

# NCC LIMITED

## INVESTOR PRESENTATION

August 2016



# DISCLAIMER



No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of NCC, which are expressed in good faith and in their opinion reasonable, including those relating to NCC's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of NCC or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in NCC's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. NCC disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities of NCC by any person in any jurisdiction, including India and the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. NCC may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. This presentation may not be copied or disseminated in any manner.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of its should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States without registration under the U.S. Securities Act of 1933, as amended, except pursuant to an exemption from registration there from. This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner

# Table of Contents



		Page No.
<b>1</b>	<b>Company Overview</b>	<b>4</b>
<b>2</b>	<b>Construction Business</b>	<b>7</b>
<b>3</b>	<b>Development Business</b>	<b>12</b>
<b>4</b>	<b>Financials</b>	<b>16</b>
<b>5</b>	<b>Key Highlights</b>	<b>20</b>
<b>6</b>	<b>Annexure</b>	<b>22</b>

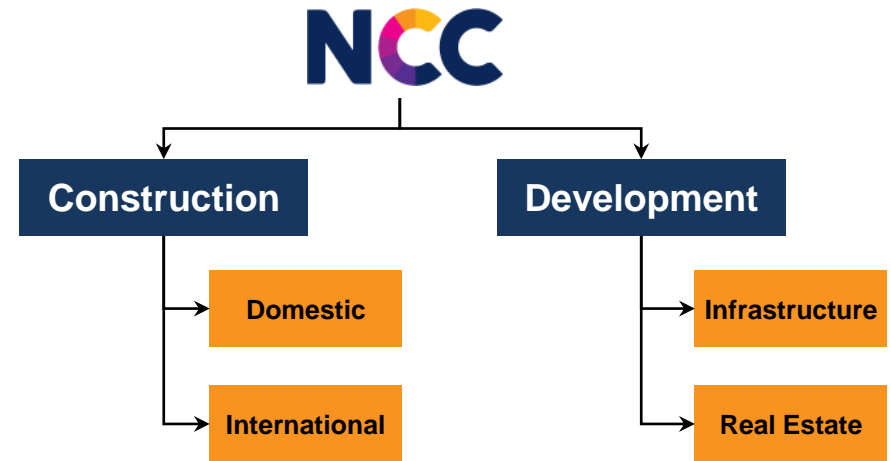
# **COMPANY OVERVIEW**

# Company Snapshot

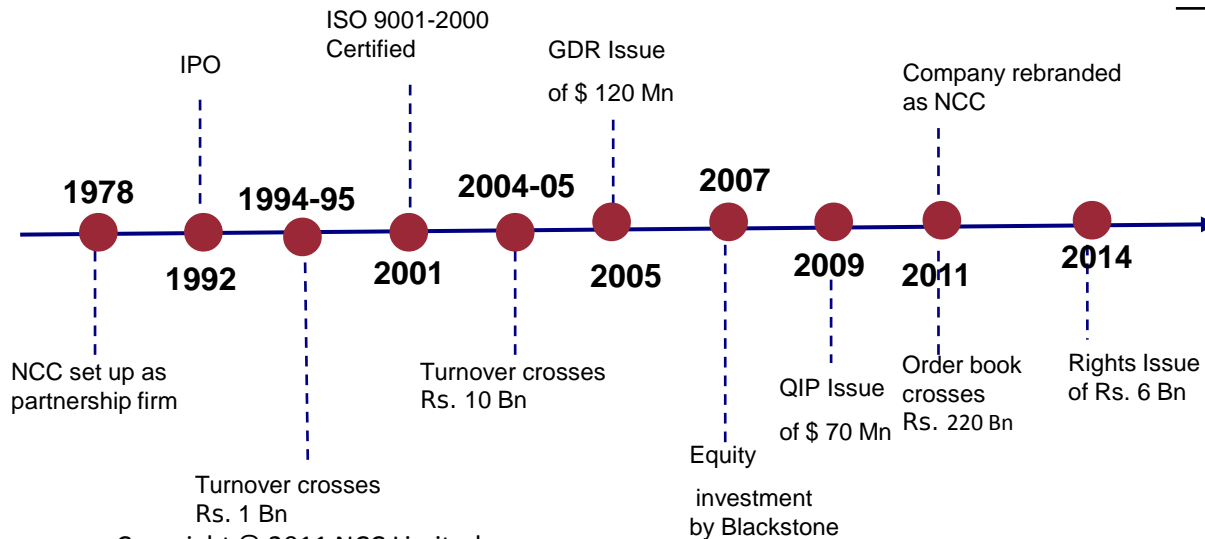


- One of the largest Indian construction companies in terms of revenues
- Presence across buildings & housing, transportation, water & environment, irrigation, electrical, metals, mining, power and railways
- Well diversified operations having a foothold in every segment of construction sector
- Market capitalization: US\$ 611.32 Mn as on June 30, 2016  
(Source: BSE)

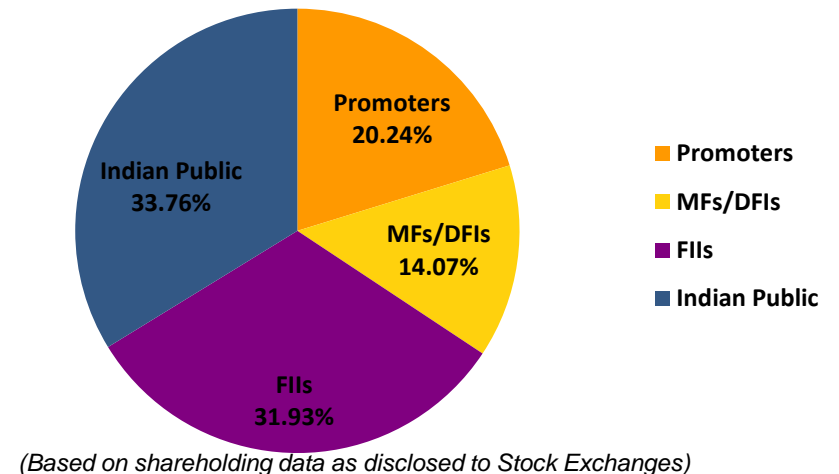
## Business Structure



## Key Milestones



## Shareholding Pattern (as of June 30, 2016)



# Experienced and Professional Management



## Experienced Management and Skilled workforce

- 4,917 employees including 3,000 engineers
- Focus on skills improvement through training

## Major Investors

- The Blackstone Group
- Rakesh Jhunjunwala

## Client Recognition

- Focus on timely execution has been rewarded by clients in the form of early completion bonuses
  - Kalina-Vakola flyover, Mumbai
  - National Academy of Construction, Hyderabad
  - Times of India Print City, Navi Mumbai

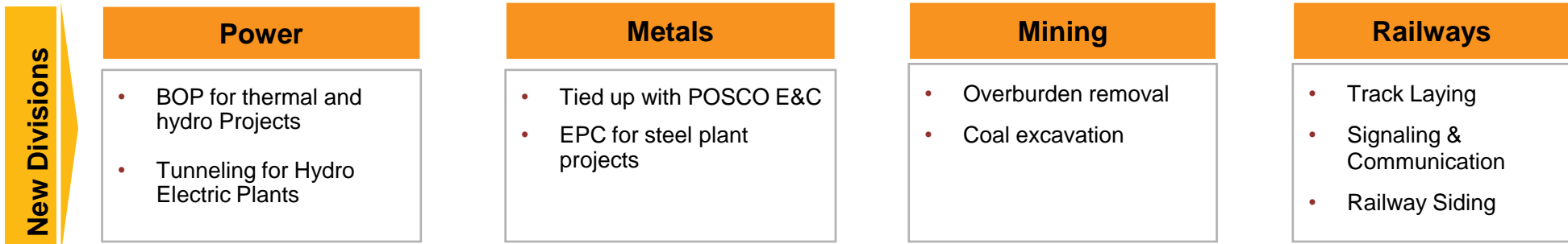
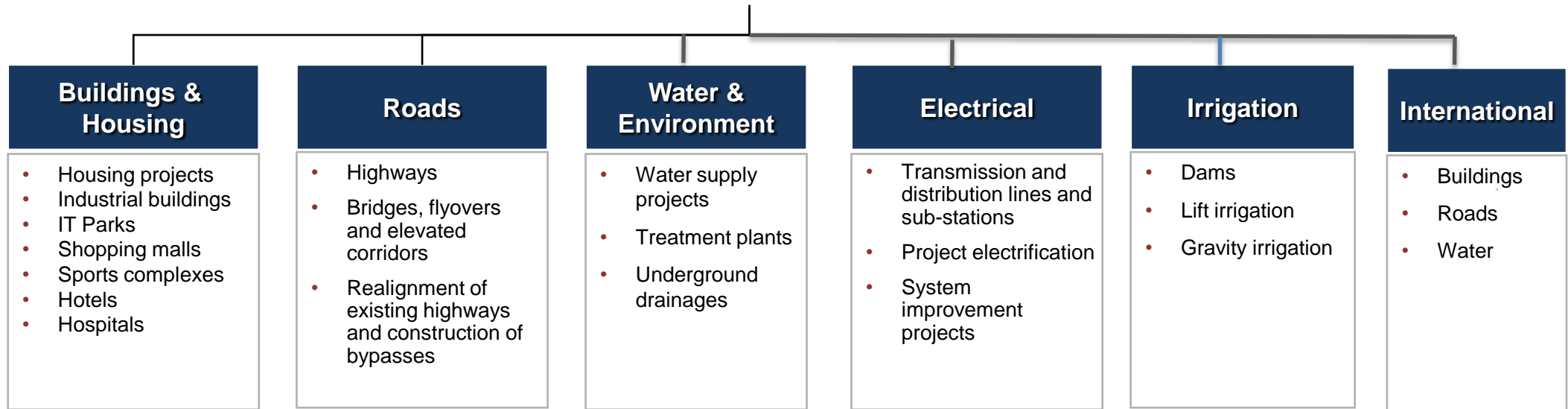
## Corporate Governance

- Board comprises of 14 directors, including 5 independent directors and 3 nominee directors
- Nomination & Remuneration Committee/Audit Committee/Shareholder's Grievance Committee/Corporate Social Responsibility Committee headed by independent directors

## Select Awards and Accolades

						
<ul style="list-style-type: none"> <li>■ 2006: "Fastest Growing Construction Company in India"</li> <li>■ 2007: "2nd largest construction company in India"</li> </ul>	<ul style="list-style-type: none"> <li>■ Forbes Asia, 2005: The only Indian construction company to be One of the 200 "Best Under a Billion" listed companies in Asia Pacific</li> </ul>	<ul style="list-style-type: none"> <li>■ 2010: Company's Annual Report and Accounts for the year 2008-09 has been awarded Certificate of Merit the "Best Presented Accounts and Corporate Governance Disclosures Awards 2009" by the South Asian Federation of Accountants(SAFA)</li> </ul>	<ul style="list-style-type: none"> <li>■ 2010: Company's Annual Report and Accounts for the year ended 31st March, 2009 have been <b>"adjudged as the 2nd best"</b> under the category Infrastructure &amp; Construction Sector by <b>ICAI Awards for Excellence in Financial Reporting"</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Vishwakarma Award of CIDC,2016 For</li> <li>■ Industry Doyen Award- A R Raju,MD</li> <li>■ Best Professionally Managed Company</li> <li>■ Best Construction Project- ESIC Gulbarga</li> </ul>	<ul style="list-style-type: none"> <li>■ National award for excellence in Cost management for the year 2015 by the Institute of Cost Accounts of India.</li> </ul>	<ul style="list-style-type: none"> <li>■ One of the Best CFOs of India by the CIMA, R S Raju, 2016</li> </ul>

# **CONSTRUCTION BUSINESS**



**Diversified operations across 10 divisions help mitigate business risks.**

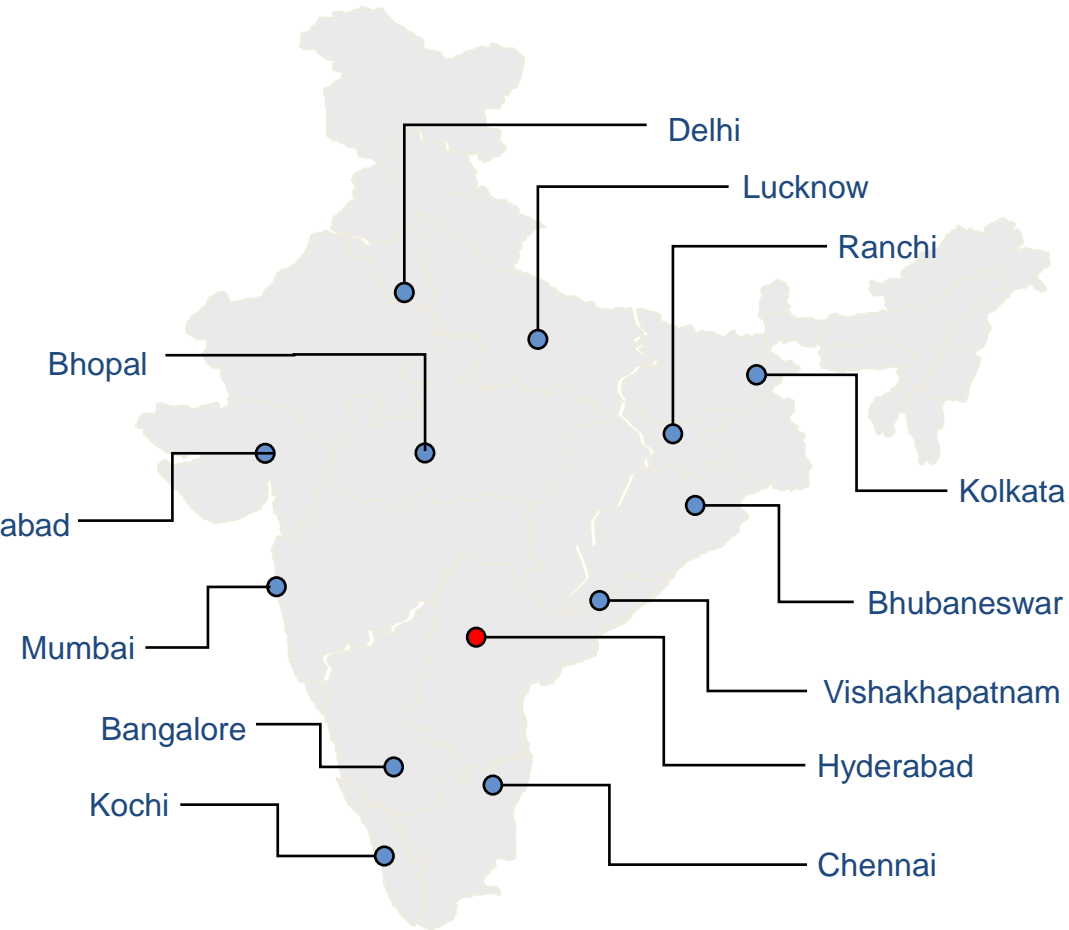


# Size & Scale



- Among the top 3 construction companies in India in terms of revenues
- Our size and scale help us pre-qualify for larger projects
- Number of offices across India enables active participation in project bids
- Backed by strong execution teams, currently executing around 200 projects at various locations
- Demonstrated ability to bid for and win large projects
  - UP Expressways Development Authority : Rs. 16,748 Mn.
  - Bangalore Metro Rail Corp., Bangalore: Rs. 5,089 Mn.
  - UP Avas Vikas Parishad : Rs. 5,253 Mn.
  - Telangana Drinking Water Supply : Rs. 14,447 Mn.
  - HMWSSB, Hyderabad : Rs. 5,329 Mn.
  - Palamuru-Ranga Reddy Lift Irrigation Scheme: Rs 13,783 Mn.
  - Superintendent Engineer Kaleswaram Project: Rs 5,662 Mn.

## Network of our Offices



## Overseas Offices

Dubai, UA  
E

Doha,  
Qatar

Muscat,  
Oman

# Segment Wise Execution & Order book



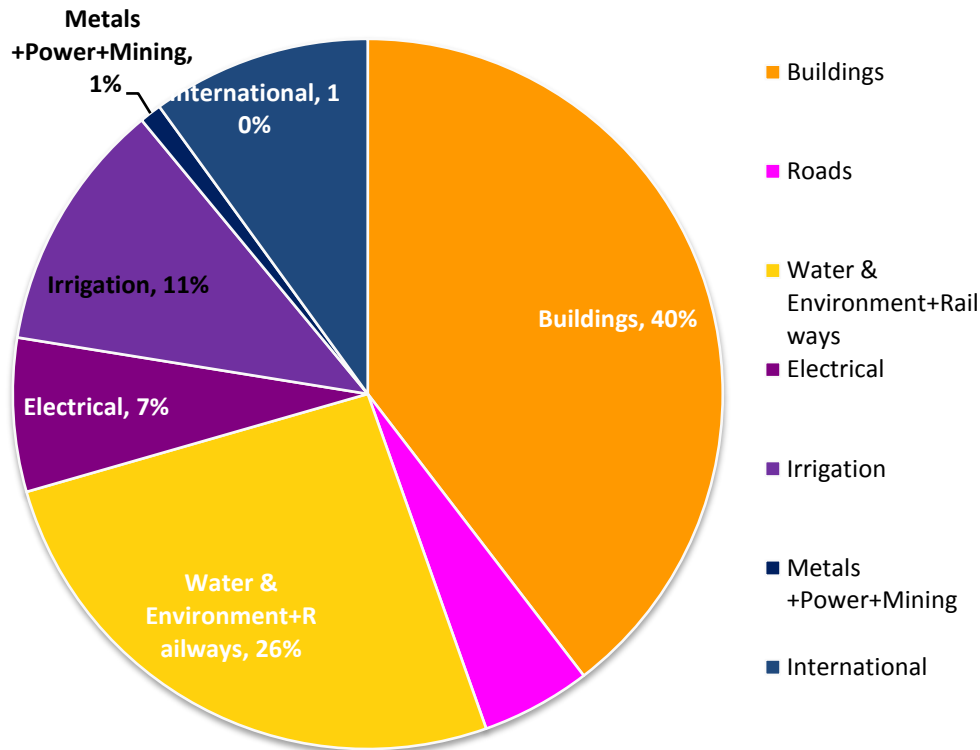
Segment-Wise Order Book as on 30.06.2016										
										Rs. in Billion
Particulars	Buildings	Roads	Water & Environment+ Railways	Electrical	Irrigation	Metals	Power	Mining	International	TOTAL
Orders on Hand as on 01.04.2016	73.75	10.01	48.90	9.14	8.83	0.54	2.61	0.23	22.54	176.55
	42%	6%	28%	5%	5%	0%	1%	0%	13%	100%
Add: New Orders Received	8.94	2.16	5.84	5.48	13.78	-	-	-	-	36.20
	25%	6%	16%	15%	38%	0%	0%	0%	0%	100%
Less: Value of Works Executed	7.20	3.22	5.43	1.38	0.74	0.14	0.77	-	3.42	22.30
	32%	14%	24%	6%	3%	1%	3%	0%	15%	100%
Balance as on 30.06.2016	75.49	8.95	49.31	13.24	21.87	0.40	1.84	0.23	19.12	190.45
	40%	5%	26%	7%	11%	0%	1%	0%	10%	100%

# Diversified Order Book



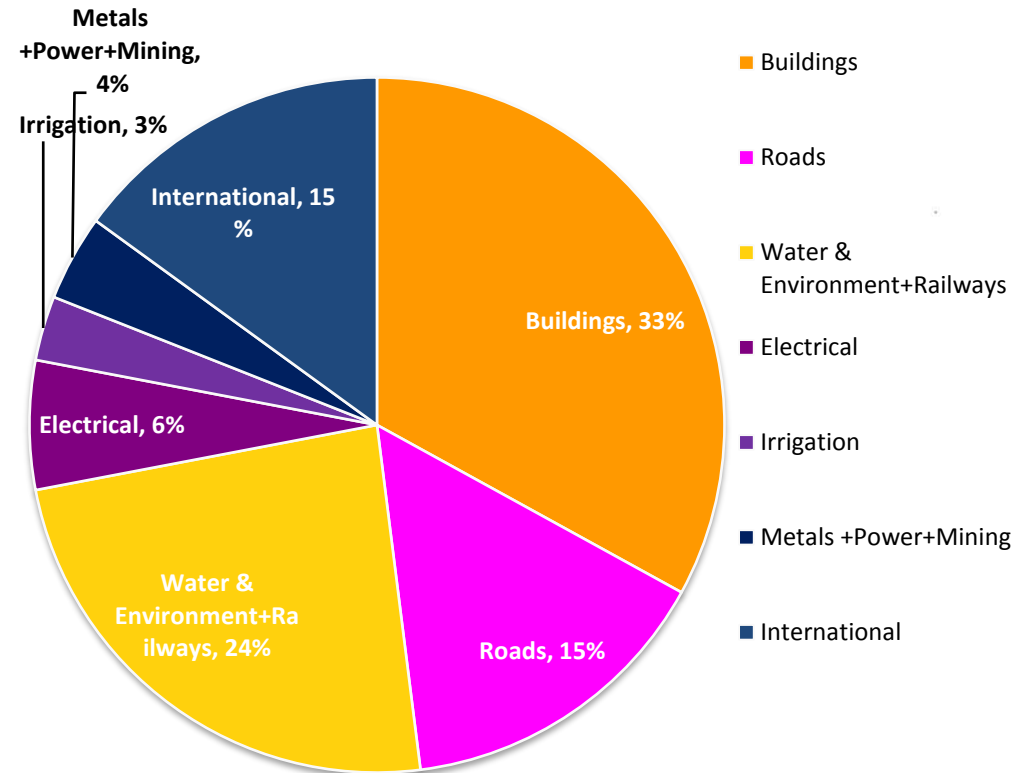
**Total Order Book: Rs. 190,450 Mn**

(as of June 30, 2016)



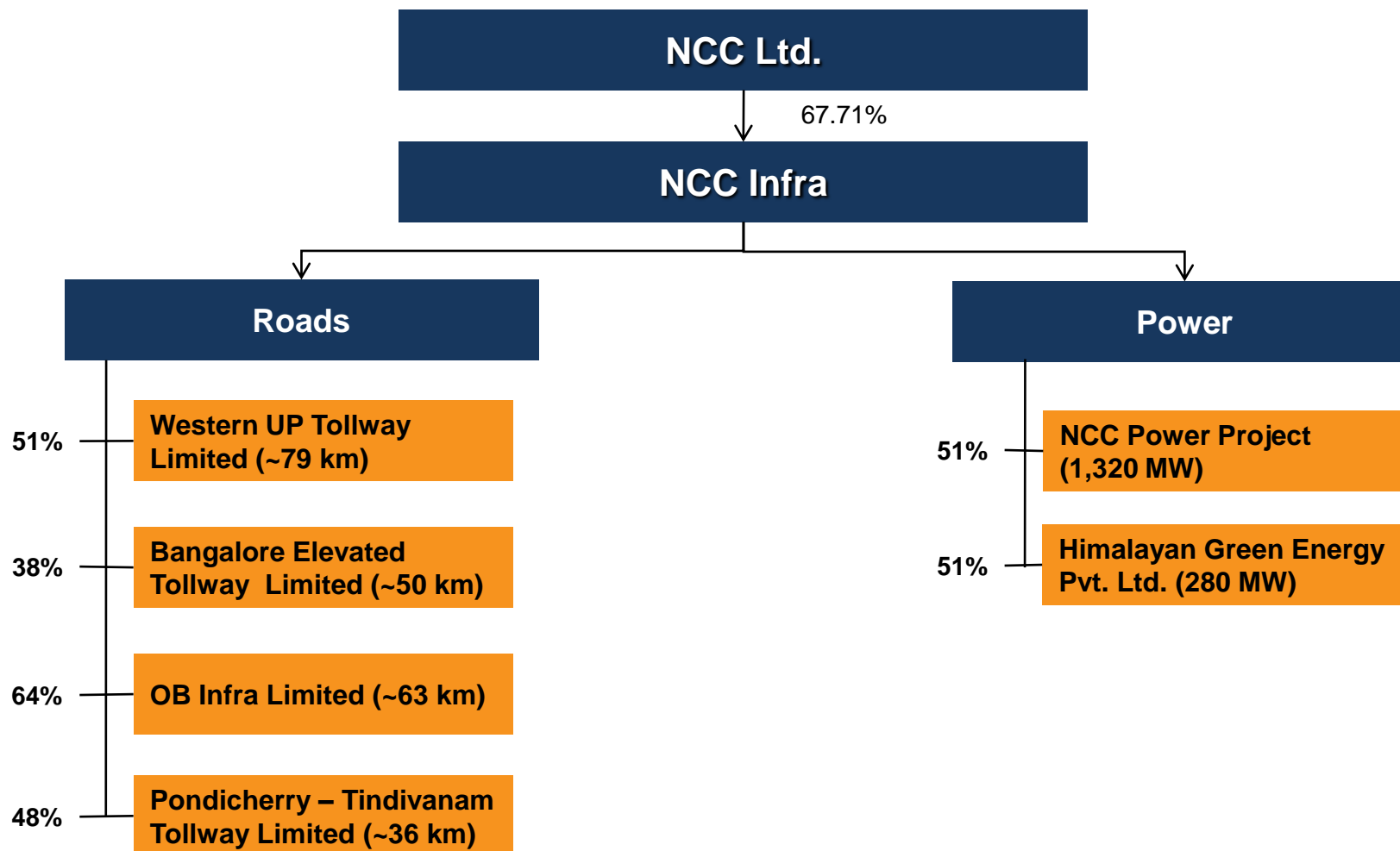
**Total Turnover: Rs. 22,300 Mn**

(as of June 30, 2016)



# **DEVELOPMENT BUSINESS**

# Current BOT Portfolio



# Execution on Track

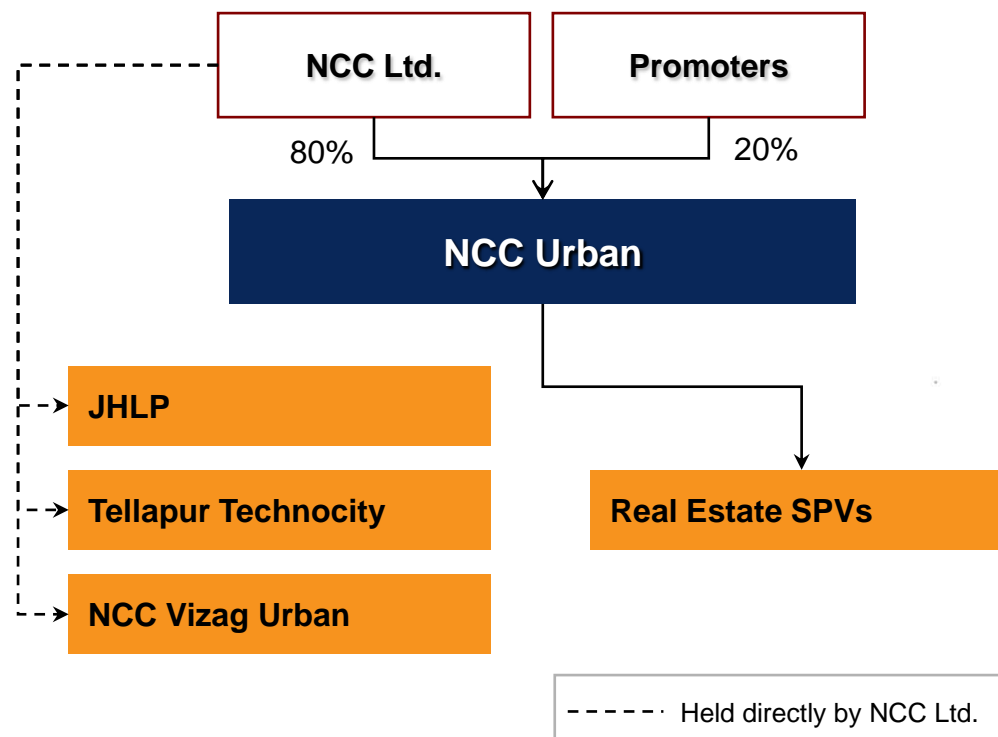


Projects	Revenue Model	Partners	Project Cost (Rs. Mn)	Investment by NCC <sup>(1)</sup> (Rs. Mn)	COD	Current Status <sup>(2)</sup>
<b>Roads</b>						
Bangalore Elev. Tollway	Toll	IL&FS E&C, Soma	9,747	1,597.40	April 2010	Toll collection has improved to Rs. 30 Lacs per day Asset monetised and consideration expected to be receive by 30.09.2016.
OB Infra	Annuity	KMC	5,896	1245.50	June 2009	COD achieved w.e.f 30.06.2009 Annuities being received regularly Securitisation of future cash flows achieved.
Western UP Tollway	Toll	IL&FS E&C, Gayatri	7,545	-	April 2011	Revenue generation started from April 2011. Toll collection of Rs. 27 Lacs per day Asset monetised and consideration received.
Pondicherry – Tindivanam	Toll	IL&FS E&C, Terra	3,621	584.13	Dec 2011	Toll collection is Rs. 3.0 Lacs per day The Loans have been restructured by lending consortium.
<b>TOTAL ( Roads)</b>			<b>26,983</b>	<b>3427.03</b>		
NCC Power Project	PPA / Merchant	Gayatri	70,470	-	June 2016*	Work at Project Site progressing as per schedule - 76% Completed Definite agreement entered with SimCorp of Singapore for stake sale Asset monetised and consideration received
<b>TOTAL (Power)</b>			<b>70,470</b>	<b>-</b>		
<b>GRAND TOTAL</b>			<b>97,453</b>	<b>3427.03</b>		

# Real Estate Projects



- Real estate development spearheaded by NCC Urban Infrastructure Ltd
- 17 projects planned in the Group
  - 8 projects are ongoing currently
- Presence across 6 cities in India and Dubai
- Acreage ~ 245 acres
- No fresh investments from parent company in real estate
- NCC Harmony, Dubai
  - Construction of twin towers for 1.5 Mn sft of mixed development at Dubai Biotech & Research Park
  - Estimated project cost ~ AED 1,063Mn
- NCC Urban
  - Turnover for Q1 FY17 - Rs. 222.37 Mn
  - Net Loss for Q1 FY17 - **Rs. 90.21 Mn**



# FINANCIALS



# Improvement in Working Capital Management

---

## Improvement in Working Capital Days:

As on	No. of Days
31-03-2012	136
31-03-2016	99

## Improvement in Debt Collection Period:

As on	No. of Days
31-03-2012	91
31-03-2016	58

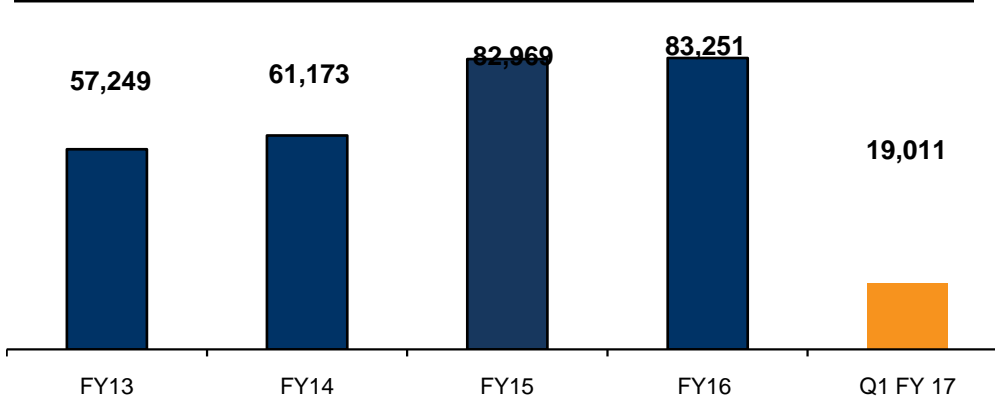
## Reduction in Outstanding Debt:

As on	Amount (Rs. Mn)
31-03-2012	22341.41
31-03-2016	18835.70

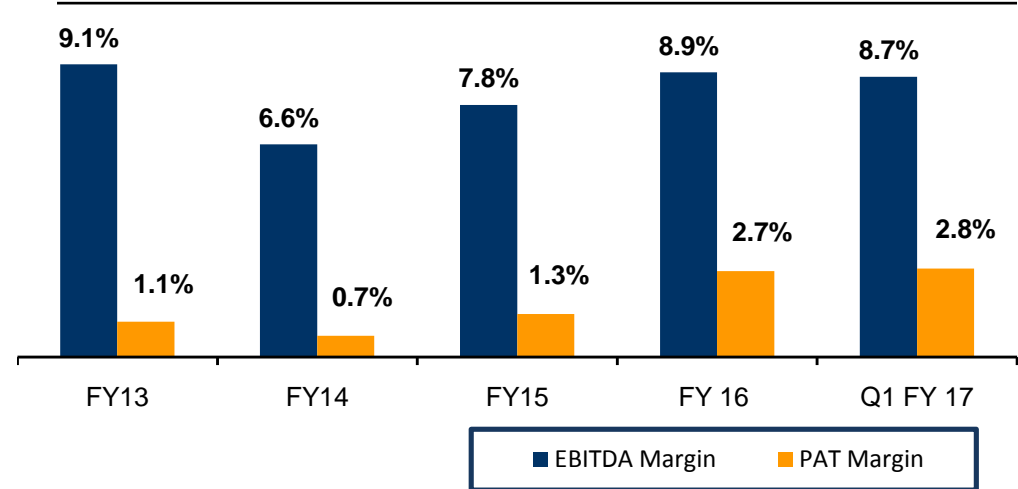
# Standalone Financials



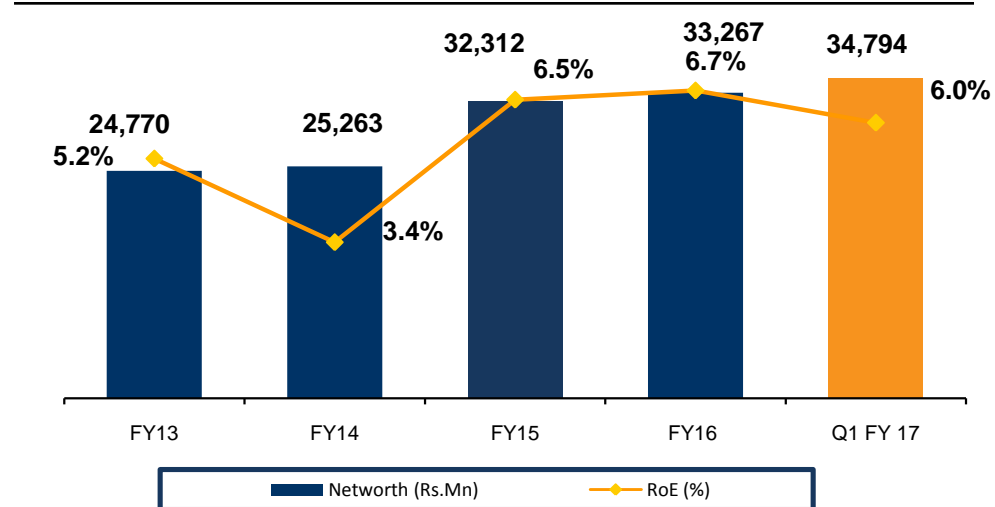
### Revenues (Rs. Mn)



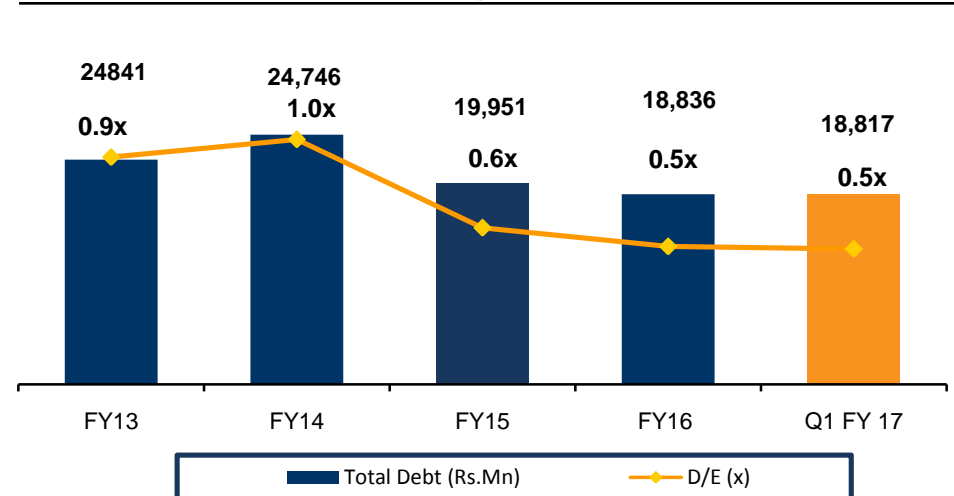
### Margins



### Return on Equity (1)



### Leverage Position

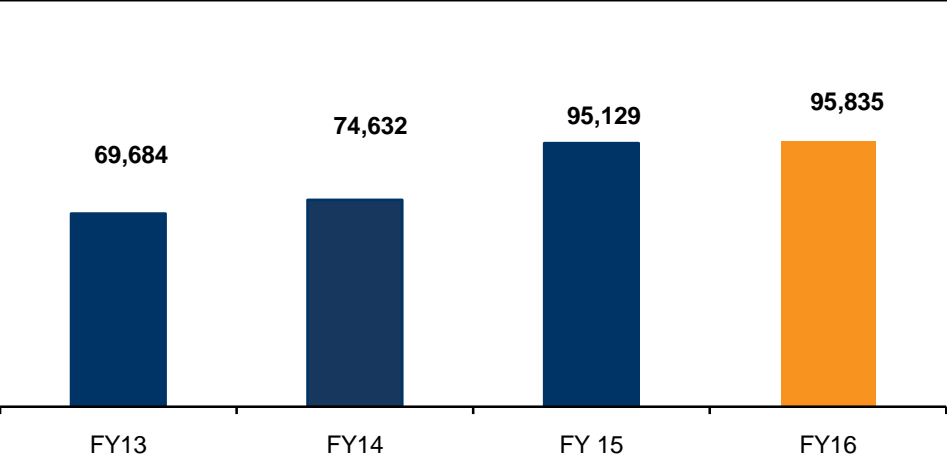


(1) ROE = PAT / Average Equity (Net worth less investments)

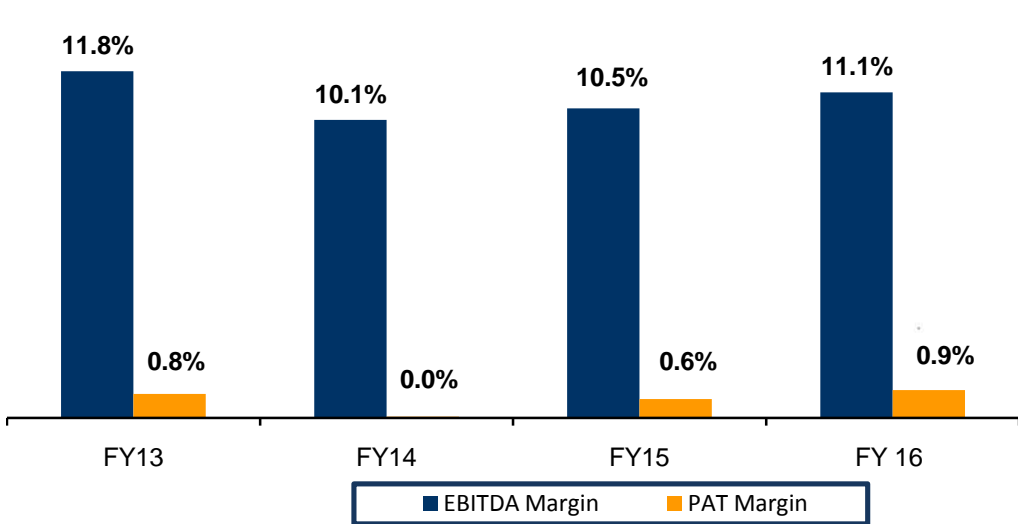
# Consolidated Financials



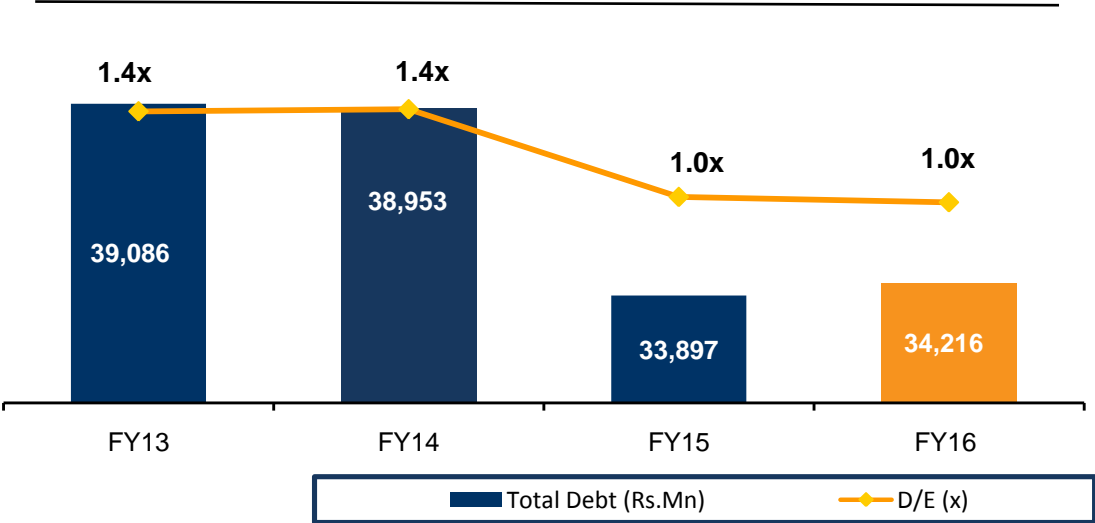
Consolidated Revenues (Rs. Mn)



Margins



Leverage Position



# KEY HIGHLIGHTS

# NCC : Major Player in an Attractive Industry

---



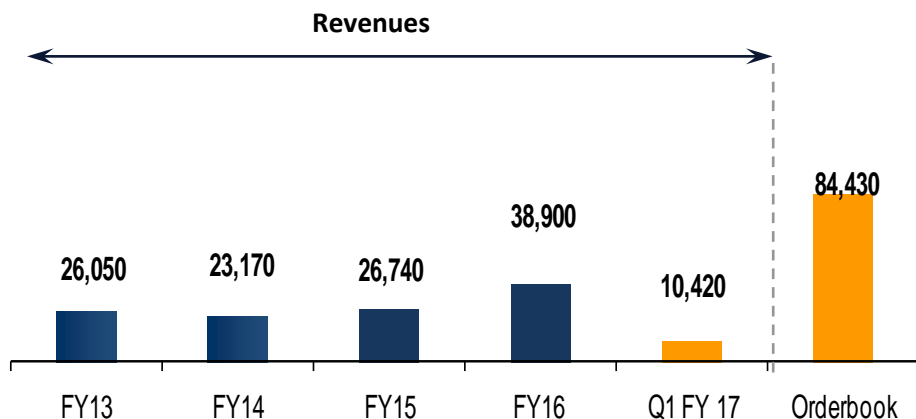
- 1** Size and scale of operations; diversified order book of Rs. 190.45 Bn
- 2** Track record of timely, effective and quality project execution
- 3** Seeking to strengthen foothold in international business
- 4** Experienced and Professional team
- 5** Strong financials

**ANNEXURE**

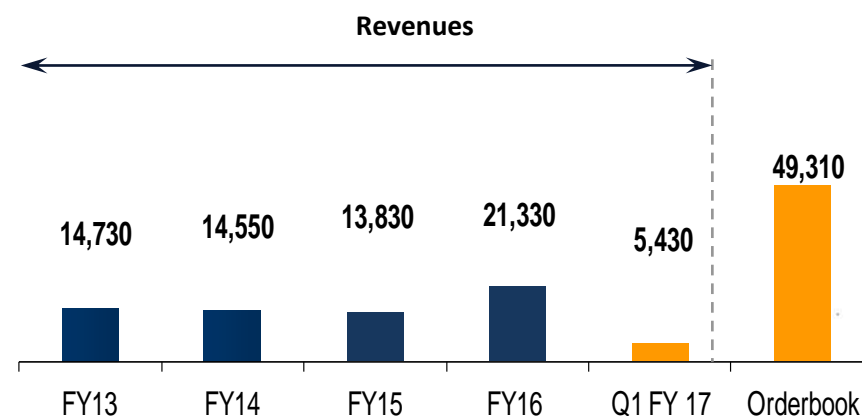
# Divisional Performance as of June 30, 2016



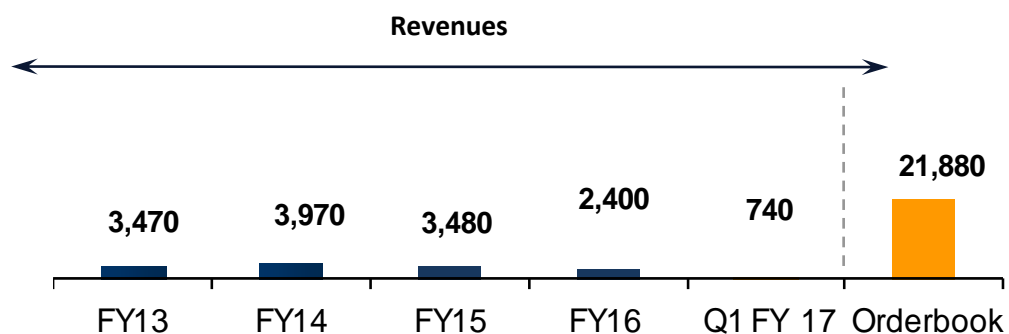
## Buildings & Housing + Roads (Rs. Mn)



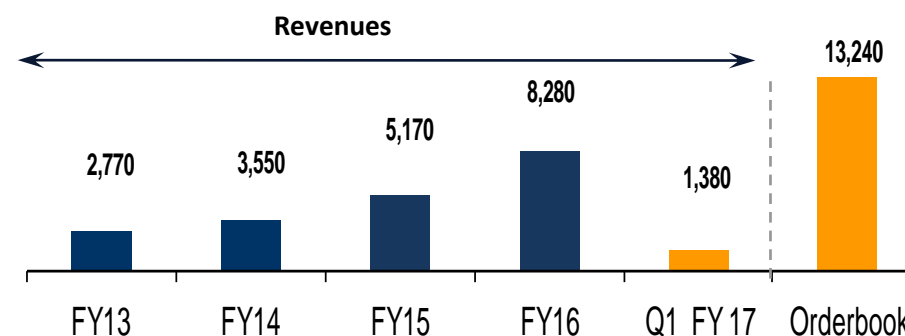
## Water & Environment + Railways (Rs. Mn)



## Irrigation (Rs. Mn)



## Electrical (Rs. Mn)

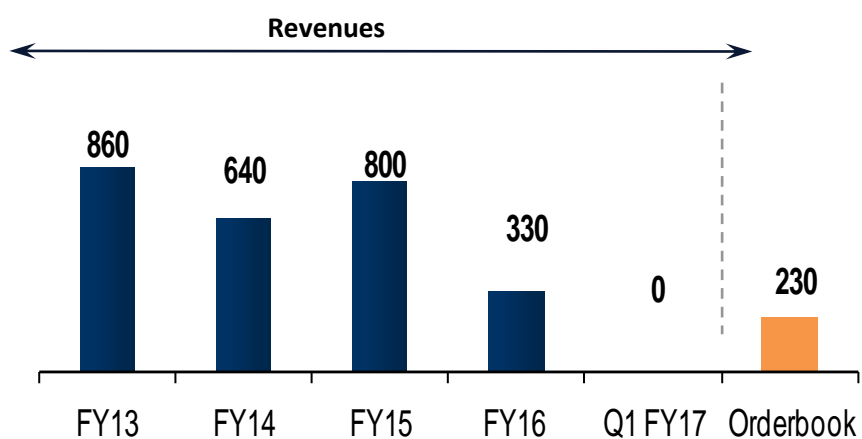


(1) Order book as on June 30, 2016

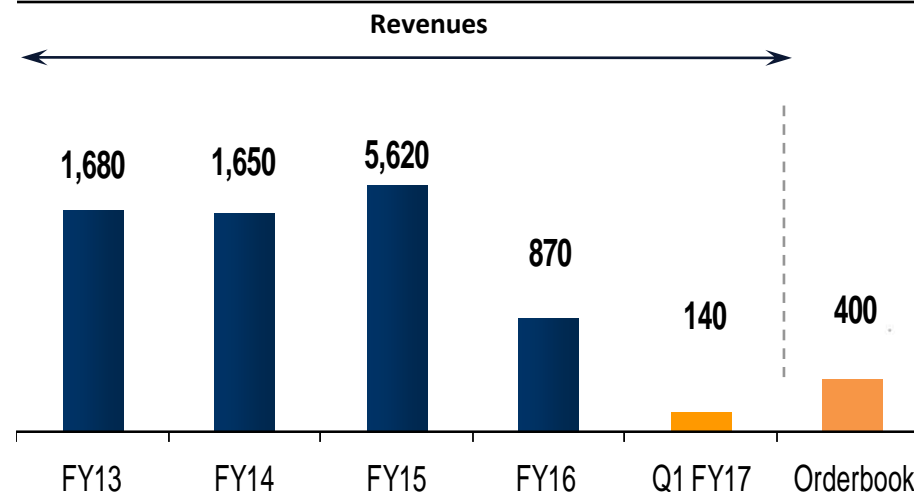
# Divisional Performance as of June 30, 2016



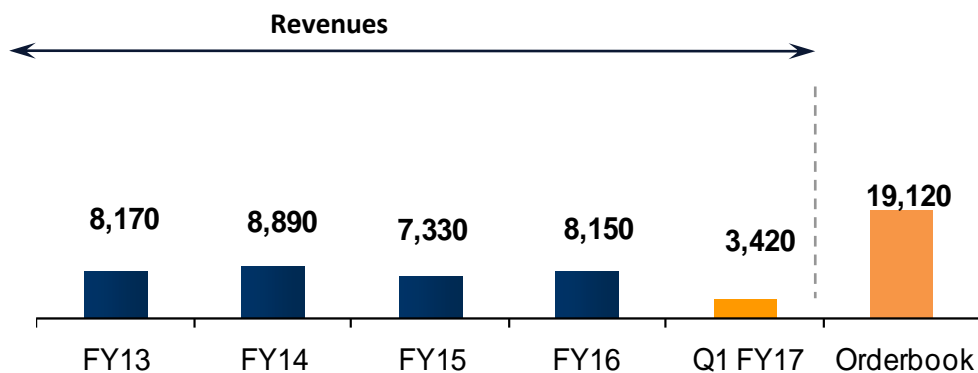
## Mining (Rs. Mn)



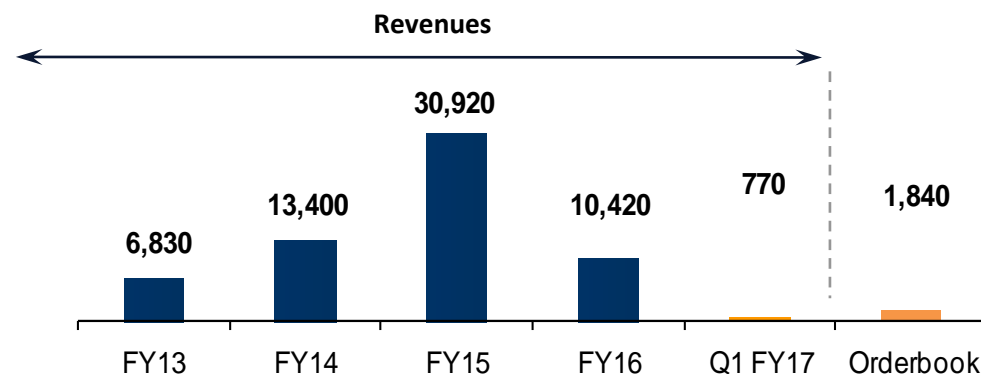
## Metals (Rs. Mn)



## International (Rs. Mn)



## Power (Rs. Mn)



(1) Order book as on June 30, 2016



# Real Estate Portfolio



Projects	City	Percentage holding	Type of Development	Acreage	Built up Area (Mn Sqft.)	Current Status
<b>NCC Urban</b>						
Residency, Gachibowli	Hyderabad	100%	Residential	9.5	1.16	Completed
NGHC	Ranchi	88%	Residential	56.44	2.55	Phase 1 Completed and Phase 2 yet to commence
Meadows	Bangalore	100%	Residential	8.00	0.65	Completed
Meadows II	Bangalore	100%	Residential	5.83	0.79	Completed
Serene	Bangalore	100%	Residential	1.75	0.10	Completed
Aster Park	Bangalore	100%	Residential	3.20	0.31	Completed
Maple Heights II	Bangalore	100%	Residential	2.13	0.17	Completed
Green Valley	Cochin	100%	Residential	0.89	0.18	Completed
Laurel	Cochin	100%	Residential	1.24	0.16	Completed
Green Province	Bangalore	75%	Residential	22.61	0.41	Ongoing
Pallavaram Project	Chennai	100%	Residential	8.00	0.90	Yet to commence
NCC Urban Mist Woods	Bangalore	50%	Residential	12.00	0.25	Ongoing
Park Square	Guntur	64%	Residential	2.00	0.23	Ongoing
Gardenia	Hyderabad	55%	Residential	4.00	0.63	Ongoing
MunneKollal	Bangalore	50%	Commercial	2.00	0.22	Yet to commence
Ivory Heights	Bangalore	58%	Residential	3.30	0.47	Ongoing

# Real Estate Portfolio



Projects	City	Percentage holding	Type of Development	Acreage	Built up Area (Mn Sqft.)	Current Status
<b>NCC Ltd.</b>						
NCC Harmony	Dubai		Residential & Commercial	4.15	1.45	Ongoing
JHLP	Hyderabad	25%	Residential & Commercial	6.00	0.90	Yet to commence
Tellapur Technocity	Hyderabad	26%	Residential & Commercial	100.00	7.5	Yet to commence
NCC Vizag Urban	Visakhapatnam	100%	Residential & Commercial	98.00	4.9	Yet to commence

# SIGNIFICANT INCREASE IN GOVERNMENT SPENDING ON INFRASTRUCTURE

## Urban Infra.

- \$10 bn planned investment in Airport sector in next 5 Years
- Huge opportunities in MASS RAPID TRANSPORT SYSTEM in Urban cities
- Existing & New cities infrastructure upgradation & development

## Roads & Bridges

- Govt. special thrust and closely monitored sector
- Focus for road construction award in FY17 – 8500 Km of Award and 6300 km of Completion
- Leverage existing construction capabilities

## Power Transmission

- Proposal to set up National Transmission & Distribution Fund to address T & D
- Focus on Transmission lines and sub-station capacities and National smart Grid system

## Water & sewerage

- JNNURM covers 63 cities with \$15 bn planned outlay in next 7 years
- Estimated Budgetary support of \$23 bn over next 5 yrs for improvement in rural water supply & sanitation
- Estimated investment of \$ 5 bn for urban infrastructure over 5 years

## Railways

- Railways rollout capacity expansion plans– 25000km of track laying in next 10 years
- Budget Outlay 126000 crs in FY17 – 90 new projects covering 8500 km of expansion
- Eastern & Western Direct Freight corridors & High Speed Railway under priority focus

## Building & housing

- “Affordable Housing” to swing construction demand in the sector
- Rising Income & living standards to generate more demand
- Dearth of quality contractors
- Expected annual construction \$60bn

## Industrial

- Growing Economy, GDP & Consumption to spur demand
- More demand for Metal, Cement, Oil & Gas in line with Infrastructure growth
- Expected annual construction \$10bn

## Power

- Power generation to increase by 50% by 2020. Power for all 24 X7 by 2019
- By 2030, capacity needed 8,00,000 MW
- Availability of adequate and quality power for all, necessary for economic growth of 8%+
- Expected annual construction \$20bn

Thank you

