue of Share Capital	-	-
<b>Balance as at March 31, 2017</b>	555,931,588	1,111.86
Add: Issue of Share Capital	44,715,000	89.43
<b>Balance as at March 31, 2018</b>	<b>600,646,588</b>	<b>1,201.29</b>

## B. Other equity

(₹ in million)

	Reserves and Surplus						Items of other comprehensive income / (loss)		Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange differences on translating financial statement of a foreign operations	
Balance at April 01, 2016	54.33	19,993.03	-	220.00	9,000.00	2,250.09	(1.77)	(19.37)	31,496.31
Transfer to General Reserve	-	-	-	(220.00)	220.00	-	-	-	-
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-	(10.05)	(28.81)	(38.86)
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	(401.46)	-	-	(401.46)
Profit for the year	-	-	-	-	-	2,255.01	-	-	2,255.01
<b>Balance at March 31, 2017</b>	<b>54.33</b>	<b>19,993.03</b>	<b>-</b>	<b>-</b>	<b>9,220.00</b>	<b>4,103.64</b>	<b>(11.82)</b>	<b>(48.18)</b>	<b>33,311.00</b>
Premium on Issue of Share Capital	-	5,410.52	-	-	-	-	-	-	5,410.52
Share issue expenses	-	(87.03)	-	-	-	-	-	-	(87.03)
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	(267.65)	-	-	(267.65)
Profit for the year	-	-	-	-	-	2,868.04	-	-	2,868.04
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-	(19.57)	(0.13)	(19.70)
<b>Balance at March 31, 2018</b>	<b>54.33</b>	<b>25,316.52</b>	<b>-</b>	<b>-</b>	<b>9,220.00</b>	<b>6,704.03</b>	<b>(31.39)</b>	<b>(48.31)</b>	<b>41,215.18</b>

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

per **NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
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**M.V. SRINIVASA MURTHY**  
Company Secy. & E.V.P (Legal)

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>3,677.41</b>	2,671.53
<b>Adjustments for:</b>		
Depreciation and amortisation expense	<b>1,174.71</b>	1,120.63
Loss on sale of Property, Plant and Equipment and Investment Property	<b>7.00</b>	22.93
Finance costs	<b>3,789.40</b>	3,956.99
Interest income	<b>(980.66)</b>	(1,391.72)
Trade Receivables written off	<b>114.78</b>	-
Provision for doubtful trade receivables / advances / others	<b>231.23</b>	263.00
Exceptional items (net)	<b>1,065.64</b>	503.37
Rental income from investment properties	<b>(30.72)</b>	(20.77)
Net foreign exchange (gain) / loss	<b>(6.30)</b>	24.10
	<b>5,365.08</b>	4,478.53
<b>Operating profit before working capital changes</b>	<b>9,042.49</b>	7,150.06
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
(Increase) / decrease in Inventories	<b>(1,697.39)</b>	1,309.45
(Increase) in Trade receivables	<b>(10,117.00)</b>	(4,923.03)
(Increase) / decrease in other current Assets	<b>(4,717.39)</b>	274.96
(Increase) in other financial assets	<b>(79.78)</b>	(86.77)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Increase in Trade payables	<b>5,682.37</b>	1,243.59
Increase / (Decrease) in other current and financial liabilities	<b>7,546.86</b>	(2,598.96)
Increase in Provisions	<b>72.03</b>	34.33
	<b>(3,310.30)</b>	(4,746.43)
Cash generated from operations	<b>5,732.19</b>	2,403.63
Net income tax (paid)	<b>(1,263.20)</b>	(435.66)
<b>Net cash flows from operating activities (A)</b>	<b>4,468.99</b>	1,967.97
<b>B. Cash flows from investing activities</b>		
Capital expenditure for property , plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	<b>(3,156.47)</b>	(1,349.59)
Proceeds from disposal of Property, Plant and Equipment and Investment Property	<b>80.90</b>	63.89
Bank balances not considered as Cash and cash equivalents	<b>(60.09)</b>	31.82
Purchase of non current investments		
- Subsidiaries	<b>(761.19)</b>	(2.08)
Proceeds from sale of non current and current investments		
- Subsidiaries	-	130.13
- Associates, Others	<b>199.55</b>	184.37
Loans given to subsidiaries, associates and others	<b>(1,455.30)</b>	(1,511.56)
Loans realised from subsidiaries, associates and others	<b>769.01</b>	2,652.93
Inter Corporate Deposits given	<b>(167.55)</b>	(356.08)
Inter Corporate Deposits realised	<b>28.28</b>	2,901.80
Interest received	<b>900.12</b>	1,786.00
Rental income from investment properties	<b>30.72</b>	20.77
<b>Net cash flows from / (used) in investing activities (B)</b>	<b>(3,592.02)</b>	4,552.40

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>C. Cash flows from financing activities</b>		
Proceeds from Issue of Shares (including Securities Premium)	5,412.92	-
Proceeds from long term borrowings	2,616.58	104.18
Repayment of long term borrowings	(551.09)	(1,289.13)
Net decrease in working capital borrowings	(4,831.69)	(1,883.03)
Finance cost	(3,751.50)	(4,082.69)
Dividend & Tax on dividend paid	(267.65)	(401.59)
<b>Net cash flows (used ) in financing activities (C)</b>	<b>(1,372.43)</b>	<b>(7,552.26)</b>
<b>Net decrease in Cash and cash equivalents (A+B+C)</b>	<b>(495.46)</b>	<b>(1,031.89)</b>
Cash and cash equivalents at the beginning of the year	1086.60	2,118.49
<b>Cash and cash equivalents at the end of the year</b>	<b>591.14</b>	<b>1086.60</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents	591.14	1,086.60
<b>Cash and cash equivalents at the end of the year</b>	<b>591.14</b>	<b>1,086.60</b>

## Non-cash transactions

The Company has acquired equity shares of NCC Infrastructure Holdings Limited of ₹ 451.94 million from Gayatri Energy Ventures Private Limited against settlement of amounts receivable from NCC Infrastructure Holdings Limited. Hence, the aforesaid transaction has been considered as non-cash item for the purpose of cash flow statement.

Note: Figures in brackets represents cash outflows.

## The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**per NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

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Company Secy. & E.V.P (Legal)

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

# Notes forming part of the financial statements

## 1 General Information:

NCC 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 were listed on the stock exchanges in India during 1992 pursuant to the Initial Public Offer of equity shares. The registered office of the Company is located at NCC House, Madhapur, Hyderabad - 500 081, Telangana, India. The Company is engaged in the infrastructure sector, primarily in the construction of industrial and commercial buildings, housing, roads, bridges and flyovers, water supply and environment projects, railways, mining, power transmission lines, irrigation and hydrothermal power projects, real estate development, etc.

## 2 Significant accounting policies:

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

### 2.2 Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as a net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair

value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 2.3 Interest in Joint Operations

A joint operation is a joint arrangement where by the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a company undertakes its activities under joint operations, the company as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
3. its revenue from the sale of its share arising from the joint operation,
4. its share of the revenue from the joint operations, and
5. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

### 2.4 Revenue Recognition

- i) **Project Division:** Revenue from construction contracts is recognised by reference to the stage of completion of the contract activity. 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 and when assessed.
- 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.

# Notes forming part of the financial statements

## 2.5 Other income:

- a) **Dividend Income** : Dividend income from Investments is recognised when the shareholder's right to receive payment has been established.
- b) **Interest income** : Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- c) **Rental income** : Rental income from operating leases is generally recognised over the term of the relevant lease.

## 2.6 Foreign exchange translation and foreign currency transactions:

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to million).

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.

The exchange difference on restatement of long term receivables / payables from / to foreign operations that are considered as net investments in such operation are recognised in the statement of profit and loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.

Foreign branches functional currency is other than reporting currency of its parent and foreign branch financial statements are translated into reporting currency of its parent using the following procedures.

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 recognised in other comprehensive income till the disposal of the net investment.

## 2.7 Borrowing Costs:

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are included in the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## 2.8 Employee Benefits:

### 2.8.1 Retirement benefit costs and termination benefits

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Superannuation

The Company's contribution to superannuation fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Provident Fund

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

#### Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling ( if applicable) and the return on plan assets (excluding net interest) , is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

# Notes forming part of the financial statements

## 2.8.2 Compensated Absences

The employees are entitled to accumulate leave subject to certain limits, for future encashment, as per the policy of the Company.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognized in the Statement of Profit and Loss.

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

## 2.9 Taxation

Income tax expense represents sum of the tax currently payable and deferred tax.

**2.9.1 Current Tax:** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period in the countries where the Company operates and generates taxable income.

## 2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The

deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## 2.9.3 Current and deferred tax for the year

Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## 2.10 Property, plant and equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is required to be included in the cost of the respective item of property plant and equipment and Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised. For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per previous GAAP, accumulated depreciation and cumulative impairment on the transition date of April 1, 2015.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

# Notes forming part of the financial statements

## 2.11 Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.

Depreciation on Property, Plant and equipment and investment property have been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of construction accessories (6 years), in whose case the life of the assets has been assessed based on technical assessment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance, etc.

Depreciation on Property, Plant and equipment in joint venture operations provided on Straight Line Method/Written Down Value Method based on useful life prescribed in Schedule II of the Companies Act, 2013.

Intangible Assets are amortised, on straight line method based on the useful life as assessed by the Management. The amortisation period and the amortisation method for an intangible asset is reviewed every year.

**2.12 Investment property:** Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of Investment property measured as per previous GAAP, accumulated depreciation and cumulative impairment on the transition date of April 1, 2015.

## 2.13 Intangible Assets:

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## 2.14 Inventories:

### Raw Materials:

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realisable value, whichever is lower. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

### Work in Progress:

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

### Properties Under Development:

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

## 2.15 Investments in Subsidiaries, Associates and Joint ventures:

On initial recognition, these investments are recognised at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

## 2.16 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 disclosed in the financial statements when flow of economic benefits is probable.

## 2.17 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.



# Notes forming part of the financial statements

## 2.18 Financial assets

Financial asset is

1. Cash / Equity Instrument of another Entity,
2. Contractual right to –
  - a) receive Cash / another Financial Asset from another Entity, or
  - b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

## 2.19 Subsequent measurement of the financial assets

### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

- (iv) The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount

of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit and loss.

## 2.20 Financial liabilities

Financial liability is Contractual Obligation to

- a) deliver Cash or another Financial Asset to another Entity, or
- b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavourable to the Entity.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

## 2.21 Subsequent measurement of the financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

## 2.22 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

## 2.23 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

## 2.24 Impairment of Assets:

### Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual

# Notes forming part of the financial statements

asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## 2.25 Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## 2.26 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. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

## 2.27 Earnings Per Share :

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.

## 2.28 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.

## 2.29 Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

- (i) Revenue recognition: The Company uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

# Notes forming part of the financial statements

- (ii) Key sources of estimation uncertainty: The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Items requiring significant estimate	Assumption and estimation uncertainty
Review of property, plant and equipment	The Company reviews the estimated useful lives, amortisation method and residual value of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life, amortisation method and residual value considered for the assets.
Fair value measurements and valuation processes	<p>Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.</p> <p>In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party / internal qualified valuers to perform the valuation. Finance team works closely with the qualified external / internal valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the Board of Directors about the causes of fluctuations in the fair value of the assets and liabilities.</p>
Provision for doubtful receivables	The company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## 2.30 Exceptional Items:

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

## 2.31 Operating cycle:

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

## 2.32 Recent accounting pronouncements:

Standards issued but not yet effective and not early adopted by the Company:

### Ind AS 115, "Revenue from Contracts with Customers"

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. The Company has initiated to develop the modalities for implementation of Ind AS 115 relating to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, additional disclosure requirements that may be necessary. This amendment is effective from April 01, 2018. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible after completion of the implementation process.

### Other amendments:

On March 28, 2018, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 40, Investment Property
- Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Ind AS 12, Income Taxes
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 112, Disclosure of Interests in Other Entities

These amendments are effective from April 01, 2018. The Company believes that the aforementioned amendments will not materially impact the financial statements of the Company.

# Notes forming part of the financial statements

## Note 3 Property, Plant & Equipment and Capital Work-in-Progress:

(₹ in million)

	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
<b>Cost:</b>									
<b>Balance as at April 01, 2016</b>	<b>330.90</b>	<b>5,428.40</b>	<b>74.80</b>	<b>1,494.61</b>	<b>485.35</b>	<b>382.05</b>	<b>63.74</b>	<b>3,899.31</b>	<b>12,159.16</b>
Additions	22.60	447.93	9.67	5.46	153.69	35.05	-	609.44	1,283.84
Disposals / Adjustments	2.63	160.12	2.00	69.82	32.04	15.91	-	90.63	373.15
<b>As at March 31, 2017</b>	<b>350.87</b>	<b>5,716.21</b>	<b>82.47</b>	<b>1,430.25</b>	<b>607.00</b>	<b>401.19</b>	<b>63.74</b>	<b>4,418.12</b>	<b>13,069.85</b>
Additions	62.35	1,114.98	21.73	5.56	124.32	59.01	98.14	1,343.36	2,829.45
Disposals / Adjustments	35.47	128.27	0.12	65.14	30.83	2.17	-	133.99	395.99
<b>As at March 31, 2018</b>	<b>377.75</b>	<b>6,702.92</b>	<b>104.08</b>	<b>1,370.67</b>	<b>700.49</b>	<b>458.03</b>	<b>161.88</b>	<b>5,627.49</b>	<b>15,503.31</b>
<b>Depreciation:</b>									
<b>Balance as at April 01, 2016</b>	<b>38.78</b>	<b>2,315.29</b>	<b>40.74</b>	<b>995.84</b>	<b>249.18</b>	<b>285.96</b>	<b>20.68</b>	<b>2,410.92</b>	<b>6,357.39</b>
Depreciation	25.13	480.29	6.00	132.69	51.18	37.22	8.12	360.46	1,101.09
Disposals / Adjustments	0.54	125.80	1.77	35.71	25.47	15.06	-	83.81	288.16
<b>As at March 31, 2017</b>	<b>63.37</b>	<b>2,669.78</b>	<b>44.97</b>	<b>1,092.82</b>	<b>274.89</b>	<b>308.12</b>	<b>28.80</b>	<b>2,687.57</b>	<b>7,170.32</b>
Depreciation	26.78	499.04	6.37	102.04	63.50	35.93	8.80	420.77	1,163.23
Disposals / Adjustments	15.48	99.79	0.07	59.17	21.46	1.95	-	110.65	308.57
<b>As at March 31, 2018</b>	<b>74.67</b>	<b>3,069.03</b>	<b>51.27</b>	<b>1,135.69</b>	<b>316.93</b>	<b>342.10</b>	<b>37.60</b>	<b>2,997.69</b>	<b>8,024.98</b>
<b>Net Block</b>									
<b>As at March 31, 2017</b>	<b>287.50</b>	<b>3,046.43</b>	<b>37.50</b>	<b>337.43</b>	<b>332.11</b>	<b>93.07</b>	<b>34.94</b>	<b>1,730.55</b>	<b>5,899.53</b>
<b>As at March 31, 2018</b>	<b>303.08</b>	<b>3,633.89</b>	<b>52.81</b>	<b>234.98</b>	<b>383.56</b>	<b>115.93</b>	<b>124.28</b>	<b>2,629.80</b>	<b>7,478.33</b>
<b>Capital work in progress ₹ 229.25 (31.03.2017: ₹ 12.74)</b>									

Note: Refer note 18 and 21 for details of assets pledged.

# Notes forming part of the financial statements

## Note 3.1

### Investment property:

(₹ in million)

	Land - Freehold	Buildings given under operating Lease	Total
<b>Cost:</b>			
<b>Balance as at April 01, 2016</b>	<b>90.19</b>	<b>301.55</b>	<b>391.74</b>
Additions	129.42	-	129.42
Disposals / Adjustments	2.09	-	2.09
<b>As at March 31, 2017</b>	<b>217.52</b>	<b>301.55</b>	<b>519.07</b>
Additions	110.51	-	110.51
Disposals / Adjustments	0.46	-	0.46
<b>As at March 31, 2018</b>	<b>327.57</b>	<b>301.55</b>	<b>629.12</b>
<b>Depreciation:</b>			
<b>Balance as at April 01, 2016</b>	<b>-</b>	<b>33.34</b>	<b>33.34</b>
Depreciation	-	4.76	4.76
Disposals / Adjustments	-	0.28	0.28
<b>As at March 31, 2017</b>	<b>-</b>	<b>37.82</b>	<b>37.82</b>
Depreciation	-	4.76	4.76
Disposals / Adjustments	-	-	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>42.58</b>	<b>42.58</b>
<b>Net Block</b>			
<b>As at March 31, 2017</b>	<b>217.52</b>	<b>263.73</b>	<b>481.25</b>
<b>As at March 31, 2018</b>	<b>327.57</b>	<b>258.97</b>	<b>586.54</b>

Note: Refer note 18 and 21 for details of assets pledged and Note 28 for the details of Rental income.

### Fair value of the investment property

Details of the investment property and information about the fair value hierarchy as at March 31, 2018 and March 31, 2017 are as follows:

	Fair value hierarchy	Fair value as at March 31, 2018	Fair value as at March 31, 2017
Land	Level 3	1,051.66	861.25
Buildings	Level 3	640.10	640.09
<b>Total</b>		<b>1,691.76</b>	<b>1,501.34</b>

The fair value of investment properties have been determined with the help of internal technical department and independent valuer on a case to case basis. Fair value of properties that are evaluated by independent valuer ₹ 1,131.89 million (31.03.2017: ₹ 834.39 million) and by internal technical department ₹ 559.87 million (31.03.2017: ₹ 666.95 million). Valuation is based on Government rates, market research, market trend and comparable values as considered appropriate.

## Notes forming part of the financial statements

### 3.2 Other Intangible Assets

(₹ in million)

	Computer Software	Total
<b>Cost:</b>		
<b>Balance as at April 1, 2016</b>	130.95	130.95
Additions	-	-
Disposals / Adjustments	-	-
<b>As at March 31, 2017</b>	130.95	130.95
Additions	-	-
Disposals / Adjustments	-	-
<b>As at March 31, 2018</b>	130.95	130.95
<b>Amortisation:</b>		
<b>Balance as at April 1, 2016</b>	93.64	93.64
Amortisation	14.78	14.78
Disposals / Adjustments	-	-
<b>As at March 31, 2017</b>	108.42	108.42
Amortisation	6.72	6.72
Disposals / Adjustments	-	-
<b>As at March 31, 2018</b>	115.14	115.14
<b>Net Block</b>		
<b>As at March 31, 2017</b>	<b>22.53</b>	<b>22.53</b>
<b>As at March 31, 2018</b>	<b>15.81</b>	<b>15.81</b>

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>4 Investments</b>				
<b>4.1 Non Current Investments</b>				
<b>A In Associates</b>				
<b>Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity shares</b>				
<u>In Shares of ₹ 10 each, fully paid up</u>				
Jubilee Hills Land Mark Projects Private Limited	2,500,000	25.00	2,500,000	25.00
<b>Less:</b> Provision for Impairment in value of Investments		25.00		25.00
		-		-
Tellapur Techno City Private Limited	14,702,600	147.03	14,702,600	147.03
<b>Less:</b> Provision for Impairment in value of Investments		147.03		-
		-		147.03
Paschal Form Work (India) Private Limited	6,549,892	69.14	6,549,892	69.14
Brindavan Infrastructure Company Limited	8,643,036	34.58	8,643,036	34.58
Pondichery Tindivanam Tollway Limited (valued at ₹ 1,000)	100	-	100	-
<u>In Shares of one USD each fully paid up</u>				
Apollonius Coal and Energy Pte Limited	1,498,757	79.97	1,498,757	79.97
<b>Less:</b> Provision for Impairment in value of Investments		79.97		79.97
		-		-
<u>In Shares of 'AED' 1000 each fully paid up</u>				
Nagarjuna Facilities Management Services, LLC, Dubai	147	1.72	147	1.72
<b>(ii) Investment in preference shares</b>				
<u>2% Redeemable Preference Shares of ₹ 100 each fully paidup</u>				
Jubilee Hills Land Mark Projects Private Limited	4,274,999	427.50	4,274,999	427.50
<b>Less:</b> Provision for Impairment in value of Investments		275.00		275.00
		152.50		152.50
<b>(iii) Investment in debentures</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)	737,248,092	516.15	737,248,092	516.15
<b>Less:</b> Provision for Impairment in value of Investments		170.47		-
		345.68		516.15
<b>Total aggregate investments in Associates</b>		<b>1,112.85</b>		<b>1,430.35</b>

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>B In Subsidiaries</b>				
<b>Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity shares</b>				
<u>In Shares of ₹ 10 each, fully paid up</u>				
NCC Infrastructure Holdings Limited (Refer note 4.3)	432,437,351	4,444.75	382,827,745	3,992.81
<b>Less:</b> Provision for Impairment in value of Investments		613.00		213.00
		3,831.75		3,779.81
NCC Urban Infrastructure Limited (Refer note 4.4)	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 (Valued at ₹ 6,000)	600	-	600	-
Patnitop Ropeway & Resorts Limited	2,255,300	22.56	2,255,300	22.56
<b>Less:</b> Provision for Impairment in value of Investments		9.50		9.50
		13.06		13.06
Naftogaz Engineering Private Limited	50,000	0.50	50,000	0.50
<b>Less:</b> Provision for Impairment in value of Investments		0.50		0.50
		-		-
NCC International Convention Centre Limited	1,000,000	10.00	1,000,000	10.00
<b>Less:</b> Provision for Impairment in value of Investments		10.00		10.00
		-		-
NCC Oil & Gas Limited	40,000	0.40	40,000	0.40
Vaidehi Avenues Limited	5,163,422	51.64	5,163,422	51.64
Pachhvara Coal Mining Private Limited	102,000	1.02	102,000	1.02
Talaipalli Coal Mining Private Limited	45,900	0.46	-	-
<u>In Equity Shares of ₹ 5/- each, fully paid up</u>				
Aster Rail Private Limited	3,098,800	15.49	3,098,800	15.49
<u>In Shares of Omani Rials one each, fully paid up</u>				
Nagarjuna Construction Company International LLC, Oman	12,818,000	1,933.69	8,316,000	1,172.97
<b>Less:</b> Provision for Impairment in value of Investments		200.00		-
		1,733.69		1,172.97
<u>In Shares of US \$ 10 each, fully paid up</u>				
NCC Infrastructure Holdings Mauritius Pte. Ltd.	2,687,508	618.79	2,687,508	618.79
<b>Less:</b> Provision for Impairment in value of Investments		272.30		-
		346.49		618.79
<u>In Shares of 'AED' 1000 each, fully paid up</u>				
Nagarjuna Contracting Company Limited, LLC, Dubai	300	3.44	300	3.44
<u>In Shares of 'Shillings' 100, each fully paid up</u>				
Nagarjuna Construction Company Limited, Kenya			65	-.*
* (Valued at ₹ 3,250 )				
<b>(ii) Investment in debentures</b>				
<u>0% Compulsory Convertible Debentures</u>				
NCC Infrastructure Holdings Mauritius Pte. Ltd. (US \$ 1 each)	20,579,250	1,351.24	20,540,600	1,348.72
<b>Total aggregate investments in Subsidiaries</b>		9,048.68		8,705.34



## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>C In Other entities</b>				
<b>(i) Trade (Unquoted)</b>				
<b>Investments - fair value through profit and loss account</b>				
<u>In Shares of ₹ 10 each, fully paid up</u>				
SNP Developers and Projects LLP		9.66		9.66
SNP Ventures LLP		21.76		97.15
SNP Property Developers LLP		29.31		29.31
NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00
<u>In Shares of ₹ 25 each, fully paid up</u>				
Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10
<b>(ii) Trade (Quoted)</b>				
<b>Investment in equity instruments</b>				
<u>In Shares of ₹ 10 each, fully paid up</u>				
NCC Finance Limited [ ** (Value ₹ 90) ]	9	-**	9	-**
<b>Total aggregate investments in Other entities</b>		75.83		151.22
<b>Total aggregate investments in Subsidiaries and Other entities</b>		9,124.51		8,856.56
<b>Grand Total</b>		10,237.36		10,286.91
<b>4.2 Current Investments</b>				
<b>Trade (Unquoted) (Fair Value through Profit and Loss)</b>				
<b>In Other entities</b>				
Himachal Sorang Power Limited (Refer note 4.5)	3,400	0.03	3,400	0.03
<b>Total</b>		0.03		0.03
Aggregate amount of Unquoted Investments		12,040.16		10,899.91
Aggregate market value of Quoted Investments		-**		-**
Aggregate amount of impairment in value of investments		1,802.77		612.97
** Market value of ₹ 11.25 (31.03.2017: ₹ 17.91)				

4.3 Of these 212,318,091 (31.03.2017: 212,318,091) equity shares have been pledged with State Bank of India.

4.4 Of these Nil (31.03.2017: 61,500,000) equity shares have been pledged with State Bank of India.

4.5 Of these 2,652 (31.03.2017 : 2,652) equity shares have been pledged with Axis Bank and 748 (31.03.2017 :748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. The Company in the year 2012 -13, 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, 2018	As at March 31, 2017
<b>5 Loans</b>		
Unsecured		
Loans to Related Parties		
Subsidiaries (Refer note 12.1)		
Considered Good	<b>4,872.73</b>	-
Considered Doubtful	<b>100.00</b>	-
	<b>4,972.73</b>	-
Less : Allowance for doubtful loans	<b>100.00</b>	-
	<b>4,872.73</b>	-
<b>Total</b>	<b>4,872.73</b>	-
<b>6 Trade Receivables</b>		
Unsecured, Considered good		
Retention Money	<b>1,833.00</b>	1,676.58
<b>7 Other Financial Assets</b>		
Unsecured, Considered good		
Deposits with Customers and Others	<b>2.56</b>	2.66
Interest accrued on loans	<b>811.74</b>	-
<b>Total</b>	<b>814.30</b>	2.66
<b>8 Deferred Tax Assets (Net)</b> (Refer note 46) (Inclusive of MAT credit entitlement of ₹ 268.53 million (31.03.2017: ₹ Nil))	<b>1,792.53</b>	1,354.21
<b>9 Inventories</b>		
Raw Materials	<b>3,775.71</b>	3,628.28
Raw Material in Transit	<b>38.42</b>	114.86
Work-in-progress	<b>12,944.88</b>	11,357.46
Property Development Cost	<b>196.63</b>	157.65
<b>Total</b>	<b>16,955.64</b>	15,258.25
<b>10 Trade Receivables</b>		
Unsecured (Refer note 10.1 to 10.5)		
Considered Good	<b>45,056.36</b>	35,358.09
Considered Doubtful	<b>531.98</b>	403.00
	<b>45,588.34</b>	35,761.09
Less : Allowance for doubtful trade receivables	<b>531.98</b>	403.00
<b>Total</b>	<b>45,056.36</b>	35,358.09

**10.1** The credit period towards trade receivables generally ranges between 30 to 180 days.

**10.2** In determining the allowance for trade receivables the company has used practical expedients based on financial condition of the customer, ageing of the customer receivables and overdues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are Government organisations though there may be normal delays in collections.

## Notes forming part of the financial statements

### 10.3 Movement in the allowance for doubtful receivables

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	403.00	230.00
Add: Allowance for doubtful receivables	128.98	173.00
Balance at the end of the year	531.98	403.00

**10.4** Trade receivables includes retention money not fallen due of ₹ 10,436.10 million (31.03.2017: ₹ 11,857.17 million).

**10.5** Trade receivables includes ₹ 571.35 million (31.03.2017: ₹ 347.20 million) from subsidiaries and associates.

	As at March 31, 2018		As at March 31, 2017	
<b>11 Cash and Bank Balances</b>				
<b>11.1 Cash and Cash Equivalents</b>				
Cash on hand (Refer note 11.3)	12.57		6.84	
Balances with Banks				
In Current Accounts (Refer note 11.4)	505.03		1,064.72	
In Deposit Accounts with maturity less than 3 months	73.54		15.04	
		591.14		1,086.60
<b>11.2 Other Bank Balances</b>				
In Deposit Accounts				
Margin Money Deposits (Refer note 11.5)	12.49		1.39	
In Deposit Accounts with maturity more than 3 months	51.49		2.50	
		63.98		3.89
Earmarked balances with Banks				
Unpaid dividend accounts (Refer note 11.6)	3.72		4.15	
		67.70		8.04
<b>Total</b>		<b>658.84</b>		<b>1,094.64</b>

**11.3** Cash on hand includes ₹ 0.10 million (31.03.2017: ₹ 0.15 million) held in foreign currency.

**11.4** Current account balance includes ₹ 0.53 million (31.03.2017: ₹ 0.05 million) remittance in transit

**11.5** Margin Money Deposits represents the deposits lodged with Banks against Guarantees issued by them.

**11.6** Represents Cash and Cash equivalents deposited in unpaid dividend account and are not available for use by the Company other than specific purpose.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>12 Loans</b>				
Unsecured, considered good				
Loans to Related Parties (Refer note 12.1)				
Subsidiaries		<b>1,043.49</b>		5,326.15
Inter Corporate Deposits - Subsidiary (Refer note 12.1)		<b>133.36</b>		259.12
Loan to Other Body Corporate		<b>196.00</b>		196.00
Loans and Advances to Employees		<b>78.81</b>		79.51
<b>Total</b>		<b>1,451.66</b>		5,860.78

**12.1** Particulars of Loans and Advances in the nature of loans as required by Regulation 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(₹ in million)

	As at March 31, 2018	As at March 31, 2017	Maximum outstanding during the year (2017-18)	Maximum outstanding during the year (2016-17)
<b>(i) Subsidiaries</b>				
NCC Urban Infrastructure Limited	4,209.33	3,523.03	4,219.23	4,057.54
NCC Vizag Urban Infrastructure Limited	1,107.52	1,107.52	1,107.52	1,107.52
NCC Infrastructure Mauritius Pte Limited	-	-	-	2,239.39
Western UP Tollway Limited	-	-	-	235.59
Nagarjuna Contracting Company LLC (including doubtful of ₹ 100 million)	655.88	652.10	655.88	870.84
NCC International LLC, Oman	-	-	-	510.10
Savitra Agri Industrial Park Private Limited (formerly known as NCC Power projects Sompeta Private Limited)	-	-	-	642.70
NCC Infrastructure Holdings Limited	133.36	259.12	297.86	2,808.84
Aster Rail Private Limited	43.49	43.49	43.49	43.49
<b>(ii) Associates</b>				
Jubilee Hills Landmark Projects Private Limited	-	-	-	0.74
<b>(iii) Advances in the nature of Loan to company in which Directors are interested and where there is no repayment schedule</b>				
NCC Blue Water Products Limited	-	-	-	70.24
<b>(iv) Advances in the nature of Loans where no interest is charged or interest is below as per Section 186 of Companies Act, 2013</b>				
NCC Blue Water Products Limited	-	-	-	70.24

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>13 Other Financial Assets</b>				
Unsecured, considered good				
Advances recoverable		<b>735.62</b>		653.81
Interest Accrued on Deposits and others				
Considered Good	<b>470.97</b>		1,170.06	
Considered Doubtful	<b>76.30</b>		387.30	
	<b>547.27</b>		1,557.36	
Less : Allowance for doubtful interest	<b>76.30</b>		387.30	
		<b>470.97</b>		1,170.06
<b>Total</b>		<b>1,206.59</b>		1,823.87
<b>14 Non Current tax asset (net)</b>				
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>431.57</b>		855.63
<b>14.1 Current Tax Assets (Net)</b>				
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>566.90</b>		147.69
<b>15 Other Non - Current Assets</b>				
Sales Tax / Value Added Tax credit receivable		<b>477.00</b>		-
<b>15.1 Other Current Assets</b>				
Advances to Suppliers, Sub-contractors and Others (Refer note 15.2)				
Considered Good	<b>9,115.57</b>		4,768.46	
Considered Doubtful	<b>392.67</b>		487.66	
	<b>9,508.24</b>		5,256.12	
Less : Allowance for doubtful advances	<b>392.67</b>		487.66	
		<b>9,115.57</b>		4,768.46
Prepaid Expenses		<b>436.80</b>		304.56
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		<b>2,696.85</b>		3,775.11
Service Tax credit receivable		<b>189.44</b>		456.81
Goods and Service Tax credit receivable		<b>902.54</b>		-
<b>Total</b>		<b>13,341.20</b>		9,304.94

**15.2** Advances to Suppliers, Sub-contractors and others, includes advance to subsidiaries and associates ₹ 367.31 million (31.03.2017: ₹ 421.04 million).

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>16 Share Capital</b>				
<b>Authorised :</b>				
Equity Shares of ₹ 2 each	750,000,000	1,500.00	750,000,000	1,500.00
<b>Issued :</b>				
Equity Shares of ₹ 2 each (Refer note 16.1)	600,646,588	1,201.29	555,931,588	1,111.86
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹ 2 each	600,646,588	1,201.29	555,931,588	1,111.86
<b>Total</b>		<b>1,201.29</b>		<b>1,111.86</b>

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

(₹ in million)

	Year Ended March 31, 2018		Year Ended March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	555,931,588	1,111.86	555,931,588	1,111.86
Add: Issue of Share Capital (Refer note 16.6)	44,715,000	89.43	-	-
Balance at end of the year	600,646,588	1,201.29	555,931,588	1,111.86

## 16.2 Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjunwala	45,108,266	7.51	45,108,266	8.11
A V S R Holdings Private Limited	40,453,278	6.73	36,352,278	6.54
Reliance ETF Infra Bees Investment Account	46,908,357	7.81	-	-

**16.3** Unclaimed equity shares of 27,972 (31.03.2017: 108,667) are held in "NCC Limited - Unclaimed suspense account " in trust.

## 16.4 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.

**16.5** 18,700 (31.03.2017:501,831) 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.

**16.6** Pursuant to the approval of the Qualified Institutional Placement Committee constituted by the Board of Directors on January 30, 2018, the Company issued and allotted on February 01, 2018 for 44,715,000 equity shares of ₹ 2 each, at an issue price of ₹ 123 per equity share (including securities premium of ₹ 121 per share) aggregating ₹ 5,499.95 million to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder. Share issue expenses are charged off against securities premium.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>17 Other Equity</b>				
<b>17.1 Capital Reserve</b>		<b>54.33</b>		54.33
<b>17.2 Securities Premium</b>				
Opening balance	<b>19,993.03</b>		19,993.03	
<b>Add</b> : Premium on Issue of Share Capital	<b>5,410.52</b>		-	
<b>Less</b> : Share Issue Expenses	<b>87.03</b>		-	
Closing balance		<b>25,316.52</b>		19,993.03
<b>17.3 Contingency Reserve</b>				
Opening balance	-		220.00	
<b>Less</b> : Transfer to General Reserve	-		220.00	
Closing balance		-		-
<b>17.4 General Reserve</b>				
Opening balance	<b>9,220.00</b>		9,000.00	
<b>Add</b> : Transfer from Contingency Reserve	-		220.00	
Closing balance		<b>9,220.00</b>		9,220.00
<b>17.5 Retained Earnings</b>				
Opening balance	<b>4,103.64</b>		2,250.09	
<b>Add</b> : Profit for the year	<b>2,868.04</b>		2,255.01	
	<b>6,971.68</b>		4,505.10	
<b>Less</b> : Appropriations				
Dividend distributed to equity share for the previous year (March, 2018: ₹ 0.40 per share (March, 2017: ₹ 0.60 per share))	<b>222.37</b>		333.56	
Tax on Dividend Paid	<b>45.28</b>		67.90	
	<b>267.65</b>		401.46	
Closing balance		<b>6,704.03</b>		4,103.64
<b>17.6 Other Components of Equity</b>				
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		<b>(31.39)</b>		(11.82)
Exchange differences in translating the financial statements of foreign operations (Net of tax)		<b>(48.31)</b>		(48.18)
<b>Total</b>		<b>41,215.18</b>		33,311.00

**17.5.a** In respect of the year ended March 31, 2018, the Directors propose that a dividend of ₹ 1.00 per share be paid on fully paid equity shares. This equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 600.65 million including dividend distribution tax of ₹ 123.46 million.

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current*	Non Current	Current*
<b>18 Borrowings</b>				
<b>Term Loans</b>				
<b>Secured - at amortised cost</b>				
From Banks (Refer note 18.1)	177.19	573.83	32.62	352.94
From Other Parties (Refer note 18.2)	969.68	759.23	19.42	14.14
<b>Vehicle Loans</b>				
<b>Secured - at amortised cost</b>				
From Banks (Refer note 18.3)	8.35	6.74	9.69	6.15
From Others (Refer note 18.3)	30.09	24.46	29.34	19.78
<b>Total</b>	<b>1,185.31</b>	<b>1,364.26</b>	91.07	393.01

\* Current maturities are included in Note 23 - Other Financial Liabilities

## 18.1 Term Loans from Banks

- (i) Term loans from Andhra Bank, State Bank of Hyderabad, State Bank of India, Syndicate Bank, Indian Overseas Bank, Canara Bank and Standard Chartered Bank outstanding balance as at March 31, 2018 ₹ Nil (31.03.2017: ₹ 319.45 million) are secured, in terms of the sanction letter, by:
- first pari-passu charge on the properties owned by NCC Limited, NCC Urban Infrastructure Limited, Dhatri Developers and Properties Private Limited and the subsidiaries of NCC Urban Infrastructure Limited.
  - pledge of shares of NCC Urban Infrastructure Limited held by NCC Limited.
  - personal guarantees of Sri A.A.V. Ranga Raju, Sri A.G.K. Raju, Sri A.S.N. Raju, Sri A.V.N. Raju, Sri A.K.H.S. Rama Raju, Sri N.R. Alluri and Sri J.V. Ranga Raju.

These loans were repayable in 8 quarterly instalments (with a moratorium of 24 months) commencing from September 30, 2016 to June 30, 2018 and carry interest rate of 13.50% per annum with monthly rests. These loans have been repaid fully during the year.

- (ii) Bank Muscat:
- A loan of ₹ 506.88 million has been availed by Oman branch of NCC Limited against corporate guarantee from NCC Limited
  - Assignment of receivables of Al-Amerat and Quriyat Road from the Client Muscat Municipality / Ministry of Finance.
  - Repayable upon receipt of receivables from Muscat Municipality or upon expiry of 365 days from the date of release of loan, whichever is earlier. Interest rate of 6.5% per annum with monthly rests.
- (iii) Axis Bank Limited
- Secured by hypothecation of specific assets purchased out of the loan.
- (iv) Canara Bank
- Exclusive charge on the entire equipment and machinery purchased out of the loan facility.



## Notes forming part of the financial statements

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

S. No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in million)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From - To
		31.03.2018	31.03.2017	31.03.2018	31.03.2017		31.03.2018	31.03.2017		
(i)	Axis Bank Limited	24	13	126.66	67.11	8.26 to 9.85	9 to 41	21 to 26	Monthly	February 05, 2016 to August 10, 2021
(ii)	Canara Bank	12	-	117.48	-	9	11	-	Quarterly	March 02, 2019 to December 02, 2021

### 18.2 i) 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	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2018	31.03.2017	31.03.2018	31.03.2017		31.03.2018	31.03.2017		
(i)	SREI Equipment Finance Limited	45	2	1117.22	1.60	8.57 to 11	27 to 34	4 to 12	Monthly	September 05, 2017 to January 15, 2021
(ii)	Tata Capital Financial Services Limited	8	3	111.69	31.96	8.50 to 10	15 to 34	27 to 31	Monthly	August 21, 2016 to January 09, 2021

### ii) Term Loan from A.K. Capital Services Ltd, Mumbai for ₹ 500.00 million is secured by:

- First ranking pari passu charge by way of mortgage of 2 properties in favour of the security trustee.
- Unconditional and irrevocable personal guarantees of the promoters i.e., Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju for all the dues under facility in the form approved by the lender.
- This is payable in 3 installments with tenor of 18 months commencing from November 05, 2018, February 05, 2019 and May 05, 2019 carry interest @ 10.75 % with monthly rests.

### 18.3 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 to 5 years and carry interest rate ranging between 7.78 % to 10 % per annum.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>19 Trade Payables</b>		
Retention money	1,243.12	754.49
<b>Total</b>	<b>1,243.12</b>	<b>754.49</b>
<b>20 Provisions</b>		
Provision for Employee Benefits		
Gratuity (Refer note 20.1)	151.02	87.53
<b>Total</b>	<b>151.02</b>	<b>87.53</b>

**20.1** 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

- Liability for gratuity as on March 31, 2018 is ₹ 210.77 million (31.03.2017: ₹ 143.18 million) of which ₹ 31.77 million (31.03.2017: ₹ 31.89 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 179.00 million (31.03.2017: ₹ 111.29 million) is included in Provision for Gratuity.
- 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.

Amount to be recognised in Balance Sheet

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
Present Value of Funded Obligations	210.77	143.18
Fair Value of Plan Assets	(31.77)	(31.89)
Net Liability	179.00	111.29

- Expenses to be recognized in Statement of Profit and Loss under Employee Benefit Expenses.

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Current Service Cost	32.59	20.04
Past Service Cost	27.50	-
Interest on Defined Benefit Obligation	10.18	9.85
Expected Return on Plan assets	(2.49)	(2.76)
Total included in "Employee Benefits Expense"	67.78	27.13

- Expenses to be recognized in Statement of Profit and Loss under Other Comprehensive Income:

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Return on Plan Assets	1.04	-
Net Actuarial Losses / (Gains) Recognised in Year	29.07	15.46
Total included in "Other Comprehensive Income"	30.11	15.46

## Notes forming part of the financial statements

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

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	143.18	123.17
Current Service Cost	32.59	20.04
Past Service Cost	27.50	
Interest Cost	10.18	9.85
Actuarial Losses / (Gain)	29.07	15.46
Benefits Paid	(31.75)	(25.34)
<b>Closing Defined Benefit Obligation</b>	<b>210.77</b>	143.18
Opening Fair Value of Plan assets	31.89	41.15
Expected Return on Plan Assets	1.46	2.47
Contributions	30.17	13.61
Benefits Paid	(31.75)	(25.34)
<b>Closing Fair Value of Plan Assets</b>	<b>31.77</b>	31.89
Expected Employer's Contribution Next Year	89.50	30.00

### (vi) Asset information

	As at March 31, 2018	As at March 31, 2017
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in million	31.77	31.89

### (vii) Experience Adjustments

(₹ in million)

	2017-18	2016-17	2015-16	2014-15	2013-14
Defined Benefit Obligations (DBO)	210.77	143.18	123.17	113.32	101.88
Plan Assets	31.77	31.89	41.15	24.86	33.99
Surplus / (Deficit)	(179.00)	(111.29)	(82.02)	(88.46)	(67.89)
Experience Adjustments on Plan Liabilities	-	-	-	-	-
Experience Adjustments on Plan Assets	2.49	2.76	2.56	2.33	3.61

## Notes forming part of the financial statements

### (viii) Sensitivity Analysis

(₹ in million)

	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
<b>Assumptions</b>		
Discount rate	8%	8%
Estimated rate of return on plan assets	8.25%	8.25%
Expected rate of salary increase	5%	10%
Attrition rate	25%	20%
<b>Sensitivity analysis – DBO at the end of the year</b>		
Discount rate + 100 basis points	(5.90)	7.79
Discount rate - 100 basis points	6.60	8.62
Salary increase rate +1%	7.20	3.27
Salary increase rate -1%	(6.40)	3.50
Attrition rate +1%	2.80	7.79
Attrition rate -1%	(3.10)	8.62

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### (ix) The following pay-outs are expected in future years:

(₹ in million)

Particulars	March 31, 2018
March 31, 2019	27.98
March 31, 2020	28.26
March 31, 2021	23.60
March 31, 2022	18.62
March 31, 2023	20.54

**20.2** The Liability for Cost of Compensated absences is ₹ 260.08 million (31.03.2017: ₹ 225.65 million) has been actuarially determined and provided for in the books.

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>21 Borrowings</b>		
Loans repayable on demand		
Secured Loans - Banks		
Working Capital Demand Loan (Refer note 21.1)	9,449.66	5,487.12
Cash Credit (Refer note 21.1)	1,001.27	9,795.50
<b>Total</b>	<b>10,450.93</b>	<b>15,282.62</b>

## Notes forming part of the financial statements

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

- a) Hypothecation against first charge on stocks, book debts, shares of NCC Infrastructure Holdings Limited (Refer note 4.3) and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu amongst consortium banks.
- b) 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 amongst consortium banks.
- c) Equitable mortgage of three properties (Land & Buildings).
- d) The Company availed overdraft facility from ICICI Bank and is secured, in terms of the sanction letter, by:
  - mortgage over immovable fixed assets;
  - pledge of shares of NCC Urban Infrastructure Limited held by NCC Limited;
  - personal guarantees of Sri. A.A.V. Ranga Raju, Sri A.G.K. Raju, Sri. A.S.N. Raju, Sri. A.V.N. Raju, Sri. A.K.H.S. Rama Raju, Sri. N.R. Alluri and Sri. J.V. Ranga Raju;

These facilities carry an interest rate of 8.75% to 11.80% per annum.

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>22 Trade Payables</b>		
Acceptances	4,709.35	2,758.00
Other than Acceptances (includes retention money payable)	29,172.57	25,930.18
<b>Total</b>	<b>33,881.92</b>	<b>28,688.18</b>
<b>22.1</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	6.07	9.23
b) Interest due thereon	0.79	1.48
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 at the end of accounting year	-	-
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>23 Other Financial Liabilities</b>		
Current maturities of Long Term Borrowings (Refer note 18)	1,364.26	393.01
Interest Accrued but not due on borrowings and others	125.78	87.19
Unpaid Dividend Accounts (Refer note 11.2)	3.72	4.15
Other Payables		
Interest Accrued on Trade Payables (Refer note 22.1)	0.79	1.48
<b>Total</b>	<b>1,494.55</b>	<b>485.83</b>
<b>24 Provisions</b>		
Provision for Employee Benefits		
Compensated absences (Refer note 20.2)	260.08	225.65
Gratuity (Refer note 20.1)	27.98	23.76
<b>Total</b>	<b>288.06</b>	<b>249.41</b>

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>25 Current Tax Liabilities (Net)</b>		
Provision for Tax (Net of Advance Tax)	-	30.94
<b>26 Other Current Liabilities</b>		
TDS / Service Tax / Other payable	200.48	524.40
Goods and Service Tax payable	162.78	-
Mobilisation Advance from Customers	14,176.71	5,718.53
Advances from Customers and others	2,354.29	3,104.47
<b>Total</b>	<b>16,894.26</b>	<b>9,347.40</b>

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>27 Revenue from Operations (Refer note 27.1)</b>		
Income from Contracts and Services	75,277.29	78,802.66
Other Operating Income	315.94	118.07
<b>Total</b>	<b>75,593.23</b>	<b>78,920.73</b>

**27.1** Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT), Service Tax etc. have been replaced by GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations in post GST periods. Therefore, Revenue from operations for the year ended March 31, 2018 is not comparable with the corresponding previous year.

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>28 Other Income</b>		
Interest Income		
Deposits and Others	84.82	97.89
Loans and Advances	516.22	852.53
Income Tax refund	357.84	440.75
Others	21.78	0.55
Net Gain / (Loss) on foreign currency transactions	5.69	(22.54)
Exchange gains / (losses) on translation of other assets and liabilities	6.13	(58.66)
Other Non-Operating Income		
Rental Income from operating lease on investment property	30.72	20.77
Miscellaneous Income	135.13	69.47
<b>Total</b>	<b>1,158.33</b>	<b>1,400.76</b>
<b>29 Cost of Materials Consumed</b>		
Construction Materials, Stores and Spares		
Opening Stock	3,743.14	3,642.75
Add : Purchases	29,423.77	30,059.24
	<b>33,166.91</b>	<b>33,701.99</b>
Less : Closing Stock	3,814.14	3,743.14
<b>Total Consumption</b>	<b>29,352.77</b>	<b>29,958.85</b>

## Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>30 Construction Expenses</b>		
Transport Charges	768.27	499.20
Indirect Taxes		
Value Added Tax	1,130.31	2,915.40
Service Tax	136.42	385.41
	<b>1,266.73</b>	3,300.81
Repairs and Maintenance		
Machinery	865.37	649.47
Others	181.75	231.88
	<b>1,047.12</b>	881.35
Hire Charges for Machinery and others	1,295.62	1,454.87
Power and Fuel	202.48	216.65
Technical Consultation	419.68	207.51
Royalties, Seigniorage and Cess	372.11	593.69
Other Expenses	2,307.03	2,193.29
	<b>4,596.92</b>	4,666.01
<b>Total</b>	<b>7,679.04</b>	9,347.37
<b>31 Changes in Inventories of Work in Progress</b>		
Opening Balance	11,357.46	12,755.48
Closing Balance	12,944.88	11,357.46
<b>Total</b>	<b>(1,587.42)</b>	1,398.02

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>32 Employee Benefits Expense</b>		
Salaries and Other Benefits	3,232.66	2,987.16
Contribution to Provident Fund and Other Funds (Refer note 20.1 and 32.1)	351.08	285.94
Staff Welfare Expenses	57.32	42.35
<b>Total</b>	<b>3,641.06</b>	3,315.45

### 32.1 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 ₹ 178.08 million (31.03.2017: ₹ 176.45 million) for Provident Fund contributions and ₹ 77.98 million (31.03.2017: ₹ 69.63 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.

**32.2** Refer note 20.1 and 20.2 for expenses recognised for gratuity and cost of compensated absences of employees.

## Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>33 Finance Costs</b>		
<b>Interest Expense on</b>		
Borrowings		
Term Loans	127.66	179.28
Working Capital Demand Loans and Cash Credit	2,051.09	2,414.70
Mobilisation Advance	630.58	321.24
Others	55.65	99.30
	<b>2,864.98</b>	3,014.52
<b>Other Borrowing Costs</b>		
Commission on - Bank Guarantees	756.50	725.35
- Letters of Credit	113.69	170.17
	<b>870.19</b>	895.52
Bank and Other Financial Charges	54.23	46.95
<b>Total</b>	<b>3,789.40</b>	3,956.99
<b>34 Other Expenses</b>		
Rent (Refer note 41)	591.72	540.96
Travelling and Conveyance	251.62	255.85
Office Maintenance	177.87	202.90
Electricity Charges	59.75	52.00
Rates and Taxes	42.49	47.95
Consultation Charges	136.93	44.38
Postage, Telegrams and Telephones	38.76	44.39
Insurance	99.75	80.54
Printing and Stationery	39.74	34.83
Legal and Professional Charges	82.89	103.37
Auditors' Remuneration (Refer note 34.1)	15.13	18.92
Directors' Sitting Fees	3.00	2.13
Trade Receivables written off	114.78	-
Provision for Doubtful Trade Receivables / Advances / Others	231.23	263.00
Loss on Sale of Property, Plant and Equipment / Investment Property (Net)	7.00	22.93
Tender Schedule Expenses	21.41	12.34
CSR Expenditure (Refer note 43)	46.80	23.73
Miscellaneous Expenses	132.00	132.34
<b>Total</b>	<b>2,092.87</b>	1,882.56
<b>34.1 Auditors' Remuneration</b>		
Statutory Audit fee	12.65	17.72
Tax Audit fee	0.97	1.19
Certification fee	1.51	0.01
<b>Total</b>	<b>15.13</b>	18.92

The above amount excludes payment of ₹ 3.50 million (31.03.2017: ₹ Nil) for services rendered for issue of share capital as per note 16.6, which is adjusted against the securities premium account.



## Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>35 Tax Expense</b>		
Current Tax	<b>1,676.10</b>	1,370.65
Earlier year taxes (net) (includes ₹ 268.53 million MAT credit recognised during the current year)	<b>(707.52)</b>	(435.04)
Deferred Tax	<b>(159.21)</b>	(519.09)
<b>Total</b>	<b>809.37</b>	416.52

### 35.1 Reconciliation of tax expense to the accounting profit is as follows:

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Accounting profit before tax</b>	<b>3,677.41</b>	2,671.53
Tax expense at statutory tax rate of 34.61%	<b>1,272.68</b>	924.56
Adjustments:		
Effect of income that is exempt from taxation	<b>(42.97)</b>	-
Adjustments recognised in the current year in relation to the current tax of prior years	<b>(707.52)</b>	(435.04)
Effect of expenses that are not deductible in determining taxable profit	<b>291.96</b>	23.21
Effect of capital gains set off with unused capital losses	<b>(4.78)</b>	(116.65)
Others	-	20.44
	<b>(463.31)</b>	(508.04)
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>809.37</b>	416.52

### 35.2 Income tax credit / (expense) recognized in Other Comprehensive Income:

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
Tax effect on actuarial gains / losses on defined benefit obligations	<b>10.54</b>	5.42
Tax effect on foreign currency translation differences	<b>0.07</b>	15.24
<b>Total</b>	<b>10.61</b>	20.66

# Notes forming part of the financial statements

## 36 Contingent Liabilities and Commitments

### (i) Contingent Liability

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
(a) Matters under litigation		
Claims against the company not acknowledged as debt*		
- Disputed sales tax / entry tax liability for which the Company preferred appeal	<b>2,522.35</b>	2,357.08
- 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	<b>4.55</b>	4.55
- Disputed service tax liability for which the Company preferred appeal	<b>963.14</b>	963.14
- Disputed Income tax liability for which the Company preferred appeal	<b>48.54</b>	36.08
- Others	<b>128.01</b>	115.51
* interest, if any, not ascertainable after the date of order.		
(b) Impact of pending legal suits in various courts:		
- The Company is a party to several legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities.	<b>Amount not ascertainable</b>	Amount not ascertainable
- Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	<b>Amount not ascertainable</b>	Amount not ascertainable
(c) Guarantees		
Counter Guarantees given to the Bankers **	<b>614.45</b>	627.00
Corporate Guarantees given to Banks for financial assistance extended to Subsidiaries.	<b>7,766.30</b>	13,461.32
**Excludes Guarantees given against Company's liabilities, in terms of Guidance Note 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.	<b>482.61</b>	100.48
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	<b>60.18</b>	470.35

# Notes forming part of the financial statements

## 37. 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>	38	Sradha Real Estates Private Limited
1	NCC Infrastructure Holdings Limited	39	Siripada Homes Private Limited
2	NCC Urban Infrastructure Limited	40	NJC Avenues Private Limited
3	NCC Vizag Urban Infrastructure Limited	41	NCC Urban Lanka (Private) Limited
4	Nagarjuna Construction Co. Ltd and Partners L.L.C.	42	NCC WLL
5	NCC Infrastructure Holdings Mauritius Pte. Limited	43	Al Mubarakia Contracting Company L.L.C.
6	Nagarjuna Construction Company International L.L.C.	44	NCCA International Kuwait General Contracts Company L.L.C.
7	Nagarjuna Contracting Co. L.L.C.	45	Samashti Gas Energy Limited
8	Patnitop Ropeway and Resorts Limited	46	NCC Infra Limited
9	Western UP Tollway Limited **	47	NCC Urban Homes Private Limited
10	Vaidehi Avenues Limited	48	NCC Urban Ventures Private Limited
11	NCC International Convention Centre Limited	49	NCC Urban Meadows Private Limited
12	NCC Oil & Gas Limited	50	NCC Urban Villas Private Limited
13	Nagarjuna Construction Company (Kenya) Limited®	51	Nagarjuna Suites Private Limited
14	Naftogaz Engineering Private Limited	52	Savitra Agri Industrial Park Private Limited
15	Aster Rail Private Limited	53	OB Infrastructure Limited
16	Pachhvara Coal Mining Private Limited	<b>C)</b>	<b>Associates</b>
17	Talaipalli Coal Mining Private Limited (w.e.f. December 12, 2017)	54	Paschal Form Work (India) Private Limited
<b>B)</b>	<b>Step-Down Subsidiaries</b>	55	Nagarjuna Facilities Management Services L.L.C.
18	Liquidity Limited	56	Jubilee Hills Landmark Projects Private Limited
19	Dhatri Developers & Projects Private Limited	57	Tellapur Technocity (Mauritius)
20	Sushanti Avenues Private Limited	58	Tellapur Technocity Private Limited
21	Sushruta Real Estates Private Limited	59	Apollonius Coal and Energy Pte. Limited
22	PRG Estates Private Limited	60	Ekana Sportz City Private Limited
23	Thrilekya Real Estates Private Limited	61	Brindavan Infrastructure Company Limited
24	Varma Infrastructure Private Limited	62	Bangalore Elevated Tollway Limited *
25	Nandyala Real Estates Private Limited	63	Pondicherry Tindivanam Tollway Limited
26	Kedarnath Real Estates Private Limited	<b>D)</b>	<b>Key Management Personnel</b>
27	AKHS Homes Private Limited	64	Sri A.A.V. Ranga Raju
28	JIC Homes Private Limited	65	Sri A.S.N. Raju
29	Sushanthi Housing Private Limited	66	Sri A.G.K. Raju
30	CSVS Property Developers Private Limited	67	Sri A.V.N. Raju
31	Vera Avenues Private Limited	68	Sri N.R. Alluri#
32	Sri Raga Nivas Property Developers Private Limited	69	Sri J.V. Ranga Raju
33	VSN Property Developers Private Limited	70	Sri R.S. Raju
34	MA Property Developers Private Limited	71	Sri M.V. Srinivasa Murthy
35	Vara Infrastructure Private Limited	72	Sri Ramachandra Venkataraman Shastri
36	Sri Raga Nivas Ventures Private Limited	73	Sri Utpal Hemendra Sheth
37	Mallelavanam Property Developers Private Limited	74	Smt. Renu Challu

## Notes forming part of the financial statements

S.No	Particulars	S.No	Particulars
75	Sri Ravi Shankararamaiah	<b>F)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>
76	Sri Hemant Madhusudan Nerurkar	97	NCC Blue Water Products Limited
77	Sri Durga Prasad Subramanyam Anapindi	98	NCC Finance Limited
78	Sri Neeraj Mohan	99	Shyamala Agro Farms Private Limited
<b>E)</b>	<b>Relatives of Key Management Personnel</b>	100	Ranga Agri Impex Private Limited
79	Dr. A.V.S. Raju	101	NCC Foundation
80	Smt. A. Bharathi Raju	102	Sirisha Projects Private Limited
81	Smt. B. Kausalya	103	Ruthvik Estates Private Limited
82	Smt. A. Satyanarayanamma	104	Narasimha Developers Private Limited
83	Smt. J. Sridevi	105	Mihika Agro Farms Private Limited
84	Smt. J. Sowjanya	106	Lalit Agro Farms Private Limited
85	Smt. A. Arundhati	107	Bhuvanesh Realtors Private Limited
86	Sri. A. Srinivasa Rama Raju	108	Arnesh Ventures Private Limited
87	Smt. A.Swetha	109	Suguna Estates Private Limited
88	Sri. J. Krishna Chaitanya Varma	110	AVSR Holdings Private Limited
89	Smt. A. Subhadra Jyotirmayi	111	Sridevi Properties
90	Smt. A.Shyama	112	Natural Buildtech Private Limited
91	Smt. A.Suguna	113	Prakrithi Promoters Private Limited
92	Sri. A. Sri Harsha Varma	114	Matrix Security and Surveillance Private Limited
93	Sri. S.R.K. Surya Srikrishna Raju	115	Jampana Constructions Private Limited
94	Sri. A. Vishnu Varma		
95	Ms. A. Nikitha		
96	Sri. U Sunil (w.e.f. February 14, 2018)		

- \* Ceased to be Associate w.e.f . October 18, 2016
- \*\* Ceased to be Subsidiary w.e.f . May 11, 2016
- @ The entity ceased to exist w.e.f . March 31, 2018
- # Key Management Person upto November 11, 2017

## Notes forming part of the financial statements

(ii) Related Party transactions during the year are as follows:

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)		Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Investments in Equity shares	761.18	2.08	-	-	-	-	-	-
2	Loan Converted to Equity Shares / Compulsory Convertible Debentures	-	1,797.93	-	-	-	-	-	-
3	Accrued interest converted to Equity Shares	-	112.07	-	-	-	-	-	-
4	Advances converted to Compulsory Convertible Debentures	2.52	-	-	-	-	-	-	-
5	Sale of Investments	-	1314.49	-	-	-	-	-	-
6	Loans granted	1455.30	1511.55	-	-	-	-	-	-
7	Loan repayment received	769.01	2769.59	-	-	-	-	-	-
8	Inter Corporate Deposit given	167.55	356.08	-	-	-	-	-	-
9	Inter Corporate Deposit Repayment received / adjusted	293.31	2901.79	-	-	-	-	-	-
10	Advances granted	235.62	198.54	0.50	18.02	-	-	334.88	44.61
11	Advances Repayment received / adjusted	199.61	158.11	10.43	-	-	-	483.91	210.64
12	Advances repaid / adjusted	657.85	12.68	-	-	-	-	-	-
13	Mobilisation Advance received	-	-	74.77	160.23	-	-	-	-
14	Mobilisation Advance recovered / adjusted	-	-	-	-	-	-	70.03	-
15	Mobilisation Advance released	-	-	-	-	-	-	14.05	-
16	Retention Money recovered	-	-	60.36	149.92	-	-	-	-
17	Retention Money released	-	-	-	-	-	-	70.19	55.57
18	Interest received / adjusted	519.47	1,058.96	-	-	-	-	-	-
19	Trade / Accounts Receivables realised	2.93	-	342.38	620.73	-	-	-	-
20	Revenue from Operations	-	-	603.60	720.32	-	-	-	-
21	Material Purchase & Services	4.45	19.03	11.98	16.28	-	-	1.60	-
22	Interest Income	531.56	909.76	-	-	-	-	-	277.70
23	Reimbursement of Expenses	36.67	97.36	6.83	-	-	-	132.08	0.14
24	Sub-Contractors work bills	117.54	4.15	-	-	-	-	541.84	384.36
25	Remuneration (Including commission)*								
	Short-term employee benefits	-	-	-	-	206.94	180.29	-	-
	Post employee benefits	-	-	-	-	10.80	10.31	-	-
26	Directors Sitting Fees	-	-	-	-	3.00	2.23	-	-
27	Rent income	0.80	0.53	-	-	-	-	-	-
28	Rent expenses	0.11	-	-	-	7.51	4.49	99.01	100.56
29	Dividend paid	-	-	-	-	23.80	38.91	19.34	27.92
30	Corporate Guarantees given	-	2,513.27	-	-	-	-	-	-
31	Corporate Guarantees revoked / expired	5,735.16	2,629.41	-	-	-	-	-	-
32	Counter Guarantees revoked / expired	-	146.70	-	-	-	-	-	-

\* As the future liabilities for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the Directors is not ascertainable, therefore not included above.

# Notes forming part of the financial statements

(iii) Related Party balances outstanding are as follows:

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)		Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>1</b>	<b>Debit Balances outstanding</b>								
	NCC Urban Infrastructure Limited	4,333.33	3,553.45	-	-	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	1,919.45	1,919.26	-	-	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte. Limited	176.30	176.30	-	-	-	-	-	-
	Nagarjuna Contracting Company L.L.C., Dubai	763.56	964.91	-	-	-	-	-	-
	Nagarjuna Construction Company & Partners L.L.C.	55.95	55.67	-	-	-	-	-	-
	Nagarjuna Construction Company International L.L.C.	213.22	141.32	-	-	-	-	-	-
	NCC Infrastructure Holdings Limited	133.36	419.16	-	-	-	-	-	-
	Western UP Tollway Limited	-	5.24	-	-	-	-	-	-
	OB Infrastructure Limited	-	1.61	-	-	-	-	-	-
	Vaidehi Avenues Limited	0.62	0.01	-	-	-	-	-	-
	Patnitop Ropeway and Resorts Limited	-	0.13	-	-	-	-	-	-
	Aster Rail Private Limited	99.63	64.09	-	-	-	-	-	-
	Pachhwara Coal Mining Private Limited	0.81	0.14	-	-	-	-	-	-
	Talaipalli Coal Mining Private Limited	0.13	-	-	-	-	-	-	-
	Jubilee Hills Landmark Projects Private Limited	-	-	1.24	0.74	-	-	-	-
	Tellapur Technocity Private Limited	-	-	0.36	32.11	-	-	-	-
	Paschal Form Work (India) Private Limited	-	-	0.77	4.17	-	-	-	-
	Bangalore Elevated Tollway Limited	-	-	-	0.31	-	-	-	-
	Brindavan Infrastructure Company Limited	-	-	5.92	6.58	-	-	-	-
	Ekana Sportz City Private Limited	-	-	522.54	304.38	-	-	-	-
	Pondichery Tindivanam Tollway Limited	-	-	0.54	0.01	-	-	-	-
	Sridevi Properties	-	-	-	-	-	-	1.90	1.90
	Jampana Constructions Private Limited	-	-	-	-	-	-	150.92	223.85
	Sri. J.V. Ranga Raju	-	-	-	-	0.80	0.80	-	-
	Smt. J. Sowjanya	-	-	-	-	1.00	1.00	-	-
	Smt. J. Sridevi	-	-	-	-	0.80	0.80	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	-	-	1.25	0.80	-	-
	Corporate Guarantees & Counter Guarantees Closing Balance								
	Corporate Guarantees outstanding								
	Nagarjuna Construction Company International L.L.C.	7,234.13	12,931.53	-	-	-	-	-	-
	Nagarjuna Contracting Company L.L.C., Dubai	532.20	529.79	-	-	-	-	-	-
	Counter Guarantees								
	NCC Infrastructure Holdings Limited	590.02	590.02	-	-	-	-	-	-
<b>2</b>	<b>Credit Balances outstanding</b>								
	NCC Urban Infrastructure Limited	14.98	16.31	-	-	-	-	-	-
	Nagarjuna Contracting Company L.L.C., Dubai	19.18	19.09	-	-	-	-	-	-
	Nagarjuna Construction Company International L.L.C.	787.37	1,175.19	-	-	-	-	-	-
	Patnitop Ropeway and Resorts Limited	12.65	-	-	-	-	-	-	-
	Nagarjuna Facilities Management Services L.L.C.	-	-	2.51	2.51	-	-	-	-

# Notes forming part of the financial statements

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)		Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Brindavan Infrastructure Company Limited	-	-	3.50	3.50	-	-	-	-
	Ekana Sportz City Private Limited	-	-	15.00	89.77	-	-	-	-
	Pachhwara Coal Mining Private Limited	0.08	-	-	-	-	-	-	-
	Aster Rail Private Limited	0.80	-	-	-	-	-	-	-
	Vaidehi Avenues Limited	0.11	-	-	-	-	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	-	-	0.50	1.25
	Shyamala Agro Farms Private Limited	-	-	-	-	-	-	-	2.17
	Ranga Agri Impex Private Limited	-	-	-	-	-	-	-	0.34
	Sirisha Projects Private Limited	-	-	-	-	-	-	0.33	-
	Jampana Constructions Private Limited	-	-	-	-	-	-	8.25	101.96
	Sridevi Properties	-	-	-	-	-	-	0.28	-
	Sri. A.A.V. Ranga Raju	-	-	-	-	32.07	27.67	-	-
	Sri. A.S.N. Raju	-	-	-	-	16.06	13.82	-	-
	Sri. A.G.K. Raju	-	-	-	-	15.97	13.78	-	-
	Sri. A.V.N. Raju	-	-	-	-	15.99	13.74	-	-
	Sri. J.V. Ranga Raju	-	-	-	-	2.36	2.16	-	-
	Sri. R.S. Raju	-	-	-	-	0.58	1.08	-	-
	Sri. M.V. Srinivasa Murthy	-	-	-	-	0.40	0.80	-	-
	Sri. S.R.K.Surya Srikrishna Raju	-	-	-	-	0.19	0.49	-	-
	Sri. A. Vishnu Varma	-	-	-	-	0.19	0.25	-	-
	Ms. A. Nikhita	-	-	-	-	0.19	0.16	-	-
	Sri. A. Sri Harsha Varma	-	-	-	-	0.02	-	-	-
	Sri. U Sunil	-	-	-	-	0.02	-	-	-
	Sri. J Krishna Chaitanya Varma	-	-	-	-	0.09	0.07	-	-
	Smt. J. Sowjanya	-	-	-	-	0.14	0.14	-	-
	Smt. J. Sridevi	-	-	-	-	0.07	0.07	-	-

(iv) 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	2017 - 18	2016 - 17
Investments in Equity Shares - Made		
- Vaidehi Avenues Limited	-	1.06
- Pachhwara Coal Mining Private Limited	-	1.02
- Nagarjuna Construction Company International L.L.C.	760.72	-
Loan Converted to Equity Shares / Compulsory Convertible Debentures		
- Nagarjuna Construction Company International L.L.C.	-	449.21
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	1,348.72
Accrued interest converted to Equity Shares		
- Nagarjuna Construction Company International L.L.C.	-	112.07
Advances converted to Compulsory Convertible Debentures		
- NCC Infrastructure Holdings Mauritius Pte. Limited	2.52	-

## Notes forming part of the financial statements

(₹ in million)		
Particulars	2017 - 18	2016 - 17
Sale of Investments		
- Pondicherry Tindivanam Tollway Limited	-	181.07
- NCC Infrastructure Holdings Limited	-	1,000.00
Loans Granted		
- Nagarjuna Construction Company International L.L.C.	-	147.38
- NCC Urban Infrastructure Limited	1,455.30	1,338.17
Loan Repayment Received		
- NCC Urban Infrastructure Limited	769.01	1,824.68
- Savitra Agri Industrial Park Private Limited	-	642.70
Interest Received		
- NCC Urban Infrastructure Limited	478.24	679.42
- Savitra Agri Industrial Park Private Limited	-	244.49
Trade / Accounts Receivable - Receipts		
- Ekana Sportz City Private Limited	310.64	620.73
Inter Corporate Deposit given		
- NCC Infrastructure Holdings Limited	167.55	356.08
Inter Corporate Deposit Received		
- NCC Infrastructure Holdings Limited	293.31	2,901.79
Advances Granted		
- Jampana Constructions Private Limited	334.88	44.61
- Aster Rail Private Limited	165.64	-
- NCC Infrastructure Holdings Limited	-	176.64
Advances Repayment Received / Adjusted		
- Nagarjuna Construction Company International L.L.C.	26.33	35.52
- NCC Infrastructure Holdings Limited	149.02	34.70
- Jampana Constructions Private Limited	474.44	210.64
Advances Repaid / Adjusted		
- Nagarjuna Construction Company International L.L.C.	657.85	12.68
Mobilisation Advance Received		
- Ekana Sportz City Private Limited	74.77	160.23
Mobilisation Advance Released		
- Jampana Constructions Private Limited	14.05	-
Mobilisation Advance Recovered / Adjusted		
- Jampana Constructions Private Limited	70.03	-
Retention Money Recovered		
- Ekana Sportz City Private Limited	60.36	149.92
Revenue from Operations		
- Ekana Sportz City Private Limited	603.60	720.32
Retention Money Released		
- Jampana Constructions Private Limited	70.19	55.57
Material Purchases		
- Paschal Form Work (India) Private Limited	11.98	16.28
- NCC Urban Infrastructure Limited	3.86	19.03



## Notes forming part of the financial statements

(₹ in million)

Particulars	2017 - 18	2016 - 17
Sub Contract Work Bills		
- NCC Urban Infrastructure Limited	0.54	4.15
- Aster Rail Private Limited	117.01	-
- Jampana Constructions Private Limited	541.84	384.36
Interest Income		
- NCC Urban Infrastructure Limited	480.65	553.91
- NCC Vizag Urban Infrastructure Limited	-	249.51
- NCC Blue Water Products Limited	-	277.70
Reimbursement of Expenses		
- Nagarjuna Construction Company International L.L.C.	31.29	36.32
- NCC Infrastructure Holdings Limited	-	5.27
- Jampana Constructions Private Limited	122.61	0.14
Rent Expenses		
- Sirisha Projects Private Limited	95.01	10.77
- Ruthvik Estates Private Limited	-	10.77
- Narasimha Developers Private Limited	-	10.77
- Mihika Agro Farms Private Limited	-	10.77
- Lalit Agro Farms Private Limited	-	10.77
- Bhuvanesh Realtors Private Limited	-	10.77
- Arnesh Ventures Private Limited	-	10.77
- Suguna Estates Private Limited	-	10.77
- Shyamala Agro Farms Private Limited	-	13.89
Rent Income		
- NCC Urban Infrastructure Limited	0.53	0.53
Dividend Paid		
- AVSR Holdings Private Limited	15.64	21.81
- Sri A.A.V. Ranga Raju	5.43	8.14
Remuneration (Including Commission)		
- Sri A.A.V. Ranga Raju	68.74	60.03
- Sri A.S.N. Raju	35.13	30.84
- Sri A.G.K. Raju	35.24	30.95
- Sri A.V.N. Raju	34.63	30.33
Directors Sitting Fees		
- Sri. R.V. Shastri	0.58	0.58
- Sri Hemant M Nerurkar	0.63	0.48
- Smt. Renu Challu	0.58	0.40
- Sri. Utpal Sheth	0.28	0.25
- Sri. S. Ravi	0.30	0.15
- Dr. A S Durga Prasad	0.65	0.33
Corporate Guarantees Given		

## Notes forming part of the financial statements

(₹ in million)		
Particulars	2017 - 18	2016 - 17
- Nagarjuna Construction Company International L.L.C.	-	2,513.27
Corporate Guarantees Revoked / Expired		
- Nagarjuna Construction Company International L.L.C.	5,735.16	1,349.95
- Nagarjuna Contracting Company L.L.C., Dubai	-	1,279.46
Counter Guarantees Revoked / Expired		
- NCC Infrastructure Holdings Limited	-	146.70

### 38 Segment Reporting

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of NCC Limited and therefore no separate disclosure on segment information is given in these financial statements.

### 39 Earnings per share

	Year Ended March 31, 2018	Year Ended March 31, 2017
Net Profit after tax available for equity shareholders (₹ in million)	<b>2,868.04</b>	2,255.01
Weighted Average number of equity shares for Basic EPS (Nos)	<b>563,159,492</b>	555,931,588
Weighted Average number of equity shares for Diluted EPS (Nos)	<b>563,159,492</b>	555,931,588
Face value per share (₹)	<b>2.00</b>	2.00
Basic & Diluted EPS * (₹)	<b>5.09</b>	4.06

\*The Company has no dilutive instruments during the year ended March 31, 2018. As such Diluted Earnings per share equals to Basic Earnings per share.

### 40 Disclosure pursuant to Ind AS – 11 "Construction Contracts"

(₹ in million)		
	Year Ended March 31, 2018	Year Ended March 31, 2017
Contract revenue recognised as revenue in the year	<b>75,200.71</b>	78,696.45
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	<b>406,704.13</b>	418,203.15
Amount of advances received for contracts in progress	<b>14,941.54</b>	6,744.78
Amount of retention money for contracts in progress	<b>12,553.43</b>	14,637.85

# Notes forming part of the financial statements

## 41 Leases

- (i) Rental expenses of ₹ 461.94 million (31.03.2017: ₹ 410.03 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, 2018	Year Ended March 31, 2017
<b>Future Minimum Lease Payments</b>		
Not later than one year	-	130.93
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total</b>	-	130.93
Lease payments recognised in the statement of Profit and Loss	<b>129.78</b>	130.93

## 42 Financial instruments

### 42.1 Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain / enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term / short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>Equity</b>	<b>42,416.47</b>	34,422.86
Short-term borrowings and current portion of long-term debt	<b>11,815.19</b>	15,675.63
Long-term debt	<b>1,185.31</b>	91.07
Cash and cash equivalents	<b>(591.14)</b>	(1,086.60)
<b>Net debt</b>	<b>12,409.36</b>	14,680.10
<b>Total capital (equity + net debt)</b>	<b>54,825.83</b>	49,102.96
Gearing ratio	<b>0.29</b>	0.43

# Notes forming part of the financial statements

## 42.2 Categories of financial instruments

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Mandatorily measured:		
Equity investments in other entities	<b>75.83</b>	151.22
<b>Measured at amortised cost</b>		
Cash and bank balances	<b>658.84</b>	1,094.64
Other financial assets at amortised cost	<b>55,234.68</b>	44,721.99
<b>Measured at cost</b>		
Investments in equity instruments in subsidiaries and associates		
a) Equity shares	<b>7,955.38</b>	7,761.63
b) Debentures	<b>2,206.15</b>	2,374.09
	<b>66,130.88</b>	56,103.57
<b>Financial liabilities</b>		
Measured at amortised cost	<b>48,255.84</b>	45,302.20

## 42.3 Financial risk management objectives

The company's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The company's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk is primarily on account of the following:

- Interest rate risk

Out of total borrowings, large portion represents short term borrowings (WC DL) and the interest rate primarily basing on the Company's credit rating and also the changes in the financial market. Company continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate borrowings. Out of the total borrowings of ₹ 13,000.67 million (31.03.2017: ₹ 15,766.71 million) as of 31.03.2018, the floating rate borrowings are ₹ 10,068.48 million (31.03.2017: ₹ 15,602.07 million). For every 50 base points change in the interest rate when no change in other variables, it will affect the profit before tax by ₹ 52.84 million for the year ended March 31, 2018 (31.03.2017: ₹ 78.01 million).

## Notes forming part of the financial statements

- Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

We summarize below the financial instruments which have the foreign currency risks as at March 31, 2018 and March 31, 2017.

**(a) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:**

Currency	Liabilities		Assets	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD (millions)	42.96	41.14	51.53	51.53
INR (₹ in millions)	2,799.57	2,668.90	3,357.60	3,343.17
Euro (millions)	0.06	1.42	-	-
INR (₹ in millions)	5.08	98.74	-	-
AED (millions)	-	-	43.04	43.01
INR (₹ in millions)	-	-	763.56	759.59
OMR (millions)	-	-	1.28	1.16
INR (₹ in millions)	-	-	216.34	195.46

The Company doesn't have any forex derivative instrument, hence all the above balances are unhedged.

**(b) Foreign currency sensitivity analysis:**

The Company is not substantially exposed for business activities in foreign currency except in the form of investments and loans into its foreign subsidiaries and associates. Hence, the impact of any significant fluctuation in the exchange rates is not expected to have a material impact of the operating profits of the company.

	(₹ in million)	
Currency USD impact on:	As at March 31, 2018	As at March 31, 2017
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(8.57)	(10.39)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	8.57	10.39
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(8.57)	(10.39)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	8.57	10.39

**ii) Credit risk management**

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Company. The maximum exposure of the financial assets represents trade receivables and loans to group companies.

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the Government promoted entities having a strong credit worthiness. For doubtful receivables the company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the Company's historical experience of the customers and financial conditions of the customers. The Company has made a provision of ₹ 531.98 million and ₹ 403.00 million towards doubtful amounts receivable as at March 31, 2018 and March 31, 2017 respectively.

## Notes forming part of the financial statements

### iii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018:

(₹ in million)

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	35,125.05	33,881.93	1,167.24	75.88	35,125.05
Borrowings and interest thereon	13,126.28	11,940.97	1,185.31	-	13,126.28
Other financial liabilities	4.51	4.51	-	-	4.51
<b>Total</b>	<b>48,255.84</b>	<b>45,827.41</b>	<b>2,352.55</b>	<b>75.88</b>	<b>48,255.84</b>

The table below provides details of financial assets as at March 31, 2018:

(₹ in million)

	Carrying amount
Trade receivables	46,889.36
Loans	6,324.39
Other financial assets	12,917.13
<b>Total</b>	<b>66,130.88</b>

## Notes forming part of the financial statements

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017:

(₹ in million)

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	<b>Total contracted cash flows</b>
Accounts payable and acceptances	29,442.67	28,688.18	324.75	429.74	29,442.67
Borrowings and interest thereon	15,853.90	15,762.84	91.06	-	15,853.90
Other financial liabilities	5.63	5.63	-	-	5.63
<b>Total</b>	<b>45,302.20</b>	<b>44,456.65</b>	<b>415.81</b>	<b>429.74</b>	<b>45,302.20</b>

The table below provides details of financial assets as at March 31, 2017:

(₹ in million)

	Carrying amount
Trade receivables	37,034.67
Loans	5,860.78
Other financial assets	13,208.11
<b>Total</b>	<b>56,103.56</b>

#### 42.4 Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

(₹ in million)

Financial assets / Financial Liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2018	As at March 31, 2017		
Investments in unquoted equity instruments at FVTPL	<b>75.83</b>	151.22	Level 2	Refer Note

\*Positive value denotes financial asset (net) and negative value denotes financial liability (net).

#### Notes:

- (1) There were no transfers between Level 1 and 2 in the period.
- (2) The Level 1 financial instruments are measured using quotes in active market
- (3) The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
Unquoted Equity Instruments	Net worth method	Government notified value of the lands is taken as fair market value in the absence of reliable comparable data.

## Notes forming part of the financial statements

### Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required) (₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at cost:				
- Investments	<b>10,161.53</b>	<b>10,161.53</b>	10,135.72	10,135.72
Financial assets at amortised cost:				
- Trade receivables	<b>46,889.36</b>	<b>46,889.36</b>	37,034.64	37,034.64
- Cash and cash equivalents	<b>591.14</b>	<b>591.14</b>	1,086.60	1,086.60
- Bank balances other than cash and cash equivalents	<b>67.70</b>	<b>67.70</b>	8.04	8.04
- Loans	<b>6,324.40</b>	<b>6,324.40</b>	5,860.77	5,860.77
- Other financial assets	<b>2,020.89</b>	<b>2,020.89</b>	1,826.53	1,826.53
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Borrowings	<b>11,636.24</b>	<b>11,636.24</b>	15,373.69	15,373.69
- Trade payables	<b>35,125.04</b>	<b>35,125.04</b>	29,442.67	29,442.67
- Other financial liabilities	<b>1,494.55</b>	<b>1,494.55</b>	485.83	485.83

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.

**43** a) Gross amount required to be spent by the Company towards CSR during the year ₹ 46.80 million (March 31, 2017: ₹ 23.73 million)

b) Amount spent:

(₹ in million)

Particulars	March 31, 2018			March 31, 2017		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Rural Development-Antervedipallipalem	<b>16.41</b>	-	<b>16.41</b>	21.54	-	21.54
Education, Sports and Harithaharam	<b>30.34</b>	-	<b>30.34</b>	1.00	-	1.00
Installation of CC Cameras under Police stations - Hyderabad	<b>0.05</b>	-	<b>0.05</b>	1.19	-	1.19
<b>Total</b>	<b>46.80</b>	-	<b>46.80</b>	23.73	-	23.73

**44** The exceptional items for the year ended March 31, 2018 is ₹ 1,065.64 million after netting off profit on investment ₹ 124.16 million, provision made for impairment of investment, loans and interest ₹ 1,189.80 million.

The exceptional items for the year ended March 31, 2017 is ₹ 503.37 million after netting off interest earned ₹ 277.71 million, profit on sale of investments ₹ 219.22 million with provision made on investments, loans, interest and warranties / claims ₹ 1,000.30 million.



**45** During the previous year, a customer of NCC Limited had raised claims for an amount of ₹ 2,882.50 million and US \$ 9.04 million towards liquidated damages claiming delays in execution of the project by NCC Limited. Failing amicable settlement of various issues, NCC Limited had issued a notice of dispute stating that the delays are not attributable to NCC Limited and subsequently the matter has been referred to Arbitration Tribunal. The claims primarily represents recovery of receivables for the work executed of ₹ 6,526.00 million and additional costs incurred by NCC Limited of ₹ 12,010.00 million with interest. Against which the customer has filed a counter claim of ₹ 10,230.00 million. While the matter is in arbitration, the customer had invoked the Bank Guarantees of ₹ 3,398.50 million and NCC Limited had appealed the matter to the Honourable Supreme Court for stay against the invocation of the bank guarantees, but the Honourable Supreme Court has dismissed the appeal. Consequently, the bankers honoured the bank guarantees. As of March 31, 2018 the matter is in arbitration and as per the management estimates and legal advice, no provision is required for the subject matter and the matter is expected to be resolved in the financial year 2018-19.

**46 Deferred tax assets (Net)**

**Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2018**

	As at March 31, 2018	As at March 31, 2017
(₹ in million)		
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(129.17)	(164.29)
Provision for doubtful trade receivables, advances and others	505.55	560.42
Provision for diminution in value of investments	518.10	409.20
Provision for employee benefits	183.81	132.36
Loss allowance on Financial Instruments	622.98	622.98
MAT Credit entitlement	268.53	-
Others	(177.27)	(206.46)
<b>Total</b>	<b>1,792.53</b>	<b>1,354.21</b>

**46.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

	As at March 31, 2018	As at March 31, 2017
(₹ in million)		
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
-long-term capital loss	5,491.26	5,526.70

**47 Approval of financial statements:**

The financial statements were approved for issue by the Board of Directors on May 24, 2018.

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**per NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
Associate Director (F&A) / CFO

**A.A.V. RANGA RAJU**  
Managing Director / CEO  
(DIN No: 00019161)

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

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

# CONSOLIDATED FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**NCC Limited**

## **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of NCC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

## **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors are responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates, in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **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 reports of other auditors on separate financial statements and on the other financial information of the branches, jointly controlled operations, subsidiaries and associates, the aforesaid consolidated Ind AS 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, of consolidated state of affairs of the Group and its associates as at March 31, 2018, of their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## **Other Matter**

- (a) We did not audit the financial statements and other financial information, in respect of 49 subsidiaries, 11 jointly controlled operations and 5 branches, included in the Group, whose financial statements include total assets of ₹ 35,489.78 million and net assets of ₹ 17,538.25 million as at March 31, 2018, and total revenues of ₹ 8,667.77 million and net cash inflow of ₹ 741.20 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 67.07 million for the year ended March 31, 2018, in respect of 11 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these branches, subsidiaries, jointly controlled operations and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates

to the aforesaid branches, subsidiaries, jointly controlled operations and associates, is based solely on the report(s) of such other auditors.

Of the above 1 branch, 4 subsidiaries and 2 associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branch, subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches, subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- (b) The comparative financial information of the Group including its associates for the year ended March 31, 2017, included in these consolidated financial statement, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 23, 2017 expressed a modified opinion.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of jointly controlled operations, branches, subsidiaries and associates as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) The reports on the accounts of the branch offices of the Holding Company, audited under Section 143 (8) of the

Act by branch auditors have been sent to us and have been properly dealt with in preparing this report.

- (e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, branches, associates and jointly controlled operations as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and its associates – Refer Notes 38 and 60 to the consolidated Ind AS financial statements;
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and associates incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

Place of Signature: Hyderabad

Date: May 24, 2018

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF NCC LIMITED

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of NCC Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of NCC Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the holding company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial

statements of the Holding Company, insofar as it relates to these 41 subsidiary companies, and 9 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

Place of Signature: Hyderabad

Date: May 24, 2018

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in million)

	Note	As at March 31, 2018		As at March 31, 2017	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, Plant and Equipment	3	10,094.35		9,517.32	
Capital Work in Progress	3	232.55		14.64	
Investment Property	3.1	1,281.83		1,127.27	
Goodwill		188.49		318.65	
Other Intangible Assets	3.2	15.81		22.53	
Financial Assets					
Investments in Associates	4.1	2,575.74		3,251.83	
Other Investments	4.1	2,478.18		151.22	
Loans	5	386.68		401.20	
Trade Receivables	6	2,099.24		1,691.60	
Other Financial Assets	7	3,081.36		3,479.51	
Deferred Tax Assets (Net)	8	1,909.01		1,437.75	
Non Current Tax Assets (Net)	15	461.54		914.57	
Other Non Current Assets	9	2,901.70		159.78	
<b>Total Non - Current Assets</b>			<b>27,706.48</b>		22,487.87
<b>Current Assets</b>					
Inventories	10	28,304.37		27,181.04	
Financial Assets					
Other Investments	4.2	1,140.73		3,884.40	
Trade Receivables	11	49,694.38		41,179.19	
Cash and Cash Equivalents	12.1	760.61		1,320.30	
Bank balances other than above	12.2	416.26		449.68	
Loans	13	616.11		560.48	
Other Financial Assets	14	1,586.14		1,710.36	
Current Tax Assets (Net)	15.1	619.82		160.64	
Other Current Assets	16	13,238.85		12,160.81	
<b>Total Current Assets</b>			<b>96,377.27</b>		88,606.90
<b>Total Assets</b>			<b>124,083.75</b>		111,094.77

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018 (contd.)

(₹ in million)

	Note	As at March 31, 2018		As at March 31, 2017	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share Capital	17	1,201.29		1,111.86	
Other Equity	18	39,623.96		33,364.76	
<b>Equity Attributable to Shareholders of the Company</b>			<b>40,825.25</b>		34,476.62
<b>Non-Controlling Interests</b>			<b>3,002.46</b>		3,285.44
<b>Total Equity</b>			<b>43,827.71</b>		37,762.06
<b>Liabilities</b>					
<b>Non Current Liabilities</b>					
Financial Liabilities					
Borrowings	19	3,984.41		4,649.90	
Trade Payables	20	1,251.82		771.56	
Provisions	21	495.29		450.57	
Other Non-Current Liabilities	22	1,319.95		1,319.95	
<b>Total Non Current Liabilities</b>			<b>7,051.47</b>		7,191.98
<b>Current Liabilities</b>					
Financial Liabilities					
Borrowings	23	14,414.15		20,164.94	
Trade Payables	24	35,862.08		31,406.01	
Other Financial Liabilities	25	3,079.12		3,044.17	
Provisions	26	295.26		672.90	
Current Tax Liabilities (Net)	27	0.36		31.30	
Other Current Liabilities	28	19,553.60		10,821.41	
<b>Total Current Liabilities</b>			<b>73,204.57</b>		66,140.73
<b>Total Equity and Liabilities</b>			<b>124,083.75</b>		111,094.77

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

per **NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
Associate Director (F&A) / CFO

**A.A.V. RANGA RAJU**  
Managing Director / CEO  
(DIN No: 00019161)

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

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	29	83,906.41	90,005.70
Other Income	30	1,013.57	2,039.03
<b>Total Income</b>		<b>84,919.98</b>	<b>92,044.73</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	31	31,622.25	32,801.24
Construction Expenses	32	9,282.38	12,037.11
Changes in Inventories of Work in Progress	33	(1,070.23)	1,457.94
Sub-contractors Work Bills		27,986.15	29,049.48
Employee Benefits Expense	34	4,533.15	4,592.19
Finance Costs	35	4,595.59	5,133.39
Depreciation and Amortization Expense (Refer note 3, 3.1 and 3.2)		1,715.11	2,025.53
Other Expenses	36	2,758.79	3,370.56
<b>Total Expenses</b>		<b>81,423.19</b>	<b>90,467.44</b>
<b>Profit Before Share of (Loss) from Associate Companies, Exceptional Items and Tax</b>		<b>3,496.79</b>	<b>1,577.29</b>
Share of (Loss) from Associate Companies		(67.07)	(311.89)
<b>Profit Before Exceptional Items and Tax</b>		<b>3,429.72</b>	<b>1,265.40</b>
Exceptional Items (Net)	59	(1,240.80)	(802.11)
<b>Profit Before Tax</b>		<b>2,188.92</b>	<b>463.29</b>
<b>Tax Expense</b>	37		
Current Tax		993.60	949.79
Deferred Tax		(191.97)	(570.54)
		<b>801.63</b>	<b>379.25</b>
<b>Profit for the year</b>		<b>1,387.29</b>	<b>84.04</b>
<b>Attributable to</b>			
Shareholders of the Company		1,686.34	316.84
Non-Controlling Interests		(299.05)	(232.80)
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or (loss)</b>			
Remeasurement gains / (losses) of the defined benefit plans		(28.88)	(17.61)
Share of Other comprehensive income in Associates		(0.03)	(0.05)
Income tax effect on the above		10.14	6.10
<b>Items that may be reclassified to profit or (loss)</b>			
Exchange differences in translating the financial statements of foreign operations		71.18	58.46
Income tax effect on the above		0.07	(20.23)
<b>Other comprehensive income / (loss) for the year (net of taxes)</b>		<b>52.48</b>	<b>26.67</b>
<b>Total comprehensive income for the year</b>		<b>1,439.77</b>	<b>110.71</b>
<b>Attributable to</b>			
Shareholders of the Company		1,738.64	343.95
Non-Controlling Interests		(298.87)	(233.24)
<b>Earnings per equity share of face value of ₹ 2 each.</b>			
Basic and Diluted - ₹	55	2.99	0.57

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

per **NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
Associate Director (F&A) / CFO

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

For and on behalf of the Board

**A.A.V. RANGA RAJU**  
Managing Director / CEO  
(DIN No: 00019161)

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

## A. Equity share capital

	Number of shares	Amount (₹ in million)
<b>Balance as at April 1, 2016</b>	555,931,588	1,111.86
Add: Issue of Share Capital	-	-
<b>Balance as at March 31, 2017</b>	555,931,588	1,111.86
Add: Issue of Share Capital	44,715,000	89.43
<b>Balance as at March 31, 2018</b>	600,646,588	1,201.29

## B. Other Equity

	Reserves and Surplus							Items of Other Comprehensive Income / (loss)			Equity attributable to the shareholders of the company	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Contingency Reserve	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations			
Balance at April 01, 2016	369.51	19,993.03	-	234.40	2.39	220.00	9,131.84	2,605.41	(2.72)	254.41	32,808.27	3,247.32	36,055.59
Transfer to General Reserve	-	-	-	-	-	(220.00)	220.00	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	316.84	-	-	316.84	(232.80)	84.04
Other Comprehensive income / (loss) for the year (net of taxes)	-	-	-	-	-	-	-	-	(11.12)	38.23	27.11	(0.44)	26.67
Dividend (Inclusive of Tax on Dividend) Adjustment	-	-	-	-	-	-	-	(401.46)	-	-	(401.46)	-	(401.46)
on account of Consolidation / Foreign currency fluctuation	(288.07)	-	-	(4.86)	-	-	-	870.73	-	36.20	614.00	271.36	885.36
Balance at March 31, 2017	81.44	19,993.03	-	229.54	2.39	-	9,351.84	3,391.52	(13.84)	328.84	33,364.76	3,285.44	36,650.20

	Reserves and Surplus							Items of Other Comprehensive Income / (loss)			Equity attributable to the shareholders of the company	Non-controlling interests	Total
	Reserves and Surplus							Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations				
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Contingency Reserve	General Reserve			Retained Earnings			
Premium on Issue of Share Capital	-	5,410.52	-	-	-	-	-	-	-	-	5,410.52	-	5,410.52
Share issue expenses	-	(87.03)	-	-	-	-	-	-	-	-	(87.03)	-	(87.03)
Transfer to Debt Redemption Reserve	-	-	62.69	-	-	-	-	(62.69)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	1,686.34	-	-	1,686.34	(299.05)	1,387.29
Other Comprehensive income / (loss) for the year (net of taxes)	-	-	-	-	-	-	-	(18.94)	71.25	-	52.31	0.18	52.49
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(267.65)	-	-	(267.65)	-	(267.65)
Adjustment on account of Consolidation / Foreign currency fluctuation	0.13	-	-	1.17	-	-	-	(536.59)	-	-	(535.29)	15.89	(519.40)
<b>Balance at March 31, 2018</b>	<b>81.57</b>	<b>25,316.52</b>	<b>62.69</b>	<b>230.71</b>	<b>2.39</b>	<b>-</b>	<b>9,351.84</b>	<b>4,210.93</b>	<b>(32.78)</b>	<b>400.09</b>	<b>39,623.96</b>	<b>3,002.46</b>	<b>42,626.42</b>

**The accompanying notes are an integral part of the consolidated financial statements**

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**per NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
Associate Director (F&A) / CFO

**A.A.V. RANGA RAJU**  
Managing Director / CEO  
(DIN No: 00019161)

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

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash flows from operating activities</b>		
Profit before tax	2,188.92	463.29
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,715.11	2,025.53
Share of loss from associate companies	67.10	311.89
Loss on sale of Property, Plant and Equipment and Investment Property	55.96	52.68
Finance costs	4,595.59	5,133.39
Interest income	(619.77)	(894.15)
Profit/Loss on sale of current & Non-Current investments(net)	(81.54)	(881.48)
Gain on remeasuring investment at FVTPL (net)	(35.94)	(30.99)
Provision for doubtful trade receivables, advances and others	416.63	509.19
Trade Receivables / Advances written off	118.33	46.75
Exceptional items (net)	1,240.80	802.11
Rental income from investment properties	(42.52)	(34.53)
Net foreign exchange loss / (gain)	-	(8.88)
	<b>7,429.75</b>	<b>7,031.51</b>
<b>Operating profit before working capital changes</b>	<b>9,618.67</b>	<b>7,494.80</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (Increase) / Decrease in operating assets:</b>		
(Increase) / Decrease in Inventories	(1,123.33)	1,446.07
(Increase) in Trade receivables	(9,189.68)	(5,041.07)
Decrease in other financial assets	594.27	1,100.82
(Increase) / Decrease in other assets	(4,096.86)	3,247.01
<b>Adjustments for Increase / (Decrease) in operating liabilities:</b>		
Increase / (Decrease) in Trade payables	4,936.33	(855.20)
Increase / (Decrease) in other financial liabilities	(1,296.66)	1,119.65
Increase / (Decrease) in Other Liabilities	8,077.03	(4,925.62)
(Decrease) in Provisions	(361.80)	(29.73)
	<b>(2,460.70)</b>	<b>(3,938.07)</b>
Cash generated from operations	7,157.97	3,556.73
Net income tax (paid)	(1,299.77)	(421.06)
<b>Net cash flows from operating activities (A)</b>	<b>5,858.20</b>	<b>3,135.67</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>B. Cash flows from investing activities</b>		
Capital expenditure for Property, Plant and Equipment, Investment Property, Intangible Assets including Capital Work in Progress	(3,181.46)	(1,516.56)
Proceeds from disposal of Property, Plant and Equipment and Investment Property	467.64	200.90
Bank balances not considered as Cash and cash equivalents	32.99	411.76
Sale / (Purchase) of Non current / current investments (net)	185.87	2,330.74
Net cash inflow on disposal of a subsidiary	-	158.39
Loans realised / (given) - Associates and others	(54.24)	782.55
Interest received	540.70	1,258.72
Rental income from investment properties	42.52	34.53
Foreign Exchange translation adjustment (arising on consolidation)	82.65	94.66
<b>Net cash flows from / (used) in investing activities (B)</b>	<b>(1,883.33)</b>	<b>3,755.69</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Issue of Shares ( including Securities Premium)	5,412.92	-
Redemption of debentures	(380.00)	(346.00)
Proceeds from long term borrowings	2,686.58	595.58
Repayment of long term borrowings	(1,669.84)	(2,455.34)
Short term Borrowings -(repaid) / borrowed (net)	(5,750.80)	(315.06)
Finance Cost	(4,565.77)	(5,255.86)
Dividend and Dividend Tax paid	(267.65)	(401.59)
<b>Net cash flows (used) in financing activities (C)</b>	<b>(4,534.56)</b>	<b>(8,178.27)</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(559.69)</b>	<b>(1,286.91)</b>
Cash and cash equivalents at the beginning of the year	1,320.30	2,607.21
<b>Cash and cash equivalents at the end of the year (Refer note 12.1)</b>	<b>760.61</b>	<b>1,320.30</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents	760.61	1,320.30
<b>Cash and cash equivalents at the end of the year</b>	<b>760.61</b>	<b>1,320.30</b>

### Non-cash transactions

NCC Infrastructure Holdings Limited (NCCIHL), a subsidiary company has transferred its holding in equity share of Sembcorp Gayatri Power Limited (SGPL) of ₹ 2,854.29 million to Gayatri Energy Ventures Private Limited (GEVPL) for the consideration in the form of CCDs of ₹ 2,402.35 million and transfer of equity shares held by GEVPL in NCCIHL to NCC Limited of ₹ 451.94 million.

Note: Figures in brackets represents cash outflows.

### The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**per NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

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Associate Director (F&A) / CFO

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Company Secy. & E.V.P (Legal)

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

# Notes forming part of the consolidated financial statements

## 1 Corporate information:

NCC 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 registered office of the Company is located at NCC House, Madhapur, Hyderabad - 500 081, Telangana, India. The Company, its subsidiaries, and Associates 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, Roads, Railways, Mining, Water & Environment, Irrigation, Power, Electrical, Metals, Oil & Gas and International business.

## 2 Significant accounting policies:

### 2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

### 2.2 Basis of preparation and presentation

These consolidated financial statements are prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transaction that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as a net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair

value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 2.3 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 2.4 Principles of Consolidation:

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

- a) NCCL consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries

# Notes forming part of the consolidated financial statements

as disclosed in Note 40 Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiaries companies are 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, intra-group transactions and resulting unrealized profits or losses on intra-group transactions as per Indian Accounting Standard 110.

- b) Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.
- c) A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in joint venture includes goodwill identified on acquisition.
- d) The financial statements of the Subsidiaries, Joint ventures and the Associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2018 except one associate where the financial statement is drawn as at December 31, 2017.
- e) The excess of cost to the Group, of its investment in the subsidiaries over the Group's share of equity is recognised in the consolidated financial statements as Goodwill and tested for impairment annually.
- f) Non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet under the Total Equity group.
- g) Non-controlling interests in the net assets of consolidated subsidiaries consists of:
  - i) The amount of equity attributable to Non-controlling holders at the date on which investment in a subsidiary is made; and
  - ii) The Non-controlling holders share of movements in the equity since the date the parent subsidiary relationship came into existence.

- h) 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.

The Subsidiaries and Associate Companies are considered for consolidated financial statements are given in Note 40.

## 2.5 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the statement of profit and loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## 2.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at Note 2.4.

## 2.7 Revenue Recognition

- i) **Project Division:** Revenue from construction contracts is recognised by reference to the stage of completion of the contract activity. 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 and when assessed.

# Notes forming part of the consolidated financial statements

ii) **Property Development:** Revenue is recognised when the Group 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) **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 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 and upon compliance of other conditions stipulated in the Guidance note on Accounting for Real estate transactions (Ind AS compliant companies) issued by the ICAI.

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 overheads, borrowing cost and all cost incurred for bringing the property to marketable condition or its intended use.

iv) **Management fees:** Management fee is accounted on accrual basis in accordance with the terms of the agreement.

## 2.8 Other Income:

a) **Dividend Income:** Dividend income from Investments is recognised when the shareholder's right to receive payment has been established.

b) **Interest income:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) **Rental income :** Rental income from operating leases is generally recognised over the term of the relevant lease.

## 2.9 Foreign exchange translation and foreign currency transactions:

These financial statements are presented in Indian rupees (rounded off to million).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations including foreign branches are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to statement of profit and loss.

## 2.10 Borrowing Costs:

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly



# Notes forming part of the consolidated financial statements

related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are included in the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## 2.11 Employee Benefits:

### 2.11.1 Retirement benefit costs and termination benefits

Payment to defined contribution retirement benefit plans are recognised as an expenses when employees have rendered service entitling them to the contributions.

#### Superannuation

The Group's contribution to Superannuation fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Provident Fund

Contribution to Provident fund made to Regional Provident Fund Commissioner are recognised as expense.

#### Defined Benefit Plans

For defined post benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling ( if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

In respect of employees of overseas subsidiaries and branches, contribution to defined benefit contribution retirement plans, is determined in accordance with the respective state laws.

### 2.11.2 Compensated Absences

The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Group.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent

actuarial valuation and the recognized in the Statement of Profit and Loss.

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

## 2.12 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 2.12.1 Current Tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

### 2.12.2 Deferred Taxes:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as

## Notes forming part of the consolidated financial statements

an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### 2.12.3 Current and deferred tax for the year:

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### 2.13 Property, plant and equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use. "The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is required to be included in the cost of the respective item of property plant and equipment" "Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised". For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of PPE measured as per previous GAAP, accumulated depreciation and cumulative impairment on the transition date of April 1, 2015.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### 2.14 Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.

Depreciation on Property, Plant and equipment and investment property have been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of construction accessories (6 years), in whose case the life of the assets has been assessed based on technical assessment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance, etc.

Depreciation on Property, Plant and equipment in joint venture operations provided on Straight Line Method/Written Down Value Method based on useful life prescribed in Schedule II of the Companies Act, 2013.

Intangible Assets are amortised on straight line method based on the useful life as assessed by the Management. The amortisation method, the residual value and amortisation period for intangible assets shall be reviewed at least at each financial year-end.

### 2.15 Investment property:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in the statement of profit and loss in the period in which the property is derecognised.

For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of Investment property measured as per previous GAAP, accumulated depreciation and cumulative impairment on the transition date of April 1, 2015.

### 2.16 Intangible Assets:

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

# Notes forming part of the consolidated financial statements

## 2.17 Inventories:

### Raw Materials:

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realisable value, whichever is lower. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

### Work in Progress:

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

### Properties Under Development:

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

### 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.

## 2.18 Provisions, Contingent Liabilities and Contingent Assets :

The Group 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 disclosed in the financial statements when flow of economic benefit is probable.

## 2.19 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 2.20 Financial assets

Financial asset is

1. Cash / Equity Instrument of another Entity,
2. Contractual right to –

- a) receive Cash / another Financial Asset from another Entity, or
- b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

## 2.21 Subsequent measurement of the financial assets

### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the Group has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

### (iii) Financial assets at fair value through Profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through Profit and loss.

- ### (iv)
- The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

## 2.22 Financial liabilities

Financial liability is Contractual Obligation to

- a) deliver Cash or another Financial Asset to another Entity, or
- b) exchange Financial Assets or Financial Liabilities with

# Notes forming part of the consolidated financial statements

another Entity under conditions that are potentially unfavourable to the Entity.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

## 2.23 Subsequent measurement of the financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

## 2.24 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

## 2.25 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not actually be realized.

## 2.26 Receivable under Service concession arrangement:

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company bears the demand risk. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

## 2.27 Impairment of Assets:

### Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

## 2.28 Fair value measurement:

The Group measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## 2.29 Grants:

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

## 2.30 Leases:

The Group leasing arrangements are mainly in respect of operating leases for premises and construction equipment. The leasing arrangements range from 11 months to 10 years

# Notes forming part of the consolidated financial statements

generally and are usually cancellable / renewable by mutual consent on agreed terms. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

## 2.31 Earnings Per Share :

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.

## 2.32 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 Group 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.

## 2.33 Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

(i) **Revenue recognition:** The Group uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

(ii) **Key sources of estimation uncertainty:** The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Items requiring significant estimate	Assumption and estimation uncertainty
Review of property, plant and equipment	The Group reviews the estimated useful lives, amortization method and residual value of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life, amortization method and residual value considered for the assets.
Fair value measurements and valuation processes	Some of The Group's assets and liabilities are measured at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party / internal qualified valuers to perform the valuation. Finance team works closely with the qualified external / internal valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the Board of Directors about the cause of fluctuations in the fair value of the assets and liabilities.
Provision for doubtful receivables	The Group makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories The Group makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

# Notes forming part of the consolidated financial statements

## 2.34 Exceptional Items:

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

## 2.35 Operating cycle:

The Group adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

## 2.36 Recent accounting pronouncements:

Standards issued but not yet effective and not early adopted by the Group:

### Ind AS 115, "Revenue from Contracts with Customers"

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a

full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. The Group has initiated to develop the modalities for implementation of Ind AS 115 relating to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, additional disclosure requirements that may be necessary. This amendment is effective from April 01, 2018. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible after completion of the implementation process.

### Other amendments:

On March 28, 2018, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 40, Investment Property
- Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Ind AS 12, Income Taxes
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 112, Disclosure of Interests in Other Entities

These amendments are effective from April 01, 2018. The Group believes that the aforementioned amendments will not materially impact the financial statements of the Group.

# Notes forming part of the consolidated financial statements

## Note 3

### Property, Plant, Equipment and Capital Work-in-Progress:

(₹ in million)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
<b>Cost:</b>										
<b>Balance as at April 1,2016</b>	<b>675.01</b>	<b>330.90</b>	<b>9,402.22</b>	<b>124.76</b>	<b>3,501.13</b>	<b>865.88</b>	<b>584.44</b>	<b>74.26</b>	<b>4,830.76</b>	<b>20,389.36</b>
Additions	-	22.60	468.66	9.85	5.47	160.87	38.05	-	695.21	1,400.71
Disposals / Adjustments	-	2.63	489.37	10.78	152.87	72.67	46.83	-	164.09	939.24
Effect of Foreign Currency Exchange Differences	-	-	78.51	0.69	0.26	7.11	3.38	-	16.89	106.84
<b>As at March 31, 2017</b>	<b>675.01</b>	<b>350.87</b>	<b>9,460.02</b>	<b>124.52</b>	<b>3,353.99</b>	<b>961.19</b>	<b>579.04</b>	<b>74.26</b>	<b>5,378.77</b>	<b>20,957.67</b>
Additions	-	62.35	1,118.11	22.11	5.56	124.32	59.89	98.13	1,358.68	2,849.15
Transferred to Investment Property	48.88	-	-	-	-	-	-	-	-	48.88
Disposals / Adjustments	-	35.47	752.16	7.03	290.42	73.49	23.48	-	310.16	1,492.21
Effect of Foreign Currency Exchange Differences	-	-	11.75	0.05	9.16	1.49	0.63	-	3.98	27.06
<b>As at March 31, 2018</b>	<b>626.13</b>	<b>377.75</b>	<b>9,837.72</b>	<b>139.65</b>	<b>3,078.29</b>	<b>1,013.51</b>	<b>616.08</b>	<b>172.39</b>	<b>6,431.27</b>	<b>22,292.79</b>
<b>Depreciation:</b>										
<b>Balance as at April 1,2016</b>	<b>-</b>	<b>38.79</b>	<b>3,876.90</b>	<b>69.08</b>	<b>2,160.00</b>	<b>481.33</b>	<b>446.90</b>	<b>27.04</b>	<b>3,127.67</b>	<b>10,227.71</b>
Depreciation	-	25.13	918.03	10.77	279.92	87.73	51.35	9.62	409.51	1,792.06
Disposals / Adjustments	-	0.54	299.23	7.70	107.10	51.60	42.32	-	147.95	656.44
Effect of Foreign Currency Exchange Differences	-	-	43.74	0.48	11.54	3.96	2.80	-	14.50	77.02
<b>As at March 31, 2017</b>	<b>-</b>	<b>63.38</b>	<b>4,539.44</b>	<b>72.63</b>	<b>2,344.36</b>	<b>521.42</b>	<b>458.73</b>	<b>36.66</b>	<b>3,403.73</b>	<b>11,440.35</b>
Depreciation	-	26.78	844.35	9.85	207.33	96.66	43.81	9.87	463.98	1,702.63
Disposals / Adjustments	-	15.48	339.69	5.81	259.49	52.77	21.93	-	273.92	969.09
Effect of Foreign Currency Exchange Differences	-	-	11.35	0.11	8.50	1.36	0.61	-	2.62	24.55
<b>As at March 31, 2018</b>	<b>-</b>	<b>74.68</b>	<b>5,055.45</b>	<b>76.78</b>	<b>2,300.70</b>	<b>566.67</b>	<b>481.22</b>	<b>46.53</b>	<b>3,596.41</b>	<b>12,198.44</b>
<b>Net Block</b>										
<b>As at March 31, 2017</b>	<b>675.01</b>	<b>287.49</b>	<b>4,920.58</b>	<b>51.89</b>	<b>1,009.63</b>	<b>439.77</b>	<b>120.31</b>	<b>37.60</b>	<b>1,975.04</b>	<b>9,517.32</b>
<b>As at March 31, 2018</b>	<b>626.13</b>	<b>303.07</b>	<b>4,782.27</b>	<b>62.87</b>	<b>777.59</b>	<b>446.84</b>	<b>134.86</b>	<b>125.86</b>	<b>2,834.86</b>	<b>10,094.35</b>

Capital work in progress ₹ 232.55 (31.03.2017: ₹ 14.64)

Note: Refer note 19 and 23 for details of assets pledged.

# Notes forming part of the consolidated financial statements

## Note 3.1

### Investment Property :

(₹ in million)

	Land - Freehold	Buildings given under operating Lease	Total
<b>Cost:</b>			
<b>Balance as at April 01, 2016</b>	<b>683.97</b>	<b>301.55</b>	<b>985.52</b>
Additions	151.02	31.43	182.45
Disposals / Adjustments	2.09	-	2.09
<b>As at March 31, 2017</b>	<b>832.90</b>	<b>332.98</b>	<b>1,165.88</b>
Additions	111.89	-	111.89
Transferred from Property, Plant and Equipment	48.88		48.88
Disposals / Adjustments	0.45	-	0.45
<b>As at March 31, 2018</b>	<b>993.22</b>	<b>332.98</b>	<b>1,326.20</b>
<b>Depreciation:</b>			
<b>Balance as at April 01, 2016</b>	<b>-</b>	<b>33.34</b>	<b>33.34</b>
Depreciation	-	5.55	5.55
Disposals / Adjustments	-	0.28	0.28
<b>As at March 31, 2017</b>	<b>-</b>	<b>38.61</b>	<b>38.61</b>
Depreciation	-	5.76	5.76
Disposals / Adjustments	-	-	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>44.37</b>	<b>44.37</b>
<b>Net Block</b>			
<b>As at March 31, 2017</b>	<b>832.90</b>	<b>294.37</b>	<b>1,127.27</b>
<b>As at March 31, 2018</b>	<b>993.22</b>	<b>288.61</b>	<b>1,281.83</b>

Note: Refer note 19 and 23 for details of assets pledged and Note 30 for the details of Rental income.

### Fair value of the investment property

Details of the investment property and information about the fair value hierarchy as at March 31, 2018, March 31, 2017 are as follows:

	Fair value hierarchy	Fair value as at March 31, 2018	Fair value as at March 31, 2017
Land	Level 3	<b>1,717.31</b>	1,476.63
Buildings	Level 3	<b>671.53</b>	671.52
<b>Total</b>		<b>2,388.84</b>	2,148.15

The fair value of investment properties have been determined with the help of internal technical department and independent valuer on a case to case basis. Fair value of properties that are evaluated by independent valuer ₹ 1,131.89 million (31.03.2017: ₹ 834.39 million) and by internal technical department ₹ 1,256.95 million (31.03.2017: ₹ 1,313.76 million). Valuation is based on Government rates, market research, market trend and comparable values as considered appropriate.



## Notes forming part of the consolidated financial statements

### 3.2 Other Intangible Assets

(₹ in million)

	Intangible Assets	Total
<b>Cost</b>		
<b>Balance as at April 01, 2016</b>	<b>7,939.80</b>	<b>7,939.80</b>
Additions	-	-
Disposals / Adjustments	7,545.49	7,545.49
<b>As at March 31, 2017</b>	<b>394.31</b>	<b>394.31</b>
Additions	-	-
Disposals / Adjustments	-	-
<b>As at March 31, 2018</b>	<b>394.31</b>	<b>394.31</b>
<b>Amortisation:</b>		
<b>Balance as at April 01, 2016</b>	<b>1,884.17</b>	<b>1,884.17</b>
Amortisation	227.92	227.92
Disposals / Adjustments	1,740.31	1,740.31
<b>As at March 31, 2017</b>	<b>371.78</b>	<b>371.78</b>
Amortisation	6.72	6.72
Disposals / Adjustments	-	-
<b>As at March 31, 2018</b>	<b>378.50</b>	<b>378.50</b>
Net Block		
<b>As at March 31, 2017</b>	<b>22.53</b>	<b>22.53</b>
<b>As at March 31, 2018</b>	<b>15.81</b>	<b>15.81</b>

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>4 Investments</b>				
<b>4.1 Non Current Investments</b>				
<b>A Trade (Unquoted) (At Cost)</b>				
<b>a In Associates (Equity method)</b>				
<b>i) Investment in equity instruments</b>				
In Shares of ₹ 10 each, fully paid up				
Jubilee Hills Landmark Projects Private Limited	2,500,000	-	2,500,000	-
Tellapur Techno City Private Limited	14,702,600	-	14,702,600	-
Paschal Form Work (India) Private Limited	6,549,892	18.87	6,549,892	26.08
Himalayan Green Energy Private Limited	1,000,000	-	1,000,000	-
Ekana Sportz City Private Limited	1,768,000	177.06	1,300,000	130.23
Brindavan Infrastructure Company Limited	8,643,036	125.38	8,643,036	125.81
Pondicherry Tindivanam Tollway Limited (Refer note 4.3)	3,388,040	201.62	3,388,040	345.51
Varapradha Real Estates Private Limited	13,344,973	758.21	13,344,973	745.56
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	3,778,757	200.02	3,778,757	198.31
<b>Less: Provision for Impairment in value of Investments</b>		79.97		79.97
		120.05		118.34
In Shares of 1000 Dirham each fully paid up				
Nagarjuna Facilities Management Services, L.L.C., Dubai	147	-	147	-
In Shares of ₹ 1 each fully paid up				
Tellapur Technocity (Mauritius)	706,349,321	723.31	706,349,321	719.26
<b>Less: Provision for Impairment in value of Investments</b>		442.30		-
		281.01		719.26
<b>(ii) Investment in preference shares</b>				
2% Redeemable Preference Shares of ₹ 100 each fully paid up				
Jubilee Hills Landmark Projects Private Limited	4,274,999	132.07	4,274,999	132.07
<b>Less: Provision for Impairment in value of Investments</b>		96.21		96.21
		35.86		35.86
<b>(iii) Investment in debentures</b>				
Jubilee Hills Landmark 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)	737,248,092	495.95	737,248,092	495.95
<b>Less: Provision for Impairment in value of Investments</b>		147.50		-
		348.45		495.95
<b>Total aggregate investments in Associates</b>		2,575.74		3,251.83
<b>b In Subsidiaries (Refer note 40.1)</b>				
<b>Investment in equity instruments</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>Less: Provision for Impairment in value of Investments</b>		0.50		0.50
		-		-

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>c In Other entities</b>				
<b>Investment at Fair Value through Profit and Loss</b>				
In Shares of ₹ 10 each, fully paid up				
SNP Developers and Projects LLP		9.66		9.66
SNP Ventures LLP		21.76		97.15
SNP Property Developers LLP		29.31		29.31
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
<b>d Investment in debentures (Fair value through Profit and Loss)</b>				
0% Compulsory Convertible Debentures				
Gayatri Energy Ventures Private Limited (each ₹ 1,483)	1,619,928	2,402.35	-	-
<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 aggregate investments in Other entities</b>		2,478.18		151.22
<b>Total</b>		5,053.92		3,403.05
<b>4.2 Current Investments</b>				
<b>Investment at Fair Value through Profit and Loss Account</b>				
<b>A In Other entities (Unquoted)</b>				
In Shares of ₹ 10 each, fully paid up				
Sembcorp Gayatri Power Limited (Refer note 4.4)		-	345,752,370	2,761.38
Himachal Sorang Power Limited (Refer note 4.5)	3,994,890	402.52	3,994,890	402.52
<b>B In Mutual Funds (Quoted)</b>				
L&T Mutual Fund				
- Debt Funds (Refer note 4.6)	40,661,051	738.21	43,757,286	720.50
<b>Total</b>		1,140.73		3,884.40
<b>Grand Total</b>		6,194.65		7,287.45
Aggregate market value of current Quoted Investments		738.21		720.50
Aggregate amount of Unquoted Investments		5,456.44		6,566.95
Aggregate amount of impairment in value of investments		766.48		176.68
Aggregate market value of Non Current Quoted Investments		-		-
* Market value of ₹ 11.25 (31.03.2017: ₹ 17.91)				

**4.3** Of these 1,853,656 shares (31.03.2017 : 1,853,656 shares) are pledged with Axis Bank Limited & WITCO as security for term loans availed by Pondicherry Tindivanam Tollway Limited. 83,415 shares physically pledged with Axis Bank & WITCO.

**4.4** Of these Nil (31.03.2017: 342,180,574 shares) have been pledged with the lenders against the term loans availed by Sembcorp Gayatri Power Limited.

**4.5** Of these 3,991,486 shares(31.03.2017: 3,991,486 shares) are pledged with Axis Bank Limited as security for term loans availed by Himachal Sorang Power Limited.

Of these 2,652 shares (31.03.2017 : 2,652 shares) have been pledged with Axis Bank and 748 shares (31.03.2017 :748 shares) have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. The Company in the year 2012 -13, has entered into securities purchase agreement for disposal of these shares, subject to compliance with the various conditions mentioned in the agreement.

**4.6** 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 ₹ 360.00 million.

## Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>5 Loans</b>				
Un-Secured, Considered good				
Loans and Advances to Related Parties				
Associate		<b>120.01</b>		130.28
Other Loans and Advances		<b>266.67</b>		270.92
<b>Total</b>		<b>386.68</b>		401.20
<b>6 Trade Receivables</b>				
Unsecured, Considered good				
Retention Money		<b>2,099.24</b>		1,691.60
<b>7 Other Financial Assets</b>				
Un-Secured, Considered good				
Other Receivables		<b>1.19</b>		3.01
Interest accrued on loans				
Considered Doubtful		<b>10.84</b>		10.84
		<b>10.84</b>		10.84
Less : Allowance for doubtful interest		<b>10.84</b>		10.84
		-		-
Deposits with Customers and Others		<b>18.94</b>		22.99
Deposits - Joint Development (Refer note 7.1)		<b>472.87</b>		433.69
Receivable under service concession arrangement		<b>2,588.36</b>		3,019.82
<b>Total</b>		<b>3,081.36</b>		3,479.51

**7.1** Deposits - Joint Development represents deposits with respective land owners against registered Joint Development Agreements (JDAs) / Memorandum of Understanding (MOU). The lands under respective JDA / MOU are in the possession of the NCC Urban Infrastructure Limited (NCC Urban). NCC Urban is assessing the market scenario and accordingly initiate execution of the project/s at an appropriate time.

Deposits - Joint development are interest free, refundable deposits and the gross amount as at March 31, 2018 ₹ 657.26 million (31.03.2017: ₹ 675.69 million)

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>8 Deferred Tax Assets (Net) (Refer note 61)</b>				
(Inclusive of MAT credit entitlement of ₹ 276.02 million (31.03.2017: ₹ Nil))		<b>1,909.01</b>		1,437.75
<b>9 Other Non - Current Assets</b>				
Advance for Purchase of Land (Refer note 9.1)		<b>159.78</b>		159.78
GST / Sales Tax / Value Added Tax credit receivable		<b>480.94</b>		-
Advances to Suppliers, Sub-contractors, Capital Advances and Others (Refer note 9.2)				
Considered Good		<b>2,260.98</b>		-
Considered Doubtful		<b>425.40</b>		-
		<b>2,686.38</b>		-
Less : Provision for doubtful advances		<b>425.40</b>		-
		<b>2,260.98</b>		-
<b>Total</b>		<b>2,901.70</b>		159.78

## Notes forming part of the consolidated financial statements

- 9.1** Advances for Purchase of Land includes ₹ 159.35 million (31.03.2017: ₹ 159.35 million) paid towards three properties during the years from 2005-2006 to 2008-2009, by NCC Urban Infrastructure Limited (NCC Urban) in respect of which agreements were expired. NCC Urban is confident of negotiating with the respective vendors for extension of the agreements and / or registration as per mutually agreed terms.
- 9.2** Advances to Suppliers, Sub-contractors and others, includes advance to enterprises owned are significantly influenced by key management personnel or their relatives ₹ 2,260.98 million (31.03.2017: ₹ Nil).

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>10 Inventories</b>				
Raw Materials	<b>4,241.04</b>		4,150.45	
Raw Material in Transit	<b>38.42</b>		114.89	
Work-in-progress	<b>19,831.51</b>		18,761.28	
Property Development Cost (Refer note 10.1)	<b>4,193.40</b>		4,154.42	
<b>Total</b>		<b>28,304.37</b>		27,181.04

- 10.1** Property development cost includes ₹ 270.00 million (31.03.2017: ₹ 270.00 million) representing the cost of acquisition of land from different land owners, for which NCC Urban Infrastructure Limited (NCC Urban) holds General Power of Attorney to deal with such land including registration of the sale in the name of NCC Urban.

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>11 Trade Receivables</b>				
Unsecured (Refer note 11.1 to 11.5)				
Considered Good	<b>49,694.38</b>		41,179.19	
Considered Doubtful	<b>531.98</b>		418.41	
	<b>50,226.36</b>		41,597.60	
Less : Allowance for doubtful trade receivables	<b>531.98</b>		418.41	
<b>Total</b>		<b>49,694.38</b>		41,179.19

- 11.1** The credit period towards trade receivables generally ranges between 30 to 180 days.

- 11.2** In determining the allowance for trade receivables, the Group has used practical expedients based on financial condition of the customer, ageing of the customer receivables and overdues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are Government organisations though there may be normal delays in collections.

### 11.3 Movement in the allowance for doubtful receivables

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
Balance at beginning of the year		<b>418.41</b>		245.74
Add: Allowance for doubtful receivables		<b>113.57</b>		172.67
Balance at the end of the year		<b>531.98</b>		418.41

- 11.4** Trade receivables includes retention money not fallen due of ₹ 11,157.64 million (31.03.2017: ₹ 12,899.57 million).

- 11.5** Trade receivables includes ₹ 528.46 million (31.03.2017: ₹ 310.96 million) from associates.

## Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>12 Cash and Bank Balances</b>				
<b>12.1 Cash and Cash Equivalents</b>				
Cash on hand	<b>13.67</b>		11.84	
<b>Balances with Banks :</b>				
In Current Accounts (Refer note 12.3)	<b>673.40</b>		1,288.81	
In Deposit Accounts with maturity less than 3 months	<b>73.54</b>		19.65	
		<b>760.61</b>		1,320.30
<b>12.2 Other Bank Balances</b>				
In Deposit Accounts				
Margin Money Deposits (Refer note 12.4)	<b>28.15</b>		108.29	
In Deposit Accounts with maturity more than 3 months	<b>327.46</b>		270.93	
Earmarked balances with Banks		<b>355.61</b>		379.22
Unpaid dividend accounts (Refer note 12.5)	<b>3.72</b>		4.15	
Long Term Deposits (Refer note 12.6)	<b>26.25</b>		35.63	
Escrow accounts (Refer note 38 (i) (a))	<b>30.68</b>		30.68	
		<b>60.65</b>		70.46
		<b>416.26</b>		449.68
<b>Total</b>		<b>1,176.87</b>		1,769.98

**12.3** Current account balance includes ₹ 0.53 million (31.03.2017: ₹ 0.05 million) remittance in transit

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

**12.5** Represents Cash and Cash equivalents deposited in unpaid dividend account and are not available for use by the Group other than specific purpose.

**12.6** Includes deposits for Debt Service Reserve ₹ 26.15 million (31.03.2017: ₹ 35.53 million), pursuant to the conditions of Term Loan agreement with ICICI Bank.

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>13 Loans</b>				
Unsecured considered good				
Loans to Related Parties				
Associates		<b>326.14</b>		254.77
Loans to Other Body Corporates		<b>202.90</b>		196.00
Security Deposits		<b>2.04</b>		3.50
Loans and Advances to Employees		<b>85.03</b>		106.21
<b>Total</b>		<b>616.11</b>		560.48

## Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>14 Other Financial Assets</b>				
Unsecured, considered good				
Advances recoverable		<b>761.81</b>		804.30
Deposits with Customers and Others				
Considered Doubtful	<b>50.00</b>		50.00	
	<b>50.00</b>		50.00	
Less: Allowance for Doubtful Deposits	<b>50.00</b>		50.00	
		-		-
Interest Accrued on Deposits and Others		<b>308.69</b>		338.63
Unbilled Revenue		<b>390.93</b>		390.93
Other Receivables		<b>124.71</b>		176.50
<b>Total</b>		<b>1,586.14</b>		1,710.36
<b>15 Non Current Tax Assets (Net)</b>				
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>461.54</b>		914.57
<b>15.1 Current Tax Assets (Net)</b>				
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>619.82</b>		160.64
<b>16 Other Current Assets</b>				
Advances to Suppliers, Sub-contractors and Others (Refer note 16.1 to 16.2)				
Considered Good	<b>8,953.38</b>		7,531.77	
Considered Doubtful	<b>392.67</b>		698.66	
	<b>9,346.05</b>		8,230.43	
Less : Allowance for doubtful advances	<b>392.67</b>		698.66	
		<b>8,953.38</b>		7,531.77
Prepaid Expenses		<b>456.67</b>		387.54
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		<b>2,701.61</b>		3,784.59
Service Tax credit receivable		<b>189.44</b>		456.91
Goods and Service Tax credit receivable		<b>937.75</b>		-
<b>Total</b>		<b>13,238.85</b>		12,160.81

**16.1** Advances to Suppliers, Sub-contractors and others, includes advance to enterprises owned are significantly influenced by key management personnel or their relatives ₹ Nil (31.03.2017: ₹ 2,717.36 million ).

**16.2** Advances to Suppliers, Sub-contractors and others, includes advance to associates ₹ 2.91 million (31.03.2017: ₹ 37.33 million).

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>17 Share Capital</b>				
<b>Authorised :</b>				
Equity Shares of ₹ 2 each	750,000,000	1,500.00	750,000,000	1,500.00
<b>Issued :</b>				
Equity Shares of ₹ 2 each (Refer note 17.1)	600,646,588	1,201.29	555,931,588	1,111.86
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹ 2 each	600,646,588	1,201.29	555,931,588	1,111.86
<b>Total</b>		<b>1,201.29</b>		<b>1,111.86</b>

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

(₹ in million)

	Year Ended March 31, 2018		Year Ended March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	555,931,588	1,111.86	555,931,588	1,111.86
Add: Issue of Share Capital (Refer note 17.6)	44,715,000	89.43	-	-
Balance at end of the year	600,646,588	1,201.29	555,931,588	1,111.86

## 17.2 Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjunwala	45,108,266	7.51	45,108,266	8.11
A V S R Holdings Private Limited	40,453,278	6.73	36,352,278	6.54
Reliance ETF Infra Bees Investment Account	46,908,357	7.81	-	-

**17.3** Unclaimed equity shares of 27,972 (31.03.2017: 108,667) are held in "NCC Limited - Unclaimed suspense account " in trust.

## 17.4 Rights of the shareholders

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.

**17.5** 18,700 (31.03.2017: 501,831) 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.

**17.6** Pursuant to the approval of the Qualified Institutional Placement Committee constituted by the Board of Directors on January 30, 2018, the Company issued and allotted on February 01, 2018 for 44,715,000 equity shares of ₹ 2 each, at an issue price of ₹ 123 per equity share (including securities premium of ₹ 121 per share) aggregating ₹ 5,499.95 million to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder. Share issue expenses are charged off against securities premium.



# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>18 Other Equity</b>		
<b>18.1 Capital Reserve</b>		
Opening balance	81.44	369.51
Add / (Less) : Arising on account of Consolidation	0.13	(288.07)
Closing balance	81.57	81.44
<b>18.2 Securities Premium</b>		
Opening balance	19,993.03	19,993.03
Add : Premium on Issue of Share Capital	5,410.52	-
Less : Share Issue Expenses	87.03	-
Closing balance	25,316.52	19,993.03
<b>18.3 Debenture Redemption Reserve</b>		
Opening balance	-	-
Add : Transfer from Retained Earnings	62.69	-
Closing balance	62.69	-
<b>18.4 Legal / Statutory Reserve (Refer note 43)</b>		
Opening balance	229.54	234.40
Add / (Less): On account of Foreign Currency Fluctuation	1.17	(4.86)
Closing balance	230.71	229.54
<b>18.5 Reserve Fund under Section 45 - IC of RBI Act, 1934</b>	2.39	2.39
<b>18.6 Contingency Reserve</b>		
Opening balance	-	220.00
Less: Transfer to General Reserve	-	220.00
Closing balance	-	-
<b>18.7 General Reserve</b>		
Opening balance	9,351.84	9,131.84
Add : Transfer from Contingency Reserve	-	220.00
Closing balance	9,351.84	9,351.84
<b>18.8 Retained Earnings</b>		
Opening balance	3,391.52	2,605.41
Add : Arising on Account of Consolidation	(536.59)	870.73
Add : Profit for the year	1,686.34	316.84
<b>Total</b>	4,541.27	3,792.98
Less : Appropriations		
Transfer to Debenture Redemption Reserve	62.69	-
Dividend distributed to equity share for the previous year (March, 2018: ₹ 0.40 per share (March, 2017: ₹ 0.60 per share))	222.37	333.56
Tax on Dividend	45.28	67.90
	330.34	401.46
Closing balance	4,210.93	3,391.52
<b>18.9 Other Components of Equity</b>		
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)	(32.54)	(13.63)
Share of Other comprehensive income in Associates	(0.24)	(0.21)
Exchange differences in translating the financial statements of foreign operations (Net of tax ) / Adjustment on account of Foreign currency fluctuation	400.09	328.84
<b>Total</b>	39,623.96	33,364.76

## Notes forming part of the consolidated financial statements

**18.8.a** In respect of the year ended March 31, 2018, the Directors propose that a dividend of ₹ 1.00 per share be paid on fully paid equity shares. This equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 600.65 million including dividend distribution tax of ₹ 123.46 million.

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current*	Non Current	Current*
<b>19 Borrowings</b>				
<b>Debentures</b>				
<b>Secured - at amortised cost</b>				
10.90% Redeemable, Non-Convertible Debentures (Refer note 19.1)	776.00	408.00	1,184.00	222.00
11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	100.00	-	100.00	150.00
11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	692.00	10.00	702.00	8.00
<b>Term Loans :</b>				
<b>Secured - at amortised cost</b>				
From Banks and Financial Institutions (Refer note 19.2)	1,408.29	1,002.00	2,605.45	484.30
From Other Parties (Refer note 19.3)	969.68	759.23	19.42	14.14
<b>Vehicle Loans</b>				
<b>Secured - at amortised cost</b>				
From Banks (Refer note 19.4)	8.35	6.74	9.69	6.15
From Others (Refer note 19.4)	30.09	24.46	29.34	19.78
<b>Total</b>	<b>3,984.41</b>	<b>2,210.43</b>	<b>4,649.90</b>	<b>904.37</b>

\* Current maturities are included in Note 25 - Other Financial Liabilities

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

Debentures

Secured, Rated, Listed, Non Convertible Debentures.

During February 2014, OBIL issued 20,000 Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 2,000.00 million, 5,000 Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 500.00 million and 8,400 Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 840.00 million to L&T Infra Finance Limited, Aggregate value of debentures issued was ₹ 3,340.00 million. L&T Infra Finance Limited subscribed the total debentures from Debenture Trustee of OBIL. Subsequently L&T Infra Finance Limited transferred 6176 Series "A" debentures of ₹ 1,00,000/- each amounting ₹ 617.60 million.

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 OBIL and IDBI Trusteeship Services Limited, being the Debenture Trustee. Present applicable interest rate is as follows:-

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

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

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 OBIL'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 OBIL.

## Notes forming part of the consolidated financial statements

- 3) First pari passu charge over all accounts of OBIL 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 NHA1 of the Project, whatsoever nature both present and future subject to the provisions of the Transaction Documents.
  - 5) Assignment by way of security, in :
    - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in the Project Agreements;
    - All the rights, title and interest of OBIL in, to and all the Clearances;
    - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
    - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL under all insurance contracts;
  - 6) A pledge on 51% of the issued, paid up and voting equity share capital of OBIL held by the promoters of OBIL.
- c) Redemption Schedule

(₹ in million)

Date of Installments	Series 'A'	Series 'B'	Series 'C'	Total
June 15, 2022 & December 15, 2022	-	-	106.00	<b>106.00</b>
June 15, 2021 & December 15, 2021	156.00	-	348.00	<b>504.00</b>
June 15, 2020 & December 15, 2020	300.00	-	198.00	<b>498.00</b>
June 15, 2019 & December 15, 2019	320.00	100.00	40.00	<b>460.00</b>
June 15, 2018 & December 15, 2018	408.00	-	10.00	<b>418.00</b>
June 15, 2017 & December 15, 2017	222.00	150.00	8.00	<b>380.00</b>
June 15, 2016 & December 15, 2016	176.00	150.00	20.00	<b>346.00</b>
June 15, 2015 & December 15, 2015	146.00	100.00	20.00	<b>266.00</b>
June 15, 2014 & December 15, 2014	148.00	-	90.00	<b>238.00</b>
February 21, 2014	124.00	-	-	<b>124.00</b>

### 19.2 Term Loans from Banks and Financial Institutions

- (i) Term loans from Andhra Bank, State Bank of Hyderabad, State Bank of India, Syndicate Bank, Indian Overseas Bank, Canara Bank and Standard Chartered Bank outstanding balance as at March 31, 2018 ₹ Nil (31.03.2017: ₹ 319.45 million) are secured, in terms of the sanction letter, by:
- first parri-passu charge on the properties owned by NCC Limited, NCC Urban Infrastructure Limited, Dhatri Developers and Properties Private Limited and the subsidiaries of NCC Urban Infrastructure Limited.
  - pledge of shares of NCC Urban Infrastructure Limited held by NCC Limited.
  - personal guarantees of Sri. A.A.V. Ranga Raju, Sri. A.G.K. Raju, Sri. A.S.N. Raju, Sri. A.V.N. Raju, Sri. A.K.H.S. Rama Raju, Sri. N.R. Alluri and Sri. J.V. Ranga Raju.

These loans are repayable in 8 quarterly instalments (with a moratorium of 24 months) commencing from September 30, 2016 to June 30, 2018 and carry interest rate of 13.50% per annum with monthly rests. These loans have been repaid fully during the period.

- (ii) Bank Muscat:
- A loan of ₹ 506.88 million has been availed by Oman branch of NCC Limited against corporate guarantee from NCC Limited
  - Assignment of receivables of Al-Amerat and Quriyat Road from the Client Muscat Municipality / Ministry of Finance.
  - Repayable upon receipt of receivables from Muscat Municipality or upon expiry of 365 days from the date of release of loan whichever is earlier. Interest rate of 6.5% per annum with monthly rests.

# Notes forming part of the consolidated financial statements

(iii) Axis Bank Limited

- Secured by hypothecation of specific assets purchased out of the loan.

(iv) Canara Bank

- Exclusive charge on the entire equipment and machinery purchased out of the loan facility.

**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	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2018	31.03.2017	31.03.2018	31.03.2017		31.03.2018	31.03.2017		
(i)	Axis Bank Limited	24	13	126.66	67.11	8.26 to 9.85	9 to 41	21 to 26	Monthly	February 05, 2016 to August 10, 2021
(ii)	Canara Bank	12	-	117.48	-	9	11	-	Quarterly	March 02, 2019 to December 02, 2021

(v) Loan of Nagarjuna Construction Company International L.L.C.

Bank Dhofar borrowings of ₹ 846.74 million are secured either / and - or as:

- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of OMR 40.72 million.

Oman Arab Bank borrowings of ₹ 56.45 million are secured either / and - or as:

- Corporate guarantees from NCC Limited India to the extent of OMR 2 million against term loan.

(vi) Loan of NCC Urban infrastructure Limited (NCC Urban) of ₹ 756.08 million

(a) NCC Urban entered into a Facility Agreement with ICICI Bank Ltd for availing term loans aggregating to ₹ 1500 million receivable in 5 tranches - RTL 1 - ₹ 200 million, RTL 2 - ₹ 250 million, RTL 3 - ₹ 300 million, RTL 4 - ₹ 350 million, RTL 5 - ₹ 400 million.

(b) RTL 1, 2, 3 shall be utilized towards repayment of unsecured loans from NCC Limited which were interalia utilized towards project development expenses of NCC Urban Meadows II, Bengaluru, NCC Urban Nagarjuna Residency, Hyderabad, NCC Urban Gardenia, Hyderabad.

RTL 4 and 5 shall be utilized towards construction cost of NCC Urban Gardenia, Hyderabad and NCC Urban Green Province, Bengaluru.

(c) Term Loan carry an interest rate of bank's "I-Base" rate plus a spread. The rate of interest, as at March 31, 2018 aggregates to 12.40%.

(d) Exclusive charge by way of equitable mortgage on NCC Urban's share of Unsold units in NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad & NCC Urban Green Province - Bengaluru.

(e) Second and subservient charge by way of equitable mortgage on approx. 11,545 sqft and 32,495 sqft of saleable area mortgaged to Greater Hyderabad Municipal Corporation (GHMC) in NCC Urban Nagarjuna Residency - Hyderabad and of NCC Urban Gardenia - Hyderabad, respectively.

(f) Exclusive charge by way of hypothecation on the future scheduled receivables of NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad & NCC Urban Green Province - Bengaluru and all the insurance proceeds, both present and future.

(g) Exclusive charge by way of registered hypothecation on the Escrow accounts of NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad & NCC Urban Green Province - Bengaluru and the Debt Service Reserve (DSR) Account all monies credited / deposited therein (in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be).

(h) Exclusive charge by way of equitable mortgage on land parcel/ property located in Semmenchery on the Old Mahabalipuram Road, Chennai to the extent of 7.53 acres with survey numbers 552/1A1 - 0.09 Acre, 553/2B1A - 0.15 Acre, 553/2B2A - 0.16 Acre, 742 - 1.9 Acre, 743/3 - 2.57 Acres, 744 - 0.57 Acre, 745/1 - 1.43 Acre, 745/2 - 0.66 Acre.

## Notes forming part of the consolidated financial statements

- (i) Term Loan shall be repayable in 36 structured monthly installments commencing from August 15, 2016 and ending on July 15, 2019.
- (j) There are no overdue's towards Principal or Interest as on March 31, 2018.
- (k) Long-term borrowings are net of unamortised transaction costs of ₹ 4.79 million as at 31.03.2018 (31.03.2017: ₹ 8.62 million)

### 19.3 i) 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	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2018	31.03.2017	31.03.2018	31.03.2017		31.03.2018	31.03.2017		
(i)	SREI Equipment Finance Limited	45	2	1117.22	1.60	8.75 to 11	27 to 34	4 to 12	Monthly	September 05, 2017 to January 15, 2021
(ii)	Tata Capital Financial Services Limited	8	3	111.69	31.96	8.50 to 10	15 to 34	27 to 31	Monthly	August 21, 2016 to January 09, 2021

### ii) Term Loan from A.K. Capital Services Ltd, Mumbai for ₹ 500.00 million is secured by:

- First ranking pari pasu charge by way of mortgage of 2 properties in favour of the security trustee.
- Unconditional and irrevocable personal guarantees of the promoters i.e., Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju for all the dues under facility in the form approved by the lender.
- This is payable in 3 installments with tenor of 18 months commencing from November 05, 2018, February 05, 2019 and May 05, 2019 carry interest @ 10.75 % with monthly rests.

### 19.4 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 to 5 years and carry interest rate ranging between 7.78 % to 10 % per annum.

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>20 Trade Payables</b>		
Retention Money	1,251.82	771.56

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>21 Provisions</b>				
Provision for Employee Benefits				
Compensated absences		<b>10.36</b>		11.44
Gratuity (Refer note 21.1)		<b>311.11</b>		283.06
Provision for contractual obligations (Refer note 26.1)		<b>166.76</b>		-
Provision on Standard Assets as per RBI Circular		<b>7.06</b>		6.07
Provision for Commitments		-		150.00
<b>Total</b>		<b>495.29</b>		450.57

**21.1** In accordance with the Payment of Gratuity Act, 1972 the Group 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 gratuity as on March 31, 2018 is ₹ 373.33 million (31.03.2017: ₹ 341.69 million) of which ₹ 33.54 million (31.03.2017: ₹ 34.21 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 339.79 million (31.03.2017: ₹ 307.48 million) is included in Provision for Gratuity.
- (ii) Details of the Group's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary.

### Amount to be recognised in Balance Sheet :

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
Present Value of Funded Obligations	<b>373.33</b>	341.69
Fair Value of Plan Assets	<b>(33.54)</b>	(34.21)
Net Liability	<b>339.79</b>	307.48

- (iii) **Expenses to be recognized in Statement of Profit and Loss under Employee Benefit Expenses :**

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Current Service Cost	<b>34.07</b>	22.37
Past Service Cost	<b>29.01</b>	-
Interest on Defined Benefit Obligation	<b>11.29</b>	11.15
Expected Return on Plan assets	<b>(2.12)</b>	(2.50)
Total included in "Employee Benefits Expense"	<b>72.25</b>	31.02

## Notes forming part of the consolidated financial statements

### (iv) Expenses to be recognized in Statement of Profit and Loss under Other Comprehensive Income :

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Return on Plan Assets	0.97	(0.01)
Net Actuarial Losses / (Gains) Recognised in Year	27.91	17.62
Total included in "Other Comprehensive Income"	28.88	17.61

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

Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	341.69	348.60
Current Service Cost	35.13	22.37
Past Service Cost	29.01	-
Interest Cost	11.29	11.15
Actuarial Losses / (Gain)	27.91	17.62
Benefits Paid	(71.70)	(58.05)
<b>Closing Defined Benefit Obligation</b>	<b>373.33</b>	<b>341.69</b>
Opening Fair Value of Plan assets	32.86	41.34
Expected Return on Plan Assets	1.15	2.50
Contributions	35.40	18.61
Benefits Paid	(35.87)	(28.24)
<b>Closing Fair Value of Plan Assets</b>	<b>33.54</b>	<b>34.21</b>
Expected Employer's Contribution Next Year	89.50	30.00

### (vi) Asset information :

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in million	33.54	34.21

### (vii) Experience Adjustments :

(₹ in million)

	2017-18	2016-17
Defined Benefit Obligations (DBO)	373.33	341.69
Plan Assets	33.54	34.21
Surplus/(Deficit)	(339.79)	(307.48)
Experience Adjustments on Plan Liabilities	-	-
Experience Adjustments on Plan Assets	2.12	2.50

## Notes forming part of the consolidated financial statements

### (viii) Sensitivity Analysis :

(₹ in million)

	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
<b>Assumptions</b>		
Discount rate	8%	8%
Estimated rate of return on plan assets	8.25%	8.25%
Expected rate of salary increase	5%	10%
Attrition rate	25%	20%
<b>Sensitivity analysis – DBO at the end of the year</b>		
Discount rate + 100 basis points	(5.90)	7.79
Discount rate - 100 basis points	6.60	8.62
Salary increase rate +1%	7.20	3.27
Salary increase rate -1%	(6.40)	3.50
Attrition rate +1%	2.80	7.79
Attrition rate -1%	(3.10)	8.62

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### (ix) The following pay-outs are expected in future years :

(₹ in million)

Particulars	March 31, 2018
March 31, 2019	27.98
March 31, 2020	28.26
March 31, 2021	23.60
March 31, 2022	18.62
March 31, 2023	20.54

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
22 <b>Other Non-Current Liabilities</b>				
Advance from Associate		1,319.95		1,319.95



# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
<b>23 Borrowings</b>				
Loans repayable on demand				
Secured Loans - Banks				
Working Capital Demand Loan (Refer note 23.1)		<b>9,449.66</b>		5,487.12
Cash Credits and Overdrafts (Refer note 23.1)		<b>3,800.49</b>		13,434.17
From Others (Refer note 23.2)		<b>550.00</b>		-
Unsecured Loans				
From Others (Refer note 23.3)		<b>614.00</b>		1,243.65
<b>TOTAL</b>		<b>14,414.15</b>		20,164.94

**23.1** Working Capital Demand Loans of ₹ 9,449.66 million and Cash Credit facilities of ₹ 1,001.27 million availed from consortium of banks are secured by:

- Hypothecation against first charge on stocks, book debts, shares of NCC Infrastructure Holdings Limited (Refer note 4.4) and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu amongst 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 amongst consortium banks.
- Equitable mortgage of three properties (Land & Buildings).
- The Company availed overdraft facility from ICICI Bank and is secured, in terms of the sanction letter, by:
  - mortgage over immovable fixed assets;
  - pledge of shares of NCC Urban Infrastructure Limited held by NCC Limited;
  - personal guarantees of Sri. A.A.V. Ranga Raju, Sri. A.G.K. Raju, Sri. A.S.N. Raju, Sri. A.V.N. Raju, Sri. A.K.H.S. Rama Raju, Sri. N.R. Alluri and Sri. J.V. Ranga Raju;

These facilities carry an interest rate of 8.75% to 11.80% per annum.

- Loans of NCC Urban Infrastructure Limited
  - Cash credit facilities of ₹ 39.28 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 of NCC Urban 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 Dhatri Developers and Projects Private Limited and Sushruta Real Estates Private Limited.
- Loans of ₹ 2,759.94 million of Nagarjuna Construction Company International L.L.C.
  - Bank Dhofar borrowings are secured either / and - or as:
    - Assignment of project receivables.
    - Corporate guarantees from NCC Limited India to the extent of OMR 40.72 million.

**23.2** NCC Urban Infrastructure Limited during the current year, entered into a Loan Agreement with Aditya Birla Finance Limited for availing term loan aggregating to ₹ 550.00 million. This facility carry an interest rate of 9.5% as at 31.03.2018 by securing NCC Limited Shares held by AVSR Holdings Private Limited.

**23.3** Unsecured - term loans from Others:

Includes loan of NCC Urban Infrastructure Limited having a maturity of less than one year and outstanding balance of ₹ 614.00 million (31.03.2017: ₹ 1,243.50 million) and carry interest rate of 12.00 % per annum.

## Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>24 Trade Payables</b>		
Acceptances	4,709.35	2,758.00
Other than Acceptances (includes retention money payable)	31,152.73	28,648.01
<b>Total</b>	<b>35,862.08</b>	<b>31,406.01</b>
<b>25 Other Financial Liabilities</b>		
Current maturities of Long Term Borrowings (Refer note 19)	2,210.43	904.37
Interest Accrued but not due on borrowings and others	140.25	113.57
Unpaid Dividend Accounts (Refer note 12.5)	3.72	4.15
Other Payables		
Interest Accrued on Trade Payables	0.79	1.48
Advance Sale consideration received (Refer note 45)	326.74	326.74
Other Liabilities	397.19	1,693.86
<b>Total</b>	<b>3,079.12</b>	<b>3,044.17</b>
<b>26 Provisions</b>		
Provision for Employee Benefits		
Compensated absences	261.25	226.18
Gratuity (Refer note 21.1)	28.68	24.42
Obligation on sale of Investment (Refer note 45)	-	159.57
Provision for contractual obligations (Refer note 26.1)	5.33	262.73
<b>Total</b>	<b>295.26</b>	<b>672.90</b>

**26.1** In respect of subsidiary OB Infrastructure Limited provision has been made for 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)

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	262.73	577.54
Additions	166.76	340.10
Incurred during the year	257.40	352.08
Deletion during the year	-	302.83
Balance at the end of the year*	172.09	262.73

\* Includes ₹ 166.76 (31.03.2017: ₹ Nil) Long Term Provision (Refer note 21).

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
<b>27 Current Tax Liabilities (Net)</b>		
Provision for Tax (Net of Advance Tax)	0.36	31.30
<b>28 Other Current Liabilities</b>		
TDS / Service Tax / Other payable	216.84	556.19
Goods and Service Tax payable	163.68	-
Mobilisation Advance from Customers	15,798.57	7,059.26
Advances from Customers and others	2,674.89	3,180.25
Other Liabilities	699.62	25.71
<b>Total</b>	<b>19,553.60</b>	<b>10,821.41</b>

## Notes forming part of the consolidated financial statements

(₹ in million)

	Year Ended March 31, 2018		Year Ended March 31, 2017	
<b>29 Revenue from Operations (Refer note 29.1)</b>				
Income from Contracts and Services		<b>82,389.10</b>		89,311.15
Income from Real Estate Projects		<b>1,148.00</b>		565.56
Other Operating Income		<b>369.31</b>		128.99
<b>Total</b>		<b>83,906.41</b>		90,005.70
<b>29.1</b> Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT), Service Tax etc. have been replaced by GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations in post GST periods. Therefore, Revenue from operations for the year ended March 31, 2018 is not comparable with the corresponding previous year.				
<b>30 Other Income</b>				
Interest Income				
Deposits and Others		<b>148.22</b>		159.37
Loans and Advances		<b>89.06</b>		290.23
Income Tax refund		<b>360.72</b>		443.99
Others		<b>21.78</b>		0.56
Profit on Sale of Investment (Net)		<b>81.54</b>		881.48
Gain on remeasuring investment at FVTPL (Net)		<b>35.94</b>		30.99
Net Gain / (loss) on foreign currency transactions		<b>5.69</b>		(22.53)
Other Non-Operating Income				
Rental Income from operating lease on investment property		<b>42.52</b>		34.53
Miscellaneous Income		<b>228.10</b>		220.41
<b>Total</b>		<b>1,013.57</b>		2,039.03
<b>31 Cost of Materials Consumed</b>				
Construction Materials, Stores and Spares				
Opening Stock	<b>4,265.34</b>		4,321.84	
Add : Purchases	<b>31,636.37</b>		32,744.74	
		<b>35,901.71</b>		37,066.58
Less : Closing Stock		<b>4,279.46</b>		4,265.34
<b>Total Consumption</b>		<b>31,622.25</b>		32,801.24

# Notes forming part of the consolidated financial statements

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>32 Construction Expenses</b>		
Transport Charges	777.72	520.05
Indirect Taxes		
Value Added Tax	1,141.99	2,924.33
Service Tax	136.65	385.89
	<b>1,278.64</b>	3,310.22
Repairs and Maintenance		
Machinery	1,576.46	1,455.81
Others	237.26	311.88
	<b>1,813.72</b>	1,767.69
Hire Charges for Machinery and others	1,564.10	1,818.85
Power and Fuel	211.05	254.03
Technical Consultation	494.80	559.88
Royalties, Seigniorage and Cess	373.49	634.34
Property Development Cost	6.39	111.58
Other Expenses	2,762.47	3,060.47
	<b>5,412.30</b>	6,439.15
<b>Total</b>	<b>9,282.38</b>	12,037.11
<b>33 Changes in Inventories of Work in Progress</b>		
Opening Balance	18,761.28	20,086.90
Closing Balance	19,831.51	18,761.28
	<b>(1,070.23)</b>	1,325.62
Add / Less: Translation Difference / Fair value changes	-	132.32
<b>Total</b>	<b>(1,070.23)</b>	1,457.94
<b>34 Employee Benefits Expense</b>		
Salaries and Other Benefits	3,930.18	3,981.37
Contribution to Provident Fund and Other Funds	398.92	342.12
Staff Welfare Expenses	204.05	268.70
<b>Total</b>	<b>4,533.15</b>	4,592.19
<b>34.1</b> Refer note 21.1 for expenses recognised for gratuity of employees.		
<b>35 Finance Costs</b>		
Interest Expense on		
Borrowings		
Debentures	240.61	281.32
Term Loans	318.58	389.01
Working Capital Demand Loans and Cash Credit	2,097.86	2,505.33
Mobilisation Advance	630.58	321.23
Others	321.81	602.10
	<b>3,609.44</b>	4,098.99
<b>Other Borrowing Costs</b>		
Commission on - Bank Guarantees	797.37	765.38
- Letters of Credit	121.21	176.97
	<b>918.58</b>	942.35
Bank and Other Financial Charges	67.57	92.05
<b>Total</b>	<b>4,595.59</b>	5,133.39

## Notes forming part of the consolidated financial statements

(₹ in million)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>36 Other Expenses</b>		
Rent (Refer note 57)	626.57	597.25
Travelling and Conveyance	273.65	329.09
Office Maintenance	182.72	208.27
Electricity Charges	111.30	146.80
Rates and Taxes	120.85	109.63
Consultation Charges	159.96	186.30
Postage, Telegrams and Telephones	51.33	64.86
Insurance	169.78	147.81
Printing and Stationery	44.79	44.89
Legal and Professional Charges	122.75	262.63
Auditors' Remuneration	15.13	23.58
Directors' Sitting Fees	3.51	3.21
Trade Receivables / Advances Written off	118.33	46.75
Loss on Sale of Property, Plant and Equipment / Investment Property (Net)	55.96	52.68
Provision for Doubtful Trade Receivables / Advances	416.63	509.19
Tender Schedule Expenses	23.14	8.78
CSR Expenditure (Refer note 58)	46.80	23.73
Miscellaneous Expenses	215.59	605.11
<b>Total</b>	<b>2,758.79</b>	<b>3,370.56</b>
<b>37 Tax Expense</b>		
Current Tax	1,700.19	1384.83
Earlier year taxes (net) (includes ₹ 276.02 million MAT credit recognised during the current year)	(706.59)	(435.04)
Deferred Tax	(191.97)	(570.54)
<b>Total</b>	<b>801.63</b>	<b>379.25</b>

### 37.1 Reconciliation of tax expense to the accounting profit is as follows:

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Accounting profit before tax</b>	<b>2,188.92</b>	463.29
Tax expense at statutory tax rate of 34.61%	757.54	160.34
Adjustments:		
Effect of income that is exempt from taxation	(53.49)	-
Adjustments recognised in the current year in relation to the current tax of prior years	(706.59)	(435.04)
Effect of expenses that are not deductible in determining taxable profit	291.97	23.21
Effect of capital gains set off with unused capital losses	(4.78)	(116.65)
Losses and tax offsets not considered for deferred tax asset	516.99	716.21
Others	-	31.18
	<b>44.10</b>	218.91
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>801.64</b>	<b>379.25</b>

# Notes forming part of the consolidated financial statements

## 37.2 Income tax credit / (expense) recognized in Other Comprehensive Income:

(₹ in million)

	Year ended March 31, 2018	Year ended March 31, 2017
Tax effect on actuarial gains/losses on defined benefit obligations	10.14	6.10
Tax effect on foreign currency translation differences	0.07	(20.23)
<b>Total</b>	<b>10.21</b>	<b>(14.13)</b>

## 38 Contingent Liabilities and Commitments (to the extent not provided for)

### (i) Contingent Liability

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
(a) Matters under litigation		
Claims against the company not acknowledged as debt*		
- Disputed sales tax / entry tax liability for which the Group & associates preferred appeal	2,530.94	2,357.37
- 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	4.55	4.55
- Disputed service tax liability for which the Group preferred appeal	993.45	963.14
- Disputed income tax liability for which the Company preferred appeal	48.54	36.08
- Others	158.69	146.18
(Includes claim by National Highway Authority of India (NHAI) towards certain operating non-compliances by a subsidiary. NHAI has written to the subsidiary's Escrow Agent M/s. IDBI Bank Limited to hold ₹ 30.68 million (31.03.2017: ₹ 30.68 million) in Escrow account pending recovery. The subsidiary has represented to NHAI for releasing the amount kept on hold and is confident of a favourable decision by the NHAI).		
* Interest, if any, not ascertainable after date of order.		
(b) Impact of pending legal suits in various courts:		
- The Group is a party to several legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities.	Amount not ascertainable	Amount not ascertainable
- 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
- NCC Vizag Urban Limited, a subsidiary, filed a law suit against repossession notice received from Andhra Pradesh Housing Board and the matter is sub-judice (Refer note 48).	Amount not ascertainable	Amount not ascertainable

## Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
- In respect of NCC Infrastructure Holdings Limited (NCCIHL), a subsidiary, the process of sale of its investment in Himachal Sorang Power Limited was not completed as NCCIHL could not achieve wet commissioning due to certain force majeure events (Refer Note 45).	Amount not ascertainable	Amount not ascertainable
- In respect of Savitra Agri Industrial Park Private Limited, the subsidiary, certain cases were filed by the petitioners (Refer note 47).	Amount not ascertainable	Amount not ascertainable
- NCC International Convention Centre Limited, a subsidiary, filed a law suit filed for recovery of Project Development fees along with interest thereon from Infrastructure Corporation of Andhra Pradesh (Refer note 44).	Amount not ascertainable	Amount not ascertainable
- Himalayan Green Energy Private Limited, an associate, filed a petition against the Government of Sikkim for cancellation of the Implementation Agreement of the project and the Honourable High Court's direction to appoint an arbitrator (Refer note 56).	Amount not ascertainable	Amount not ascertainable
- In respect of Jubilee Hills Landmark Projects Private Limited, an associate, the rate and repayment of interest on Series A CCD's shall become payable only upon the determination by the board of associate company at the end of every financial year.	Amount not ascertainable	Amount not ascertainable
- The customs authorities issued show cause notice to an associate, Paschal Form Work (India) Limited, to explain the reasons for non-declaration of goods as well as the discounts given by the supplier.	Amount not ascertainable	Amount not ascertainable
(c) Guarantees		
Counter Guarantees given to the Bankers **	24.43	39.48
Corporate Guarantees given to Banks and financial institutions.	-	4632.60
** Excludes Guarantees given against Company's liabilities, in terms of Guidance Note issued by the Institute of Chartered Accountants of India.		
(d) Share of group in contingent liabilities of Associates.	0.64	1.02

### (ii) Commitments

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	482.61	101.34
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme.	60.18	470.35
(c) Share of group in commitments of Associates.	3,277.58	3,277.58

# Notes forming part of the consolidated financial statements

## 39 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 40 &amp; 40.1)</b>	<b>E)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives and other related parties</b>
<b>B)</b>	<b>Associates (Refer Note 40)</b>	35	NCC Blue Water Products Limited
1	Bangalore Elevated Tollway Limited*	36	NCC Finance Limited
<b>C)</b>	<b>Key Management Personnel</b>	37	Shyamala Agro Farms Private Limited
2	Sri. A.A.V. Ranga Raju	38	Ranga Agri Impex Private Limited
3	Sri. A.S.N. Raju	39	NCC Foundation
4	Sri. A.G.K. Raju	40	Sirisha Projects Private Limited
5	Sri. A.V.N. Raju	41	Ruthvik Estates Private Limited
6	Sri. N.R. Alluri#	42	Narasimha Developers Private Limited
7	Sri. J.V. Ranga Raju	43	Mihika Agro Farms Private Limited
8	Sri. R.S. Raju	44	Lalit Agro Farms Private Limited
9	Sri. M.V. Srinivasa Murthy	45	Bhuvanesh Realtors Private Limited
10	Sri. Ramachandra Venkataramana Shastri	46	Arnesh Ventures Private Limited
11	Sri. Utpal Hemendra Sheth	47	Suguna Estates Private Limited
12	Smt. Renu Challu	48	AVSR Holdings Private Limited
13	Sri. Ravi Shankararamaiah	49	Sridevi Properties
14	Sri. Hemant Madhusudan Nerurka	50	Natural Buildtech Private Limited
15	Sri. Durga Prasad Subramanyam Anapindi	51	Prakrithi Promoters Private Limited
16	Sri. Neeraj Mohan	52	Matrix Security and Surveillance Private Limited
<b>D)</b>	<b>Relatives of Key Management Personnel</b>	53	Jampana Constructions Private Limited
17	Dr. A.V.S. Raju		
18	Smt. A. Bharathi Raju		
19	Smt. B. Kausalya		
20	Smt. A. Satyanarayanamma		
21	Smt. J. Sridevi		
22	Smt. J. Sowjanya		
23	Smt. A. Arundhati		
24	Sri. A. Srinivasa Rama Raju		
25	Smt. A.Swetha		
26	Sri. J. Krishna Chaitanya Varma		
27	Smt. A. Subhadra Jyotirmayi		
28	Smt. A.Shyama		
29	Smt. A.Suguna		
30	Sri. A. Sri Harsha Varma		
31	Sri. S.R.K. Surya Srikrishna Raju		
32	Sri. A. Vishnu Varma		
33	Ms. A. Nikitha		
34	Sri. U Sunil (w.e.f. February 14, 2018)		

\* Ceased to be Associate w.e.f. October 18, 2016

# Key Management Person upto November 11, 2017



# Notes forming part of the consolidated financial statements

(ii) Related Party transactions during the year are as follows:

(₹ in million)

S. No	Particulars	Associates		Key management personnel and relatives		Enterprises owned and significantly influenced by key management personnels or their relatives	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Investment made in equity shares	46.80	30.00	-	-	-	-
2	Loans and Advances given	-	114.20	-	-	-	-
3	Loans and Advances refund	15.00	114.20	-	-	-	-
4	Advances granted	38.79	202.55	-	-	334.88	44.61
5	Advances repayment received	10.43	-	-	-	483.91	210.64
6	Mobilisation Advance received	74.77	160.23	-	-	-	-
7	Mobilisation Advance recovered / adjusted	-	-	-	-	70.03	-
8	Mobilisation Advance released	-	-	-	-	14.05	-
9	Retention Money recovered	60.36	149.92	-	-	-	-
10	Retention Money released	-	-	-	-	70.19	55.57
11	Trade / Accounts receivables realised	342.38	620.73	-	-	-	-
12	Revenue from Operations	603.60	720.32	-	-	-	-
13	Material Purchases and Services	11.98	16.28	-	-	1.60	-
14	Interest Income on loans given	44.39	22.09	-	-	-	277.70
15	Interest Expense	-	-	1.89	-	-	-
16	Reimbursement of Expenses	6.83	-	-	-	132.08	0.14
17	Sub-Contractors work bills	-	-	-	-	541.84	384.36
18	Remuneration (Including commission)*						
	Short-term employee benefits	-	-	227.70	218.74	-	-
	Post employee benefits	-	-	10.80	10.31	-	-
19	Directors sitting fee	-	-	3.00	2.23	-	-
20	Rent Expenses	-	-	7.51	4.49	102.35	104.48
21	Management fees	-	2.73	-	-	-	-
22	Upfront fee paid	-	1.74	-	-	-	-
23	Lease charges paid	-	-	-	-	-	0.32
24	Dividend paid	-	-	23.80	38.91	19.34	27.92

\* As the future liabilities for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the Directors is not ascertainable, therefore not included above.

# Notes forming part of the consolidated financial statements

(iii) Related Party balances outstanding are as follows:

(₹ in million)

S. No	Particulars	Associates		Key management personnel and relatives		Enterprises owned and significantly influenced by key management personnels or their relatives	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
1	<b>Debit Balances outstanding</b>						
	Jubilee Hills Landmark Projects Private Limited	1.24	0.74	-	-	-	-
	Pondicherry Tindivanam Tollway Limited	120.56	110.73	-	-	-	-
	Bangalore Elevated Tollway Limited	-	0.31	-	-	-	-
	Brindavan Infrastructure Company Limited	5.92	6.58	-	-	-	-
	Tellapur Technocity Private Limited	0.36	32.11	-	-	-	-
	NCC Urban Infrastructure Company Limited Dubai	-	-	-	-	2,260.98	2,717.36
	Varaprada Real Estates Private Ltd	326.14	247.90	-	-	-	-
	Paschal Form Work (I) Private Limited	0.77	4.17	-	-	-	-
	Ekana Sportz City Private Limited	522.54	304.38	-	-	-	-
	Sridevi Properties	-	-	-	-	1.90	1.90
	Jampana Constructions Private Limited	-	-	-	-	150.92	223.85
	Sri. J.V. Ranga Raju	-	-	0.80	0.80	-	-
	Smt. J. Sowjanya	-	-	1.00	1.00	-	-
	Smt. J.Sridevi	-	-	0.80	0.80	-	-
	Sri J. Krishna Chaitanya Varma	-	-	1.25	0.80	-	-
2	<b>Credit Balances outstanding</b>						
	Nagarjuna Facilities Management Services L.L.C.	2.51	2.51	-	-	-	-
	Brindavan Infrastructure Company Limited	3.50	3.50	-	-	-	-
	Ekana Sportz City Private Limited	15.00	89.77	-	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	2.32	3.07
	Jampana Constructions Private Limited	-	-	-	-	8.25	101.96
	Sridevi Properties	-	-	-	-	0.28	-
	Sri. A.A.V. Ranga Raju	-	-	32.07	27.67	-	-
	Sri. A.S.N. Raju	-	-	16.06	13.82	-	-
	Sri. A.G.K. Raju	-	-	15.97	13.78	-	-
	Sri. A.V.N. Raju	-	-	15.99	13.74	-	-
	Sri. J.V. Ranga Raju	-	-	2.36	2.09	-	-
	Sri. R.S. Raju	-	-	0.58	1.08	-	-
	Sri. M.V. Srinivasa Murthy	-	-	0.40	0.80	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	0.19	0.49	-	-
	Sri. A. Vishnu Varma	-	-	0.19	0.25	-	-
	Ms. A. Nikhita	-	-	0.19	0.16	-	-
	Sri. A. Sri Harsha Varma	-	-	0.02	-	-	-
	Sri. U Sunil	-	-	0.02	-	-	-
	Sri. J.Krishna Chaitanya Varma	-	-	0.09	0.07	-	-
	Smt.. J.Sowjanya	-	-	0.14	0.14	-	-
	Smt. J.Sridevi	-	-	0.07	0.07	-	-
	Sirisha Projects Private Limited	-	-	-	-	0.33	-
	Shyamala Agro Farms Private Limited	-	-	-	-	-	2.17
	Ranga Agri Impex Private Limited	-	-	-	-	-	0.34

## Notes forming part of the consolidated financial statements

(iv) 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	( ₹ in million)	
	2017-18	2016-17
Investments in Equity shares - made		
- Ekana Sportz City Private Limited	46.80	30.00
Loans and Advances given		
- Bangalore Elevated Tollway Limited	-	114.20
Loans and Advances repaid		
- Pondicherry Tindivanam Tollway Limited	15.00	-
- Bangalore Elevated Tollway Limited	-	114.20
Advances granted		
- Varaprada Real estates Private Limited	38.29	184.53
- Jampana Constructions Private Limited	334.88	44.61
Advances repayment received		
-Jampana Constructions Private Limited	474.44	210.64
Mobilisation Advance received		
- Ekana Sportz City Private Limited	74.77	160.23
Mobilisation Advance recovered / adjusted		
- Jampana Constructions Private Limited	70.03	-
Mobilisation Advance released		
- Jampana Constructions Private Limited	14.05	-
Retention money recovered		
- Ekana Sportz City Private Limited	60.36	149.92
Retention money released		
- Jampana Constructions Private Limited	70.19	55.57
Trade / Accounts receivable - receipts		
- Ekana Sportz City Private Limited	310.64	620.73
Revenue from Operations		
- Ekana Sportz City Private Limited	603.60	720.32
Material Purchases and Services		
- Paschal Form Work (India) Private Limited	11.98	16.28
- Jampana Constructions Private Limited	1.60	-
Interest Income on loans given		
- NCC Blue Water Products Limited	-	277.70
- Varaprada Real estates Private Limited <sup>5</sup>	44.39	-
Interest Expenses		
- Sri A.G.K.Raju	1.89	-
Reimbursement Expenses		
- Jampana Constructions Private Limited	122.61	0.14
Sub-contractors work bills		
- Jampana Constructions Private Limited	541.84	384.36

## Notes forming part of the consolidated financial statements

Particulars	(₹ in million)	
	2017-18	2016-17
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	68.74	60.03
- Sri. A.S.N. Raju	35.13	30.84
- Sri. A.G.K. Raju	35.24	30.95
- Sri. A.V.N. Raju	34.63	30.33
- Sri. N.R. Alluri#	-	32.45
Rent Expenses		
- Sirisha Projects Private Limited	95.01	10.77
- Ruthvik Estates Private Limited	-	10.77
- Narasimha Developers Private Limited	-	10.77
- Mihika Agro Farms Private Limited	-	10.77
- Lalit Agro Farms Private Limited	-	10.77
- Bhuvanesh Realtors Private Limited	-	10.77
- Arnesh Ventures Private Limited	-	10.77
- Suguna Estates Private Limited	-	10.77
- Shyamala Agro Farms Private Limited	-	13.89
Directors Sitting fees		
- Sri. R.V. Shastri	0.58	0.58
- Sri. Hemanth M Nerurkar	0.63	0.48
- Smt. Renu Challu	0.58	0.40
- Sri. Utpal Sheth	-	0.25
- Sri. S. Ravi <sup>\$</sup>	0.30	-
- Dr. A.S. Durga Prasad	0.65	0.33
Management Fees		
- Bangalore Elevated Tollway Limited	-	2.73
Upfront fee paid		
- Bangalore Elevated Tollway Limited	-	1.74
Lease Charges paid		
- NCC Blue Water Products Limited	-	0.32
Dividend paid		
- AVSR Holdings Private Limited	15.64	21.81
- Sri. A.A.V. Ranga Raju	5.43	8.14

<sup>\$</sup> Transactions occurred during the previous year with the party do not exceed 10% of the total transaction value. Hence, amount not disclosed.

<sup>#</sup> Transactions occurred during the year with the party do not exceed 10% of the total transaction value. Hence, amount not disclosed.

# Notes forming part of the consolidated financial statements

## 40 The Subsidiaries and Associate Companies are considered for consolidated financial statements are:

Name of Subsidiaries /Associates	Place of incorporation and operation	Proportion of Ownership Interest and voting power held by the Group	
		As at March 31, 2018	As at March 31, 2017
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	62.13%	55%
NCC Vizag Urban Infrastructure Limited	India	95%	95%
Patnitop Ropeway & Resorts Limited	India	100%	100%
NCC International Convention Centre Limited	India	100%	100%
NCC Oil & Gas Limited	India	80%	80%
Vaidehi Avenues Limited	India	100%	100%
Aster Rail Private Limited	India	100%	100%
Pachhwarra Coal Mining Private Limited	India	51%	51%
Talaipalli Coal Mining Private Limited	India	51%	-
Nagarjuna Construction Co.Ltd & Partners L.L.C.	Sultanate of Oman	100%	100%
Nagarjuna Construction Company International L.L.C.	Sultanate of Oman	100%	100%
NCC Infrastructure Holdings Mauritius Pte.Limited	Mauritius	100%	100%
Nagarjuna Contracting Co. L.L.C.	Dubai	100%	100%
Nagarjuna Construction Company (Kenya) Limited	Kenya	-	65%
<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%

## Notes forming part of the consolidated financial statements

Name of Subsidiaries /Associates	Place of incorporation and operation	Proportion of Ownership Interest and voting power held by the Group	
		As at March 31, 2018	As at March 31, 2017
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>Subsidiaries of NCC Infrastructure Holdings Limited</b>			
OB Infrastructure Limited	India	64.02%	64.02%
NCC Infra Limited	India	100%	100%
Samashti Gas Energy Limited	India	100%	100%
Savitra Agri Industrial Park Private Limited*	India	100%	100%
<b>Subsidiaries of NCC Infrastructure Holdings Mauritius Pte. Limited</b>			
Liquidity Limited	Mauritius	100%	100%
Al Mubarakia Contracting Co. L.L.C.	Dubai	100%	100%
<b>Subsidiary of Nagarjuna Construction Company International L.L.C.</b>			
NCCA International Kuwait General Contracts Company L.L.C.	Kuwait	100%	100%
NCC WLL	Qatar	100%	100%
<b>Partnership Firm of NCC Urban Infrastructure Limited</b>			
NR Avenues	India	100%	100%
<b>Associates of the NCC Limited</b>			
Brindavan Infrastructure Company Limited	India	33.33%	33.33%
Paschal Form Work (India) Private Limited	India	26.00%	26.00%
Jubilee Hills Landmark Projects Private Limited	India	25.00%	25.00%
Tellapur Technocity Private Limited	India	25.92%	25.92%
Nagarjuna Facilities Management Services L.L.C.	Dubai	49.00%	49.00%
<b>Associates of the NCC Infrastructure Holdings Limited</b>			
Pondicherry Tindivanam Tollway Limited	India	47.80%	47.80%
Ekana Sportz City Private Limited	India	26.00%	26.00%
<b>Associates of the NCC Infrastructure Holdings Mauritius Pte. Limited</b>			
Himalayan Green Energy Private Limited	India	50.00%	50.00%
Tellapur Technocity (Mauritius)	Mauritius	25.59%	25.59%
Apollonius Coal and Energy Pte. Limited	Singapore	44.22%	44.22%
<b>Associate of the NCC Urban Infrastructure Limited</b>			
Varaprada Real Estates Private Limited	India	40.00%	40.00%

\* 42% of share holding is held by Vaidehi Avenues Limited.

Percentage of ownership interest in step subsidiaries and associates reported above represents ownership interest of immediate holding company and not the effective interest of the Group.

### 40.1 List of entities not considered for consolidation

- In respect of a step subsidiary company, NCC Urban Lanka (Private) Limited, there are no transactions since incorporation, hence not considered for consolidation.
- In respect of a subsidiary company, Naftogaz Engineering Private Limited, which is in the process of dissolution have not been considered for consolidation.

# Notes forming part of the consolidated financial statements

## 40.2 Change in the Group's ownership interest

- (a) During the year, the Group had purchased additional stake in NCC Infrastructure Holdings Limited, as a result the Group holding increased from 55% to 62.13%.
- (b) During the year, the Group incorporated Talaipalli Coal Mining Private Limited, in which the Group holds 51% of shares.
- (c) The subsidiary company, Nagarjuna Construction Company (Kenya) Limited was dissolved, hence not considered for consolidation.

## 40.3 Disclosure of subsidiary having material non-controlling interests:

### (i) Summarised statement of Profit and Loss

(₹ in million)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	52.99	927.46
Profit / (loss) for the year	(814.97)	(326.61)
Other comprehensive income	0.04	(1.57)
Total comprehensive income	(814.93)	(328.18)
Add: Consolidation adjustment	130.00	-
Total comprehensive income after consolidation adjustment	(684.93)	(328.18)
Non-controlling interest %	45.00%	37.87%
Profit / (loss) allocated to non-controlling interests	(308.22)	(124.28)

### (ii) Summarised Balance Sheet

(₹ in million)

Particulars	NCC Infrastructure Holdings Limited	
	As at March 31, 2018	As at March 31, 2017
Current assets (a)	1,433.25	4,330.28
Current liabilities (b)	1,137.66	500.61
Net current Assets (c) = (a) - (b)	295.59	3,829.67
Non-current assets (d)	4,870.35	2,559.07
Non-current liabilities (e)	8.54	416.43
Net non-current Assets (f) = (d) - (e)	4,861.81	2,142.64
Net assets (g)=(c)+(f)	5,157.40	5,972.31
Add: Consolidation adjustment	130.00	-
Net assets after consolidation adjustment	5,287.40	5,972.31
Non-controlling interest %	37.87%	45.00%
Accumulated non-controlling interests	2,002.34	2,687.54

### (iii) Summarised Cash Flow

(₹ in million)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities	305.22	(1,248.29)
Cash flows from investing activities	-	3,022.31
Cash flows from financing activities	(299.26)	(1,777.38)
Net increase/(decrease) in cash and cash equivalents	5.96	(3.36)

# Notes forming part of the consolidated financial statements

## 40.4 Financial information in respect of individually immaterial associates:

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Aggregate carrying amount of investments in individually immaterial associates as at	2,575.74	3,251.83
Aggregate group share of		
Profit for the year	(67.07)	(311.89)
Other comprehensive income for the year	(0.03)	(0.05)
Total comprehensive income for the year	(67.10)	(311.94)

## 41 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the Entities in the Group	All the numbers belong to the period March 31, 2018							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated total comprehensive income	Amount (₹ million)
<b>Parent: NCCL</b>	103.90%	42,416.47	170.08%	2,868.04	-37.67%	(19.70)	163.83%	2,848.34
<b>Subsidiaries</b>								
<b>Indian</b>								
NCC Urban Infrastructure Limited	4.10%	1,675.51	4.04%	68.21	1.50%	0.79	3.97%	69.00
NCC Infrastructure Holdings Limited	12.63%	5,157.39	-48.33%	(814.97)	0.08%	0.04	-46.87%	(814.93)
Samashti Gas Energy Limited	-0.04%	(15.59)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NCC Infra Limited	0.00%	0.34	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
NCC Vizag Urban Infrastructure Limited	0.66%	269.23	-0.02%	(0.41)	0.00%	-	-0.02%	(0.41)
OB Infrastructure Limited	3.44%	1,405.80	3.72%	62.69	0.01%	0.01	3.61%	62.70
Patnitop Ropeway and Resorts Limited	0.03%	12.00	-0.06%	(0.95)	0.00%	-	-0.05%	(0.95)
NCC International Convention Centre Limited	-0.11%	(46.58)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
NCC Oil & Gas Limited	0.00%	0.31	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Vaidehi Avenues Limited	0.12%	50.70	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Aster Rail Private Limited	-0.15%	(62.36)	-1.36%	(22.90)	0.00%	-	-1.32%	(22.90)
Pachhvara Coal Mining Private Limited	-0.02%	(7.49)	-0.56%	(9.49)	0.00%	-	-0.55%	(9.49)
Savitra Agri Industrial Park Private Limited	-0.65%	(263.47)	-0.14%	(2.29)	0.00%	-	-0.13%	(2.29)
Talaipalli Coal Mining Private Limited	-0.01%	(2.43)	-0.20%	(3.33)	0.00%	-	-0.19%	(3.33)



## Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the period March 31, 2018							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated total comprehensive income	Amount (₹ million)
AKHS Homes Private Limited	0.00%	(0.05)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
CSVS Property Developers Private Limited	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Dhatri Developers & Projects Private Limited	0.00%	(0.22)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
JIC Homes Private Limited	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
M A Property Developers Private Limited	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Mallelavanam Property Developers Private Limited	0.00%	(0.06)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sri Raga Nivas Property Developers Private Limited	0.00%	(0.07)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sushanthi Housing Private Limited	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sradha Real Estates Private Limited	0.00%	(0.13)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sushruta Real Estates Private Limited	0.00%	(0.18)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sri Raga Nivas Ventures Private Limited	0.00%	(1.90)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Sushanti Avenues Private Limited	0.00%	(0.08)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Vera Avenues Private Limited	0.00%	(0.04)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
VSN Property Developers Private Limited	0.00%	(0.06)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Vara Infrastructure Private Limited	0.00%	(0.13)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Kedarnath Real Estates Private Limited	0.00%	(0.22)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Nandyala Real Estates Private Limited	0.00%	(0.34)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
PRG Estates Private Limited	0.00%	(0.03)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Thrilekya Real Estates Private Limited	0.00%	(0.18)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)

## Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the period March 31, 2018							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated total comprehensive income	Amount (₹ million)
Varma Infrastructure Private Limited	0.00%	1.39	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NJC Avenues Private Limited	0.00%	(0.91)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sripada Homes Private Limited	0.00%	(0.13)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Nagarjuna Suites Private Limited	0.00%	(0.05)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NCC Urban Ventures Private Limited	0.00%	(0.08)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NCC Urban Homes Private Limited	0.00%	(0.08)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NCC Urban Meadows Private Limited	0.00%	(0.08)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NCC Urban Villas Private Limited	0.00%	(0.08)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
<b>Foreign</b>								
Nagarjuna Construction Co.Limited and Partners L.L.C.	-0.56%	(227.35)	-0.05%	(0.84)	-2.49%	(1.30)	-0.12%	(2.14)
Nagarjuna Construction Company International L.L.C.	4.26%	1,738.90	-58.06%	(979.04)	-27.52%	(14.39)	-57.14%	(993.43)
NCC Infrastructure Holdings Mauritius Pte Limited	-0.97%	(397.29)	-40.34%	(680.22)	45.30%	23.69	-37.76%	(656.53)
Liquidity Limited	0.00%	(0.58)	-0.04%	(0.75)	0.00%	-	-0.04%	(0.75)
Al Mubarakia Contracting Co. L.L.C.	-2.31%	(943.29)	-15.10%	(254.64)	0.00%	-	-14.65%	(254.64)
Nagarjuna Contracting Co. L.L.C.	-1.49%	(606.70)	-37.99%	(640.62)	26.12%	13.66	-36.06%	(626.96)
NCCA International Kuwait General Contracts Company L.L.C.	0.03%	11.63	-0.11%	(1.79)	-1.69%	(0.88)	-0.15%	(2.68)
NCC WLL	0.02%	8.75	-0.04%	(0.69)	-0.10%	(0.05)	-0.04%	(0.74)
<b>Partnership Firm</b>								
N R Avenues	0.00%	(0.04)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
<b>Non Controlling Interests</b>	-7.35%	(3,002.46)	17.73%	299.05	-0.34%	(0.18)	17.19%	298.87

## Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the period March 31, 2018							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated total comprehensive income	Amount (₹ million)
<b>Associates</b> (Investment as per equity method)								
<b>Indian</b>								
Jubilee Hills Landmark Projects Private Limited	1.34%	545.09	0.00%	-	0.00%	-	0.00%	-
Himalayan Green Energy Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Paschal Form Work (I) Private Limited	0.05%	18.87	-0.43%	(7.20)	0.00%	-	-0.41%	(7.20)
Tellapur Technocity Private Limited	0.85%	348.45	0.00%	-	0.00%	-	0.00%	-
Ekana Sportz city Private Limited	0.43%	177.05	0.00%	0.03	0.00%	-	0.00%	0.03
Brindavan Infrastructure Company Limited	0.31%	125.38	-0.03%	(0.43)	0.00%	-	-0.02%	(0.43)
Pondicherry Tindivanam Tollway Limited	0.49%	201.62	-4.35%	(73.35)	0.00%	-	-4.22%	(73.35)
Varapradha Real Estates Private Limited	1.86%	758.21	0.75%	12.65	0.00%	-	0.73%	12.65
<b>Foreign</b>								
Nagarjuna Facilities Management Services L.L.C.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Tellapur Technocity (Mauritius)	0.69%	281.01	0.00%	-	0.00%	-	0.00%	-
Apollonius Coal and Energy Pte.Limited	0.29%	120.05	0.07%	1.23	-0.06%	(0.03)	0.07%	1.20
<b>Total before CFS adjustments &amp; eliminations</b>		49,743.38		(182.35)		1.64		(180.70)
CFS adjustments & eliminations	-21.84%	(8,918.13)	110.81%	1868.69	96.86%	50.65	110.39%	1919.34
<b>Total</b>	<b>100.00%</b>	<b>40,825.25</b>	<b>100.00%</b>	<b>1686.34</b>	<b>100.00%</b>	<b>52.30</b>	<b>100.00%</b>	<b>1738.64</b>

### 42 Financial instruments

#### 42.1 Capital management

The Group's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Group ensures optimal credit risk profile to maintain/enhance credit rating.

The Group determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

## Notes forming part of the consolidated financial statements

For the purpose of capital management, capital includes issued equity capital, non-controlling interest, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Group:

	(₹ in million)	
	As at March 31, 2018	As at March 31, 2017
<b>Equity</b>	<b>43,827.71</b>	37,762.06
Short-term borrowings and current portion of long-term debt	<b>16,624.57</b>	21,069.31
Long-term debt	<b>3,984.41</b>	4,649.90
Cash and cash equivalents	<b>(760.61)</b>	(1,320.30)
<b>Net debt</b>	<b>19,848.37</b>	24,398.91
<b>Total capital (equity + net debt)</b>	<b>63,676.08</b>	62,160.97
Gearing ratio	<b>0.45</b>	0.65

### 42.2 Categories of financial instruments

	(₹ in million)	
	As at March 31, 2018	As at March 31, 2017
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Mandatorily measured:		
Equity investments in other entities	<b>3,618.91</b>	4,035.62
<b>Measured at amortised cost</b>		
Cash and bank balances	<b>1,176.87</b>	1,769.98
Other financial assets at amortised cost	<b>57,463.91</b>	49,022.34
<b>Measured at cost</b>		
Investments in equity instruments in associates		
a) Equity shares	<b>1,718.06</b>	2,246.65
b) Debentures	<b>857.68</b>	1,005.18
	<b>64,835.43</b>	58,079.77
<b>Financial liabilities</b>		
Measured at amortised cost	<b>58,591.58</b>	60,036.59

### 42.3 Financial risk management objectives

The Group's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The Group's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's exposure to market risk is primarily on account of the following:

- **Interest rate risk**

Out of total borrowings, large portion represents short term borrowings (WC DL) and the interest rate primarily basing on the Group's credit rating and also the changes in the financial market. Group continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

## Notes forming part of the consolidated financial statements

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate borrowings. Out of the total borrowings of ₹ 20,608.99 million (31.03.2017: ₹ 25,719.22 million) as of 31.03.2018, the floating rate borrowings are ₹ 11,913.77 million (31.03.2017: ₹ 16,710.00 million). For every 50 base points change in the interest rate when no change in other variables, it will affect the profit before tax by ₹ 59.57 million for the year ended March 31, 2018 (31.03.2017: ₹ 83.55 million).

- **Foreign currency risk**

The Group has several balances in foreign currency and consequently the group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Group, and may fluctuate substantially in the future. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

We summarize below the financial instruments which have the foreign currency risks as at March 31, 2018 and March 31, 2017.

**(a) The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:**

Currency	Liabilities		Assets	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD (millions)	42.96	41.14	51.53	51.53
INR (₹ in millions)	2,799.57	2,668.90	3,357.60	3,343.17
Euro (millions)	0.06	1.42	-	-
INR (₹ in millions)	5.08	98.74	-	-

The Group doesn't have any forex derivative instrument, hence all the above balances are unhedged.

**(b) Foreign currency sensitivity analysis**

The Group is not substantially exposed for business activities in foreign currency. Hence, the impact of any significant fluctuation in the exchange rates is not expected to have a material impact of the operating profits of the Group.

	(₹ in million)	
Currency USD impact on:	As at March 31, 2018	As at March 31, 2017
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(8.57)	(10.39)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	8.57	10.39
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(8.57)	(10.39)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	8.57	10.39

**ii) Credit risk management**

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. The maximum exposure of the financial assets represents trade receivables and loans to associates.

Credit risk on trade receivables is limited as the customers of the Group mainly consists of the Government promoted entities having a strong credit worthiness. For doubtful receivables the Group uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers. The Group has made a provision of ₹ 531.98 and ₹ 418.41 million towards amounts doubtful to receive during the year ended March 31, 2018 and March 31, 2017 respectively.

# Notes forming part of the consolidated financial statements

## iii) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018:

(₹ in million)

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	37,113.90	35,862.08	1,175.94	75.88	37,113.90
Borrowings and interest thereon	20,749.23	16,444.75	3,694.48	610.00	20,749.23
Other financial liabilities	728.45	728.45	-	-	728.45
<b>Total</b>	<b>58,591.58</b>	<b>53,035.28</b>	<b>4,870.42</b>	<b>685.88</b>	<b>58,591.58</b>

The table below provides details of financial assets as at March 31, 2018:

(₹ in million)

	Carrying amount
Trade receivables	51,793.61
Loans	1,002.79
Other financial assets	9,463.28
<b>Total</b>	<b>62,259.68</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017:

(₹ in million)

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	32,177.58	31,406.00	341.83	429.75	32,177.58
Borrowings and interest thereon	25,832.78	21,182.89	2,851.57	1,798.32	25,832.78
Other financial liabilities	2,026.23	2,026.23	-	-	2,026.23
<b>Total</b>	<b>60,036.59</b>	<b>54,615.12</b>	<b>3,193.40</b>	<b>2,228.07</b>	<b>60,036.59</b>

The table below provides details of financial assets as at March 31, 2017:

(₹ in million)

	Carrying amount
Trade receivables	42,870.79
Loans	961.68
Other financial assets	10,995.47
<b>Total</b>	<b>54,827.94</b>

# Notes forming part of the consolidated financial statements

## 42.4 Fair value measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

(₹ in million)

Financial assets / financial liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2018	As at March 31, 2017		
Investments in quoted Debt instruments at FVTPL	<b>738.21</b>	720.50	Level 1	Refer Note 2
Investments in unquoted equity instruments at FVTPL	<b>75.83</b>	151.22	Level 2	Refer Note 3(a)
Investments in unquoted equity instruments at FVTPL	<b>2,804.87</b>	3,163.90	Level 2	Refer Note 3(b)

\*Positive value denotes financial asset (net) and negative value denotes financial liability (net)

### Notes:

- (1) There were no transfers between Level 1 and 2 in the year.
- (2) The Level 1 financial instruments are measured using quotes in active market
- (3) The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Key Inputs used
(a) Unquoted Equity Instruments	Government notified value of the lands is taken as fair market value in the absence of reliable comparable data.
(b) Unquoted Equity Instruments	Fair value of investments has been arrived either realisable value of underlying assets or as per contractually realisable values.

### Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortised cost:				
- Trade receivables	<b>51,793.61</b>	<b>51,793.61</b>	42,870.79	42,870.79
- Cash and cash equivalents	<b>760.61</b>	<b>760.61</b>	1,320.30	1,320.30
- Bank balances other than cash and cash equivalents	<b>416.26</b>	<b>416.26</b>	449.68	449.68
- Loans	<b>1,002.79</b>	<b>1,002.79</b>	961.68	961.68
- Other financial assets	<b>4,667.50</b>	<b>4,667.50</b>	5,189.87	5,189.87
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Borrowings	<b>18,398.56</b>	<b>18,398.56</b>	24,814.84	24,814.84
- Trade payables	<b>37,113.90</b>	<b>37,113.90</b>	32,177.57	32,177.57
- Other financial liabilities	<b>3,079.12</b>	<b>3,079.12</b>	3,044.17	3,044.17

### Note:

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.

# Notes forming part of the consolidated financial statements

## 43 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 subsidiary'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 subsidiary's paid up share capital. During the year, the respective subsidiaries had incurred losses, hence no profit had been transferred to the legal reserve.

- 44 In respect of a subsidiary NCC International Convention Centre Limited (NCCICC), 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 remittance 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 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 NCCICC has fair chance of 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 NCCICC has filed a Civil Suit against M/s Infrastructure Corporation of Andhra Pradesh (INCAP) before the City Civil Court, Hyderabad for recovery of ₹ 135.00 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 NCCICC 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 Financial Assets. .

During the previous year, NCCICC, after reviewing and reassessing the status of litigation, has made a provision for advances. However, NCCICC continues to defend the litigation for recovery of the expenses incurred along with other damages etc.

## 45 Himachal Sorang Power Limited:

NCC Infrastructure Holdings Limited (NCCIHL), a subsidiary during the year 2012-13, entered into a Share Purchase Agreement (SPA) with TAQA India Power Ventures Private Limited (TAQA) , (formerly TAQA Jyothi Energy Ventures Private Ltd ) for sale of 4,144,300 equity shares of ₹ 10/- each and 7,858,900 Zero Coupon Irredeemable Fully Convertible Debentures held by it in Himachal Soarang Power Limited (HSPL).

In terms of SPA, the sale of shares to be effected in two tranches viz initial sale and subsequent sale.

Initial Sale (on the date of the SPA) envisaged transfer of:

- i) 152,810 Equity Shares of ₹ 10/- each of HSPL held by NCCIHL and
- ii) 7,858,900 Zero Coupon Irredeemable Fully Convertible Debentures of ₹ 10/- each of HSPL held by NCCIHL

The transfer of shares as envisaged was completed and NCCIHL has realized the proceeds for said transfer.

In respect of Subsequent Sale in which transfer of 3,991,490 Equity Shares of ₹ 10/- each of HSPL held by NCCIHL Value of ₹ 402.49 million is to be effected. NCCIHL received an amount of ₹ 499.52 million from TAQA towards gross consideration



## Notes forming part of the consolidated financial statements

of ₹ 589.52 million. The net amount of ₹ 326.74 million (received amount of ₹ 499.52 million netted with estimated related costs to be incurred aggregating to ₹ 172.78 million) is treated as "Sales Consideration received in advance. As at the reporting date, the transfer could not be effected due to various reasons.

During the year 2012-13, the management has estimated and made a provision of ₹ 519.57 million towards its obligation to meet cost over runs, contingencies, etc. TAQA during 2014 - 15 invoked bank guarantee of ₹ 360 million, submitted by NCCIHL as security. The net amount of ₹ 159.57 million (net of amount of bank guarantee invoked) is presented under 'Other Current Liabilities'.

In terms of SPA, NCCIHL should achieve wet commissioning by March ,2013 within agreed cost of ₹ 8,900.00 million and failing which has to bear the cost over run exceeding ₹ 8,900.00, subject to relevant clauses in terms of SPA.

TAQA has taken control of operations of HSPL effective from December 2012 by taking over the majority control in the Board of Directors of HSPL. Further, TAQA also took over the management of the project of HSPL during December 2013.

During the year 2014-15, TAQA has invoked arbitration proceedings under the SPA, in Singapore International arbitration centre, detailing various disputes / claims aggregating to ₹ 4,098.98 million which is revised to ₹ 6,714.29 million during the Arbitration Process. NCCIHL denied all the disputes / claims in its entirety and raised Counter Claims aggregating to ₹ 2,103.35 million (subsequently revised to ₹ 785.03 million). The Learned Arbitral Tribunal has while quashing the claims of TAQA, has allowed certain claims of HSPL Amounting to ₹ 1,083.83 million (after adjustments of receivables ) together with interest commencing on varied dates.

Aggrieved by the order of the learned Tribunal, NCCIHL is initiating the process to challenge the award in the Courts of Singapore as per the SIAC Rules and the International Arbitration Act.

In the meantime in March 2018 TAQA and HSPL has filed a petition before the honourable High Court of Delhi for Enforcement of a Foreign Award and NCCIHL has raised preliminary objections on the grounds of Jurisdiction and the next hearing is slated on August 2, 2018.

Based on the above developments and as prudent practice, The Management has provided for ₹ 655.10 million and is presented under 'Other Current Liabilities'.

### 46 Sembcorp Gayatri Power Limited:

NCC Infrastructure Holdings Ltd (NCCIHL), a subsidiary company has transferred its holding in equity share of Sembcorp Gayatri Power Ltd (SGPL) of ₹ 2,854.29 million to Gayatri Energy Ventures Pvt Ltd (GEVPL) for the consideration in the form of CCDs of ₹ 2,402.35 million and transfer of

equity shares held by GEVPL in NCCIHL to NCC Limited of ₹ 451.94 million.

47 In respect of step subsidiary Savitra Agri Industrial Park Private Limited, certain cases were filed by the petitioners in Honourable High Court of Andhra Pradesh for setting aside alienation of land at Sompeta by Andhra Pradesh Industrial Corporation, setting aside Environmental Clearance for the project and certain other matters. The step subsidiary is a respondent to in all the cases. Besides these, certain individuals have filed cases in Civil Court for permanent injunctions restraining the subsidiary from possession and enjoyment of land admeasuring 1.78 acres. The matters are subjudice. The Management at this juncture do not foresee any adjustments to the carrying value of assets and liabilities on account of these cases at this juncture.

48 In respect of a subsidiary, NCC Vizag Urban Infrastructure Limited (the Subsidiary) entered into a Development Agreement (Agreement) with Andhra Pradesh Housing Board ['APHB'] dated 16 March, 2007 to design, plan, finance and market, develop necessary infrastructure, provide necessary services, operate and maintain the infrastructure, administer and manage the project in accordance with the terms and conditions set out in the agreement with APHB. 90% of the area is earmarked for residential use (including for LIG housing) and 10 % of the area is earmarked for commercial use and other amenities. The Subsidiary, during the period 2005-06 to 2007-08, paid an amount of ₹ 906.84 million towards Development Fee and ₹ 51.08 million towards interest on delayed payments of Development Fee to APHB. APHB handed over approximately Acres 97.30 cents to the Subsidiary.

After receiving the LOA and submitting a Detailed Project Report, the Subsidiary for the first time came to know that part of the said land is earmarked as 'partly residential use, partly hill and partly agriculture land'. This fact came to the Subsidiary's knowledge only when it applied to Visakhapatnam Urban Development Authority (VUDA), It was not disclosed to the Subsidiary by APHB until then. Pursuant to the applicable laws, the Subsidiary has applied for 'Change of Land Use' to 'Partly Residential and Partly Commercial Zone'. In this regard, the Subsidiary paid an amount of ₹ 27.11 million to VUDA towards conversion charges. Out of the said Acres 97.30 cents, an extent of Acres 33.00 cents is already converted to Residential and subsequently, the Government of Andhra Pradesh has granted conversion / change of land use for the extent of land Acres 14.80 cents to residential vide G.O.Ms No. 16074/H2/2008-1, dated November 11, 2008 and the balance extent of land of Acres 49.50 cents vide G.O.Ms No. 177 dated September 06, 2014.

The Subsidiary received a Notice dated December 16, 2013 from APHB terminating the said development agreement as the project has not been commenced, seeking re-possession of the entire land immediately and revoking the POA. In response to the said notice, the Subsidiary filed a writ petition

## Notes forming part of the consolidated financial statements

(WP No: 202 of 2014) dated January 2, 2014 before the Hon'ble High Court of Andhra Pradesh. In this regard, the Hon'ble High court has issued an order stating for maintenance of status quo an posting the case for hearing on January 28, 2014. However, the matter is yet to be heard and disposed of. Consequently, there is no impact of the said action by APHB, on the financial statements of the Subsidiary as at March 31, 2018.

Though the development of the project has been delayed due to factors completely beyond the control of the Subsidiary, the Subsidiary is confident of resolving the issues in its favor, and also for obtaining all the requisite sanctions, permissions and clearances including conversion of land. Considering the substantial appreciation in the surrounding land values and increase in commercial activities in the vicinity of the land, the Subsidiary is confident of the economic viability of the project. The Subsidiary is also of the opinion that there would not be any impairment, in recovery of the Property Development. During the financial year 2017-18, the Subsidiary has been very actively discussing possible options with the appropriate authorities to facilitate an early resolution to the dispute. Based on the initial responses received from the authorities, the Subsidiary is confident that the dispute would be resolved in the near future. Accordingly, the costs incurred in relation to the project aggregating to ₹ 2,185.92 million (31.03.2017: ₹ 2,185.92 million), including ₹ 1,183.68 million (31.03.2017: ₹ 1,183.68 million ) towards borrowing cost, have been presented under 'Property Development'.

- 49** In respect of subsidiary Nagarjuna Construction Co. Ltd. & Partners L.L.C. as at March 31, 2018 the Company had accumulated losses (excluding Foreign Currency Translation Reserve) of ₹ 172.35 million (31.03.2017: ₹ 171.52 million) and Net Liabilities of ₹ 227.35 million (31.03.2017 : ₹ 225.36 million). These factors, amongst others, indicate that the Subsidiary 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 subsidiary will continue to provide the necessary financial support.

The Subsidiary's Members have confirmed that they shall continue to support and provide the necessary financial assistance to the subsidiary 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 subsidiary be unable to continue as a going concern.

- 50** In respect of subsidiary Al Mubarakia Contracting Co.L.L.C., as at March 31, 2018 the Company had accumulated losses (excluding Foreign Currency Translation Reserve) of ₹ 970.06

million (31.03.2017: ₹ 715.42 million) and Net Liabilities of ₹ 943.29 million (31.03.2017: ₹ 697.81 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 subsidiary will continue to provide the necessary financial support and the Management is actively negotiating for new contracts to revive the entity.

The Subsidiary's Members have confirmed that they shall continue to support and provide the necessary financial assistance to the subsidiary 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 subsidiary be unable to continue as a going concern.

- 51** In respect of subsidiary Nagarjuna Contracting Co. L.L.C., as at March 31, 2018, the Entity has ongoing law suit with a customer and does not have any other project in hand. The Subsidiary had accumulated losses (excluding Foreign Currency Translation Reserve) of ₹ 879.46 million (31.03.2017: ₹ 238.85 million) and Net Liabilities of ₹ 606.70 million. These factors, amongst others, indicate that the Subsidiary 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 subsidiary will continue to provide the necessary financial support and Management is committed to resolve ongoing law suit.

The Subsidiary's Members have confirmed that they shall continue to support and provide the necessary financial assistance to the subsidiary 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 subsidiary be unable to continue as a going concern.

- 52** In respect of associate Nagarjuna Facilities Management Services L.L.C., during the year the Management has decided to cease the operations of the Entity vide board resolution dated May 16, 2017. The commercial license of the Entity has expired on February 13, 2009, and the Management has not renewed the same till date. As the going concern assumption is not valid for the Entity, the financial statements have been prepared on the basis of the accounting convention of realisable /settlement values of assets and liabilities.

# Notes forming part of the consolidated financial statements

## 53 Service concession arrangement

Below service concession arrangement has been accounted under financial asset model:

Project Name	Orai-Bhognipur Infrastructure Limited
Type of Project	BOT ( Annuity )
Concession period	17.5 years (from 19th October 2006 to 19th April 2024, Including 2.5 years of construction)
Annuity collection	Fixed semi - annuity based :- ₹ 448.20 million (in the month of April and October in a financial year)
Investment grant from concession grantor	Nil
Project Description	Constructing ,Operating and Maintaining road highway from 220 km to 255 km (i.e. 30 km) on NH-25 and from 421.20 to 449 km on NH-2 on Orai-Bhognipur in Uttar Pradesh.
Infrastructure return at the end of concession period	Yes
Renewal and termination options	Nil

## 54 Segment Reporting

- Business segment: The Group has considered business segment as primary segment for disclosure. The Group's operations predominantly consist of construction / project activities, which in the context of Ind AS 108 "Operating Segments" is considered the only business segment.
- Geographical segment: The Group has operations within India and outside India and the disclosures in respect of the geographical segment are given below:

(₹ in million)

Geographical Segment	Revenue for the year ended	Segment assets *
Within India		
<b>As at March 31,2018</b>	<b>77,563.41</b>	<b>10,821.24</b>
As at March 31,2017	73,864.66	8,912.84
Outside India		
<b>As at March 31,2018</b>	<b>6,343.00</b>	<b>4,354.97</b>
As at March 31,2017	16,141.04	3,161.92

\* Segment assets represents non current assets excluding financial assets and deferred tax asset.

## 55 Earnings per share

	Year Ended March 31, 2018	Year Ended March 31, 2017
Net Profit after tax available for equity shareholders (₹ in million)	<b>1,686.34</b>	316.84
Weighted Average number of equity shares for Basic EPS (Nos)	<b>563,159,492</b>	555,931,588
Weighted Average number of equity shares for Diluted EPS (Nos)	<b>563,159,492</b>	555,931,588
Face value per share (₹)	<b>2.00</b>	2.00
Basic & Diluted EPS * (₹)	<b>2.99</b>	0.57

\* The Company has no dilutive instruments during the year ended March 31, 2018. As such Dilutive Earnings per share equals to Basic Earnings per share.

## Notes forming part of the consolidated financial statements

56 In respect of Himalayan Green Energy Private Limited (Associate), a special purpose vehicle incorporated for setting up of a hydro power project with an envisaged installed capacity of 280 MW - 300 MW at Teesta - I. No private land is to be acquired for setting up of this project.

Initial site clearance for survey and investigation was obtained from Ministry of Environment and Forest (MOEF) vide their letter dated October 05, 2005. Implementation Agreement (IA) between Government of Sikkim (GOS) and the associate was signed on December 05, 2005. The survey and investigation parties were deputed by the associate during September 2006 for conducting survey, investigation and hydrological studies. Due to certain local issues and resistance, survey and investigation works could not be completed.

Meanwhile, MOEF, has vide their letter dated, October 08, 2008 has ordered that the large scale developments should not be constructed at the project site area. Subsequently, the associate has taken up the matter through GOS. Certain studies were conducted by specialists with regard to environmental studies on behalf of the associate and the reports were submitted to MOEF through GOS. These were forwarded by MOEF to Environment Appraisal Committee (EAC). EAC in its meeting held on January 19, 2010 considered the report and advised the GOS to prioritize the projects under consideration.

The associate sought the support and cooperation of GOS for conducting the geological investigation and hydrological studies. Meanwhile, GOS vide letter dated December 05, 2011 has issued a show cause notice regarding termination of IA. In response, to the said show cause notice, the associate has represented to the GOS that all necessary steps were initiated by Company to fulfill the obligations under IA. Associate further requested the GOS not to terminate the IA and allow further time lines to fulfill the obligations under IA. However, GOS has cancelled the IA 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 GOS to re-consider the cancellation of the IA and allow the company to develop this Project. Company filed Writ Petition (WP (C) No.43 of 2012) on November 01, 2012 before the Hon'ble High Court of Sikkim. Honourable High Court in its Order November 21, 2012 directed that GOS shall not, in the mean time, create any third party right in respect of the said project and that GOS shall ensure the protection of the property of the Company, if any, lying at the project site.

Upon hearing, the Writ Petition was disposed of by the Honourable High Court of Sikkim on August 12, 2013 and directed that the parties shall appoint Arbitrator (s) in terms of Clause 9.1 of the Supplementary IA dated January 18, 2008 entered into between the Associate and GOS. The Associate has suggested the name of the Arbitrator and waiting for the response from the GOS. Further the associate is planning to proceed to file case against GOS for dishonouring the Order of Honourable High Court of Sikkim dated August 12, 2013 or any other action / remedy as appropriate under the law.

Management is confident about settling the issue amicably and regarding 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 financial statements for the year have been drawn on going concern basis.

During the previous year under review, the associate after reviewing and reassessing the status of litigation, had made a provision for Capital work in progress. However, the associate continues to defend the litigation for recovery of the expenses incurred along with other damages etc.

### 57 Leases

- (i) Rental expenses of ₹ 496.79 million (31.03.2017: ₹ 466.32 million) has been charged to Consolidated 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)	
	<b>Year Ended March 31, 2018</b>	Year Ended March 31, 2017
Future Minimum Lease Payments		
Not later than one year	-	130.93
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total</b>	-	130.93
Lease payments recognised in the statement of Profit and Loss	<b>129.78</b>	130.93

## Notes forming part of the consolidated financial statements

58 a) Gross amount required to be spent by the Group towards CSR during the year ₹ 46.80 million (March 31, 2017: ₹ 23.73 million)

b) Amount spent on:

(₹ in million)

Particulars	March 31, 2018			March 31, 2017		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Rural Development-Antervedipallipalem	16.41	-	16.41	21.54	-	21.54
Education, Sports and Harithaharam	30.34	-	30.34	1.00	-	1.00
Installation of CC Cameras under Police stations - Hyderabad	0.05	-	0.05	1.19	-	1.19
<b>Total</b>	<b>46.80</b>	<b>-</b>	<b>46.80</b>	<b>23.73</b>	<b>-</b>	<b>23.73</b>

59 The exceptional items for the year ended March 31, 2018 is ₹ 1,240.80 million after netting off profit on sale of investment ₹ 124.16 million, provision made for impairment of investment, obligation on sale of investments and impairment of goodwill ₹ 1,364.96 million.

The exceptional items for the year ended March 31, 2017 is ₹ 802.11 million after netting off interest earned ₹ 277.70 million and profit on sale of investments ₹ 84.19 million with provision made for warranties / claims ₹ 500.00 million and provision made on investments, loans, advances ₹ 664.00 million.

60 During the previous year, a customer of NCC Limited had raised claims for an amount of ₹ 2,882.50 million and US \$ 9.04million towards liquidated damages claiming delays in execution of the project by NCC Limited. Failing amicable settlement of various issues, NCC Limited had issued a notice of dispute stating that the delays are not attributable to NCC Limited and subsequently the matter has been referred to Arbitration Tribunal. The claims primarily represents recovery of receivables for the work executed of ₹ 6,526.00 million and additional costs incurred by NCC Limited of ₹ 12,010.00 million with interest. Against which the customer has filed a counter claim of ₹ 10,230.00 million. While the matter is in arbitration, the customer had invoked the Bank Guarantees of ₹ 3,398.50 million and NCC Limited had appealed the matter to the Honourable Supreme Court for stay against the invocation of the bank guarantees, but the Honourable Supreme Court has dismissed the appeal. Consequently, the bankers honoured the bank guarantees. As of March 31, 2018 the matter is in arbitration and as per the management estimates and legal advice, no provision is required for the subject matter and the matter is expected to be resolved in the financial year 2018-19.

### 61 Deferred tax assets (Net)

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2018:

(₹ in million)

	As at March 31, 2018	As at March 31, 2017
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(136.43)	(181.67)
Provision for doubtful trade receivables, advances and others	505.55	772.55
Provision for diminution in value of investments	418.45	97.41
Provision for employee benefits	196.48	140.89
Loss allowance on Financial Instruments	793.59	793.59
MAT Credit entitlement	276.02	-
Others	(144.65)	(185.02)
<b>Total</b>	<b>1,909.01</b>	<b>1,437.75</b>

# Notes forming part of the consolidated financial statements

## 61.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

	(₹ in million)	
	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- Long-term / Short-term capital loss	<b>6,521.94</b>	6,557.38

## 62 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 24, 2018.

For **S.R. BATLIBOI & ASSOCIATES LLP**  
ICAI Firm Registration No. 101049W/E300004  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**per NAVNEET RAI KABRA**  
Partner  
Membership No. 102328

**R.S. RAJU**  
Associate Director (F&A) / CFO

**A.A.V. RANGA RAJU**  
Managing Director / CEO  
(DIN No: 00019161)

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

**A.G.K. RAJU**  
Executive Director  
(DIN No: 00019100)

Hyderabad, May 24, 2018

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies.

## PART A: Subsidiaries

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency	Share Capital	Other Equity	Total Liabilities	Total equity & Liabilities	Total Assets	Investments	Turnover	Profit/(Loss) before Taxation	Provision for taxation	Profit/(Loss) after Taxation	Extent of share-holding (In %)
1	NCC Infrastructure Holdings Limited	27-05-05	INR	6,960.50	(1,803.11)	819.47	5,976.86	5,976.86	4,534.42	4.80	(814.97)	-	(814.97)	62.13%
2	NCC Urban Infrastructure Limited	08-12-06	INR	1,500.00	132.27	7,413.84	9,046.11	9,046.11	1,321.14	1,457.09	42.44	(25.76)	68.20	80%
3	NCC Vizag Urban Infrastructure Limited	25-01-06	INR	526.25	(257.02)	1,922.65	2,191.88	2,191.88	-	-	(0.41)	-	(0.41)	95%
4	Patnitop Ropeway and Resorts Limited	13-02-07	INR	22.55	(10.55)	1.09	13.09	13.09	-	-	(0.02)	0.94	(0.95)	100%
5	NCC International Convention Centre Limited	05-12-08	INR	10.00	(9.99)	0.03	0.04	0.04	-	-	(0.02)	-	(0.02)	100%
6	NCC Oil & Gas Limited	06-10-10	INR	0.50	(0.19)	0.02	0.33	0.33	-	-	(0.01)	-	(0.01)	80%
7	Vaidehi Avenues Limited	01-04-11	INR	51.63	(0.94)	0.64	51.33	51.33	0.50	-	(0.02)	-	(0.02)	100%
8	Aster Rail Private Limited	30-07-13	INR	30.99	(93.34)	127.84	65.49	65.49	-	120.33	(22.90)	-	(22.90)	100%
9	Pachhwara Coal Mining Private Limited	01-06-16	INR	2.00	(9.49)	7.88	0.39	0.39	-	-	(9.49)	-	(9.49)	51%
10	Talaipalli Coal Mining Private Limited	25-12-17	INR	0.90	(3.33)	4.28	1.85	1.85	-	-	(3.33)	-	(3.33)	51%
11	Nagarjuna Construction Co.Limited and Partners L.L.C.	20-04-05	OMR	25.40	(252.74)	233.67	6.33	6.33	-	0.66	(0.84)	-	(0.84)	100%
12	Nagarjuna Construction Company International L.L.C.	17-01-07	OMR	2,170.70	(431.80)	7,609.61	9,348.51	9,348.51	38.20	6,340.41	(979.04)	-	(979.04)	100%
13	NCC Infrastructure Holdings Mauritius Pte Limited	27-04-06	USD	1,751.18	(807.55)	1,453.02	2,396.65	2,396.65	487.11	-	(560.21)	-	(560.21)	100%
14	Nagarjuna Contracting Co. L.L.C.	20-06-05	AED	5.32	(612.02)	3,965.60	3,358.90	3,358.90	-	-	(640.62)	-	(640.62)	100%
15	Liquidity Limited	03-05-06	USD	8.27	(8.85)	8.46	7.88	7.88	7.78	-	(0.75)	-	(0.75)	100%
16	NC WILL	10-07-13	QAR	17.90	(9.15)	0.37	9.12	9.12	-	-	(0.69)	-	(0.69)	100%
17	Al Mubarakia Contracting Co LLC	07-07-97	AED	17.74	(961.03)	1,862.04	918.75	918.75	-	2.59	(254.64)	-	(254.64)	100%

(₹ in million)

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency	Share Capital	Other Equity	Total Liabilities	Total equity & Liabilities	Total Assets	Investments	Turnover	Profit/(Loss) before Taxation	Provision for taxation	Profit/(Loss) after Taxation	Extent of shareholding (In %)
18	NCCA International Kuwait General Contracts Company L.L.C.	10-01-07	KWD	54.32	(42.68)	16.66	28.30	28.30	-	-	(1.79)	-	(1.79)	100%
19	AKHS Homes Private Limited	12-02-07	INR	0.50	30.67	0.01	31.18	31.18	-	-	(0.01)	-	(0.01)	100%
20	CSVs Property Developers Private Limited	13-02-07	INR	0.50	17.93	0.01	18.44	18.44	-	-	(0.01)	-	(0.01)	100%
21	Dhatri Developers Private Limited	13-02-06	INR	1.00	62.89	0.01	63.90	63.90	-	-	(0.01)	-	(0.01)	100%
22	JIC Homes Private Limited	12-02-07	INR	0.50	17.88	0.01	18.39	18.39	-	-	(0.01)	-	(0.01)	100%
23	Kedarnath Real Estates Private Limited	08-07-02	INR	1.71	47.30	0.01	49.02	49.02	-	-	(0.01)	-	(0.01)	100%
24	M/A Property Developers Private Limited	17-02-07	INR	0.50	16.99	0.01	17.50	17.50	-	-	(0.01)	-	(0.01)	100%
25	MALLELAVANAM Property Developers Private Limited	15-03-07	INR	0.50	9.40	0.01	9.91	9.91	-	-	(0.01)	-	(0.01)	100%
26	Nagarjuna Suites Private Limited	14-09-11	INR	0.10	30.67	0.01	30.78	30.78	-	-	(0.01)	-	(0.01)	100%
27	Nandyala Real Estates Private Limited	03-07-02	INR	1.16	56.03	0.06	57.25	57.25	-	-	(0.01)	-	(0.01)	100%
28	NCC Urban Homes Pvt Limited	11-09-12	INR	0.10	(0.01)	0.01	0.10	0.10	-	-	(0.01)	-	(0.01)	100%
29	NCC Urban Meadows Pvt Limited	11-09-12	INR	0.10	(0.01)	0.01	0.10	0.10	-	-	(0.01)	-	(0.01)	100%
30	NCC Urban Ventures Pvt Limited	11-09-12	INR	0.10	(0.01)	0.01	0.10	0.10	-	-	(0.01)	-	(0.01)	100%
31	NCC Urban Villas Pvt Limited	11-09-12	INR	0.10	(0.01)	0.01	0.10	0.10	-	-	(0.01)	-	(0.01)	100%
32	NJC Avenues Private Limited	09-04-07	INR	0.50	(1.37)	1,319.97	1,319.10	1,319.10	-	-	(0.01)	-	(0.01)	100%
33	PRG Estates Private Limited	22-10-03	INR	0.10	54.93	0.01	55.04	55.04	-	-	(0.01)	-	(0.01)	100%
34	Siripada Homes Private Limited	03-04-07	INR	0.50	(0.03)	0.01	0.48	0.48	-	-	(0.01)	-	(0.01)	100%
35	Sradha Real Estates Private Limited	16-03-07	INR	0.50	(0.03)	0.01	0.48	0.48	-	-	(0.01)	-	(0.01)	100%



Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency	Share Capital	Other Equity	Total Liabilities	Total equity & Liabilities	Total Assets	Investments	Turnover	Profit/(Loss) before Taxation	Provision for taxation	Profit/(Loss) after Taxation	Extent of share-holding (In %)
36	Sri Raga Nivas Property Developers Private Limited	17-02-07	INR	0.50	33.10	0.01	33.61	33.61	-	-	(0.01)	-	(0.01)	100%
37	Sri Raga Nivas Ventures Private Limited	07-03-07	INR	0.50	0.19	0.01	0.70	0.70	-	-	(0.02)	-	(0.02)	100%
38	Sushanti Avenues Private Limited	13-02-06	INR	1.00	45.74	0.01	46.75	46.75	-	-	(0.01)	-	(0.01)	100%
39	Sushanti Housing Private Limited	12-02-07	INR	0.50	16.99	0.01	17.50	17.50	-	-	(0.01)	-	(0.01)	100%
40	Sushrutha Real Estate Private Limited	13-02-06	INR	1.00	16.73	0.01	17.74	17.74	-	-	(0.01)	-	(0.01)	100%
41	Thirlekya Real Estates Private Limited	03-07-02	INR	1.15	43.43	0.01	44.59	44.59	-	-	(0.01)	-	(0.01)	100%
42	Vara Infrastructure Private Limited	09-03-07	INR	0.50	(0.03)	0.01	0.48	0.48	-	-	(0.01)	-	(0.01)	100%
43	Varma Infrastructure Private Limited	15-07-97	INR	1.00	67.21	(0.89)	67.32	67.32	-	-	(0.01)	-	(0.01)	100%
44	Vera Avenues Private Limited	13-02-07	INR	0.50	13.63	0.01	14.14	14.14	-	-	(0.01)	-	(0.01)	100%
45	VSN Property Developers Private Limited	17-02-07	INR	0.50	33.14	0.01	33.65	33.65	-	-	(0.01)	-	(0.01)	100%
46	OB Infrastructure Limited	31-03-06	INR	147.57	1,258.23	2,236.42	3,642.22	3,642.22	738.21	896.40	79.78	17.09	62.69	64.02%
47	NCC Infra Limited	28-11-11	INR	0.50	176.64	0.03	177.17	177.17	176.80	-	(0.04)	-	(0.04)	100%
48	Samashti Gas Energy Limited	29-09-10	INR	0.50	(1.88)	1.83	0.45	0.45	-	-	(0.01)	-	(0.01)	100%
49	Savitra Agri Industrial Park Limited	17-02-17	INR	1.20	(264.67)	894.61	631.14	631.14	-	-	(2.29)	-	(2.29)	100%
50	Naftogaz Engineering Private Limited	28-08-07	INR	-	-	-	-	-	-	-	-	-	-	100%

Note:

1 Exchange rate as on 31.03.2018: Omani Rial = ₹ 169.348, AED = ₹ 17.74, US\$ = ₹ 65.16, KWD = ₹ 217.27, QAR = ₹ 17.90.

2 Naftogaz Engineering Private Limited., appearing Sl No. 50 of the table has not prepared Financial Statements as the Company is under process for striking off its name and notice was served by Ministry of Corporate Affairs on July 15, 2011 under Sec 560(3) of the Companies Act, 1956 and dissolution of the Company is under process.

3 Reporting period for all subsidiaries is same as of holding company i.e., 1st April to 31st March.

4 Proposed dividend from the subsidiaries is NIL.

NCC Urban Lanka Private Limited (Based in Sri Lanka) (Subsidiary company), which has to commence operations.

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

**Part B: Associates**

S. No.	Name of associates	Latest audited Balance Sheet Date	Date on becoming Associate	Shares of Associate by the company on the year end		Description of significant influence	Reason for non-consolidation	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year Considered in consolidation	
				No	Amount of Investment					%
1	Brindavan Infrastructure Company Limited	31-Mar-18	05-11-2003	8,643,036	34.58	33.33%	Significant influence due to % of Share capital	NA	125.35	(0.43)
2	Paschal Form Work (India) Private Limited	31-Mar-18	02-05-2008	6,549,892	69.14	26.00%	Significant influence due to % of Share capital	NA	22.72	(7.20)
3	Jubilee Hills Landmark Projects Private Limited	31-Mar-18	15-05-2006	Equity	-	25.00%	Significant influence due to % of Share capital	NA	1,012.17	-
				Preference -	4,274,999	152.50				
4	Tellapur Technocity Private Limited	31-Mar-18	23-04-2007	14,702,600	-	25.92%	Significant influence due to % of Share capital	NA	(1,207.60)	-
5	Nagarjuna Facilities Management Services LLC	31-Mar-18	11-07-2007	147	1.72	49.00%	Significant influence due to % of Share capital	NA	-	-
6	Himalayan Green Energy Private Limited	31-Mar-18	19-06-2006	1,000,000	40.61	50.00%	Significant influence due to % of Share capital	NA	(71.82)	-
7	Tellapur Technocity (Mauritius)	31-Dec-17	21-08-2007	706,349,321	282.86	25.59%	Significant influence due to % of Share capital	NA	285.29	-
8	Apollonius Coal and Energy Pte.Ltd.	31-Mar-18	20-02-2012	3,778,757	118.59	44.22%	Significant influence due to % of Share capital	NA	240.32	1.23
9	Pondicherry Tindivanam Tollway Limited	31-Mar-18	27-03-2007	3,388,040	509.78	47.80%	Significant influence due to % of Share capital	NA	155.24	(73.35)
10	Ekana Sportz City Private Limited	31-Mar-18	22-05-2014	1,768,000	176.80	26.00%	Significant influence due to % of Share capital	NA	177.02	0.03
11	Varaprada Real Estates Limited	31-Mar-18	16-03-2007	13,344,973	714.99	40.00%	Significant influence due to % of Share capital	NA	758.24	12.65

(₹ in million)

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# REGIONAL OFFICES



- Ahmedabad**  
# 211-212 Sarthik-II  
Opp. Rajpath Club  
Sarkhej - Gandhinagar Highway  
Ahmedabad - 380 054  
T: +91 79 2687 1478 / 69  
E: ro.ahmd@nccltd.in
- Bengaluru**  
# 301 Batavia Chambers  
8 Kumara Krupa Road  
Kumara Park East  
Bengaluru - 560 001  
T: +91 80 2225 8991 / 3309  
E: ro.blr@nccltd.in
- Bhubaneswar**  
3rd Floor 98 Keshari Complex  
Kharavela Nagar  
Bhubaneswar - 751 001  
T: +91 674 239 3059  
E: ro.bbnr@nccltd.in
- Chennai**  
5B Kences Towers No.1  
Ramakrishna Street  
Opp. North Usman Road  
T Nagar Chennai - 600 017  
T: +91 44 2814 3051 / 52  
E: ro.chennai@nccltd.in
- Delhi**  
PHD House, 4/2,  
Siri Institutional Area,  
August Kranti Marg,  
New Delhi -110016  
T: + 91 11 4032 5300  
E : bldgs.rodelhi @nccltd.in
- Kochi**  
Sherwali CC 44/1725-A  
Perandoor Road  
Opp. Masthan Tower  
Kaloor Cochin - 682 017  
T: +91 484 2530 160
- Kolkata**  
ECO Space Business Park  
Block No. 4A 5th Floor  
New Town Action Area II  
Kolkata - 700 156  
T: +91 33 4029 8888  
E: ro.kolkatta@nccltd.in
- Lucknow**  
House No. C-2-183  
Ansal Golf City Saheed Path  
Near S J International School  
Lucknow - 226 030  
T : +91 88 60075625  
E: ro.lucknow@nccltd.in
- Mumbai**  
B-402 Dipti Classic  
Off MV Road Suren Lane  
Andheri (E) Mumbai - 400 093  
T: +91 22 2682 6790  
E: ro.mumbai@nccltd.in
- Vijayawada**  
Sri Lakshmi Nivas,  
Loyal Gardens, Road No -2,  
Door No:- 54-16-3/5/2,  
Plot No-63,  
Vijayawada-520008  
T: +91 866 2450888  
E : ro.amaravathi@nccltd.in

