



Ref. No.: NCCL/Regulation 34/2019

Date : 07-08-2019

The Secretary

National Stock Exchange of India Ltd

5th Floor, Exchange Plaza

Bandra – Kurla Complex

Bandra (E)

MUMBAI - 500 051.

Fax No: 022 – 2659 8237 / 38

The Secretary

Bombay Stock Exchange Ltd,

1st 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 2018-19 along with the Notice of AGM and Intimation regarding cut-off date for remote-e-voting

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith Annual Report for the Financial year 2018-19 along with notice of the Annual General Meeting being held on 6th September, 2019 which have been dispatched to the shareholders of the Company on 7th August, 2019.

We further wish to inform you that the Company is providing e-voting facility to the shareholders to vote on the resolutions proposed to be passed at the 29th Annual General Meeting being held on 6th September, 2019 at 3.00 P.M at Avasa Hotel, Constellation Hall, 1st Floor, Plot No.15,24,25&26, Sector-1, Survey No.64, Near Cyber Towers, Hitech City, Madhapur, Hyderabad-500081, Telangana. The e-voting will commence at **9.00 A.M on 3rd September, 2019 & ends at 5.00 P.M on 5th September, 2019**. The Company has fixed **30th August, 2019** as the cut-off date to reckon eligibility to vote on the e-voting platform.

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

Thanking you,

Yours faithfully

For NCC LIMITED

07-08-2019
M V SRINIVASA MURTHY

COMPANY SECRETARY & EVP (L)

NCC Limited

(Formerly Nagarjuna Construction Company Limited)

CIN: L72200TG1990PLC011146

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



PASSION FOR PERFORMANCE

Annual Report 2018-19

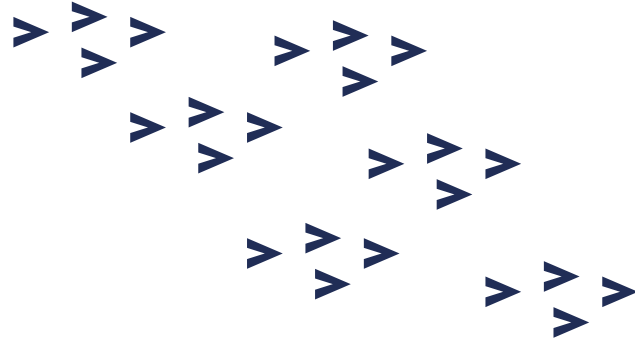
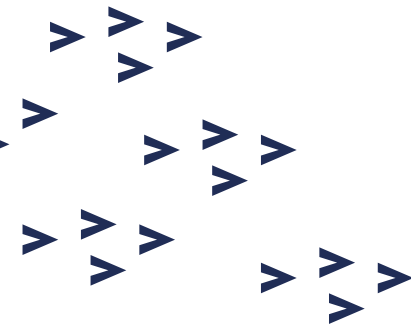


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Disclaimer:

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



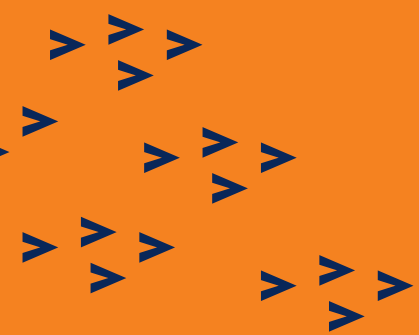
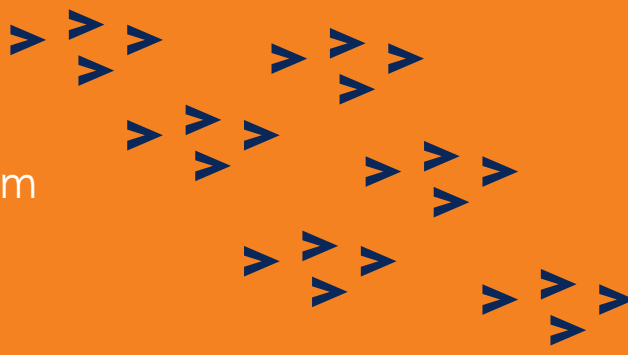
PASSION FOR PERFORMANCE.

At NCC our passion is to perform – perform diligently for a sustainable growth.

We believe that our sustainable growth is an outcome of our strategic vision and the way we execute our operational and financial plans.

During the tough times we focused on strengthening our internal environment. We made hard decisions, allowed certain short-term benefits to go with long term benefits in mind. We humbly attribute the remarkable performance of FY19 to our key management decisions taken over the years and to our team who strived their best to live our vision.

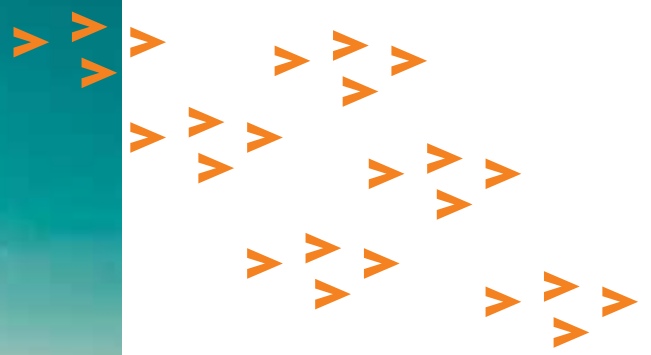
Going forward we will continue to build NCC with a passion for performance



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.



OUR PEOPLE

Experienced human capital of 6250 currently executing projects at various locations in India.

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.

BUSINESS DIVISIONS :

Buildings and Housing



Electrical



Power



Water & Environment



Roads



Railways



Irrigation



Metals



Mining



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
 Airports Authority of India, New Delhi

MESSAGE FROM THE FOUNDER & CHAIRMAN EMERITUS

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



Dear Shareholders

At the outset, I am delighted that FY19 has been a landmark year for us with respect to our performance. I would attribute this success to the hard work of our people and as an outcome of our management sensibilities, which we have been exhibiting since inception.

It makes me more happy when I reflect on the fact that we have become a key constituent in building our nation's infrastructure. In other words, our progress is akin to India's march into the next millennium.

I see that our team leaves no stone unturned when it comes to living our vision and mission. This is reflected in the cover story of this Annual Report which is appropriately titled "Passion for Performance."

I thank you all – our valued shareholders for having faith in us and for staying invested in NCC. Let us work for a brighter future for us and our next generations.

Warm regards
Dr. AVS Raju
Founder & Chairman
Emeritus

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
Table Space, Western Aqua Building,
Whitefields, Hitech City,
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
Indusind Bank
Punjab & Sind Bank

29th Annual General Meeting

Friday the 6th September, 2019,
at 3.00 p.m. at Avasa Hotel,
Constellation Hall, 1st Floor, Plot No. 15,
24, 25 & 26, Sector – 1, Survey No. 64,
Near Cyber Towers, Hitech City, Madhapur,
Hyderabad – 500 081. Telangana

Registered Office

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

Registrar and Share Transfer Agents

M/s. Karvy Fintech Private Limited
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
www.karvyfintech.com

CHAIRMAN'S MESSAGE

I am delighted that this is my 3rd address to the shareholders as Chairman of the Board of NCC.

At NCC, success is an outcome of our untiring commitment to our vision, mission, values and the management's strict adherence to corporate governance norms in its spirit. Today NCC is the second largest among the listed construction companies in India. Our management approach with respect to bidding, managing and execution of projects are considered as benchmarks by many industry analysts.

During the year we set new records in most of the key performance indicators. For the 12 months period (FY 19) our turnover is ₹ 12198 Cr with an EBIDTA of ₹ 1423 Cr as against turnover of ₹ 7675 Cr with an EBIDTA of ₹ 855 Cr during the previous year. We achieved a PAT of ₹ 564 Cr as against ₹ 287 Cr during the previous year. EPS is ₹ 9.39 during the year as against ₹ 5.09 in FY18.

During the year, we continued our focus on improving our operational and financial performance, risk mitigation and also rationalisation of our subsidiary businesses.

Our Operating Scenario

Over the years the country has transformed with respect to its approach to private sector. From mere construction contractors, private sector construction companies like NCC have become the key enablers in India's infrastructure development. Let me quote from the Finance Ministry's Economic Survey 2019. "The real challenge lies in bringing adequate private investment across the country with the collaboration of public sector. Along with physical infrastructure, provision of social infrastructure is equally important as these two

would determine where India will be placed in the world by 2030," says the survey prepared by the chief economic adviser (CEA).

While The Economic Survey acknowledges the importance of public-private partnerships in addressing financing gaps in the infrastructure sector, it also acknowledges the need for institutional mechanisms to resolve pending disputes in a time-bound manner as one of the key areas to focus on.

Other measures such as deepening of the existing corporate bond market through suitable policies and incentives, leveraging institutions like NIIF (National Investment and Infrastructure Fund) to promote sector-specific financing platforms which aggregate projects at different levels of maturity/risks, and expanding credit guarantee facilities through partnerships with multilateral agencies would also be required to strength the financial status of the sector.

The NDA government which came to power in 2014 unswervingly focused on infrastructure for improving connectivity by allocating massive expenditure for building roads, smart cities, launching schemes such as Saubhagya aiming at 100% electrification of households, housing for all, and building airports in smaller towns and cities. The government also aimed at electrifying 100% of its broad gauge network, to reduce dependence on imported diesel. Indian Railways has already identified 38,000 route kilometre (RKM) for electrification by 2021 from 35,488 RKM in April 2019.

The Budget for 2019-20 points out to investments averaging ₹ 20 lakh crores every year for infrastructure development. The Hon'ble Finance Minister has also proposed setting up a Credit Guarantee Enhancement Corporation for which regulations have

been notified by the Reserve Bank of India, among other measures to enhance the sources of capital for infrastructure financing.

Key Challenges

Despite the proactive policy push, construction & infrastructure sector in India is grappling with innumerable challenges pertaining to financing large projects, land acquisition and environment clearances, and high costs incurred because of delays in project implementation. The FY19 Economic survey also points out to less-than-expected traffic growth in certain projects and the resulting risk factors.

At NCC, the management is keenly watching all the opportunities and challenges for evaluating and exploring opportunities and containing risks.

Dividend

We have a consistent track record of paying dividends. The Board of Directors of the Company at its meeting held on May 24, 2019, have recommended payment of Equity Dividend of ₹ 1.50 per share (@ 75% on Equity share of ₹ 2/- each), subject to shareholders' approval at the forthcoming AGM.

Corporate Social Responsibility

Shared responsibility and generosity for the society have long been part of our tradition. During the year, we had spent an amount of ₹ 6.14 Cr towards CSR activities and our initiatives positively impacted rural sanitation, healthcare and education. As salutations to our brave soldiers- war veterans and their families, we contributed ₹ 1 Cr to Army Welfare Fund.

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

Yours truly

Hemant M Nerurkar

Chairman



PERFORMANCE REVIEW BY MANAGING DIRECTOR



On FY19 Performance

FY19 has been a momentous year for NCC with respect to our performance. We achieved record revenue of ₹ **121.98 bn** on standalone basis with year on year growth of **58.93%**. On standalone basis our EBITDA margin in FY19 is 11.8% as against 11.3% in FY18. Profit After Tax 4.6% as against 3.7% in FY18.

Over the years we have set NCC as a benchmark among construction companies with our unique business model and operational approach. From an emerging favourable industry dynamics, we benefited better than most of our peers due to our unique strategic initiatives over the years. During the tough years in the past we focused on making NCC's internal environment more resilient. Performance in FY19 is an outcome of our asset light business model, strong execution track record coupled with our financial discipline.

I thank our team, customers, financial institutions and suppliers - without the much needed support from these important stakeholders, FY19 performance would not have been possible.

Financial Highlights

Debt collection days have improved substantially from 102 days in FY18 to 84 days in FY19. Our working capital days have come down to 102 days from 133 days in FY19. Excluding cash and bank balances, the working capital days are 96 days as compared to 129 days in FY18.

The finance cost for the year is 4.51 bn which is 3.7% of the turnover as against 4.9% of the turnover in FY18 i.e a reduction of 1.2%. Investments in the subsidiaries and group companies have come down from 10.24 bn to 9.19 bn in FY19. Total exposure to the group companies have come down from ₹ 16.29 bn to 13.87 bn in FY19. The year also witnessed asset rationalization by our subsidiaries and improving the receivables from them to the parent company.

Strategic Environment

Sustainable Development Goal (SDG) of the government aims to develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure to support economic development and human well-being.

The economic survey 2018-19 tabled in the parliament prior to the union budget for FY19-20, highlighted the need to almost double the annual spending on infrastructure at \$200 billion. The survey mentioned that the real challenge lies in harnessing private investment. To achieve the target of \$10 trillion economy size by 2032, a robust and resilient infrastructure system is required, supported by adequate private investments.

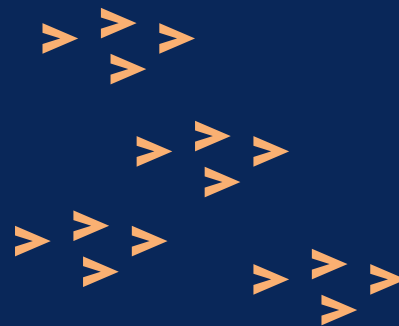
In line with the findings of the survey and continuing the policy push for developing the infrastructure sector, the government plans to invest ₹ 100 trillion for the sector to spend over the next five years. It is also heartening to note that the government proposed to set up a Credit Guarantee Enhancement Corporation for which regulations have been notified by the Reserve Bank of India. This proposed initiative is to enhance the sources of capital for infrastructure financing.

Going forward, we are confident that the performance of the company will be robust for next five years. We expect a healthy flow of fresh orders to strengthen our order book. **Our passion is to perform** – to perform prudently and sustain our growth in the years to come.

Warm regards

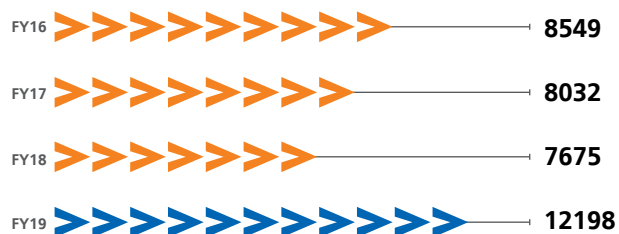
A A V Ranga Raju
Managing Director

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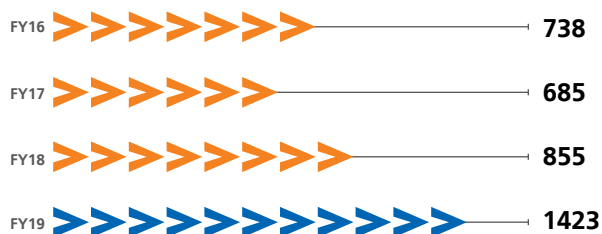


Key Performance Indicators

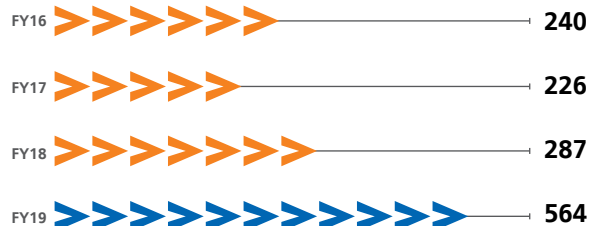
TURNOVER (₹ Crores)



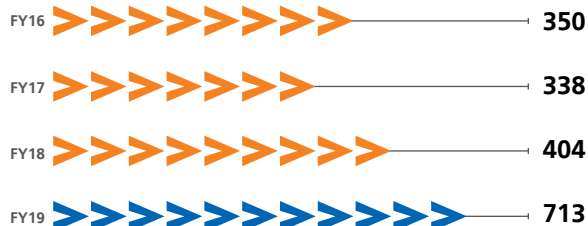
EBIDTA (₹ Crores)



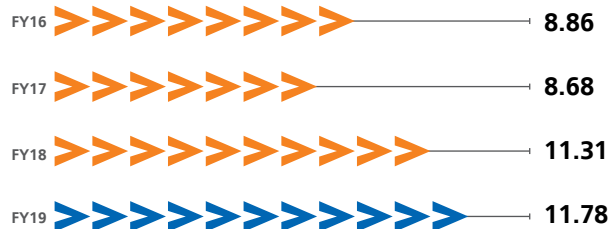
PAT (₹ Crores)



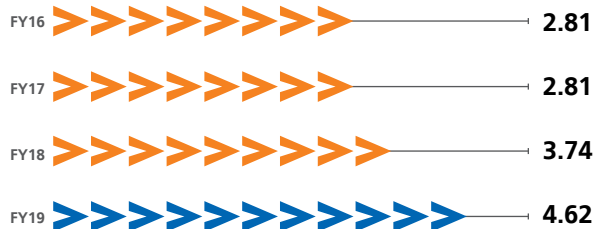
Cash Profit (₹ Crores)



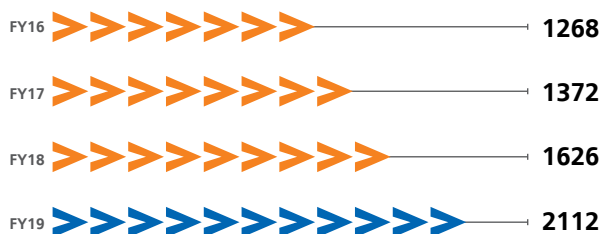
EBIDTA %



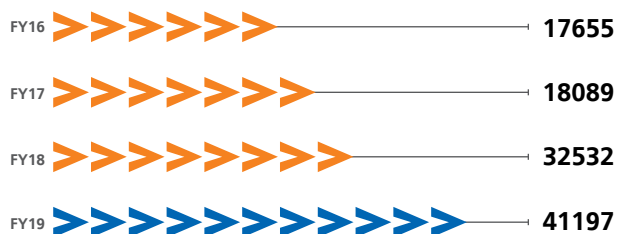
PAT %



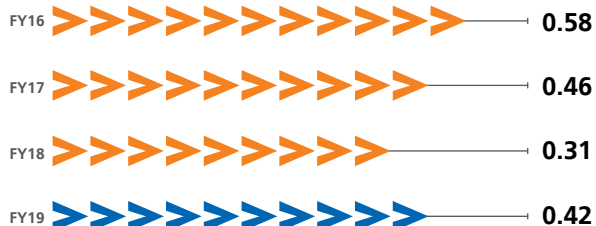
Gross Block (₹ Crores)



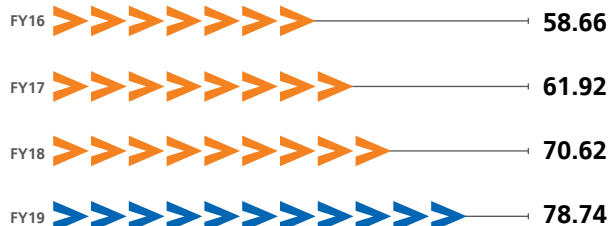
Order Book (₹ Crores)



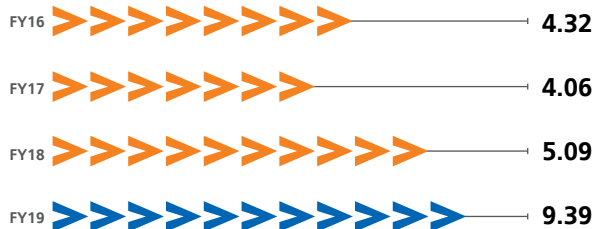
Debt Equity - Ratio



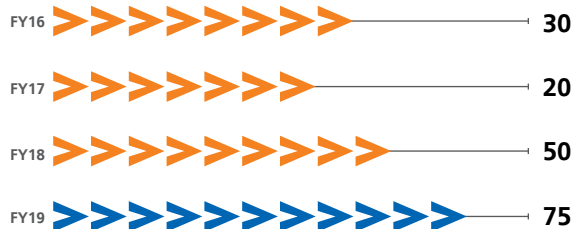
Book Value Per Share (₹)



EPS (₹)



Dividend %



CORPORATE SOCIAL RESPONSIBILITY



The corporate social responsibility (CSR) is a thrust area of all the Corporates in our country.

During the Financial Year 2018-19 the company has spent an amount of ₹ 614.07 Lakhs towards CSR Activities.



Contribution to Indian Army towards welfare of martyred soldiers and the rehabilitation of disabled soldiers.



Contribution to Bharat ke veer Corpus fund.

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 29th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2019.

Standalone Financial Results

	₹ in Crores	
	2018-19	2017-18
Revenue from Operations	12079.76	7559.33
Other Income	118.25	115.83
Total Income	12198.01	7675.16
Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT)	1541.25	970.71
Less: Finance Costs	451.26	378.94
Profit before Depreciation, Exceptional Items and Tax	1089.99	591.77
Less: Depreciation and Amortisation Expenses	149.37	117.47
Profit before exceptional item & tax	940.62	474.30
Exceptional item (Net)	(58.93)	(106.56)
Profit before tax	881.69	367.74
Provision for Tax(Including earlier Year Taxation)	317.78	80.94
Profit after Tax	563.91	286.80
Other comprehensive income / (loss) for the year	(4.31)	(1.97)
Total comprehensive income for the year	559.60	284.83
Retained earnings- Opening Balance	670.41	410.37
Add: Effect of adoption of Ind AS 115	0.50	-
Add: Profit for the Year	563.91	286.80
Less: Dividend paid during the year (Including Dividend Tax)	72.42	26.76
Retained earnings - Closing Balance	1162.40	670.41
Paid up Capital	120.13	120.13

Operational performance

A. Standalone

Your Board takes pleasure in reporting that the Revenue from Operations of the Company for the Financial Year ended 2018-19 amounted to ₹ 12079.76 crores as against ₹ 7559.33 crores in FY-2017-18 and earned a Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT) of ₹ 1541.25 crores for the F.Y 2018-19 as against ₹ 970.71 crores in the previous year. After deducting financial charges of ₹ 451.26 crores, providing a sum of ₹ 149.37 crores towards depreciation, ₹ 317.78 crores for income tax and after exceptional items of ₹ (58.93) crores, the operations

of the Company resulted in a net profit of ₹ 563.91 crores for the F.Y 2018-19 as against ₹ 286.80 crores in F.Y 2017-18.

B. Consolidated

During the year under review, the Revenue from Operations of the Company on a consolidated basis amounted to ₹ 12895.64 crores as against ₹ 8390.64 crores in the previous fiscal. Your Company has earned a PBIDT of ₹ 1723.50 crores for the F.Y 2018-19 as against ₹ 980.75 crores in the previous Financial year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ 578.69 crores as against ₹ 168.63 crores in the previous Financial year.

During the year the Company, on consolidated basis, bagged new orders valued around ₹ 25612 crores and the order Book of the company as on March 31, 2019 stood at ₹ 41197 crores. .

Proposed Dividend

Your Board takes pleasure in recommending Dividend of ₹ 1.50/- per Equity Share of ₹ 2/- each (75%) as against ₹ 1/- per Equity Share in the Previous Year for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

The Dividend declared by the Company for the financial year 2018-19, is in accordance with the Dividend distribution policy of the Company.

Transfer to Reserves

The Directors have decided to retain the entire amount of ₹ 1162.40 crores 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:// ncclimited.com/ Policies.html](http://ncclimited.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 as at 31st March, 2019 and of the profit of the Company for the financial year ended 31st March, 2019;
- (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
- (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; and
- (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 41 subsidiaries (including step down subsidiaries) as of March 31, 2019. During the year under review two subsidiaries were closed and eight (8) Subsidiaries were converted into LLPs. There was no material change in the nature of the business carried on by the subsidiaries.

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 Venture Companies 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 Audited Financial Statements of the

subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The Audited Financial Statements 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 the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time the Financial Statements for the F.Y 2018-19 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, 2019, which forms part of the Annual Report.

Preferential Issue of Warrants to Promoters

Pursuant to the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009/2018 (SEBI ICDR Regulations) and the approval accorded by the members of the Company, the Company has allotted 92,00,000 Convertible Warrants to M/s. AVSR Holdings Private Limited one of the promoters of the Company at a price of ₹ 119.37/- per warrant (Including premium of ₹ 117.37/- per warrant) and the Company has received 25% of the total consideration as per the applicable SEBI(ICDR) Regulations. These warrants are to be converted on or before February 22, 2020 i.e. before 18 months from the date of allotment after payment of balance 75% consideration by the allottee.

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 2018-19
Foreign exchange earnings - Nil
Foreign exchange outgo
 - i. Towards travel ₹ 0.18 crores
 - ii. Towards import of capital goods & material supplies ₹ 94.72 crores
 - iii. Others ₹ Nil crores

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;

Details of Loans, Guarantees, Investments under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as at 31st March, 2019 form part of the Notes to the financial statements provided in this Annual Report.

Directors:

During the Financial Year 2018-19, Sri Neeraj Mohan Non-Executive Director resigned from the Board due to pre-occupation with other activities. Your Board places on record the valuable contribution of Sri Neeraj Mohan during his tenure with the Company.

In pursuance of Section 152 of the Companies Act, 2013 and the rules framed there under, Sri A V N Raju (DIN - 00018965), and Sri Utpal Sheth (DIN - 0081012) are liable to retire by rotation, at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Sri Hemant M Nerurkar (DIN-00265887) and Smt. Renu Challu (DIN-00157204) were appointed as Independent Directors at the Twenty Fourth Annual General Meeting of the Company held on 25th September, 2014 for a period of Five years. Based on the recommendation of the Nomination and Remuneration Committee, their re-appointment for a second term of Five Years is proposed at the ensuing AGM for the approval of the Members of the Company by way of Special Resolution.

During the year under review based on the recommendation of Nomination and Remuneration Committee and subject to approval of the Members of the Company at the ensuing AGM, the Board of Directors at its meeting held on 12th February, 2019 have re-appointed Sri A S N Raju (DIN-00017416) as a Whole-time Director of the Company for a period of Five Years w.e.f. 1st May, 2019.

Other than as stated above, there has been no other change in the Directors or the Key Managerial Personnel during the year under review.

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), 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 pursuant to Section 178(3) of the Companies Act, 2013 is hosted on the Company's website and the web link thereto is (<http://ncclimited.com/Policies.html>).

Meetings of Board of Directors

The Board Calendar is prepared and circulated in advance to the Directors. During the Financial Year under review the Board has met six times i.e. on April 27, 2018, May 24, 2018, August 10, 2018, November 13, 2018, February 12, 2019 and March 06, 2019. The details with respect to Committee meetings and attendance there at required under the Secretarial Standard-1 issued by the Institute of Company Secretaries of India have been provided in the Corporate Governance Report forming part of Annual 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

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.

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.

The Board of Directors of the Company has formed a Risk Management Committee to implement and monitor the risk management plan of the Company. The development and implementation of the risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

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 Central Government 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, 2019 is given in **Annexure-I** and forms part of the Directors' Report. The same is also available on www.ncclimited.com.

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 the conclusion of the 32nd Annual General Meeting conducted the Statutory Audit for the FY-2018-19. 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, 2019 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 2018-19. The Secretarial Audit Report for the Financial Year ended 31st March, 2019 in Form MR-3 is annexed to the Directors Report - **Annexure - II** and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2019 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 24, 2018 had appointed M/s. Vajralingam & Co., Cost Accountants (Firm Registration No.101059) as the Cost Auditors of the Company for the FY 2018-19. 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-2018-19.

Corporate Governance

Pursuant to the provisions of Chapter IV read with Schedule V of the 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 Secretarial 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 the 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 years. Further, according to the said 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 / un paid dividend during the last seven 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 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-III** 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://ncclimited.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 – IV** 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, 2019, 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, 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: 24th May, 2019

ANNEXURE – I

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2019

[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 : NCC House, Madhapur,
And contact details : Hyderabad – 500 081, Telangana;
Ph. No.040-23268888, Fax:040-23125555
Email: ho.secr@nccltd.in
www.ncclimited.com
- 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 Fintech 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 : einward.ris@karvy.com
www.karvyfintech.com

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%

II. 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	Talaipalli Coal Mining Private Limited	U10100TG2017PTC121116	Subsidiary Company	51.00	Section 2 (87)
12	Vaidehi Avenues Limited	U70109TG2011PLC073648	Subsidiary Company	100.00	Section 2 (87)
13	Aster Rail Private Limited	U72200TG2007PTC053398	Subsidiary Company	100.00	Section 2 (87)
14	Savitra Agri Industrial Park Private Limited	U15100TG2014PTC092525	Subsidiary Company	100.00	Section 2 (87)
15	Pachhwarra Coal Mining Private Limited	U10200TG2016PTC110024	Subsidiary Company	51.00	Section 2 (87)
16	NCC Oil & Gas Limited *	U40107HR2010PLC041349	Subsidiary Company	80.00	Section 2 (87)
17	Vara Infrastructure Private Limited *	U45203TG2007PTC053076	Subsidiary Company	100.00	Section 2 (87)
18	Sradha Real Estates Private Limited *	U70102TG2007PTC053160	Subsidiary Company	100.00	Section 2 (87)
19	Siripada Homes Private Limited *	U45200TG2007PTC053442	Subsidiary Company	100.00	Section 2 (87)
20	NCC Urban Meadows Private Limited *	U45400TG2012PTC083003	Subsidiary Company	100.00	Section 2 (87)
21	NCC Urban Villas Private Limited *	U45400TG2012PTC083005	Subsidiary Company	100.00	Section 2 (87)
22	Dhatri Developers & Projects Private Limited	U45200TG2006PTC049114	Subsidiary Company	100.00	Section 2 (87)
23	Sushanti Avenues Private Limited	U72200TG2006PTC049115	Subsidiary Company	100.00	Section 2 (87)
24	Sushruta Real Estates Private Limited	U45200TG2006PTC049116	Subsidiary Company	100.00	Section 2 (87)
25	JIC Homes Private Limited	U45200TG2007PTC052709	Subsidiary Company	100.00	Section 2 (87)
26	Sushanti Housing Private Limited	U45200 TG 2007PTC052710	Subsidiary Company	100.00	Section 2 (87)
27	CSVs Property Developers Private Limited	U45200TG2007PTC052743	Subsidiary Company	100.00	Section 2 (87)
28	Vera Avenues Private Limited	U45200TG2007PTC052745	Subsidiary Company	100.00	Section 2 (87)
29	M A Property Developers Private Limited	U45200TG2007PTC052809	Subsidiary Company	100.00	Section 2 (87)
30	Sri Raga Nivas Ventures Private Limited	U70102TG2007PTC053048	Subsidiary Company	100.00	Section 2 (87)
31	Mallelavanam Property Developers Private Limited	U45200TG2007PTC053137	Subsidiary Company	100.00	Section 2 (87)
32	NJC Avenues Private Limited	U45200TG2007PTC053484	Subsidiary Company	100.00	Section 2 (87)
33	Nagarjuna Suites Private Limited	U55101TG2011PTC076528	Subsidiary Company	100.00	Section 2 (87)
34	NCC Urban Homes Private Limited	U45201TG2012PTC083002	Subsidiary Company	100.00	Section 2 (87)
35	NCC Urban Ventures Private Limited	U45400TG2012PTC083004	Subsidiary Company	100.00	Section 2 (87)
36	NCC Infra Limited #	U45400TG2011PLC077680	Subsidiary Company	100.00	Section 2 (87)
37	Samashti Gas Energy Limited #	U40300TG2010PLC070627	Subsidiary Company	100.00	Section 2 (87)
38	Al Mubarakia Contracting Co.LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)

S. No.	Name of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
39	NCCA International Kuwait General Contracts Company LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
40	NCC WLL	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
41	Tellapur Technocity (Mauritius) LLC	Not Applicable	Subsidiary Company	93.63	Section 2 (87)
42	Himalayan Green Energy Private Limited	U40101DL2005PTC137235	Associate Company	50.00	Section 2 (6)
43	Nagarjuna Facilities Management Services LLC	Not Applicable	Associate Company	49.00	Section 2 (6)
44	Tellapur Technocity Private Limited	U45400TG2007PTC053720	Associate Company	25.92	Section 2 (6)
45	Paschal Form Work (I) Private Limited	U74900AP2008FTC058963	Associate Company	23.74	Section 2 (6)
46	Apollonius Coal and Energy Pte. Ltd. #	Not Applicable	Associate Company	44.22	Section 2 (6)
47	Ekana Sportz City Private Limited#	U45202UP2014PTC063932	Associate Company	26.00	Section 2 (6)
48	Brindavan Infrastructure Company Limited #	U45203TG2003PLC042006	Associate Company	33.33	Section 2 (6)
49	Pondicherry Tindivanam Tollway Pvt. Limited #	U45400TG2007PTC053321	Associate Company	47.80	Section 2 (6)
50	Varaprada Real Estates Private Limited#	U70102TG2007PTC053171	Associate Company	40.00	Section 2 (6)

*Applied for striking off under Section 248 (2) of the Companies Act, 2013.

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

@ under Liquidation

During the year, the step subsidiary company, Liquidity Limited was merged with its holding company NCC Infrastructure Holdings Mauritius Pte. Limited.

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
A. Promoters									
(1) Indian									
(a) Individuals / HUF	52236597	-	52236597	8.70	52129197	-	52129197	8.68	-0.02
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	56523183	-	56523183	9.41	56650683	-	56650683	9.43	0.02
(e) Banks/Fl	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub - Total (A) (1):-	108759780	-	108759780	18.11	108779880	-	108779880	18.11	0.00
(2) Foreign	-	-	-	-	-	-	-	-	-
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/Fl	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub - Total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	108759780	-	108759780	18.11	108779880	-	108779880	18.11	0.00
B. Public Shareholding									
1 Institutions									
(a) Mutual Funds	195150918	1000	195151918	32.49	169890197	1000	169891197	28.28	-4.21
(b) Banks/Fl	1598339	1000	1599339	0.27	1803734	1000	1804734	0.30	0.03
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	106014968	-	106014968	17.65	119224911	-	119224911	19.85	2.20
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Foreign bodies – DR	381	-	381	0.00	-	-	-	-	-
Sub - Total (B) (1):-	302764606	2000	302766606	50.41	290918842	2000	290920842	48.43	-1.98

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 of India	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
3	Non-Institutions									
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
i)	Indian	59812194	21512	59833706	9.96	39109519	20512	39130031	6.51	-3.45
ii)	Overseas (OCB)	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to ₹. 2 lakh.	44891849	1243463	46135312	7.68	59858997	1130285	60989282	10.15	2.47
ii)	Individual Shareholders holding nominal share capital in excess of ₹. 2 lakh.	73129462	-	73129462	12.18	83044440	-	83044440	13.83	1.65
iii)	NBFCs Registered with RBI	15632	-	15632	0.00	72470	-	72470	0.01	0.01
c)	Others (Specify)									
i.	Trusts	266768	-	266768	0.04	80184	-	80184	0.01	-0.03
ii.	Alternative Investment Fund	3486129	-	3486129	0.58	9650008	-	9650008	1.61	1.03
iii.	Non Resident Individuals	1814949	-	1814949	0.30	2441419	-	2441419	0.41	0.11
iv.	Clearing Members	1547742	-	1547742	0.26	1890709	-	1890709	0.31	0.05
v.	Nonresident Indian Non Reparable	2530467	-	2530467	0.42	2857255	-	2857255	0.48	0.06
vi..	Qualified Institutional Buyer	-	-	-	-	173	-	173	0.00	0.00
vii.	IEPF	341335	-	341335	0.06	396242	-	396242	0.07	0.01
	Sub - Total (B) (3):-	187836527	1264975	189101502	31.48	199401416	1150797	200552213	33.39	1.91
	Total B=(1)+B(2)+B(3)	490601133	1266975	491868108	81.89	490320258	1152797	491473055	81.82	-0.07
	Total (A+B)	599360913	1266975	600627888	100.00	599100138	1152797	600252935	99.93	-0.07
C.	Shares held by Custodian for GDR & ADRs	18700	-	18700	0.00	393653	-	393653	0.07	0.07
	Grand Total (A+B+C)	599379613	1266975	600646588	100.00	599493791	1152797	600646588	100.00	0.00

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	1.47	1.00	8858806	1.47	1.47	0.00
2	M/s. A V S R Holdings Private Limited	40453278	6.74	1.96	40453278	6.74	0.00	0.00
3	Mr. Alluri Ananta Venkata Ranga Raju	13563196	2.26	1.45	13563196	2.26	2.20	0.00
4	Mrs. Alluri Arundhathi	847222	0.14	0.00	847222	0.14	0.00	0.00
5	Mrs. Alluri Bharathi	124059	0.02	0.00	124059	0.02	0.00	0.00
6	Mr. Alluri Gopala Krishnam Raju	6359080	1.06	0.71	6359080	1.06	0.91	0.00
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	6252215	1.04	0.23	6252215	1.04	0.23	0.00
11	Mr. Alluri Srinivasa Rama Raju	3346668	0.56	0.52	3219168	0.54	0.53	-0.02
12	Mrs. Alluri Subhadra Jyothirmayi	308091	0.05	0.00	308091	0.05	0.00	0.00
13	Mrs. Alluri Suguna	68202	0.01	0.00	68202	0.01	0.00	0.00
14	Mrs. Manthena Swetha	1225530	0.20	0.00	1225530	0.20	0.00	0.00
15	Mr. Alluri Venkata Narasimha Raju	7985791	1.33	0.00	7985791	1.33	0.00	0.00
16	Mr. Alluri Venkata Satyanarayanamma	7288	0.00	0.00	7288	0.00	0.00	0.00
17	M/s. Avathesh Property Developers Private Limited	3467000	0.58	0.00	3467000	0.58	0.57	0.00
18	Mrs. Bhupathi Raju Kausalya	11090	0.00	0.00	11090	0.00	0.00	0.00
19	Mrs. J Sowjanya	409166	0.07	0.00	409166	0.07	0.00	0.00
20	Mrs. J Sridevi	137859	0.02	0.00	137859	0.02	0.00	0.00
21	Mr. Jampana Venkata Ranga Raju	2265916	0.38	0.00	2265916	0.38	0.00	0.00
22	Mr. Jampana Krishna Chaitanya Varma	106121	0.02	0.00	106121	0.02	0.00	0.00
23	M/s. Narasimha Developers Private Limited	1516179	0.25	0.00	1516179	0.25	0.00	0.00
24	Mr. Sri Harsha Varma Alluri	41780	0.01	0.00	41780	0.01	0.00	0.00
25	M/s. Sirisha Projects Private Limited	11086726	1.85	0.00	11214226	1.87	1.83	0.02
26	Mrs. Alluri Sravani	31450	0.00	0.00	36450	0.00	0.00	0.00
27	Mr. Alluri Vishnu Varma	0	0.00	0.00	15100	0.00	0.00	0.00
28	Mr. Alluri Venkata Satyanarayana Raju	0	0	0	0	0	0	0.00
29	M/s. Arnesh Ventures Private Limited	0	0	0	0	0	0	0.00
30	M/s. Bhuvanesh Realtors Private Limited	0	0	0	0	0	0	0.00
	Total	108759780	18.11	5.87	108779880	18.11	7.74	0.00

(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	1.47	-	-	8858806	1.47
2	M/s. A V S R Holdings Private Limited	40453278	6.73	-	-	40453278	6.73
3	Mr. Alluri Ananta Venkata Ranga Raju	13563196	2.26	-	-	13563196	2.26
4	Mrs. Alluri Arundhathi	847222	0.14	-	-	847222	0.14
5	Mrs. Alluri Bharathi	124059	0.02	-	-	124059	0.02
6	Mr. Alluri Gopala Krishnam Raju	6359080	1.06	-	-	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	6252215	1.04	-	-	6252215	1.04
11	Mr. Alluri Srinivasa Rama Raju	3346668	0.56	-	127500	3219168	0.54
12	Mrs. Alluri Subhadra Jyothirmayi	308091	0.05	-	-	308091	0.05
13	Mrs. Alluri Suguna	68202	0.01	-	-	68202	0.01
14	Mrs. Manthena Swetha	1225530	0.20	-	-	1225530	0.20
15	Mr. Alluri Venkata Narasimha Raju	7985791	1.33	-	-	7985791	1.33
16	Mr. Alluri Venkata Satyanarayanamma	7288	0.00	-	-	7288	0.00
17	M/s. Avathesh Property Developers Private Limited	3467000	0.58	-	-	3467000	0.58
18	Mrs. Bhupathi Raju Kausalya	11090	0.00	-	-	11090	0.00
19	Mrs. J Sowjanya	409166	0.07	-	-	409166	0.07
20	Mrs. J Sridevi	137859	0.02	-	-	137859	0.02
21	Mr. Jampana Venkata Ranga Raju	2265916	0.38	-	-	2265916	0.38
22	Mr. Jampana Krishna Chaitanya Varma	106121	0.02	-	-	106121	0.02
23	M/s. Narasimha Developers Private Limited	1516179	0.25	-	-	1516179	0.25
24	Mr. Sri Harsha Varma Alluri	41780	0.01	-	-	41780	0.01
25	M/s. Sirisha Projects Private Limited	11086726	1.85	127500	-	11214226	1.87
26	Mrs. Alluri Sravani	31450	0.01	5000	-	36450	0.01
27	Mr. Alluri Vishnu Varma	0	0.00	15100	-	15100	0.00
28	Mr. Alluri Venkata Satyanarayana Raju	0	0	-	-	0	0
29	M/s. Arnesh Ventures Private Limited	0	0	-	-	0	0
30	M/s. Bhuvanesh Realtors Private Limited	0	0	-	-	0	0
	Total	108759780	18.11	147600	127500	108779880	18.11

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs)

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	Reliance Capital Trustee Company Limited	46908357	7.81	-	5418110	41490247	6.91
2	Mrs. Jhunjhunwala Rekha Rakesh	45108266	7.51	-	-	45108266	7.51
3	Sundaram Mutual Fund	26012843	4.33	-	739170	25273673	4.21
4	Aditya Birla Sun Life Trustee Private Limited	23888500	3.98	10572604	-	34461104	5.74
5	Government Pension Fund Global	20976662	3.49	-	11930336	9046326	1.51
6	U T I Fund	20466720	3.41	-	3839393	16627327	2.77
7	DSP Blackrock Equity Fund	17676400	2.94	-	13969353	3707047	0.62
8	Tata Mutual Fund	14535500	2.42	-	6960500	7575000	1.26
9	Azim Premji Trust	14313133	2.38	-	14313133	0	0.00
10	IDFC Equity Fund	11744082	1.96	3633736	-	15377818	2.56

(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
Directors							
1	Mr. R V Shastri	216	0.00	-	-	216	0.00
2	Dr. A S Durga Prasad	-	-	-	-	-	-
3	Mr. Hemant M Nerurkar	-	-	-	-	-	-
4	Mr. Utpal Sheth	-	-	-	-	-	-
5	Smt. Renu Challu	-	-	-	-	-	-
6	Mr. S Ravi	-	-	-	-	-	-
7	Mr. A S N Raju	6252215	1.04	-	-	6252215	1.04
8	Mr. J V Ranga Raju	2265916	0.38	-	-	2265916	0.38
9	Mr. A V N Raju	7985791	1.33	-	-	7985791	1.33
10	Mr. A G K Raju	6359080	1.06	-	-	6359080	1.06
11	Mr. A A V Ranga Raju	13563196	2.26	-	-	13563196	2.26
KMPs							
1	Mr. R S Raju	-	-	6000	-	6000	0.00
2	Mr. M V Srinivasa Murthy	-	-	-	-	-	-

V. Indebtedness

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	1300.05	0	0	1300.05
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	3.01	0	0	3.01
Total (i + ii + iii)	1303.06	0	0	1303.06
Change in indebtedness during the financial year				
Addition	773.08	94.40	0	867.48
Reduction	154.83	17.36	-	172.19
Net Change	618.25	77.04	-	695.29
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	1916.89	76.39	0	1993.28
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4.42	0.65	0	5.07
Total (I + ii + iii)	1921.31	77.04	0	1998.35

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						
	(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	28,60,128	20,25,449	17,92,993	15,14,985	16,80,000	98,73,555
	(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	8,63,20,000	4,31,60,000	4,31,60,000	4,31,60,000	-	21,58,00,000
	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
	Total (*)	10,80,92,128	5,46,41,449	5,44,08,993	5,38,90,985	1,82,28,000	28,92,61,555
6	Ceiling as per the Act @ 10% of profits calculated u/s 198 of the Companies Act, 2013						864,06,47,459.29

(*) No Stock Options were issued to any of the Directors during the F.Y ended 31st March, 2019

A1. 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			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Fixed pay, pension, LTA, Bonus and medical)	81,69,282	59,28,819	1,40,98,101
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,44,922	4,48,398	10,93,320
	(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			
	a) (Company's contribution towards PF, Medical Reimbursement)	5,15,940	3,58,716	8,74,656
	b) ELs Encashment	2,07,989	-	2,07,989
	c) Employee Incentives	15,99,939	5,46,928	21,46,867
	Total	1,11,38,072	72,82,861	1,84,20,933

(*) No Stock Options were issued to the CFO & CS during the F.Y ended 31st March, 2019

B. 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
1	Independent Directors							
	Fees for attending Board / Committee Meetings	5,50,000	6,00,000	4,75,000	75,000	6,25,000	-	23,25,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	5,50,000	6,00,000	4,75,000	75,000	6,25,000	-	23,25,000
2	Other Non – Executive Directors							
	Fees for attending board / committee meetings	-	-	-	-	-	2,25,000	-
	Commission	-	-	-	-	-	-	-
	Others, please specify (Fixed pay, pension, LTA, Bonus and medical)	-	-	-	-	-	-	-
	Others, specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	2,25,000	2,25,000
	Total (1+2)							
	Total Managerial Remuneration							25,50,000
	Overall Ceiling as per the Act							'Refer Note1'

Note : 1. The Non-Executive Directors have been paid only the Sitting Fee during the F.Y. ended 31st March, 2019

2. Mr Neeraj Mohan, Director resigned from the Board w.e.f May, 07 2018 and was not paid any sitting fee during the year.

VII. Penalties / Punishment / Compounding of Offences

There were no Penalties, Punishments or Compounding of Offences during the F.Y. ended 31st March, 2019.

For and on behalf of the Board

Place: Hyderabad

Date: 24th May, 2019

Hemant M Nerurkar
Chairman
(DIN No. 00265887)

ANNEXURE- II

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, 2019

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, 2019.

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, 2019 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, 2019, 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, 2009/2018;
 - (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 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 Acts, 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 and 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 of the Board on any business transacted at the Board and/or Committee 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, filing of periodical returns, maintenance of financial records and books of accounts have not been reviewed by us since the same have been subject to review by the Statutory Auditors, Internal Auditors and other professionals.

We further report that during the audit period:

- a. Mr. Neeraj Mohan resigned as a Director of the Company w.e.f. 07/05/2018.
- b. Pursuant to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018 and the provisions of the Companies Act, 2013 and the Rules made thereunder the Company has issued and allotted 92,00,000 Convertible Warrants at a price of ₹ 119.37 (including premium of ₹ 117.37 per Warrant) on preferential basis and which are convertible into 92,00,000 Equity Shares of ₹ 2/- each to M/s. AVSR Holdings Private Limited one of the Promoters of the Company .
- c. The Company has enhanced its borrowing limits under Section 180(1)(c) of the Act to ₹ 20,000 Crores (Rupees Twenty Thousand Crores only).
- d. The Board has re-appointed Mr. ASN Raju, as Whole Time Director of the Company w.e.f. May 01, 2019 for a further period of 5 years subject to shareholders approval at the ensuing Annual General Meeting.

For BS & Company Company Secretaries LLP

Date: 23.05.2019
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 as 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

Date: 23.05.2019
Place: Hyderabad

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

ANNEXURE - III

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
 - Rural development projects
 - Ensuring environmental sustainability, ecological balance
 - Measures for the benefit of armed forces veterans, War widows and their dependents
 - Health Care
 - Safety traffic engineering
 - Animal Welfare
 - Promoting gender equality and empowering women
 - Eradicating extreme hunger

Web link: 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

Average Net profit for last three Financial Years for the purpose of computation of CSR spending: ₹ 306.98 Crores

3. Prescribed CSR expenditure (2% of Average Net Profit) : ₹ 6.14 Crores
4. Total amount spent –during the financial year: ₹ 6.14 Crores
5. Amount unspent, if any: -Nil

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 indentified	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 Crores)	Amount spent on the projects Sub heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ In Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency
1	Construction Of Rural Housing and Public Amenities	Health care and Sanitation	Andhra Pradesh	-	4.65	9.62	Direct
2	Donation made to Army Welfare CSR Fund	Measures for the welfare of armed forces veterans, War widows and their dependents	NA	One time contribution	0.50	0.50	Direct
3	Donation made to Bharat ke Veer Corpus Fund	Measures for the welfare of armed forces veterans, War widows and their dependents	NA	One time contribution	0.50	0.50	Direct
4	Donation made towards supply of furniture to Muncipal School(s) in the State of Andhra Pradesh.	Education	Andhra Pradesh	One time contribution	0.25	0.25	Direct
5	Donation to Antervedipalem Firka development Trust (AFDT)	Health / Education	Antervedipalem, E.G. Dist. Andhra Pradesh	One time contribution	0.20	0.20	Direct
6	Donation made to Dr. K V R Research Foundation	Health Care	Andhra Pradesh	One time contribution	0.02	0.02	Direct
7	Donation made to Khamadhenu Trust	Animal Welfare	Karnataka	One time contribution	0.02	0.02	Direct
	Total				₹ 6.14 Crores		

The Company has spent two percent of average net profits of the last three financial years for CSR Activities undertaken during the year.

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- IV

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 2018-19:

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	-do-
3.	Smt Renu Challu	-do-
4.	Dr A S Durga Prasad	-do-
5.	Sri.S.Ravi	-do-
6.	Sri Neeraj Mohan (*)	-do-
7.	Sri Utpal Sheth	- do -
8.	Sri A A V Ranga Raju	263:1
9.	Sri A G K Raju	133:1
10.	Sri J V Ranga Raju	44:1
11.	Sri A S N Raju	132:1
12.	Sri A V N Raju	131:1

* Resigned from the Board 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	15.30%
3	Sri M V Srinivasa Murthy, Company Secretary,& EVP(Legal)	14.50%

(*) There has been no increase in the salaries of the Working Directors during the F.Y 2018-19. However there has been an increase in the overall remuneration of the Working Directors on account of increase in payout of commission linked to increase in the profit earned by the company during the Financial Year 2018-19.

(iii) The percentage increase in the median remuneration of employees in the financial year 11.20%

(iv) The number of permanent employees on the rolls of Company as on 31st March, 2019 : 6250 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 11.60% 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 and Senior Management is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Hemant M Nerurkar
Chairman
(DIN No. 00265887)

Date: 24th May, 2019

MANAGEMENT DISCUSSION & ANALYSIS

“We need to stop thinking about infrastructure as an economic stimulant and start thinking about it as a strategy. Economic stimulants produce Bridges to Nowhere. Strategic investment in infrastructure produces a foundation for long-term growth”.
- Roger McNamee

(Founding partner of the venture capital firm Elevation Partners & co-founded private equity firm Silver Lake Partners)

Global Economy

The global economy will continue to grow at a steady pace of around 3 percent in calendar years 2019 and 2020, after an expansion of 3.1 per cent in 2018 amid signs that global growth has peaked. However, a worrisome combination of development challenges could further undermine growth, according to the United Nations World Economic Situation and Prospects (WESP) 2019.

Further clouding the prospects are a confluence of risks with the potential to severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include waning support for multilateral approaches; the escalation of trade policy disputes; financial instabilities linked to elevated levels of debt; and rising climate risks, as the world experiences an increasing number of extreme weather events.

As global financial conditions tighten, an unexpectedly rapid rise in interest rates or a significant strengthening of the US dollar could exacerbate emerging market fragilities, leading to heightened risk of debt distress. This risk can be further aggravated by global trade tensions, monetary policy adjustment in developed economies, commodity price shocks, or domestic political or economic disruptions. Many low-income countries have already experienced a substantial rise in interest burdens. Countries with a substantial amount of dollar-denominated debt, high current account or fiscal deficits, large external financing needs and limited policy buffers are particularly vulnerable to financial stress.

Heightened trade tensions between the United States and China have raised the risk of a recession next year if the dispute between the world's two largest economies is prolonged and escalates further. There will be a setback to growth stories of many developing countries and economic growth may slow down.

Indian Economy 2019

India is moving towards realizing a New India by 2022, when we celebrate 75 years of India's independence. Promoting inclusive employment-intensive industry and building resilient infrastructure are vital factors for economic growth and development.

India to Remain Fastest-growing Economy in 2019 & 2020, Says UN Report; Pegs GDP Growth at 7.1 percent in 2019-20

The country is expected to witness strong economic growth in FY 20, after it has emerged as the fastest growing major world economy last year despite growing global vulnerabilities “Better demand conditions, settled GST implementation, capacity

expansion from growing investments in infrastructure, continuing positive effects of reform policies and improved credit off take especially in the services sector at 24 per cent will sustain the robust GDP growth in the range of 7.5 per cent in calendar year 2019.” The Indian industry body observed that despite 2018 being filled with external vulnerabilities arising out of rising oil prices, trade wars between major global trading partners and US monetary tightening, India outshined as the world's fastest growing major economy.

It added that although capital spending has shown signs of revival, a more widespread and sustained recovery in private investment remains a crucial challenge in India.

Indian Infrastructure sector:

Infrastructure sector is a key driver for the **Indian** economy. Infrastructure sector is a major sector contributing to India's overall development. This sector enjoys immense focus from Government to create a world class infrastructure in India. India's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business.

Need for infrastructure development

- (1) Housing shortage in rural and urban India;
- (2) Inadequacy of existing urban infrastructure to meet the current demand of urban population.

India has a requirement of investment worth ₹ 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below.

In 2018, infrastructure sector in India witnessed private equity and venture capital investments worth US\$ 1.97 billion.

Government Initiatives

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. The Government of India is taking every possible initiative to boost the infrastructure sector. We are poised to become a Five Trillion Dollar Economy in the next five years and aspire to become a Ten Trillion Dollar Economy in the next 8 years thereafter.

The First Dimension of this Vision will be to build physical as well as

social infrastructure for a ten Trillion Dollar economy and to provide ease of living. It will comprise next generation infrastructure of roads, railways, seaports, airports, urban transport, gas and electric transmission and inland waterways. On the social infrastructure side, every family will have a roof on its head and will live in a healthy, clean and wholesome environment.

Announcements in Union Budget 2019-20:

The Government of India has given a massive push to the infrastructure sector by allocating ₹ 4.56 lakh Cr (US\$ 63.20 billion) for the sector.

Communication sector allocated ₹ 38,637.46 Cr (US\$ 5.36 billion) to development of post and telecommunications departments.

The Indian Railways received allocation under Union Budget 2019-20 at ₹ 66.77 billion (US\$ 9.25 billion). Out of this allocation, ₹ 64.587 billion (US\$ 8.95 billion) is capital expenditure.

₹ 83,015.97 Cr (US\$11.51 billion) allocated towards road transport and highway.

₹ 3,899.9 Cr (US\$ 540.53 billion) to increase capacity of Green Energy Corridor Project along with wind and solar power projects.

Allocation of ₹ 8,350.00 Cr (US\$ 1.16 billion) to boost telecom infrastructure.

Water supply to be provided to all households in 500 cities.

Allocation of ₹ 888.00 Cr (US\$ 110.88 million) for the upgradation of state government medical colleges (PG seats) at the district hospitals and ₹ 1,361.00 Cr (US\$ 188.63 million) for government medical colleges (UG seats) and government health institutions.

Government plans to invest ₹ 100 lakh crore in Infrastructure in next five years.

Achievements in the past four years:

The total national highways length increased to 122,434 kms in FY18 from 92,851 kms in FY14.

Energy deficit reduced to 0.7 per cent in FY18 from 4.2 per cent in FY14.

Number of airports has increased to 102 in 2018.

India's national highway network is expected to cover 50,000 kilometers by 2019. National highway construction in India has increased by 20 per cent year-on-year in 2017-18.

India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

First 100 smart cities in India will require an annual investment of ₹ 35,000 Cr over the next 20 years, both private investments and public private partnerships (PPP) are essential.

Opportunities and Strengths

Opportunities	Strengths
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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.

FINANCIAL PERFORMANCE (NCCL Standalone)

Equity & Liabilities:

- Equity Share capital:** During the current year no change in share capital.
- Other Equity:** The Other Equity of the Company has gone up from ₹ 4121.52 crores to ₹ 4636.65 crores in 2018-19 and increase primarily on account of profit earned to the extent of ₹ 487.68 crores in 2018-19 and receipt of ₹ 27.45 crores towards part payment against issue of share warrants.
- Net worth:** The Company's net worth increased from ₹ 4241.65 crores to ₹ 4756.78 crores. The increase of ₹ 487.68 crores is primarily on account of internal generation of profits and ₹ 27.45 crores on account of part amount received against issue of share warrants.
- Borrowings (Long-Term & Short-Term):** During the year under review the borrowings increased by ₹ 693.23 crores from ₹ 1300.05 crores to ₹1993.28 crores.

Assets:

- a. **Property, Plant & Equipment (PPE):** The Company's PPE (gross block plus Capital WIP) increased by ₹ 402.07 crores in 2018-19 from ₹ 1573.26 crores to ₹ 1975.33 crores.
- b. **Investments:** The investments decreased by ₹ 104.47 crores, from ₹ 1023.74 crores to ₹ 919.27 crores during the year 2018-19
- c. **Inventories:** Inventories comprises Raw Materials in stock and Work- in-progress. In the current year the Work- in-progress has been shown separately under other current assets as per Ind AS 115. As such the figures are not comparable. The Inventories of ₹ 512.94 crores of current year represents only Raw Material whereas the inventories of ₹ 1695.56 crores of previous year represents Raw Materials of ₹ 401.07 crores and Work-in-progress of ₹ 1294.49 crores.
- d. **Trade Receivables (Current & Non-Current):** The Company's trade receivables increased by ₹ 710.10 crores in 2018-19 from ₹ 2444.16 crores to ₹ 3154.16 crores. The trade receivables of previous year ₹ 4688.94 crores comprises trade receivables ₹ 2444.16 crores, retention money ₹ 1833.45 crores and other receivables ₹ 411.33 crores. In the current year there is a change in classification on account of Ind AS 115 as a result the retention money and other receivables were separated from trade receivable and shown under other current assets.
- e. **Loans & Other Financial Assets (Current & Non-Current):** Loans and Other financial assets decreased from ₹ 834.53 crores to ₹ 830.64 crores during the year under review.
- f. **Other Current & Non-Current Assets:** Other Current & Non-Current Assets increased by ₹ 4439.57 crores from ₹ 1381.82 crores to ₹ 5821.39 crores during the year under review. The increase mainly on account of reclassification of retention money ₹ 2238.92 crores, other receivables ₹ 574.35 crores and Unbilled revenue of ₹ 1390.90 crores into Other Current Assets in current year and balance ₹ 235.40 crores on account of increase in advance to vendors and indirect taxes receivables.
- d. **Overheads:** Overheads, comprising salaries and administrative expenses, is ₹ 726.27 crores for the year under review as against ₹ 573.40 crores in the previous year.
- e. **Finance cost:** The Finance cost during the year increased to ₹ 451.26 crores from ₹ 378.94 crores, which was on account of increase in loans and increase in mobilization advance from clients. However the average cost of borrowings has come down from 10.76% of 2017-18 to 9.91% of 2018-19.
- f. **Depreciation:** The Company's depreciation for the year has increased from ₹ 117.47 crores to ₹ 149.37 crores.
- g. **Tax Expense:** The tax expense of the company for the year 2018-19 is ₹ 317.78 crores as against ₹ 80.94 crores of previous year.
- h. **EBIDTA:** The Company has reported an EBIDTA of ₹ 1423.00 crores as against ₹ 854.88 crores in the previous year. The increase primarily on account of steep increase in Turnover and partly on account of increase in EBITDA from 11.31% of 2017-18 to 11.78% of 2018-19.
- i. **Net profit:** The Company has reported a Net Profit of ₹ 563.91 crores as against ₹ 286.80 crores in the previous year showing a growth of 97%.
- j. **Total Comprehensive Income:** The Company has reported a Total Comprehensive Income of ₹ 559.60 crores as against ₹ 284.83 crores in the previous year.
- k. **Dividend:** The Board of Directors have recommended a dividend of ₹ 1.50 per share (75%) and the dividend works out to ₹ 90.10 crores as against ₹ 60.07 crores in the previous year.
- l. **Return on Equity:** There is significant increase in Return on Equity in the year under review. The Company has reported return on equity at 12.53% for the year under review as against 7.46% reported in the year 2017-18. The increase mainly driven by increase in volume of operations and the expansions in the profit margins.

Operational Performance

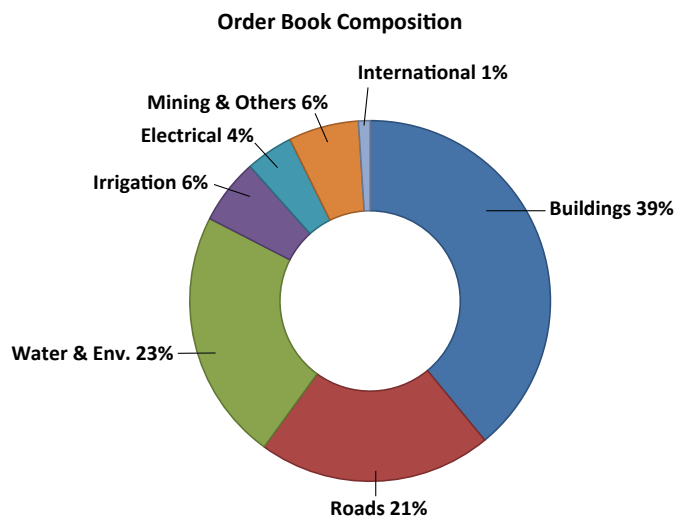
- a. **Revenue from Operations:** The Company has reported a Revenue from Operations of ₹ 12079.76 crores during the year 2018-19 as against ₹ 7559.33 crores in the previous year, resulting a growth of 60%
- b. **Other Income:** The other income of the company for the year ₹ 118.25 crores as against ₹ 115.83 crores 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 82.21% of the turnover as against 81.11 % last year.

Cash Flow

During the year the Company reported Net cash in flows from operating activities of ₹ 345.33 crores as against ₹ 446.90 crores, Net cash used in investing activities ₹ 425.17 crores as against ₹ 359.20 crores and Net cash inflow from financing activities ₹ 216.77 crores as against net cash used in financing activities ₹ 137.24 crores. In the year under review, the Company has spent significant amount of ₹ 524.93 crores on procurement of machinery (CAPEX) to support the execution of large orders received in the year. As a result, the borrowings are increased in the current year by ₹ 693.23 crores partly for the CAPEX and partly for the working capital.

Order Inflow and Order Book

During the year the Company received order inflow of ₹ 22377 crores as against ₹ 25304 crores received in previous year 2017-18. The group order book is increased from ₹ 32532 crores to ₹ 41197 crores registering a growth of 26.64% in the order book. The order book growth mainly driven by Roads Division, Water Division, Buildings Division & Mining Division. The big order received from MSRTC for construction of 6 lane expressway from Nagpur-Mumbai and another big order received by Mining Division from Singareni Collieries Co Ltd., major orders relating to flyovers in Maharashtra and the orders received from AIIMS for construction of hospital complexes at various states are the main contributors for growth in order book.



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 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 use at Head Office, Divisions, Regional Offices and Project Sites, further strengthening the Internal Control mechanism.

RISKS AND CONCERNS

The Company has an integrated and structured Enterprise Risk Management process to manage risks with ultimate objective of maximizing stakeholders' value. The risk management process at NCC broadly consists of identification, assessment, mitigation, prioritization and monitoring of risks.

This process allows the Company to enhance confidence in achieving its desired goals and objectives, effectively restrain risks to acceptable levels and to take informed decisions about exploiting opportunities.

There is a multi-tier Risk Management Structure in place in NCC:

- **Enterprise Risk Management Committee of the Board:** At the top of the Risk Management structure is the Enterprise Risk Management Committee, a sub-committee of the Board to oversee the entire Risk management process.
- **Central Risk Management Committee:** This Committee is periodically appraised of the key risks affecting the Company and the mitigation measures initiated / in place.
- **Chief Risk Officer at the Corporate level:** To oversee and coordinate with the Process Owners, Risk Committees and Audit Committee.
- **Division Risk Management Committees:** Division Risk Committees consist of Division Risk Counsel Officer, Risk Champions and Mitigation Plan Owners. The detailed risks affecting the particular Division / business segment is discussed in detail in the periodical Division Review Meetings. Mitigation strategies are formulated and are implemented as deemed within the overall Enterprise Risk Management framework of the Company and as per the Risk Management Policy.
- **Project In-charges** at the Project level

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 political, competition, operational and financial risks. Risk management process is carried out during all stages of the projects right from pre-bid stage to project execution and till the project completion.

The key learnings from the Projects are analyzed and the take-aways are implemented in future projects. Continuous knowledge sharing workshops are conducted across the Company to reinforce the principles of risk management, its requirement and benefits.

During the year, the Enterprise Risk Management Committee of the Board has reviewed the business process and the associated risks. Some of these key risks that the Company faces along with their mitigation strategies adopted are listed below:

Political Risks: The Company has operations in multiple locations in multiple states and is consequently subject to various geo-political risks. Appropriate mitigation strategies are in place to address the same. To mitigate the political risks, the Company is taking up projects across various states in India and not concentrating in few States.

Competition Risks: There has been an increase in the number of operators in the niche segment that the Company functions in. However, the Company's competitive advantage is derived from experienced workforce, strong track record, technical expertise, brand equity and regular engagement with Clients and representatives.

Operational Risks: To suit the project requirements, due care is exercised in the selection of sub-contractors, vendors, key technical and non-technical employees, insurance coverages, financial tie-ups, timely obtaining of Right of Way, designs and drawings etc. Identification of associated risks and initiation of mitigation measures are helping the Company to address the operational risks.

Risks associated with Joint Ventures: The Company associates with other leading Construction companies (Joint Venture / Special Purpose Vehicles) across business segments based on the project requirements. These partners are selected after carrying out thorough and in-depth due diligence process.

Market Risks: Securing orders is always a big challenge for Construction Companies and the same depends upon availability of orders in various States and various Departments. In order to mitigate the market risks and to ensure continuous order booking, the Company is operating multi-divisions such as Buildings & Housing, Roads, Water, Railways, Electrical, Irrigation, Mining, Metal, etc. The Company strategically participates in bids using its multi-divisional experiences.

Working Capital Risks: Project delays, cost overruns and consequent delays in payment receipt from the Clients lead to an increase in working capital requirement. There is a process of close monitoring & follow-up with the Clients for the timely approvals and payments for better working capital management.

Contract & Claims: In the competitive environment, to address the foreseeable litigations & claims, the Company maintains a robust documentation and follow up mechanism with Clients, sub-contractors and vendors to address the related claims, disputes etc. To mitigate the possible risks due to the differences & disputes with the Clients, sub-contractors and vendors, the Company has an exclusive Contracts & Claims Department.

Cyber security Risks: With increasing use of IT in business areas and as systems get interconnected, cyber security becomes an important challenge for the organization in order to protect its information and systems so as to maintain confidentiality, data integrity and to prevent loss of data. The Company has implemented a cyber security framework to identify, detect and prevent such risks. The Company has been focusing on systematic communication of possible cyber risks and the remedial measures to be followed through awareness programs for all the employees concerned.

Human Resource (HR)

NCC Ltd always believes in 'Human Resources are an important asset' of our organization. In this current rapidly changing Economic, Socio-Political business world of VUCA (Volatile, Uncertain, Complex and Ambiguous) environment, sustainability of the companies for decades is a rare instance. NCC Ltd draws its strength from a highly skilled and engaged workforce whose collective commitment has helped the organization to scale new heights by celebrating 40 years of successful execution of projects across India. HR function is fully specialised to respond to varied Human Resource needs of NCC's business verticals to enable each Division to maintain the human strategic advantage.

The total human capital base of the company as of 31st March 2019 stood at 6250.

Learning & Development

Identifying the training needs of employees and instilling necessary Technical, Functional and Behavioural skills among the staff members has evolved a core priority of the company over the years. During the financial year 2018-2019 total 58 Training Programs were organized covering 3108 employees at various sites, HO and external venues. A total of 45 employees were sponsored to attend the training programs conducted at external venues by professional institutions. Intense on-the job training was imparted to 114 Graduate Engineer Trainees (GETs) and 8 Diploma Engineer Trainees (DETs) at various sites, of their posting.

In total 11259 man days was achieved with an aggregate of 2.02 mandays per employee during the period on the various training aspects like Personal & Organizational Effectiveness (POE), Technical Competency Enhancement (TCE), Functional Competency Enhancement (FCE), Environment, Health & Safety Awareness (EHS) and other topics too.

Employee Engagement

NCC Ltd has always focused on the various employee engagement initiatives for the well being of the employees and their family members. During the year 2018-19 various initiatives were taken for the well being of the employees like, Personality Enrichment Program for the children of employees, celebrating International Day of Yoga, Ethnic Wear Competition among employees, 40th Foundation Day celebrations with Gala Event at various Sites, Regional Offices and Head Office, Celebrating International Women's Day and few others.

Awards through HR Dept

- NCC Ltd has received an Award for **"Top 100 Best Organizations with Innovative HR Practices"** through Mrs. Indira Parekh – Ex Dean of IIM-A hosted by ASIA PACIFIC HRM Congress on 4th Sept 2018 at Taj Vivanta, Bangalore
- NCC Ltd has received **"Telangana's Best Employer Brand"** awards at 13th Employer Branding Awards hosted by World HRD Congress & CHRO Asia on 16th Nov 2018 at Taj Banjara, Hyderabad

REPORT ON CORPORATE GOVERNANCE

In compliance with Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended 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, 2019, the Company's Board of Directors comprised a judicious mix of Eleven Directors consisting of five Executive Directors, One Non-Executive Director 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 as amended and the provisions of Companies Act, 2013 and the rules made thereunder relating to appointment of Directors.

Composition of Board of Directors as on March 31, 2019.

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 10, 2018	Number of other Director Ship(s) as on 31-03-2019 #	Number of committee positions held in other public companies ##	Directorships in other Listed Companies & Category of Directorship
					Membership(s) / Chairperson	
Sri Hemant M Nerurkar (Chairperson)	Non-Executive and Independent	6	Yes	8	4 (Including 3 as Chairperson)	1. Igarashi Motors India Ltd – Non-Executive & Independent Director & Chairperson 2. Adani Enterprises Ltd - Non-Executive & Independent Director 3. Crompton Greaves Consumer Electricals Ltd - Non-Executive & Independent Director & Chairperson
Sri R V Shastri	Non-Executive and Independent	6	Yes	Nil	Nil	Nil
Sri S Ravi	Non-Executive and Independent	1	No	1	Nil	Nil
Dr A S Durga Prasad	Non-Executive and Independent	6	Yes	4	2 (Including 2 as Chairperson)	Nil
Smt Renu Challu	Non-Executive and Independent	6	Yes	6	5 (Including 2 as Chairperson)	1. Schaeffler India Ltd - Non-Executive & Independent Director 2. Ceinsys Tech Ltd - Non-Executive & Independent Director

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 10, 2018	Number of other Director Ship(s) as on 31-03-2019 #	Number of committee positions held in other public companies ##	Directorships in other Listed Companies & Category of Directorship
					Membership(s) / Chairperson	
Sri Utpal Sheth	Non-Executive and non-Independent	3	No	18	1	1. Aptech Ltd - Non-Executive & Non - Independent Director 2. Cineline India Ltd - Non-Executive & Independent Director
Sri A A V Ranga Raju (Managing Director)	Promoter and Executive	6	Yes	2	Nil	Nil
Sri A G K Raju (Executive Director)	Promoter and Executive	5	Yes	3	2	Nil
Sri A S N Raju (Wholetime Director)	Promoter and Executive	5	Yes	3	1 (as Chairperson)	Nil
Sri J V Ranga Raju (Wholetime Director)	Promoter and Executive	3	Yes	Nil	Nil	Nil
Sri A V N Raju (Wholetime Director)	Promoter and Executive	6	Yes	1	1	Nil

Notes:

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).

The Directorships held by Directors as mentioned above, do not include directorships in foreign companies and Companies under Section 8 of the Companies Act, 2013

Represents Membership/ Chairmanship in Audit Committee 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 as amended and the Company ensured maximum gap between two Board Meetings has not exceeded One Hundred and Twenty Days.

The Board confirms that, based on the disclosures received from all the independent directors and also in its opinion, the independent directors fulfil the conditions specified in the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 as amended and are independent of the management.

Shares held by Non-Executive/Independent Directors as on March 31, 2019.

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

Board Meetings held during FY-2018-19:

During the FY-2018-19 Six Board Meeting were held as detailed below:

Date of Meeting	Board Strength	No. of Directors Present
April 27, 2018	12	10
May 24, 2018	11	08
August 10, 2018	11	09
November 13, 2018	11	10
February 12, 2019	11	09
March 06, 2019	11	07

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, except as stated there is no inter-se relationship existing between the Directors of the Company.

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, any material effluent or pollution matters.
- 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 http://ncclimited.com/code_of_conduct.html. 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.

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board.

Leadership & Strategic Planning, Risk Management, Legal & Regulatory Compliances, Corporate Governance, Proficiency in Finance, Accounting, Audit, Cost Control, Project Planning and Management and relevant industry experience.

Board Committees

As on March 31, 2019 the Company has Nine 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 and the Performance Review 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, Engineering 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 four times during the Financial Year i.e. on May 23, 2018, August 9, 2018, November 12, 2018 and February 11, 2019. 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 10, 2018.

The following is the Composition of the Audit Committee as on March 31, 2019 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	4	4
Dr. A S Durga Prasad	Member	4	4
Sri. Hemant M Nerurkar	Member	4	4
Smt. Renu Challu	Member	4	4

Terms of reference of the Audit Committee

- 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;
- Recommendation for appointment, remuneration and terms of appointment of the Statutory and the Internal Auditors of the company;
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinions in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- 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;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- 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;
- 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

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, 2018 and February 12, 2019.

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Smt Renu Challu	Chairperson	2	2
Sri Utpal Sheth	Member	2	1
Sri Hemant M Nerurkar	Member	2	2
Sri S Ravi	Member	2	0

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, 2019 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	17,260,128	3,072,000	1,440,000	Nil	86,320,000	108,092,128
*Sri. A G K Raju Executive Director	9,225,449	1,536,000	720,000	Nil	43,160,000	54,641,449
@Sri. A S N Raju Wholetime Director	8,992,993	1,536,000	720,000	Nil	43,160,000	54,408,993
*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	8,714,985	1,296,000	720,000	Nil	43,160,000	53,890,985

* 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, 2019 at the meeting of the Board of Directors of the Company at their meeting held on February 12, 2019. (Approval of the Members of the Company is being sought in their forth coming Annual General Meeting)

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	6,00,000
Sri. Hemanth M Nerurkar	5,50,000
Smt. Renu Challu	4,75,000
Sri. Utpal Sheth	2,25,000
Sri. S Ravi	75,000
Dr. A S Durga Prasad	6,25,000

The Non Executive Directors have been paid only sitting fees during the Financial Year 2018-19.

* Excludes GST

Meeting of Independent Directors:

Pursuant to provisions of 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 2018-19 was held on February 12, 2019.

Board Level Performance Evaluation

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, annual performance evaluation of the Directors including Chairperson, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out. 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. The Nomination and Remuneration Committee will review the said Performance Evaluation on annual basis.

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, 2019 the Committee comprises Three Directors viz., Sri. R V Shastri (Chairperson of the Committee), Sri. S Ravi, Independent Director and Sri. A G K Raju, Whole time Director as its members.

The Committee met four times during the Financial Year i.e. on May 23, 2018, August 9 2018, November 13, 2018 and February 12, 2019.

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
Sri. A G K Raju	Member	4	4
Sri. S Ravi	Member	4	1

During the Financial Year 2018-19, the Company has received 78 complaints/ requests from the shareholders/investors. All the requests were promptly attended to and there were no un-resolved shareholder requests were pending as on March 31, 2019. 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, 2019. The Company has designated a separate email id ho.secr@nccltd.in for investor grievances.

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
2016	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, 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 Shares under Qualified Institutional Placement.
		AGM August 10, 2018 at 3.30 p.m	1. Issue of Convertible Warrants on preferential basis to M/s. A V S R Holdings Pvt. Ltd., one of the Promoters of NCC Limited. 2. Approval of enhancing the borrowing powers of the Company 3. Enhancing the powers of the Company for charging / securing the properties of the Company. 4. Alteration the Articles of Association of the Company in conformity with the Companies Act, 2013. 5. Alteration the Memorandum of Association of the Company in conformity with the Companies Act, 2013

Postal Ballot.

During the year, no resolution was passed through postal ballot under the provisions of the Companies Act, 2013.

No resolution is proposed to be passed through postal ballot

8. Means of Communication

The Company was having 122,969 shareholders as on March 31, 2019. 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 company's Annual Report is also available in downloadable forms on the Company's website and can be accessed at <http://www.ncclimited.com>.

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.

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.

News releases, presentations, among others:

Official news releases and official media releases are sent to Stock Exchanges and are put on the Company's website (www.ncclimited.com).

Presentations to institutional Investors / Analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as annual financial results. These presentations and schedule of analyst or institutional investors meet are also put on the Company's website and can be accessed at <http://ncclimited.com/analysts.html> as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.

Website:

The Company's website (www.ncclimited.com) contains a separate section i.e Investor Relations where shareholder's information is available.

Chairman's Communiqué:

The printed copy of the Chairman's speech is distributed to shareholders at Annual General Meeting. The document is also put on the Company's website.

Reminder to Investors:

Reminders for unclaimed shares, unpaid dividend as per records every year.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filing like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on NEAPS.

BSE corporate Compliance & Listing Centre ("Listing Centre"):

BSE's Listing Centre is a web-base application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre..

SEBI Complaints Redress System (SCORES):

The Investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATR) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

9. General shareholders' information

(a) Day, date and time of 29th Annual General Meeting

29th Annual General Meeting of Members of the Company is scheduled to be held on Friday the 6th day of September, 2019 at 3.00 p.m at Avasa Hotel, Constellation Hall, 1st Floor, Plot No. 15, 24, 25 & 26, Sector - 1, Survey No.64, Near Cyber Towers, Hitech City, Madhapur, Hyderabad – 500 081, Telangana.

(b) Financial calendar (Tentative) for the Financial Year 2019-20.

Quarter ending	Financial Results release	Trading window closure
June 30, 2019	August 09, 2019	July 01, 2019 to August 11, 2019
September 30, 2019	November 07, 2019	October 01, 2019 to November 09, 2019
December 31, 2019	February 07, 2020	January 01, 2019 to February 09, 2019
March 31, 2020	May 13, 2020	April 01, 2020 to May 15, 2020

Dates of Book closure: August 13, 2019 to August 16, 2019, (both days inclusive) for payment of dividend.

(c) Dividend payment date: (subject to approval of shareholders at AGM) on or after September, 10, 2019.

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

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
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Listing fee for the financial year 2019-20 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 (BSE) and NIFTY (NSE) are given below-

Month	BSE		Sensex		NSE		Nifty	
	High price ₹	Low price ₹	High	Low	High price ₹	Low price ₹	High	Low
April 2018	136.30	117.50	35,213.30	32,972.56	136.20	117.25	10,759.00	10,111.30
May 2018	136.95	96.75	35,993.53	34,302.89	136.70	96.65	10,929.20	10,417.80
June 2018	125.60	90.00	35,877.41	34,784.68	125.50	90.10	10,893.25	10,550.90
July 2018	101.60	77.60	37,644.59	35,106.57	101.50	77.55	11,366.00	10,604.65
August 2018	103.95	89.50	38,989.65	37,128.99	103.95	89.40	11,760.20	11,234.95
September 2018	105.35	72.65	38,934.35	35,985.63	105.30	72.35	11,751.80	10,850.30
October 2018	78.00	63.10	36,616.64	33,291.58	77.95	63.25	11,035.65	10,004.55
November 2018	91.80	75.30	36,389.22	34,303.38	91.85	75.20	10,922.45	10,341.90
December 2018	90.95	75.30	36,554.99	34,426.29	90.35	74.60	10,985.15	10,333.85
January 2019	94.10	78.00	36,701.03	35,375.51	93.95	78.10	10,987.45	10,583.65
February 2019	87.05	76.90	37,172.18	35,287.16	87.25	76.85	11,118.10	10,585.65
March 2019	114.05	85.60	38,748.54	35,926.94	114.20	85.50	11,630.35	10,817.00

(g) Registrar and Transfer Agents :

M/s. Karvy Fintech 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 www.karvyfintech.com

(h) Share Transfer System

SEBI vide its Circular dated June 8, 2018 effective from April 01, 2019, mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. However this does not prohibit the investor from holding the shares in physical form and investor has the option of holding shares in physical form even after April 01, 2019. The Company appointed M/s. Karvy Fintech 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, 2019.

Number of shares held	Number of shareholders		Total Shares of ₹.2/- each	Details of shareholding	
	No	%		Value of shares of (₹)	%
1 - 5,000	121,460	96.28	31,019,086	62,038,172	5.16
5,001 - 10,000	2,162	1.71	7,972,827	15,945,654	1.33
10,001 - 20,000	1,200	0.95	8,621,903	17,243,806	1.44
20,001 - 30,000	378	0.30	4,681,382	9,362,764	0.78
30,001 - 40,000	180	0.14	3,241,258	6,482,516	0.54
40,001 - 50,000	98	0.08	2,248,781	4,497,562	0.37
50,001 - 100,000	225	0.18	8,207,784	16,415,568	1.37
100,001 and above	450	0.36	534,653,567	1,069,307,134	89.01
Total	126,153*	100.00	600,646,588	1,201,293,176	100.00

*After clubbing the common PAN, No. of Shareholders are 122,969.

Shareholding Pattern as on March 31, 2019

Category	No. of Shares of ₹ 2/- each	%
Promoters	108,779,880	18.11
Domestic Institutional Investors/Banks	1,877,377	0.30
Bodies Corporate	39,130,031	6.52
Foreign Portfolio Investors	119,224,911	19.86
NRIs, OCBs, GDRs etc.,	5,692,327	0.95
Mutual Funds	169,891,197	28.30
Indian Public	156,050,865	25.96
Total	600,646,588	100

(j) Dematerialization.

Over 99.81% of the outstanding shares were dematerialized up to March 31, 2019. The Company's shares are liquid and actively traded.

Category	No. of Shareholders	Number of Shares	%
NSDL	74,675	515,277,769	85.79
CDSL	50,506	84,216,022	14.02
Physical	972	1,152,797	0.19
Total	126,153*	600,646,588	100.00

After clubbing the common PAN, No. of Shareholders are 122,969.

(k) GDRs & their impact on equity shares

As on March 31, 2019 there are 393653 GDRs are outstanding which represent 3,93,653 equity shares constituting 0.07% of Company's paid-up Equity Share Capital. Each GDR represents one underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered at any time and converted into the underlying equity shares in the Company. The shares so released in favour of the investors upon surrender of GDRs can either be held by investors concerned in their name or sold off in the Indian secondary markets for cash. To the extent of shares so sold in India markets, GDRs can be reissued under the available head-room.

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

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, 2nd Floor, ICICI Towers, Bandra Kurla Complex, Mumbai - 400051, India.

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

(m) Address for Correspondence

Physical / Electronic mode	Shareholders General Correspondence
M/s. Karvy Fintech 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 www.karvyfintech.com Toll Free No.1800-3454-001	Company Secretary / Compliance Officer NCC Limited 9th Floor, NCC House, Madhapur, Hyderabad - 500 081 Phone : 040-23268888 / 23268942 Fax : 040- 23125555 E-Mail : ho.secr@nccltd.in www.ncclimited.com

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 Fintech Private Limited.

Unclaimed dividend

Pursuant to the provisions of Sections 124 & 125 of Companies Act, 2013 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, 2013, the Company transferred the unclaimed dividend amounting to ₹ 8,62,350/- (Final Dividend) pertaining to the year 2010-2011 to the Investor Education and Protection Fund.

During the financial year 2018-19, the Company has sent a reminder on 5th October, 2018 to the members who have not claimed/unpaid their dividend during the last seven years.

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, 2019 ₹	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2011-2012	Final	26.09.2012	4,09,674.90	02.11.2019	01.12.2019
2012-2013	Final	27.09.2013	3,84,520.50	03.11.2020	02.12.2020
2013-2014	Final	25.09.2014	2,23,392.00	01.11.2021	30.11.2021
2014-2015	Final	24.08.2015	5,16,693.60	30.09.2022	29.10.2022
2015-2016	Final	24.08.2016	7,37,664.60	30.09.2023	29.10.2023
2016-2017	Final	24-08-2017	5,14,172.40	30-09-2024	29.10.2024
2017-2018	Final	10-08-2018	14,94,281.00	16.09.2025	15.10.2025

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 capitalization 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>

NCC Rights Issue – 2014 – Unclaimed Refund Amount

As on 31 March, 2019 an amount of Rs.67,099 was lying in NCC Rights Issue – 2014 Refund Account. This amount is liable to be transferred to IEPF Authority after 7 years i.e. in the year 2021.

The details of names of unpaid shareholders are available on the Company's website at: <http://ncclimited.com/investors.html>.

10. Other Disclosures

- During 2018 -19 certain transactions were entered into with related parties. The details thereof are given in note number 37 of the Financial Statements.
- There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.
- The Company has 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.
- The Company has complied with all the mandatory requirements of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy on Material Subsidiaries is hosted in our website [www.ncclimited.com](http://ncclimited.com). The following is the web link:
[http://ncclimited.com/images/PDF/Policies/Policy on Material Subsidiary\(s\).pdf](http://ncclimited.com/images/PDF/Policies/Policy%20on%20Material%20Subsidiary(s).pdf)
- Policy on Related party transactions is hosted in our website [www.ncclimited.com](http://ncclimited.com), the following is the link:
[http://ncclimited.com/images/PDF/Policies/Policy on Related Party Transactions.pdf](http://ncclimited.com/images/PDF/Policies/Policy%20on%20Related%20Party%20Transactions.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.

Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued there under. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The Company has submitted to the Stock Exchanges the Secretarial Compliance Report obtained Mrs. D. Soumya (CP No.13199), Designated Partner of M/s. BS & Company Company Secretaries LLP.,

Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mrs. D. Soumya (CP No.13199), Designated Partner of M/s. BS & Company Company Secretaries LLP , that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 24th May, 2019.

Recommendations of Committees of the Board

There were no instances during the financial year 2018-19, wherein the Board had not accepted recommendations made by any committee of the Board

Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1st April, 2019.

In accordance with the said amendments to the SEBI Insider Trading Regulations, The Company has, inter alia, amended/formulated the following:

- (a) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons.
- (b) Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct.
- (c) Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI)
- (d) Whistle Blower Policy to enable reporting in case of leak of UPSI. .

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations w.r.t. action taken against such defaulters. The said non – compliances are promptly intimated to SEBI.

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons, Code of Fair Disclosure & Conduct and Whistle Blower Policy duly approved by the Board of Directors of the Company have been uploaded on website of the Company.

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 Obligation 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 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 un-claimed shares in the "NCC Ltd – Unclaimed Suspense Account" during the year as follows:-

Particulars	No of shareholders	No. of Equity Shares
Aggregate Number of Shareholders and outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2018	37	27,972
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	Nil	Nil
No. of Shares transferred to IEPF Account	07	2140
Aggregate Number of Shareholders and outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2019	30	25,832
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.		

15. Transfer of Shares to Investor Education and Protection Fund (IEPF)

In accordance with the provisions of Companies Act, 2013 the Company has transferred 396242 Equity Shares of ₹ 2/- each, to the credit of IEPF Authority. The Company is initiating necessary action for transfer of shares in respect of which dividend has not be paid or claimed by the members consecutively since 2011-12.

During the year under review, the Company has transferred ₹ 3,41,335 to the Investor Education and Protection Fund (IEPF) towards dividend paid on the shares transferred to IEPF pursuant to the provisions of the Companies Act, 2013.

The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company as on date of last Annual General Meeting (i.e. August 10, 2018) and details of shares transferred to IEPF. The aforesaid details are put on the Company's website and can be accessed at: <http://ncclimited.com/UDI.html>.

The Company has also uploaded these details on the website of the IEPF Authority (www.iepf.gov.in).

16. M/S.S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E30004) have been appointed as Statutory Auditors of the Company. The particulars of payments to Statutory Auditors S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E30004 or any other firm in their group on consolidated basis is given below.

Description of Service	₹
Services as Statutory Auditors (Audit fee)	1,56,60,463
Certification fees	15,26,670
Total	1,71,87,133

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, 2019.

For NCC Limited

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

Place: Hyderabad

Date: 24th May, 2019

Chief Executive Officer and Chief Financial Officer Certification

In relation to the Audited Financial Accounts of the Company as at March 31, 2019, 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, 2019

CERTIFICATE OF CORPORATE GOVERNANCE

Under Regulation 34(3) read with Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To,
The Members of
NCC Limited
Hyderabad

We have examined all the relevant records of **NCC Limited** (the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') for the period commencing from **1st April, 2018** and ended on **31st March, 2019**. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the Financial Year ended on 31st March, 2019.

This Certificate 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.

For BS & Company Company Secretaries LLP

Date: 23.05.2019
Place: Hyderabad

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

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
5. E-mail id: ho.secr@ncccltd.in
6. Financial Year reported: 2018-19
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 and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY FY 2018-19

1. Paid up capital: ₹ 120.13 Crores
2. Total turnover: ₹ 12079.76 Crores
3. Total profit after taxes: ₹ 563.91 Crores
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 i.e ₹ 6.14 Crores has been spent on CSR activities
5. List of activities in which the Corporate Social Responsibility (CSR) expenditure has been incurred:
 - a) Construction of Public amenities under Swachh Bharat Abhiyan
 - b) Contribution to eligible charitable institutions
 - c) Promoting Education
 - d) Measures for the welfare of armed forces veterans, war widows & their dependents
 - e) Safety Engineering

SECTION C: OTHER DETAILS

1	Does the Company have Subsidiary Companies	Yes, as on 31st March 2019, the Company has 41 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, 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 http://ncclimited.com/images/PDF/Policies and / 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								

(b) If answer to the question at serial number 1 against any principle , is 'NO' , please explain why (Tick up to 2 options): Not Applicable

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	http://ncclimited.com/images/PDF/Policies
	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 2018-19?	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 31.03.2019	6250
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	75
4	Number of permanent employees with disabilities	6
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 programs held during the F.Y 2018-19 for the employees including with regard to Safety, Skill Development / Up-gradation Programs. Programs held for exclusively for the women employees:	<p>During the financial year 2018-2019 total 58 in house Training Programs were organized at various Sites, RO's, HO and external venues. Total employees covered under various training programmes / conferences / on the job training / departmental training were 3108. A total of 45 employees were sponsored to attend the training programs conducted at external venues by professional institutions. In total 11,259 mandays was achieved with an aggregate of 2.02 mandays per employee during the period on the various training aspects like Personal & Organizational Effectiveness (POE), Technical Competency Enhancement (TCE), Functional Competency Enhancement (FCE), Environment, Health & Safety Awareness (EHS) and other topics too.</p> <p>GET's & DET's Training Intense on-the job training was imparted to 114 Graduate Engineer Trainees (GETs) and 8 Diploma Engineer Trainees (DETs) at various posted sites.</p> <p>ISO</p> <p>During the period from June 2018 to Mar 2019, 10 ISO awareness programs were organized for the employees at Corporate Office and sites. 5 internal and 4 External IMS audits were conducted during the year to fulfil the audit requirements. NCC Ltd has received the ISO certificates on ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for Chennai Metro project, Nagpur Metro project and Pune Metro project.</p> <p>Safety Awareness Programs</p> <p>Eight safety awareness programs like Fire safety training, lift awareness and safety mock drill were conducted at corporate office as well as at sites. 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>Health Awareness Programs</p> <p>During the year 2018-19 the company has also conducted various health awareness programmes like Cardio camp, Dental camp, ENT & Dermatology camp and Homeopathy health camp by the Doctors from reputed Hospitals for the overall wellbeing of the employees.</p> <p>Employee Engagements</p> <p>NCC Ltd has always focused on various employee engagement initiatives for the well being of employees and their family members.</p> <ul style="list-style-type: none"> • Foundation Day Celebrations On 28th October 2018, NCC Ltd completed 40 glorious years in Nation Building. The foundation day was celebrated with high enthusiasm with the family members of all the employees in all the sites and HO. • International Women's Day was celebrated in a grand way at HO by organising various events, games and in-house game based training programmes for women employees. • Ethnic Wear Competition In order to celebrate the festival of lights – Diwali, we have organised ethnic wear competition at HO which was a huge success because of the enthusiastic participation from many employees who brought lot of creativity and festive spirit in their traditional attire. • Personality Enrichment Programme, a specially designed training for the children of the employees of the Company was conducted at Head Office in order to train them on various aspects like study skills, personality development, positive attitude and game based trainings. • International Day of Yoga was celebrated at HO in order to bring awareness of the various health benefits of yoga. • Long Service Appreciation Rewards Rewarding long-service recognises an individual and their contribution to the business, loyalty, commitment and it demonstrates that our organisation is one that values people who are committed and add value to the business. During the year 2018-19 we have felicitated 4 employees who have completed 30 years in the company. Last year we have also felicitated 286 employees who have completed 10-25 years of service. • Ongoing Employee Initiatives The ongoing employee initiatives at HO for employee wellbeing are Staff cafeteria at subsidized rates, in house ATM, in-house Gym, in house recreation room, recreation room for utility staff, in-house medical clinic & Doctor and meal cards etc.,

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 2018-19?	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.	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 Chamber of Commerce and Industry 9. BRICS chamber of commerce & 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 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	Has 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?	₹ 6.14 Crores
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 Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of NCC Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

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 joint operations referred to in the Other Matters paragraph below, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Trade receivables and contract assets</p> <p>Trade receivables and contract assets amounting to ₹ 3,154.16 crores and ₹ 4,204.17 crores respectively, represents approximately 55.92% of the total assets of the Company as at March 31, 2019.</p> <p>In assessing the recoverability of the aforesaid balances, management’s judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.</p> <p>Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • We understood and tested on a sample basis the design and operating effectiveness of management control over the recognition and the recoverability of the trade receivables and contract assets. • We performed test of details and tested relevant contracts, documents and subsequent settlements for material trade receivable balances and amounts included in contract assets that are due on performance of future obligations. • We tested the aging of trade receivables at year end. • We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset. • We performed additional procedures, in respect of material over-due trade receivables and long outstanding contract assets, i.e. tested historical payment records, correspondence with customers and legal advice obtained by the management on litigations from legal experts. • We evaluated the competence, capabilities and objectivity of the aforesaid legal experts • We assessed the allowance for impairment made by management.
<p>Carrying value of investment made in a subsidiary</p> <p>The Company’s carrying value of investment in NCC Infrastructure Holdings Limited (‘NCCIHL’) as at March 31, 2019 is ₹ 375.09 crores which is higher by ₹ 84.72 crores as compared to the Company’s share of net worth in NCCIHL as per its audited financial statements.</p> <p>Management’s assessment of the recoverable amount of the investment in the above subsidiary has been identified as a key audit matter due to the significance of the carrying value of the investment and that it requires the management to make significant estimate of future cash flows from the claims filed by NCCIHL but not accounted for, by taking into consideration the management’s internal assessment and legal advice on the tenability of the claims.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • We obtained and read management’s assessment of the recoverable amount of the investment. • We traced the net worth of NCCIHL to the audited financial statements of NCCIHL as at and for the year ended March 31, 2019, audited by another firm of chartered accountants. • We obtained a summary of the claims filed by NCCIHL but not accounted for. • We read and assessed the legal advice obtained by the Company from expert in respect of the tenability of the above claims. • We evaluated the competence, capabilities and objectivity of the aforesaid expert. • We assessed the allowance for impairment made by management.

Key audit matters	How our audit addressed the key audit matter
<p>Indirect tax litigations</p> <p>The Company is subject to assessments by tax authorities on various indirect tax matters resulting into litigations / disputes (refer note 36 to the standalone Ind AS financial statements).</p> <p>The tax matters involve significant amounts which are at various stages and the proceedings take significant time to resolve.</p> <p>Management exercises significant judgement in assessing the financial impact of tax matters due to the complexity of the cases and involvement of various tax authorities.</p> <p>Accordingly, we have identified this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained list of indirect tax litigations as at March 31, 2019 from management. • Discussed the matters with the management to understand the possible outcome of these disputes. • Involved our experts to review the management’s assessment of the possible outcome of the disputes relating to indirect tax litigations. • Our experts also considered legal precedence and other rulings in evaluating management’s assessment on these indirect tax litigations. • Assessed contingent liability disclosure in note 36 to the accompanying standalone Ind AS financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor’s report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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 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 the 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 judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud

or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

We did not audit the financial statements and other financial information of 5 branches and 10 joint operations included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information reflect total assets of ₹ 117.34 crores as at March 31, 2019 and the total revenues of ₹ 160.41 crores for the year ended on that date. These financial statements and other financial information of these branches and joint operations have been audited by the branch auditors and other auditors respectively, 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 joint 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 joint operations, is based solely on the report of such branch auditors and other auditors respectively.

Of these 2 branches 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 branch auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statement of such branches 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 located outside India is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

- (d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid and provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (i) 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, as amended 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 44 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; and
 - 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, 2019

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 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, duty of custom, duty of excise, value added tax, goods and service 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, duty of custom, duty of excise, value added tax, goods and service 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 crores)

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved net of paid under protest	Amount paid under protest
Sales tax and VAT Law	CST	Appellate Authority, Bhopal	2011-12 to 2014-15	0.80	0.48
	CST	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2014-15	0.31	-
	CST	Sales Tax Tribunal, Mumbai.	2010-12 and 2013-14	10.88	0.48
	VAT	Additional Commissioner, Andhra Pradesh	2012-13	12.64	8.38
	VAT	Additional Commissioner, Grade-2 (Appeals), Commercial Tax, Range-5 Lucknow	2006-07	1.55	0.16
	VAT	Additional Commissioner (CT), West Bengal	2010-11	21.77	1.45
	VAT	Commissioner of Sales Tax, New Delhi	2009-11 & 2012-14	13.00	4.74
	VAT	Appellate Deputy Commissioner, Kerala	2008-09	0.31	0.05
	VAT	Additional Commissioner, West Bengal	2014-15	2.77	2.93
	VAT	Commissioner of Sales Tax, Kerala	2012-14	2.13	-
	VAT	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2010-15	7.37	1.13
	VAT	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2005-06	1.45	-
	VAT	Hon'ble High Court of Orissa	2007-13	10.42	3.80
	VAT	Hon'ble High Court of Tamil Nadu	2006-07	0.44	-
	VAT	Sales Tax Appellate Tribunal, Andhra Pradesh	2005-09	16.15	13.86
	VAT	Sales Tax Tribunal, Mumbai.	2010-14	37.92	6.67
	VAT	Sr. Joint Commissioner (Appeals), West Bengal	2008-10 & 2012-13	34.33	3.35
	VAT	Sr. Joint Commissioner, Commercial Tax, West Bengal	2013-14	8.42	6.15
	VAT	Appellate Deputy Commissioner, Hyderabad	2007-10	28.07	28.07
	VAT	Sales Tax Appellate Joint Commissioner, Andhra Pradesh	2010-12	14.96	14.96
	VAT	Joint Commissioner, Lucknow	2011-16	46.67	31.84
	VAT	Sales Tax Tribunal, Lucknow	2010-11	1.88	1.88
	VAT	Joint Commissioner, West Bengal	2013-2015	14.73	3.49
	VAT	Deputy Commissioner of Sales Tax, Bhubaneswar	Oct'15 to June'17	39.08	5.72
	Entry Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2012-13	0.99	0.50
	Entry Tax	Hon'ble High Court of Orissa	2007-13	0.74	-
Sales Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	1994-95	0.44	0.27	
Sales Tax	Sales Tax Appellate Tribunal, Andhra Pradesh	2000-01	0.69	0.10	

(₹ in crores)

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved net of paid under protest	Amount paid under protest
Central Excise Act 1944	Excise Duty	CESTAT, Bangalore	2007-08	0.46	0.10
Finance Act 1994	Service Tax	CESTAT, Bangalore	2005-12	75.03	0.80
	Service Tax	CESTAT, Hyderabad	2010-15	7.87	0.48
	Service Tax	Commissioner (Appeals), Service Tax	2005-08	0.39	0.10
	Service Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2007 -09	13.02	-

- (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 did not have any outstanding dues to government or debenture holders.
- (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 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 Preferential allotment of share warrants 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 No.102328

Place: Hyderabad

Date: May 24, 2019

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, 2019 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 Standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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, 2019, 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 No.102328

Place: Hyderabad

Date: May 24, 2019

BALANCE SHEET

AS AT MARCH 31, 2019

(₹ in crores)

	Note	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	1,108.60	747.83
Capital Work in Progress	3	13.16	22.93
Investment Property	3.1	131.98	58.65
Investment Property under Construction	3.1	68.10	-
Other Intangible Assets	3.2	1.07	1.58
Financial Assets			
Investments in Associates	4.1	10.54	111.29
Other Investments	4.1	908.73	912.45
Loans	5	321.05	487.27
Trade Receivables	6	104.59	183.30
Other Financial Assets	7	158.15	81.43
Deferred Tax Assets (Net)	8	172.64	179.25
Non Current Tax Assets (Net)	14	36.10	43.16
Other Non Current Assets	15	224.86	47.70
Total Non - Current Assets		3,259.57	2,876.84
Current Assets			
Inventories	9	512.94	1,695.56
Financial Assets			
Other Investments	4.2	-	-
Trade Receivables	10	3,049.57	4,505.64
Cash and Cash Equivalents	11.1	196.05	59.12
Bank balances other than above	11.2	102.91	6.77
Loans	12	175.48	145.17
Other Financial Assets	13	175.96	120.66
Current Tax Assets (Net)	14.1	52.94	56.69
Other Current Assets	15.1	5,596.53	1,334.12
Total Current Assets		9,862.38	7,923.73
Assets classified as held for sale		36.65	-
Total Assets		13,158.60	10,800.57

BALANCE SHEET AS AT MARCH 31, 2019 (Contd.)

(₹ in crores)

	Note	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	120.13	120.13
Other Equity	17	4,636.65	4,121.52
Total Equity		4,756.78	4,241.65
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	18	319.97	118.54
Trade Payables	19	107.93	124.31
Provisions	20	21.79	15.10
Total Non Current Liabilities		449.69	257.95
Current Liabilities			
Financial Liabilities			
Borrowings	21	1,416.31	1,045.09
Trade Payables	22		
Total outstanding dues of micro and small enterprises		13.02	0.61
Total outstanding dues of creditors other than micro and small enterprises		4,371.37	3,387.58
Other Financial Liabilities	23	289.86	149.45
Provisions	24	39.89	28.81
Current Tax Liabilities (Net)	25	62.88	-
Other Current Liabilities	26	1,758.80	1,689.43
Total Current Liabilities		7,952.13	6,300.97
Total Equity and Liabilities		13,158.60	10,800.57

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, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crores)

	Note	YEAR ENDED MARCH 31, 2019	YEAR ENDED MARCH 31, 2018
INCOME			
Revenue from Operations	27	12,079.76	7,559.33
Other Income	28	118.25	115.83
Total Income		12,198.01	7,675.16
EXPENSES			
Cost of Materials Consumed	29	4,763.59	2,935.28
Construction Expenses	30	921.31	767.90
Changes in Inventories of Work in Progress	31	-	(158.74)
Sub-Contractors Work Bills		4,245.59	2,586.61
Employee Benefits Expense	32	439.32	364.11
Finance Costs	33	451.26	378.94
Depreciation and amortisation expenses (Refer note 3, 3.1 and 3.2)		149.37	117.47
Other Expenses	34	286.95	209.29
Total Expenses		11,257.39	7,200.86
Profit Before Exceptional Items and Tax		940.62	474.30
Exceptional Items (Net)	43	(58.93)	(106.56)
Profit Before Tax		881.69	367.74
Tax Expense			
Current Tax	35	308.73	96.86
Deferred Tax		9.05	(15.92)
		317.78	80.94
Profit for the year		563.91	286.80
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) of the defined benefit plans		(7.76)	(3.01)
Income tax effect on the above		2.72	1.05
Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		0.73	(0.02)
Income tax effect on the above		-	0.01
Other comprehensive income / (loss) for the year (net of taxes)		(4.31)	(1.97)
Total comprehensive income for the year		559.60	284.83
Earnings per share of face value of ₹ 2 each.			
Basic and Diluted - ₹	39	9.39	5.09

The accompanying notes are an integral part of the financial statements

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Hyderabad, May 24, 2019

STATEMENT OF CHANGES IN EQUITY for the Year Ended March 31, 2019

A. Equity share capital	Number of shares	Amount (₹ in crores)
Balance as at April 01, 2017	555,931,588	111.19
Add: Issue of Share Capital	44,715,000	8.94
Balance as at March 31, 2018	600,646,588	120.13
Add: Issue of Share Capital	-	-
Balance as at March 31, 2019	600,646,588	120.13

B. Other equity

(₹ in crores)

	Reserves and Surplus					Items of other comprehensive income / (loss)		Total
	Capital Reserve	Securities Premium	Money received against share warrants (Refer note 46)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange differences on translating financial statement of a foreign operations	
Balance at April 01, 2017	5.44	1,999.30	-	922.00	410.37	(1.18)	(4.82)	3,331.11
Profit for the year	-	-	-	-	286.80	-	-	286.80
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(1.97)	(0.01)	(1.98)
Total comprehensive income for the year	-	-	-	-	286.80	(1.97)	(0.01)	284.82
Premium on Issue of Share Capital	-	541.05	-	-	-	-	-	541.05
Share issue expenses	-	(8.70)	-	-	-	-	-	(8.70)
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	(26.76)	-	-	(26.76)
Balance at April 01, 2018	5.44	2,531.65	-	922.00	670.41	(3.15)	(4.83)	4,121.52
Effect of adoption of new accounting standards (Ind AS 115)	-	-	-	-	0.50	-	-	0.50
As at April 01, 2018 (restated)	5.44	2,531.65	-	922.00	670.91	(3.15)	(4.83)	4,122.02
Profit for the year	-	-	-	-	563.91	-	-	563.91
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(5.04)	0.73	(4.31)
Total comprehensive income for the year	-	-	-	-	563.91	(5.04)	0.73	559.60
Proceeds received against share warrants	-	-	27.45	-	-	-	-	27.45
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	(72.42)	-	-	(72.42)
Balance at March 31, 2019	5.44	2,531.65	27.45	922.00	1,162.40	(8.19)	(4.10)	4,636.65

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

Hyderabad, May 24, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flows from operating activities		
Profit before tax	881.69	367.74
Adjustments for:		
Depreciation and amortisation expenses	149.37	117.47
(Profit) / Loss on sale of Property, Plant and Equipment and Investment Property	(19.18)	0.70
Finance costs	451.26	378.94
Interest income	(66.59)	(98.06)
Trade Receivables / Advances written off	7.35	11.48
Provision for doubtful trade receivables / advances / others	57.18	23.12
Expected credit loss for unbilled revenue	7.09	-
Exceptional items (net)	58.93	106.56
Rental income from investment properties	(3.93)	(3.07)
Net foreign exchange (gain) / loss	(6.16)	(0.63)
	635.32	536.51
Operating profit before working capital changes	1,517.01	904.25
Changes in working capital:		
Adjustments for (Increase) / Decrease in operating assets:		
(Increase) in Inventories	(116.40)	(169.74)
(Increase) in Trade receivables	(746.03)	(1,011.70)
(Increase) in Other current Assets	(996.22)	(471.74)
(Increase) in Other financial assets	(83.17)	(7.98)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase in Trade payables	925.82	568.24
Increase in other current and financial liabilities	69.37	754.69
Increase in Provisions	10.00	7.20
	(936.63)	(331.03)
Cash generated from operations	580.38	573.22
Net income tax (paid)	(235.05)	(126.32)
Net cash flows from in operating activities (A)	345.33	446.90
B. Cash flows from investing activities		
Capital expenditure for property , plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	(527.37)	(315.65)
Proceeds from disposal of Property, Plant and Equipment and Investment Property	36.66	8.09
Movement in Margin Money Deposits / Other Deposits	(155.85)	(6.01)
Purchase of non current investments - Subsidiaries	(0.12)	(76.12)
Proceeds from sale of non current and current investments - Associates, Others	4.34	19.96
Loans given to subsidiaries, associates and others	(57.15)	(145.53)
Loans realised from subsidiaries, associates and others	199.71	76.90
Inter Corporate Deposits given	(2.90)	(16.76)
Inter Corporate Deposits realised	7.79	2.83
Interest received	65.79	90.02
Rental income from investment properties	3.93	3.07
Net cash flows (used) in investing activities (B)	(425.17)	(359.20)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
C. Cash flows from financing activities		
Proceeds from Issue of Shares (including Securities Premium)	-	541.29
Proceeds received against share warrants	27.45	-
Proceeds from long term borrowings	495.41	261.66
Repayment of long term borrowings	(173.39)	(55.11)
Short term borrowings -(repaid) / borrowed (net)	371.21	(483.17)
Finance cost	(431.49)	(375.15)
Dividend & Tax on dividend paid	(72.42)	(26.76)
Net cash flows from / (used) in financing activities (C)	216.77	(137.24)
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	136.93	(49.54)
Cash and cash equivalents at the beginning of the year	59.12	108.66
Cash and cash equivalents at the end of the year	196.05	59.12
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	196.05	59.12
Cash and cash equivalents at the end of the year (Refer note 11.1)	196.05	59.12

Non-cash transactions

During the previous year, the Company has acquired equity shares of NCC Infrastructure Holdings Limited of ₹ 45.19 crores 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
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For and on behalf of the Board

per **NAVNEET RAI KABRA**
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A.G.K. RAJU
Executive Director
(DIN No: 00019100)

Hyderabad, May 24, 2019

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

a) Accounting policy as per new revenue standard

The Company applied Ind AS 115 for the first time with effect from April 01, 2018. The changes in accounting policy on account of adoption of this new accounting standard are described in note 2.33.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Notes forming part of the financial statements

A single performance obligation is identified in the construction projects that the Company engages in, owing to the high degree of integration and customisation of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time, since the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

With respect to the method for recognising revenue over time (i.e. the method for measuring progress towards complete satisfaction of a performance obligation), the Company has established certain criteria that are applied consistently for similar performance obligations. In this regard, the method chosen by the Company to measure the value of goods or services for which control is transferred to the customer over time is the output method based on surveys of performance completed to date (or measured unit of work), according to which revenue is recognised corresponding to the units of work performed and on the basis of the price allocated thereto. In cases where the work performed till the reporting date has not reached the milestone specified in the contract, the Company recognises revenue only to the extent that it is highly probable that the customer will acknowledge the same. This method is applied as the progress of the work performed can be measured during its performance on the basis of the contract. Under this method, on a regular basis, the work completed under each contract is measured and the corresponding output is recognised as revenue.

Contract modifications are accounted for when additions, deletions or changes are approved either to the scope or price or both. Goods/services added that are not distinct are accounted for on a cumulative catch up basis. Goods / services those that are distinct are accounted for prospectively as a separate contract, if the additional goods/services are priced at the standalone selling price else as a termination of the existing contract and creation of a new contract. In cases where the additional work has been approved but the corresponding change in price has not been determined, the recognition of revenue is made for an amount with respect to which it is highly probable that a significant reversal will not occur.

If the consideration promised in a contract includes a variable amount, this amount is recognised only to the extent that it is highly probable that a significant reversal in the amount recognised will not occur.

Contract costs

Costs related to work performed in projects are recognised on an accrual basis. Costs incurred in connection with the work performed are recognised as an expense.

Provision for future losses

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Contract balances

i) Contract assets

A contract asset is recognised for amount of work done but pending billing/acknowledgement by customer or amounts billed but payment is due on completion of future performance obligation, since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets as stated in note no. 2.19.

ii) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received advance payments from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration received.

b) Accounting policy till previous years

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.

iii) Work in Progress: Work in Progress is valued at the contracted rates less profit margin / estimates.

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 crores).

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 realisable 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

Notes forming part of the financial statements

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.

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 01, 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.

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.

2.18 Financial assets

Financial asset is

1. Cash / Equity Instrument of another Entity,

Notes forming part of the financial statements

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 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

Notes forming part of the financial statements

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.

2.25 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.
- (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.

Notes forming part of the financial statements

Items requiring significant estimate	Assumption and estimation uncertainty
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 and contract assets	In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.
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 judgements 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.
Indirect tax litigations	The Company is subjected to VAT assessments in various states where projects were executed. Basing on applicable VAT rules of various states the Company estimated the VAT liability and provided in the book of accounts. The VAT assessments in different states are at different stages and on some of the assessment orders, the Company made appeals and they are at various tribunals and courts.

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 (including DLP) 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

On March 30, 2019, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 12 Income taxes to insert of Appendix C Uncertainty over income tax treatments.
- Ind AS 19 Employee Benefits
- Ind AS 23 Borrowing Costs
- Ind AS 28 Investments in Associates and Joint Ventures
- Ind AS 109 Financial Instruments
- Ind AS 111 Joint Arrangements
- Ind AS 116 Leases

These amendments are effective from April 01, 2019. The Company believes that the aforementioned amendments will not materially impact the financial statements of the Company.

2.33 Changes in the accounting policies

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company has adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 01, 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

Impact of adopting Ind AS 115 as at April 01, 2018 is given in note no. 50.

Notes forming part of the financial statements

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

(₹ in crores)

	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Cost:									
Balance as at April 01, 2017	35.09	571.62	8.25	143.02	60.70	40.12	6.37	441.81	1,306.98
Additions	6.23	111.50	2.17	0.56	12.43	5.90	9.82	134.34	282.95
Disposals / Adjustments	3.55	12.83	0.01	6.51	3.08	0.22	-	13.40	39.60
As at March 31, 2018	37.77	670.29	10.41	137.07	70.05	45.80	16.19	562.75	1,550.33
Additions	19.75	195.44	2.19	102.10	15.78	6.32	-	183.35	524.93
Disposals / Adjustments	1.21	32.57	0.67	66.39	4.37	2.32	-	5.56	113.09
As at March 31, 2019	56.31	833.16	11.93	172.78	81.46	49.80	16.19	740.54	1,962.17
Depreciation:									
Balance as at April 01, 2017	6.34	266.98	4.50	109.28	27.49	30.81	2.88	268.76	717.04
Depreciation	2.68	49.90	0.64	10.20	6.35	3.58	0.88	42.08	116.31
Disposals / Adjustments	1.55	9.98	0.01	5.92	2.15	0.18	-	11.06	30.85
As at March 31, 2018	7.47	306.90	5.13	113.56	31.69	34.21	3.76	299.78	802.50
Depreciation	3.81	55.74	0.90	11.90	7.18	4.32	3.86	60.67	148.38
Disposals / Adjustments	0.31	25.32	0.59	60.86	3.70	2.19	-	4.34	97.31
As at March 31, 2019	10.97	337.32	5.44	64.60	35.17	36.34	7.62	356.11	853.57
Net Block									
As at March 31, 2018	30.30	363.39	5.28	23.51	38.36	11.59	12.43	262.97	747.83
As at March 31, 2019	45.34	495.84	6.49	108.18	46.29	13.46	8.57	384.43	1,108.60
Capital work in progress ₹ 13.16 crores (31.03.2018; ₹ 22.93 crores)									

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

Notes forming part of the financial statements

Note 3.1

Investment property & Investment property under construction:

(₹ in crores)

	Land - Freehold	Buildings given under operating Lease	Total
Cost:			
Balance as at April 01, 2017	21.75	30.15	51.90
Additions	11.05	-	11.05
Disposals / Adjustments	0.04	-	0.04
As at March 31, 2018	32.76	30.15	62.91
Additions	9.58	65.92	75.50
Disposals / Adjustments	0.13	1.42	1.55
As at March 31, 2019	42.21	94.65	136.86
Depreciation:			
Balance as at April 01, 2017	-	3.78	3.78
Depreciation	-	0.48	0.48
Disposals / Adjustments	-	-	-
As at March 31, 2018	-	4.26	4.26
Depreciation	-	0.48	0.48
Disposals / Adjustments	-	(0.14)	(0.14)
As at March 31, 2019	-	4.88	4.88
Net Block			
As at March 31, 2018	32.76	25.89	58.65
As at March 31, 2019	42.21	89.77	131.98
Investment property under construction (Refer note 4.5) ₹ 68.10 crores (31.03.2018: ₹ Nil)			

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 and investment property under construction:

Details of the investment property and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018 are as follows:

(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2019	Fair value as at March 31, 2018
Land	Level 3	103.01	105.17
Buildings	Level 3	205.87	64.01
Investment property under construction	Level 3	82.86	-
Total		391.74	169.18

The internal technical team of the Company has valued for some of the properties at ₹ 144.82 crores (31.03.2018: ₹ 55.99 crores) and the balance properties have been valued by independent valuer at ₹ 246.92 crores (31.03.2018: ₹ 113.19 crores). The 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 crores)

	Computer Software	Total
Cost:		
Balance as at April 01, 2017	13.10	13.10
Additions	-	-
Disposals / Adjustments	-	-
As at March 31, 2018	13.10	13.10
Additions	-	-
Disposals / Adjustments	-	-
As at March 31, 2019	13.10	13.10
Amortisation:		
Balance as at April 01, 2017	10.84	10.84
Amortisation	0.68	0.68
Disposals / Adjustments	-	-
As at March 31, 2018	11.52	11.52
Amortisation	0.51	0.51
Disposals / Adjustments	-	-
As at March 31, 2019	12.03	12.03
Net Block		
As at March 31, 2018	1.58	1.58
As at March 31, 2019	1.07	1.07

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
4 Investments				
4.1 Non Current Investments				
A In Associates				
Trade (Unquoted) (At Cost)				
(i) Investment in equity shares				
In Shares of ₹ 10 each, fully paid up				
Jubilee Hills Land Mark Projects Private Limited (Refer note 4.5)	-	-	2,500,000	2.50
Less: Provision for Impairment in value of Investments		-		2.50
		-		-
Tellapur Techno City Private Limited (Refer note 4.7)	14,702,600	14.70	14,702,600	14.70
Less: Provision for Impairment in value of Investments		14.70		14.70
		-		-
Paschal Form Work (India) Private Limited	6,549,892	6.91	6,549,892	6.91
Brindavan Infrastructure Company Limited	8,643,036	3.46	8,643,036	3.46
Pondichery Tindivanam Tollway Limited (valued at ₹ 1,000)	100	-	100	-
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	1,498,757	8.00	1,498,757	8.00
Less: Provision for Impairment in value of Investments		8.00		8.00
		-		-
In Shares of 'AED' 1000 each fully paid up				
Nagarjuna Facilities Management Services, LLC, Dubai	147	0.17	147	0.17
(ii) Investment in preference shares				
2% Redeemable Preference Shares of ₹ 100 each fully paidup				
Jubilee Hills Land Mark Projects Private Limited (Refer note 4.5)	-	-	4,274,999	42.75
Less: Provision for Impairment in value of Investments		-		27.50
		-		15.25
(iii) Investment in debentures				
Jubilee Hills Land Mark Projects Private Limited (of ₹ 100 each, fully paid up) (Refer note. 4.5)	-	-	5,092,252	50.93
Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up) (Refer note 4.7)	-	51.62	737,248,092	51.62
Less: Provision for Impairment in value of Investments		14.97		17.05
		36.65		34.57
Less: Transferred to held for sale		36.65		-
		-		34.57
Total aggregate investments in Associates		10.54		111.29

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
B In Subsidiaries				
Trade (Unquoted) (At Cost)				
(i) Investment in equity shares				
In Shares of ₹ 10 each, fully paid up				
NCC Infrastructure Holdings Limited (NCCIHL) (Refer note 4.3)	432,437,351	444.47	432,437,351	444.47
Less: Provision for Impairment in value of Investments		69.38		61.30
		375.09		383.17
NCC Urban Infrastructure Limited	120,000,000	120.00	120,000,000	120.00
NCC Vizag Urban Infrastructure Limited	50,000,000	50.00	50,000,000	50.00
OB Infrastructure Limited (Valued at ₹ 6,000)	600	-	600	-
Patnitop Ropeway & Resorts Limited	2,255,300	2.26	2,255,300	2.26
Less: Provision for Impairment in value of Investments		0.95		0.95
		1.31		1.31
Naftogaz Engineering Private Limited (Refer note 4.6)	-	-	50,000	0.05
Less: Provision for Impairment in value of Investments		-		0.05
		-		-
NCC International Convention Centre Limited	1,000,000	1.00	1,000,000	1.00
Less: Provision for Impairment in value of Investments		1.00		1.00
		-		-
NCC Oil & Gas Limited	40,000	0.04	40,000	0.04
Vaidehi Avenues Limited	5,163,422	5.16	5,163,422	5.16
Pachhwara Coal Mining Private Limited	102,000	0.10	102,000	0.10
Talaipalli Coal Mining Private Limited	45,900	0.05	45,900	0.05
In Equity Shares of ₹ 5/- each,, fully paid up				
Aster Rail Private Limited	3,098,800	1.55	3,098,800	1.55
In Shares of Omani Rials one each, fully paid up				
Nagarjuna Construction Company International LLC, Oman	12,818,000	193.37	12,818,000	193.37
Less: Provision for Impairment in value of Investments		20.00		20.00
		173.37		173.37
In Shares of US \$ 10 each, fully paid up				
NCC Infrastructure Holdings Mauritius Pte. Ltd.	2,687,508	61.88	2,687,508	61.88
Less: Provision for Impairment in value of Investments		21.22		27.23
		40.66		34.65
In Shares of 'AED' 1000 each, fully paid up				
Nagarjuna Contracting Company Limited, LLC, Dubai	300	0.34	300	0.34

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
(ii) Investment in debentures				
0% Compulsory Convertible Debentures				
NCC Infrastructure Holdings Mauritius Pte. Ltd. (US \$ 1 each)	20,596,720	135.24	20,579,250	135.12
Total aggregate investments in Subsidiaries		902.91		904.86
C In Other entities				
(i) Trade (Unquoted)				
Investments - fair value through profit and loss account				
SNP Developers and Projects LLP (Valued at ₹ 35,500)		-		0.97
SNP Ventures LLP		2.18		2.18
SNP Property Developers LLP		2.13		2.93
In Shares of ₹ 10 each, fully paid up				
NAC Infrastructure Equipment Limited	1,499,900	1.50	1,499,900	1.50
In Shares of ₹ 25 each, fully paid up				
Akola Urban Co-operative Bank Limited	4,040	0.01	4,040	0.01
(ii) Trade (Quoted)				
Investment in equity instruments				
In Shares of ₹ 10 each, fully paid up				
NCC Finance Limited [** (Value ₹ 90)]	9	-.**	9	-.**
Total aggregate investments in Other entities		5.82		7.59
Total aggregate investments in Subsidiaries and Other entities		908.73		912.45
Grand Total		919.27		1,023.74
4.2 Current Investments				
Trade (Unquoted) (Fair Value through Profit and Loss)				
In Other entities				
Himachal Sorang Power Limited (Refer note 4.4)	-	-	3,400	0.00
Total		-		0.00
Aggregate amount of Unquoted Investments		1,039.82		1,204.02
Aggregate market value of Quoted Investments		-.**		-.**
Aggregate amount of impairment in value of investments		120.55		180.28
** Market value of ₹ 10.89 (31.03.2018: ₹ 11.25)				

- 4.3** Of these 212,318,091 (31.03.2018: 212,318,091) equity shares have been pledged with State Bank of India. The carrying value of investment in 'NCCIHL' as at March 31, 2019 is higher by ₹ 84.72 crores as compared to the Company's share of net worth in NCCIHL. However, based on the internal assessment and legal advice, the carrying value is recoverable, considering the future cash flows from the claims filed by NCCIHL but not accounted for.
- 4.4** Of these Nil (31.03.2018 : 2,652) equity shares have been pledged with Axis Bank and Nil (31.03.2018 : 748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited.
- 4.5** During the current year, the said investments have been converted into "Investment property under construction" pursuant to an agreement entered by the Company.
- 4.6** The Subsidiary Company has been dissolved during the year.
- 4.7** During the current year, Investment in Tellapur Technocity Private Limited is classified under "Assets classified as held for sale".

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
5 Loans				
Unsecured				
Loans to Related Parties				
Subsidiaries (Refer note 12.1)				
Considered Good		321.05		487.27
Significant increase in credit risk		10.00		10.00
		331.05		497.27
Less : Allowance for significant increase in credit risk		10.00		10.00
Total		321.05		487.27
6 Trade Receivables (Refer note 50)				
Unsecured				
Considered Good		104.59		183.30
Considered Doubtful		16.04		-
		120.63		183.30
Less : Allowance for doubtful trade receivables		16.04		-
Total		104.59		183.30
7 Other Financial Assets				
Unsecured, Considered good				
Deposits with Customers and Others		0.25		0.26
Margin Money Deposits (Refer note 11.5)		59.22		-
In Deposit Accounts with remaining maturity more than 12 months		0.55		-
Interest accrued on loans		98.13		81.17
Total		158.15		81.43
8 Deferred Tax Assets (Net) (Refer note 45) (Inclusive of MAT credit entitlement of ₹ 26.85 crores (31.03.2018: ₹ 26.85 crores))		172.64		179.25
9 Inventories				
Raw Materials		497.59		377.57
Raw Material in Transit		0.23		3.84
Work-in-progress (Refer note 50)		-		1,294.49
Property Development Cost		15.12		19.66
Total		512.94		1,695.56
10 Trade Receivables (Refer note 50)				
Unsecured (Refer note 10.1 to 10.4)				
Considered Good		3,049.57		4,505.64
Considered Doubtful		35.12		53.20
		3,084.69		4,558.84
Less : Allowance for doubtful trade receivables		35.12		53.20
Total		3,049.57		4,505.64

10.1 Trade receivables are generally realisable from customers within a period of 30 days from the date of submission of bill / invoice.

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 trade receivables:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	53.20	40.30
Add: Allowance for doubtful trade receivables	36.00	17.04
Less: Allowance written off during the year	(38.04)	(4.14)
Balance at the end of the year	51.16	53.20

10.4 Trade receivables includes ₹ 31.82 crores (31.03.2018: ₹ 57.14 crores) from subsidiary and associates.

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
11 Cash and Bank Balances		
11.1 Cash and Cash Equivalents		
Cash on hand (Refer note 11.3)	0.99	1.26
Balances with Banks		
In Current Accounts (Refer note 11.4)	164.91	50.50
In Deposit Accounts with original maturity less than 3 months	30.15	7.36
	196.05	59.12
11.2 Other Bank Balances		
In Deposit Accounts		
Margin Money Deposits (Refer note 11.5)	29.72	1.25
In Deposit Accounts with remaining maturity less than 12 months	72.76	5.15
	102.48	6.40
Earmarked balances with Banks		
Unpaid dividend accounts (Refer note 11.6)	0.43	0.37
	102.91	6.77
Total	298.96	65.89

11.3 Cash on hand includes ₹ 0.03 crores (31.03.2018: ₹ 0.01 crores) held in foreign currency.

11.4 Current account balance includes ₹ 0.19 crores (31.03.2018: ₹ 0.05 crores) 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.

11.7 Changes in liabilities arising from financing activities:

(₹ in crores)

	Balance As at April 01, 2018	Cash Flows	As at March 31, 2019
Current borrowings (including current maturity)	1,181.51	491.80	1,673.31
Non-current borrowings	118.54	201.43	319.97
Total	1,300.05	693.23	1,993.28

Notes forming part of the financial statements

(₹ in crores)

	Balance As at April 01, 2017	Cash Flows	As at March 31, 2018
Current borrowings (including current maturity)	1,567.56	(386.05)	1,181.51
Non-current borrowings	9.11	109.43	118.54
Total	1,576.67	(276.62)	1,300.05

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
12 Loans				
Unsecured, considered good				
Loans to Related Parties (Refer note 12.1)				
Subsidiaries		147.10		117.69
Loan to Other Body Corporate		19.60		19.60
Loans and Advances to Employees		8.78		7.88
Total		175.48		145.17

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 crores)

	As at March 31, 2019	As at March 31, 2018	Maximum outstanding during the year (2018-19)	Maximum outstanding during the year (2017-18)
Subsidiaries				
NCC Urban Infrastructure Limited	283.34	420.93	458.43	421.92
NCC Vizag Urban Infrastructure Limited	110.75	110.75	110.75	110.75
NCC Infrastructure Holdings Mauritius Pte. Limited	69.02	-	71.83	-
Nagarjuna Contracting Company L.L.C (including doubtful of ₹ 10.00 crores)	-	65.59	71.83	65.59
Nagarjuna Construction Company International L.L.C,	3.94	-	4.10	-
NCC Infrastructure Holdings Limited	8.44	13.34	13.34	29.79
Aster Rail Private Limited	2.66	4.35	4.35	4.35

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
13 Other Financial Assets				
Unsecured, considered good				
Advances recoverable		155.84		73.56
Interest Accrued on Deposits and others				
Considered Good	20.12		47.10	
Considered Doubtful	11.85		7.63	
	31.97		54.73	
Less : Allowance for doubtful interest	11.85		7.63	
		20.12		47.10
Total		175.96		120.66

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
14 Non Current tax asset (net)		
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	36.10	43.16
14.1 Current Tax Assets (Net)		
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	52.94	56.69
15 Other Non - Current Assets		
Sales Tax / Value Added Tax credit receivable	113.53	47.70
Contract Asset		
Due on performance of future obligations		
Retention Money	111.33	-
Total	224.86	47.70
15.1 Other Current Assets		
Advances to Suppliers, Sub-contractors and Others (Refer note 15.2)		
Considered Good	1,037.06	911.56
Considered Doubtful	42.08	39.27
	1,079.14	950.83
Less : Allowance for doubtful advances	42.08	39.27
	1,037.06	911.56
Contract Asset		
Due on performance of future obligations		
Retention Money (Refer note 15.3)	2,127.59	-
Others	574.35	-
Unbilled revenue (Refer note 15.4)		
Considered Good	1,390.90	-
Considered Doubtful	51.66	-
	1,442.56	-
Less : Expected credit loss for unbilled revenue	51.66	-
	1,390.90	-
Prepaid Expenses	38.94	43.68
Balances with Government Authorities		
Sales Tax / Value Added Tax credit receivable	162.10	269.69
Service Tax credit receivable	-	18.94
Goods and Service Tax credit receivable	265.59	90.25
Total	5,596.53	1,334.12

15.2 Advances to Suppliers, Sub-contractors and Others, includes advances to related parties of ₹ 85.48 crores (31.03.2018: ₹ 52.01 crores).

15.3 Retention money includes receivable from associate of ₹ 21.03 crores.

15.4 Movement in the Expected credit loss for unbilled revenue:

(₹ in crores)

Balance as at April 01, 2018 (Refer note 50)	44.57
Add: Expected credit loss for unbilled revenue during the year	7.09
Balance at the end of the year	51.66

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
16 Share Capital				
Authorised :				
Equity Shares of ₹ 2 each	750,000,000	150.00	750,000,000	150.00
Issued :				
Equity Shares of ₹ 2 each (Refer note 16.1)	600,646,588	120.13	600,646,588	120.13
Subscribed and Paid up :				
Equity Shares of ₹ 2 each	600,646,588	120.13	600,646,588	120.13
Total		120.13		120.13

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

(₹ in crores)

	Year Ended March 31, 2019		Year Ended March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	600,646,588	120.13	555,931,588	111.19
Add: Issue of Share Capital (Refer note 16.6)	-	-	44,715,000	8.94
Balance at end of the year	600,646,588	120.13	600,646,588	120.13

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjunwala	45,108,266	7.51	45,108,266	7.51
Reliance Capital Trustee Company Limited	41,490,247	6.91	46,908,357	7.81
A V S R Holdings Private Limited	40,453,278	6.73	40,453,278	6.73
Aditya Birla Sun Life Trustee Private Limited	34,461,104	5.74	23,888,500	3.98

16.3 Unclaimed equity shares of 25,832 (31.03.2018: 27,972) 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 3,93,653 (31.03.2018: 18,700) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹ 2. The GDRs, rank pari passu in all respects with the equity shares issued by the Company, except in respect of voting rights.

16.6 During the previous year, 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, 44,715,000 equity shares of ₹ 2.00 each, at an issue price of ₹ 123.00 per equity share (including securities premium of ₹ 121.00 per share) aggregating ₹ 550.00 crores 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 were charged off against securities premium.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
17 Other Equity				
17.1 Capital Reserve		5.44		5.44
17.2 Securities Premium				
Opening balance	2,531.65		1,999.30	
Add : Premium on Issue of Share Capital	-		541.05	
Less : Share Issue Expenses	-		8.70	
Closing balance		2,531.65		2,531.65
17.3 Money received against share warrants (Refer note 46)		27.45		-
17.4 General Reserve		922.00		922.00
17.5 Retained Earnings (Refer note 17.5.a)				
Opening balance	670.41		410.37	
Add : Effect of adoption of new accounting standards (Ind AS 115) (Refer note 50)	0.50		-	
Add : Profit for the year	563.91		286.80	
	1,234.82		697.17	
Less : Appropriations				
Dividend distributed to equity shareholders (2018-19: ₹ 1.00 per share (2017-18: ₹ 0.40 per share))	60.07		22.23	
Tax on Dividend Paid	12.35		4.53	
	72.42		26.76	
Closing balance		1,162.40		670.41
17.6 Other Components of Equity				
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		(8.19)		(3.15)
Exchange differences in translating the financial statements of foreign operations (Net of tax)		(4.10)		(4.83)
Total		4,636.65		4,121.52

17.5.a For the year ended March 31, 2019, the Board of Directors have proposed a dividend of ₹ 1.50 per share. The dividend payable on approval of the shareholders is ₹ 90.10 crores and dividend distribution tax thereon is ₹ 18.52 crores.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current*	Non Current	Current*
18 Borrowings				
Term Loans				
Secured - at amortised cost				
From Banks (Refer note 18.1)	181.83	91.16	17.72	57.38
From Other Parties (Refer note 18.2)	88.01	131.72	96.97	75.92
Unsecured - at amortised cost				
From Other Parties (Refer note 18.3)	46.00	30.39	-	-
Vehicle Loans				
Secured - at amortised cost				
From Banks (Refer note 18.4)	1.48	1.06	0.84	0.67
From Others (Refer note 18.4)	2.65	2.67	3.01	2.45
Total	319.97	257.00	118.54	136.42

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

18.1 Term Loans from Banks

- (i) Bank Muscat:
- A loan of March 31, 2019 ₹ Nil, March 31, 2018 ₹ 50.69 crores 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.
- (ii) Axis Bank Limited / Kotak Mahindra Bank / Indus Ind Bank Limited
- Secured by hypothecation of specific assets purchased out of the loan.
- (iii) 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 the loans are as under.

S. No.	Particulars	Number of Loans outstanding as at		Outstanding balance as at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From - To
		31.03.2019	31.03.2018	31.03.2019	31.03.2018		31.03.2019	31.03.2018		
(i)	Axis Bank Limited	26	24	14.23	12.67	8.26 to 9.85	2 to 35	9 to 41	Monthly	February 05, 2016 to February 10, 2022
(ii)	Canara Bank	1	1	181.03	11.75	9.00	11	12	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	27	-	18.64	-	10.00 to 10.50	31 to 34	-	Monthly	December 20, 2018 to January 05, 2022
(iv)	Indus Ind Bank Limited	53	-	59.09	-	9.06 to 9.76	44 to 46	-	Monthly	February 01, 2019 to January 21, 2023

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 crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From - To
		31.03.2019	31.03.2018	31.03.2019	31.03.2018		31.03.2019	31.03.2018		
(i)	SREI Equipment Finance Limited	45	45	71.95	111.72	8.75 to 11	15 to 26	27 to 34	Monthly	September 05, 2017 to May 05, 2021
(ii)	Tata Capital Financial Services Limited	8	8	6.62	11.17	8.50 to 10	3 to 22	15 to 34	Monthly	August 21, 2016 to January 09, 2021
(iii)	Daimler Financial Services India (Private) Limited	2	-	4.78	-	8.42	28 to 29	-	Monthly	October 13, 2018 to August 04, 2021
(iv)	Volvo Financial Services (India) Private Limited	37	-	36.38	-	9.16	36	-	Monthly	January 02, 2019 to March 02, 2022

ii) Term Loan from A.K. Capital Services Ltd, Mumbai for March 31, 2019 ₹ 20.00 crores, March 31, 2018 ₹ 50.00 crores 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.
- Final installment of ₹ 20.00 crores is due as at March 31, 2019 which is payable on May 05, 2019 and paid on the same date.

Notes forming part of the financial statements

iii) Term Loan from Hero Fincorp Ltd, for March 31, 2019 ₹ 80.00 crores, March 31, 2018 ₹ Nil is secured by:

- Pari passu first charge by the way of equitable mortgage of 2 properties.
- Personal guarantees of Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju for all the dues under facility.
- This is payable in 18 monthly installments commencing from March 03, 2019 to September 03, 2020 carry interest @ 12 % per annum.

18.3 Unsecured term loan from other parties:-

S. No.	Particulars	Number of Loans outstanding as at		Outstanding balance as at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2019	31.03.2018	31.03.2019	31.03.2018		31.03.2019	31.03.2018		
(i)	Hewlett Packard Financial Services Limited	7	-	52.17	-	8.99 to 9.52	9 to 12	-	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	8	-	24.22	-	5.02 to 8.66	8 to 10	-	Quarterly	May 10, 2018 to August 05, 2021

18.4 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 crores)

	As at March 31, 2019	As at March 31, 2018
19 Trade Payables		
Retention money	107.93	124.31
Total	107.93	124.31
20 Provisions		
Provision for Employee Benefits		
Gratuity (Refer note 20.1)	21.79	15.10
Total	21.79	15.10

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, 2019 is ₹ 32.88 crores (31.03.2018: ₹ 21.08 crores) of which ₹ 6.36 crores (31.03.2018: ₹ 3.18 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 26.52 crores (31.03.2018: ₹ 17.90 crores) 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.

Notes forming part of the financial statements

Amount to be recognised in Balance Sheet:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Present Value of Funded Obligations	32.88	21.08
Fair Value of Plan Assets	(6.36)	(3.18)
Net Liability	26.52	17.90

(iii) Expenses to be recognized in Statement of Profit and Loss under Employee Benefit Expenses:

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Service Cost	5.83	3.26
Past Service Cost	-	2.75
Interest on Defined Benefit Obligation	1.56	1.02
Expected Return on Plan assets	(0.36)	(0.25)
Total included in "Employee Benefits Expense"	7.03	6.78

(iv) Expenses to be recognized in Statement of Profit and Loss under Other Comprehensive Income:

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Return on Plan Assets	0.16	0.10
Net Actuarial Losses / (Gains) Recognised in Year	7.60	2.91
Total included in "Other Comprehensive Income"	7.76	3.01

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

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	21.08	14.32
Current Service Cost	5.83	3.26
Past Service Cost	-	2.75
Interest Cost	1.56	1.02
Actuarial Losses / (Gain)	7.60	2.91
Benefits Paid	(3.19)	(3.18)
Closing Defined Benefit Obligation	32.88	21.08
Opening Fair Value of Plan assets	3.18	3.19
Expected Return on Plan Assets	0.20	0.15
Contributions	6.17	3.02
Benefits Paid	(3.19)	(3.18)
Closing Fair Value of Plan Assets	6.36	3.18
Expected Employer's Contribution Next Year	13.27	8.95

Notes forming part of the financial statements

(vi) **Asset information:**

	As at March 31, 2019	As at March 31, 2018
Category of Assets		
Insurer Managed Funds – Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	6.36	3.18

(vii) **Experience Adjustments:**

(₹ in crores)

	2018-19	2017-18	2016-17	2015-16	2014-15
Defined Benefit Obligations (DBO)	32.88	21.08	14.32	12.32	11.34
Plan Assets	6.36	3.18	3.19	4.12	2.49
Surplus / (Deficit)	(26.52)	(17.90)	(11.13)	(8.20)	(8.85)
Experience Adjustments on Plan Assets	0.25	0.25	0.28	0.26	0.23

(viii) **Sensitivity Analysis:**

(₹ in crores)

	Gratuity Plan	
	As at March 31, 2019	As at March 31, 2018
Assumptions		
Discount rate	7.65%	8.00%
Estimated rate of return on plan assets	8.25%	8.25%
Expected rate of salary increase	7.00%	5.00%
Attrition rate	20.00%	25.00%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	(6.20)	(5.90)
Discount rate - 100 basis points	7.00	6.60
Salary increase rate +1%	6.40	7.20
Salary increase rate -1%	(5.90)	(6.40)
Attrition rate +1%	0.30	2.80
Attrition rate -1%	(0.30)	(3.10)

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 crores)

Particulars	March 31, 2019
March 31, 2020	4.74
March 31, 2021	3.43
March 31, 2022	2.93
March 31, 2023	3.21
March 31, 2024	3.17

Notes forming part of the financial statements

20.2 The Liability for Cost of Compensated absences is ₹ 35.16 crores (31.03.2018: ₹ 26.01 crores) has been actuarially determined and provided for in the books.

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
21 Borrowings				
Loans repayable on demand				
Secured Loans - Banks				
Working Capital Demand Loan (Refer note 21.1)		840.10		944.97
Cash Credit (Refer note 21.1)		576.21		100.12
Total		1,416.31		1,045.09

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

- Hypothecation against first charge on stocks, book debts, shares of NCC Infrastructure Holdings Limited (Refer note 4.3) and other current assets of the Company, (excluding specific projects) both present and future, ranking pari 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 pari passu amongst consortium banks.
- Equitable mortgage of three properties (Land & Buildings).

These facilities carry an interest rate of 8.75% to 12.70% per annum.

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
22 Trade Payables				
Micro and small enterprises		13.02		0.61
Other than micro and small enterprises				
Acceptances		291.13		470.94
Other than Acceptances (includes retention money payable)		4,080.24		2,916.64
		4,371.37		3,387.58
Total		4,384.39		3,388.19
22.1 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		13.02		0.61
b) Interest due thereon		0.19		0.08
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.			-	-

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
23 Other Financial Liabilities		
Current maturities of Long Term Borrowings (Refer note 18)	257.00	136.42
Interest Accrued but not due on borrowings and others	32.24	12.58
Unpaid Dividend Accounts (Refer note 11.6)	0.43	0.37
Other Payables		
Interest Accrued on Trade Payables (Refer note 22.1)	0.19	0.08
Total	289.86	149.45
24 Provisions		
Provision for Employee Benefits		
Compensated absences (Refer note 20.2)	35.16	26.01
Gratuity (Refer note 20.1)	4.73	2.80
Total	39.89	28.81
25 Current Tax Liabilities (Net)		
Provision for Tax (Net of Advance Tax)	62.88	-
26 Other Current Liabilities		
TDS / Service Tax / Other payable	34.83	20.05
Goods and Service Tax payable	7.42	16.28
Contract Liabilities		
Mobilisation Advance from Customers	1,522.04	1,417.67
Advances from Customers	98.65	76.48
Advances from others	95.86	158.95
Total	1,758.80	1,689.43

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
27 Revenue from Operations (Refer note 27.1)		
Income from Contracts and Services	12,066.88	7,527.73
Other Operating Income	12.88	31.60
Total	12,079.76	7,559.33

27.1 Consequent to the introduction of Goods and Services Tax (GST) with effect from July 01, 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, 2019 is not comparable with the previous year.

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
28 Other Income		
Interest Income		
Deposits and Others	10.54	8.48
Loans and Advances	50.93	51.62
Income Tax refund	1.13	35.78
Others	3.99	2.18
Net Gain / (Loss) on foreign currency transactions	4.35	1.18
Other Non-Operating Income		
Rental Income from operating lease on investment property	3.93	3.07
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)	19.18	-
Miscellaneous Income	24.20	13.52
Total	118.25	115.83

Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
29 Cost of Materials Consumed		
Construction Materials, Stores and Spares		
Opening Stock	381.41	374.31
Add : Purchases	4,880.00	2,942.38
	5,261.41	3,316.69
Less : Closing Stock	497.82	381.41
Total Consumption	4,763.59	2,935.28
30 Construction Expenses		
Transport Charges	98.75	76.83
Indirect Taxes		
Value Added Tax	-	113.03
Service Tax	-	13.64
	-	126.67
Repairs and Maintenance		
Machinery	127.82	86.54
Others	17.58	18.17
	145.40	104.71
Hire Charges for Machinery and others	174.06	129.56
Power and Fuel	33.24	20.25
Technical Consultation	101.41	41.97
Royalties, Seigniorage and Cess	31.25	37.21
Other Expenses	330.11	230.70
Expected credit loss for unbilled revenue	7.09	-
	677.16	459.69
Total	921.31	767.90
31 Changes in Inventories of Work in Progress		
Opening Balance* (Refer note 50)	-	1,135.75
Closing Balance	-	1,294.49
Total	-	(158.74)

*Out of opening balance as at April 01, 2018 ₹ 58.91 crores transferred to Investment Property.

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
32 Employee Benefits Expense		
Salaries and Other Benefits	397.04	323.27
Contribution to Provident Fund and Other Funds (Refer note 20.1 and 32.1)	35.78	35.11
Staff Welfare Expenses	6.50	5.73
Total	439.32	364.11

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 ₹ 18.59 crores (31.03.2018: ₹ 17.81 crores) for Provident Fund contributions and ₹ 8.25 crores (31.03.2018: ₹ 7.80 crores) 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.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019 and hence no provision has been made. The Company is in the process of complying with the aforesaid order on prospective basis.

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 crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
33 Finance Costs		
Interest Expense on		
Borrowings		
Term Loans	35.64	12.77
Working Capital Demand Loans and Cash Credit	165.83	205.11
Mobilisation Advance	131.59	63.06
Others	5.07	5.56
	338.13	286.50
Other Borrowing Costs		
Commission on - Bank Guarantees	93.35	75.65
- Letters of Credit	12.53	11.37
	105.88	87.02
Bank and Other Financial Charges	7.25	5.42
Total	451.26	378.94
34 Other Expenses		
Rent	63.97	59.17
Travelling and Conveyance	27.71	25.16
Office Maintenance	25.22	17.79
Electricity Charges	8.09	5.97
Rates and Taxes	4.91	4.25
Consultation Charges	11.27	13.69
Postage, Telegrams and Telephones	3.59	3.88
Insurance	10.81	9.98
Printing and Stationery	5.45	3.98
Legal and Professional Charges	16.16	8.49
Auditors' Remuneration (Refer note 34.1)	1.72	1.31
Directors' Sitting Fees	0.26	0.30
Trade Receivables / Advances written off	7.35	11.48
Provision for Doubtful Trade Receivables / Advances / Others	57.18	23.12
Loss on Sale of Property, Plant and Equipment / Investment Property (Net)	-	0.70
Tender Schedule Expenses	2.14	2.14
Donations and Electoral Bonds (includes ₹ 20.00 crores Electoral Bonds (31.03.2018: ₹ Nil))	22.77	2.65
CSR Expenditure (Refer note 42)	6.14	4.68
Miscellaneous Expenses	12.21	10.55
Total	286.95	209.29
34.1 Auditors' Remuneration		
Statutory Audit fee	1.57	1.16
Certification fee	0.15	0.15
Total	1.72	1.31

The above amount excludes payment of ₹ Nil (31.03.2018: ₹ 0.35 crores) 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 crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
35 Tax Expense		
Current Tax	308.26	167.61
Earlier year taxes (net) (includes ₹ Nil (31.03.2018: ₹ 26.85 crores) MAT credit recognised during the current year)	0.47	(70.75)
Deferred Tax	9.05	(15.92)
Total	317.78	80.94

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

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Accounting profit before tax	881.69	367.74
Tax expense at statutory tax rate at 34.944% / 34.608%	308.10	127.27
Adjustments:		
Effect of income that is exempt from taxation	(1.02)	(4.30)
Adjustments recognised in the current year in relation to the current tax of prior years	0.47	(70.75)
Effect of expenses that are not deductible in determining taxable profit	13.57	29.20
Effect of capital gains set off with unused capital losses	(2.91)	(0.48)
Others including effect of change in rate of tax	(0.43)	-
	9.68	(46.33)
Tax expense reported in the Statement of Profit and Loss	317.78	80.94

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

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Tax effect on actuarial gains/losses on defined benefit obligations	2.72	1.05
Tax effect on foreign currency translation differences	-	0.01
Total	2.72	1.06

Notes forming part of the financial statements

36 Contingent Liabilities and Commitments (to the extent not provided for)

(i) Contingent Liability

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Matters under litigation		
Claims against the company not acknowledged as debt*		
- Disputed sales tax / entry tax liability for which the Company preferred appeal	330.90	252.24
- 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	0.46	0.46
- Disputed Service tax liability for which the Company preferred appeal	96.31	96.31
- Disputed Income tax liability for which the Company preferred appeal	-	4.85
- Others	28.27	12.80
* 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.	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
(c) Guarantees		
Counter Guarantees given to the Bankers **	2.44	61.45
Corporate Guarantees given to Banks for financial assistance extended to Subsidiaries.	607.35	776.63

** Excludes Guarantees given against Company's liabilities, in terms of Guidance Note issued by the Institute of Chartered Accountants of India.

(ii) Commitments

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	70.15	48.26
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	2.99	6.02

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
	List of entities over which control exist	36	Sradha Real Estates Private Limited
A)	Subsidiaries	37	Siripada Homes Private Limited
1	NCC Infrastructure Holdings Limited	38	NJC Avenues Private Limited
2	NCC Urban Infrastructure Limited	39	NCC WLL
3	NCC Vizag Urban Infrastructure Limited	40	Al Mubarakia Contracting Company L.L.C.
4	Nagarjuna Construction Co.Ltd and Partners L.L.C.#	41	NCCA International Kuwait General Contracts Company L.L.C.
5	NCC Infrastructure Holdings Mauritius Pte. Limited	42	Samashti Gas Energy Limited
6	Nagarjuna Construction Company International L.L.C.	43	NCC Infra Limited
7	Nagarjuna Contracting Co. L.L.C.	44	NCC Urban Homes Private Limited
8	Patnitop Ropeway and Resorts Limited	45	NCC Urban Ventures Private Limited
9	Vaidehi Avenues Limited	46	NCC Urban Meadows Private Limited
10	NCC International Convention Centre Limited	47	NCC Urban Villas Private Limited
11	NCC Oil & Gas Limited	48	Nagarjuna Suites Private Limited
12	Aster Rail Private Limited	49	OB Infrastructure Limited
13	Pachhwarra Coal Mining Private Limited	50	Tellapur Technocity (Mauritius) ⁵
14	Talaipalli Coal Mining Private Limited	51	Savitra Agri Industrial Park Private Limited
15	Naftogaz Engineering Private Limited (Refer note 4.6)	B)	Associates
	Step-Down Subsidiaries	52	Paschal Form Work (India) Private Limited
16	Liquidity Limited*	53	Nagarjuna Facilities Management Services L.L.C.
17	Dhatri Developers & Projects Private Limited	54	Jubilee Hills Landmark Projects Private Limited**
18	Sushanti Avenues Private Limited	55	Tellapur Technocity Private Limited
19	Sushruta Real Estates Private Limited	56	Apollonius Coal and Energy Pte.Ltd.
20	PRG Estates LLP®	57	Ekana Sportz City Private Limited
21	Thrilekya Real Estates LLP®	58	Brindavan Infrastructure Company Limited
22	Varma Infrastructure LLP®	59	Pondicherry Tindivanam Tollway Limited
23	Nandyala Real Estates LLP®	C)	Key Management Personnel
24	Kedarnath Real Estates LLP®	60	Sri. A.A.V. Ranga Raju
25	AKHS Homes LLP®	61	Sri. A.S.N. Raju
26	JIC Homes Private Limited	62	Sri. A.G.K. Raju
27	Sushanthi Housing Private Limited	63	Sri. A.V.N. Raju
28	CSVS Property Developers Private Limited	64	Sri. J.V. Ranga Raju
29	Vera Avenues Private Limited	65	Sri. Ramachandra Venkataraman Shastri
30	Sri Raga Nivas Property Developers LLP®	66	Sri. Utpal Hemendra Sheth
31	VSN Property Developers LLP®	67	Smt. Renu Challu
32	MA Property Developers Private Limited	68	Sri. Ravi Shankararamaiah
33	Vara Infrastructure Private Limited	69	Sri. Hemant Madhusudan Nerurkar
34	Sri Raga Nivas Ventures Private Limited	70	Dr. Durga Prasad Subramanyam Anapindi
35	Mallelavanam Property Developers Private Limited	71	Sri. Neeraj Mohan***

Notes forming part of the financial statements

S.No	Particulars	S.No	Particulars
72	Sri. R.S. Raju	E)	Enterprises owned or significantly influenced by key management personnel or their relatives
73	Sri. M.V. Srinivasa Murthy	92	NCC Blue Water Products Limited
D)	Relatives of Key Management Personnel	93	NCC Finance Limited
74	Dr. A.V.S. Raju	94	Shyamala Agro Farms Private Limited
75	Smt. A. Satyanarayanamma	95	Ranga Agri Impex LLP@
76	Sri. N.R. Alluri (Key Management Person upto November 11, 2017)	96	NCC Foundation
77	Sri. A. Srinivasa Rama Raju	97	Sirisha Projects Private Limited
78	Smt. B. Kaushalya	98	Narasimha Developers Private Limited
79	Smt. J. Sridevi	99	Avathesh Property Developers Private Limited
80	Smt. J. Sowjanya	100	Arnesh Ventures Private Limited
81	Smt. A. Arundhati	101	AVSR Holdings Private Limited
82	Smt. M. Swetha	102	Sridevi Properties
83	Sri. J. Krishna Chaitanya Varma	103	Matrix Security and Surveillance Private Limited
84	Smt. A. Subhadra Jyotirmayi	104	Jampana Constructions Private Limited
85	Smt. A. Shyama	105	Shri Aruna Constructions Private Limited (w.e.f. September 29, 2018)
86	Smt. A. Suguna		
87	Sri. A. Sri Harsha Varma		
88	Sri. S.R.K. Surya Srikrishna Raju		
89	Sri. A. Vishnu Varma		
91	Sri.U. Sunil		

Under liquidation w.e.f. July 01, 2018 .

* Merged with "NCC Infrastructure Holdings Mauritius Pte. Limited" with effect from July 01,2018.

@ Converted from Limited Liability Company to Limited Liability Partnership during the year.

** Ceased to be Associate w.e.f. May 22, 2018.

*** Key Management Person upto May 07, 2018.

\$ During the year investment holding % in Tellapur Technocity (Mauritius) is increased from 25.59% to 93.63%.

Notes forming part of the financial statements

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

(₹ in crores)

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	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Investments in Equity shares	-	76.12	-	-	-	-	-	-
2	Advances converted to Compulsory Convertible Debentures	0.12	0.25	-	-	-	-	-	-
3	Loans granted	57.15	145.53	-	-	-	-	-	-
4	Loan repayment received	199.71	76.90	-	-	-	-	-	-
5	Inter Corporate Deposit given	2.90	16.76	-	-	-	-	-	-
6	Inter Corporate Deposit Repayment Received / Adjusted	7.79	29.33	-	-	-	-	-	-
7	Advances granted	36.67	23.56	0.84	0.05	-	-	107.59	33.49
8	Advances Repayment Received / Adjusted	7.29	19.96	1.13	1.04	-	-	0.69	48.39
9	Advances Repaid / Adjusted	85.10	65.79	-	-	-	-	0.00	0.07
10	Mobilisation Advance Recovered / Adjusted from the Company	-	-	1.50	7.48	-	-	-	-
11	Mobilisation Advance Recovered / Adjusted by the Company	-	-	-	-	-	-	8.95	7.00
12	Mobilisation Advance released	-	-	-	-	-	-	-	1.41
13	Retention Money recovered	3.93	-	-	6.04	-	-	-	-
14	Retention Money released	-	-	-	-	-	-	-	7.02
15	Interest Received / Adjusted	50.70	52.26	-	-	-	-	-	-
16	Remittance to Trade Payables	0.31	0.58	-	-	-	-	5.00	14.73
17	Trade / Accounts Receivables realised	0.35	0.29	-	34.24	-	-	-	-
18	Advances / Interest Written off	20.82	24.10	-	-	-	-	-	-
19	Revenue from Operations	-	-	-	60.36	-	-	-	-
20	Material Purchase & Services	0.26	0.45	0.74	1.20	-	-	-	0.16
21	Purchase of Fixed Assets	1.45	-	-	-	-	-	-	-
22	Sale of Fixed Assets	0.64	-	-	-	-	-	-	-
23	Interest Income	50.93	53.16	-	-	-	-	-	-
24	Reimbursement of Expenses	2.16	3.67	2.90	0.68	-	-	1.64	13.21
25	Sub-Contractors work bills	31.46	11.75	-	-	-	-	97.87	54.18
26	Remuneration (Including commission)*								
	Short-term employee benefits	-	-	-	-	32.16	20.69	-	-
	Post employee benefits	-	-	-	-	1.18	1.08	-	-
27	Directors Sitting Fees	-	-	-	-	0.26	0.30	-	-
28	Rent income	0.06	0.08	-	-	-	-	-	-
29	Rent expenses	0.01	0.01	-	-	0.67	0.75	10.06	9.90
30	Dividend paid	-	-	-	-	5.19	2.38	5.65	1.93
31	Corporate Guarantees revoked / expired	176.66	573.52	-	-	-	-	-	-
32	Counter Guarantees revoked / expired	59.00	-	-	-	-	-	-	-

* 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 crores)

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
1	Debit Balances outstanding								
	NCC Urban Infrastructure Limited	284.86	433.33	-	-	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	191.95	191.95	-	-	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte. Limited	91.07	17.63	-	-	-	-	-	-
	Nagarjuna Contracting Co. L.L.C., Dubai*	-	76.36	-	-	-	-	-	-
	Nagarjuna Construction Co. Ltd. & Partners L.L.C.	-	5.60	-	-	-	-	-	-
	Nagarjuna Construction Company International L.L.C.	19.73	21.32	-	-	-	-	-	-
	NCC Infrastructure Holdings Limited	8.44	13.34	-	-	-	-	-	-
	Vaidehi Avenues Limited	0.15	0.06	-	-	-	-	-	-
	Aster Rail Private Limited	5.12	9.96	-	-	-	-	-	-
	Pachhvara Coal Mining Private Limited	0.09	0.08	-	-	-	-	-	-
	Talaipalli Coal Mining Private Limited	0.03	0.01	-	-	-	-	-	-
	Jubilee Hills Landmark Projects Private Limited	-	-	-	0.12	-	-	-	-
	Tellapur Technocity Private Limited	-	-	0.03	0.04	-	-	-	-
	Paschal Form Work (India) Private Limited	-	-	0.08	0.08	-	-	-	-
	Brindavan Infrastructure Company Limited	-	-	0.59	0.59	-	-	-	-
	Ekana Sportz City Private Limited	-	-	52.26	52.25	-	-	-	-
	Pondichery Tindivanam Tollway Limited	-	-	-	0.05	-	-	-	-
	Sridevi Properties	-	-	-	-	-	-	0.19	0.19
	Jampana Constructions Private Limited	-	-	-	-	-	-	21.31	15.09
	Shri Aruna Constructions Private Limited	-	-	-	-	-	-	41.22	-
	Sri. J.V. Ranga Raju	-	-	-	-	0.08	0.08	-	-
	Smt. J. Sowjanya	-	-	-	-	0.10	0.10	-	-
	Smt. J. Sridevi	-	-	-	-	0.08	0.08	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	-	-	0.13	0.13	-	-
	Corporate Guarantees & Counter Guarantees Closing Balance								
	Corporate Guarantees outstanding								
	Nagarjuna Construction Company International L.L.C.	603.78	723.41	-	-	-	-	-	-
	Nagarjuna Contracting Co. L.L.C., Dubai	45.84	53.22	-	-	-	-	-	-
	Counter Guarantees								
	NCC Infrastructure Holdings Limited	-	59.00	-	-	-	-	-	-

Notes forming part of the financial statements

(₹ in crores)

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
2	Credit Balances outstanding								
	NCC Urban Infrastructure Limited	1.26	1.50	-	-	-	-	-	-
	Nagarjuna Contracting Co. L.L.C., Dubai	-	1.92	-	-	-	-	-	-
	Nagarjuna Construction Company International L.L.C.	-	78.74	-	-	-	-	-	-
	Patnitop Ropeway and Resorts Limited	1.20	1.27	-	-	-	-	-	-
	Nagarjuna Facilities Management Services L.L.C.	-	-	0.25	0.25	-	-	-	-
	Brindavan Infrastructure Company Limited	-	-	0.35	0.35	-	-	-	-
	Ekana Sportz City Private Limited	-	-	-	1.50	-	-	-	-
	Pachhwara coal mining Private Limited	-	0.01	-	-	-	-	-	-
	Aster Rail Private Limited	-	0.08	-	-	-	-	-	-
	Vaidehi Avenues Limited	-	0.01	-	-	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	-	-	0.05	0.05
	Sirisha Projects Private Limited	-	-	-	-	-	-	0.03	0.03
	Jampana Constructions Private Limited	-	-	-	-	-	-	4.90	0.83
	Shri Aruna Constructions Private Limited	-	-	-	-	-	-	8.11	-
	Sridevi Properties	-	-	-	-	-	-	0.03	0.03
	Sri. A.A.V. Ranga Raju	-	-	-	-	5.81	3.21	-	-
	Sri. A.S.N. Raju	-	-	-	-	2.89	1.61	-	-
	Sri. A.G.K. Raju	-	-	-	-	2.90	1.60	-	-
	Sri. A.V.N. Raju	-	-	-	-	2.90	1.60	-	-
	Sri. J.V. Ranga Raju	-	-	-	-	0.36	0.24	-	-
	Sri. R.S. Raju	-	-	-	-	0.12	0.06	-	-
	Sri. M.V. Srinivasa Murthy	-	-	-	-	0.09	0.04	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	-	-	0.08	0.02	-	-
	Sri. A. Vishnu Varma	-	-	-	-	0.07	0.02	-	-
	Smt. A. Nikhita	-	-	-	-	0.03	0.02	-	-
	Sri. A. Sri Harsha Varma	-	-	-	-	0.03	0.00	-	-
	Sri. U. Sunil	-	-	-	-	0.03	0.00	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	-	-	0.10	0.01	-	-
	Smt. J. Sowjanya	-	-	-	-	0.01	0.01	-	-
	Smt. J. Sridevi	-	-	-	-	0.01	0.01	-	-
	Smt. B. Kaushalya	-	-	-	-	0.03	-	-	-

* Receivables (after written off) from Nagarjuna Contracting Co. L.L.C., Dubai was assigned to NCC Infrastructure Holdings Mauritius Pte. Limited.

Notes forming part of the 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.

(₹ in crores)

Particulars	2018 - 19	2017 - 18
Investments in Equity Shares - Made		
- Nagarjuna Construction Company International L.L.C.	-	76.07
Advances converted to Compulsory Convertible Debentures		
- NCC Infrastructure Holdings Mauritius Pte. Limited	0.12	0.25
Loans Granted		
- NCC Urban Infrastructure Limited	53.05	145.53
Loan Repayment Received		
- NCC Urban Infrastructure Limited	198.02	76.90
Inter Corporate Deposit given		
- NCC Infrastructure Holdings Limited	2.90	16.76
Inter Corporate Deposit Received		
- NCC Infrastructure Holdings Limited	7.79	29.33
Advances Granted		
- Jampana Constructions Private Limited	64.83	33.49
- Aster Rail Private Limited	33.78	16.56
- Shri Aruna Constructions Private Limited	42.76	-
Advances Repayment Received / Adjusted		
- Nagarjuna Construction Company International L.L.C.	1.88	2.63
- NCC Infrastructure Holdings Limited	-	14.90
- Jampana Constructions Private Limited#	-	47.44
- Aster Rail Private Limited	2.60	-
- NCC Urban Infrastructure Limited\$	2.52	-
- Jubilee Hills Landmarks Projects Private Limited	1.04	-
Advances / Interest Written off		
- Nagarjuna Construction Company International L.L.C.	6.97	-
- Nagarjuna Contracting Co. L.L.C., Dubai	6.64	24.10
- Nagarjuna Construction Co. Ltd. & Partners L.L.C.	6.22	-
Advances Repaid / Adjusted		
- Nagarjuna Construction Company International L.L.C.	84.83	65.79
Mobilisation Advance Recovered / Adjusted from the Company		
- Ekana Sportz City Private Limited	1.50	7.48
Mobilisation Advance Recovered / Adjusted by the Company		
- Jampana Constructions Private Limited	7.15	7.00
- Shri Aruna Constructions Private Limited	1.80	-
Mobilisation Advance Released		
- Jampana Constructions Private Limited	-	1.41
Retention Money Recovered		
- Ekana Sportz City Private Limited	-	6.04
- NCC Urban Infrastructure Limited	3.93	-
Retention Money Released		
- Jampana Constructions Private Limited	-	7.02
Interest Received		
- NCC Urban Infrastructure Limited	49.72	48.06
Remittance to Trade Payables		
- Jampana Constructions Private Limited	3.30	14.73
- Shri Aruna Constructions Private Limited	1.70	-

Notes forming part of the financial statements

(₹ in crores)

Particulars	2018 - 19	2017 - 18
Trade / Accounts Receivables realised		
- Ekana Sportz City Private Limited	-	31.06
- NCC Urban Infrastructure Limited [§]	0.35	-
Revenue from Operations		
- Ekana Sportz City Private Limited	-	60.36
Material Purchases and Services		
- Paschal Form Work (India) Private Limited	0.74	1.20
- NCC Urban Infrastructure Limited [#]	-	0.39
- Pachhwara Coal Mining Private Limited	0.20	-
Purchase of Fixed Assets		
- Nagarjuna Construction Company International L.L.C.	1.45	-
Sale of Fixed Assets		
- NCC Urban Infrastructure Limited	0.64	-
Interest Income		
- NCC Urban Infrastructure Limited	49.73	48.07
Reimbursement of Expenses		
- Nagarjuna Construction Company International L.L.C.	1.83	3.13
- Jubilee Hills Landmarks Projects Private Limited	2.84	-
- Jampana Constructions Private Limited	1.64	12.26
Sub Contract Work Bills		
- NCC Urban Infrastructure Limited [#]	-	0.05
- Aster Rail Private Limited	31.42	11.70
- Jampana Constructions Private Limited	58.17	54.18
- Shri Aruna Constructions Private Limited	39.70	-
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	10.81	6.87
- Sri. A.S.N. Raju	5.44	3.51
- Sri. A.G.K. Raju	5.46	3.52
- Sri. A.V.N. Raju	5.39	3.46
Directors Sitting Fees		
- Sri. R.V. Shastri	0.06	0.06
- Sri. Hemanth M Nerurkar	0.06	0.06
- Smt. Renu Challu	0.05	0.06
- Sri. Utpal Sheth [#]	-	0.03
- Sri. S. Ravi [#]	-	0.03
- Dr. A.S. Durga Prasad	0.06	0.07
Rent Income		
- NCC Urban Infrastructure Limited	0.05	0.05
Rent Expenses		
- Sirisha Projects Private Limited	9.36	9.50
Dividend Paid		
- AVSR Holdings Private Limited	4.05	1.56
- Sri. A.A.V. Ranga Raju	1.36	0.54
- Sirisha Projects Private Limited	1.11	-
Corporate Guarantees Revoked / Expired		
- Nagarjuna Construction Company International L.L.C.	165.98	573.52
Counter Guarantees Revoked / Expired		
- NCC Infrastructure Holdings Limited	59.00	-

§ Transactions occurred during the previous year with the party do not exceed 10% of the total transaction value. Hence, amount not disclosed.

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 financial statements

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.

Customer Concentration

Revenue from one customer amounted to 19.34 % arising on account of Income from Contracts and Services.

39 Earnings per share

	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Profit after tax available for equity shareholders (₹ in crores)	563.91	286.80
Weighted Average number of equity shares for Basic EPS (Nos)	600,646,588	563,159,492
Weighted Average number of equity shares for Diluted EPS (Nos)	600,646,588	563,159,492
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	9.39	5.09

*The Company has no dilutive instruments during the year ended March 31, 2019 and 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 crores)

	Year Ended March 31, 2018
Contract revenue recognised as revenue in the year	7,520.07
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	40,670.41
Amount of advances received for contracts in progress	1,494.15
Amount of retention money for contracts in progress	1,255.34

Ind AS - 11 is not applicable with effect from April 01, 2018.

41 Financial instruments

41.1 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.

Notes forming part of the financial statements

The following table summarises the capital of the Company:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Equity	4,756.78	4,241.65
Short-term borrowings and current portion of long-term debt	1,673.31	1,181.52
Long-term debt	319.97	118.54
Cash and cash equivalents	(196.05)	(59.12)
Net debt	1,797.23	1,240.94
Total capital (equity + net debt)	6,554.01	5,482.59
Gearing ratio	0.38	0.29

41.2 Categories of financial instruments

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mandatorily measured:		
Equity investments in other entities	5.82	7.59
Measured at amortised cost		
Cash and bank balances	298.96	65.89
Other financial assets at amortised cost	3,984.80	5,523.47
Measured at cost		
Investments in equity instruments in subsidiaries and associates		
a) Equity shares	778.21	795.53
b) Debentures	135.24	220.62
	5,203.03	6,613.10
Financial liabilities		
Measured at amortised cost	6,518.46	4,825.58

41.3 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 (WCDL) 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.

Notes forming part of the financial statements

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 ₹ 1,993.28 crores (31.03.2018: ₹ 1,300.05 crores) as of 31.03.2019, the floating rate borrowings are ₹ 1,416.31 crores (31.03.2018: ₹ 1,006.85 crores). For every 50 base points change in the interest rate when no change in other variables, it will affect the profit before tax by ₹ 7.08 crores for the year ended March 31, 2019 (31.03.2018: ₹ 5.03 crores).

- **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, 2019 and March 31, 2018.

(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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD (crores)	4.32	4.30	6.26	5.15
INR (₹ in crores)	299.21	279.96	433.31	335.76
Euro (crores)	0.31	0.01	-	-
INR (₹ in crores)	24.40	0.51	-	-
AED (crores)	-	-	-	4.30
INR (₹ in crores)	-	-	-	76.36
OMR (crores)	-	-	-	0.13
INR (₹ in crores)	-	-	-	21.63

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 crores)

Currency USD impact on:	As at March 31, 2019	As at March 31, 2018
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(1.94)	(0.86)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	1.94	0.86
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(1.94)	(0.86)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	1.94	0.86

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.

Credit risk on trade receivables and contract assets 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 and contract assets. In assessing the recoverability of the trade receivables and

Notes forming part of the financial statements

contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract. Refer note 6, 10.3 and 15.4 for provision made against trade receivable and contract assets.

Credit risk on account of investments, loans (including interest) and other receivables from group companies / related parties has been adequately provided in the books. The cash and bank balances (excluding cash on hand) are held with banks and financial institutions having good credit rating.

iii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuous planning and monitoring of 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, 2019:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	4,492.32	4,217.51	212.09	62.72	4,492.32
Borrowings and interest thereon	2,025.52	1,705.55	305.51	14.46	2,025.52
Other financial liabilities	0.62	0.62	-	-	0.62
Total	6,518.46	5,923.68	517.60	77.18	6,518.46

The table below provides details of financial assets as at March 31, 2019:

(₹ in crores)

	Carrying amount
Trade receivables	3,154.16
Loans	496.53
Other financial assets	1,552.34
Total	5,203.03

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

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	3,512.50	3,339.35	126.98	46.17	3,512.50
Borrowings and interest thereon	1,312.63	1,194.10	118.53	-	1,312.63
Other financial liabilities	0.45	0.45	-	-	0.45
Total	4,825.58	4,533.90	245.51	46.17	4,825.58

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

(₹ in crores)

	Carrying amount
Trade receivables	4,688.94
Loans	632.44
Other financial assets	1,291.72
Total	6,613.10

Notes forming part of the financial statements

41.4 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 crores)

Financial Assets / Financial Liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2019	As at March 31, 2018		
Investments in unquoted equity instruments at FVTPL	5.82	7.59	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.

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

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at cost:				
- Investments (other than investments in Subsidiaries and Associates)	5.82	5.82	7.59	7.59
Financial assets at amortised cost:				
- Trade receivables	3,154.16	3,154.16	4,688.94	4,688.94
- Cash and cash equivalents	196.05	196.05	59.12	59.12
- Bank balances other than cash and cash equivalents	102.91	102.91	6.77	6.77
- Loans	496.53	496.53	632.44	632.44
- Other financial assets	334.11	334.11	202.09	202.09
Financial liabilities				
Financial liabilities at amortised cost:				
- Borrowings	1,736.28	1,736.28	1,163.63	1,163.63
- Trade payables	4,492.32	4,492.32	3,512.50	3,512.50
- Other financial liabilities	289.86	289.86	149.45	149.45

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 financial statements

- 42 a) Gross amount required to be spent by the Company towards CSR during the year ₹ 6.14 crores (March 31, 2018: ₹ 4.68 crores).
b) Amount spent:

(₹ in crores)

Particulars	March 31, 2019			March 31, 2018		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Rural Development-Antervedipallipalem	4.85	-	4.85	1.64	-	1.64
Education, Sports and Harithaharam	0.29	-	0.29	3.03	-	3.03
Installation of CC Cameras under Police stations - Hyderabad	-	-	-	0.01	-	0.01
Army welfare fund	1.00	-	1.00			
Total	6.14	-	6.14	4.68	-	4.68

- 43 The exceptional items for the year ended March 31, 2019 is ₹ 58.93 crores after netting off profit on sale of investment of ₹ 2.57 crores and provision made for overseas subsidiaries ₹ 61.50 crores.

The exceptional items for the year ended March 31, 2018 is ₹ 106.56 crores after netting off profit on sale of investment of ₹ 12.42 crores and provision made for impairment of investment, loans and interest ₹ 118.98 crores.

- 44 Consequent to the encashment of Bank Guarantees (BGs) of ₹ 343.10 crores in the year 2017-18 by one of the customer, NCCL invoked the arbitration clause and submitted a claim of ₹ 1,571.41 crores towards refund of retention money, refund of BGs amount, payment of pending bills, additional works done and cost incurred on prolongation of the project by the customer. Against which, the customer has filed a counter claim of ₹ 1,071.46 crores towards liquidated damages, turbine replacement, balance works, etc. As per the management assessment and legal advise, no provision is required for the subject matter and arbitration proceedings are expected to be completed in a year's time.

45 Deferred tax assets (Net)

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2019:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(18.40)	(12.92)
Provision for doubtful trade receivables, advances and others	53.85	50.56
Provision for diminution in value of investments	35.00	51.81
Provision for employee benefits	25.27	18.38
Loss allowance on Financial Instruments	48.86	62.30
MAT Credit entitlement	26.85	26.85
Others	1.21	(17.73)
Total	172.64	179.25

45.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
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	539.64	549.13

Notes forming part of the financial statements

46 The Company had issued and allotted 9,200,000 Convertible Warrants on August 23, 2018 at a price of ₹ 119.37 per Warrant on preferential basis to the promoters of the Company, as per the provision of Chapter VII of the SEBI ICDR Regulations. The Company has received the part payment (25% of total consideration) of ₹ 27.45 crores. As per the said regulations the Warrants would be converted into equivalent number of equity shares of ₹ 2.00 each (at a premium of ₹ 117.37 per share) on payment of the balance amount prior to expiry of 18 months from the date of issue of convertible warrants.

47 Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 937.84 crores.

Increase in the contract assets and contract liabilities as at March 31, 2019 from April 01, 2018 is on account of increase in operations of the Company.

48 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss for the current year. There is no significant revenue recognised in the current year from performance obligations satisfied in previous periods.

49 Performance obligation

The transaction price allocated to the remaining performance obligations is ₹ 39,216.00 crores, which will be recognised as revenue over the respective project durations. Generally the project duration of contracts with customers is be 1 to 3 years.

50 Transition impact of Ind AS 115

The nature of the adjustments as at April 01, 2018 and the reasons for the significant changes in the balance sheet as at March 31, 2019 and the statement of profit or loss for the year ended March 31, 2019 are described below:

- (a) The amount of work done but pending acknowledgment by contractee was recognised as "Work-in-progress" at cost (disclosed under "Inventories") until previous year. Under Ind AS 115, the same is treated as "Unbilled Revenue" (disclosed under "Other Current Assets") which is valued at the contracted rates amounting to ₹ 1,442.56 crores (April 01, 2018: ₹ 1,280.93 crores) and thereby including profit element of ₹ 61.58 crores (April 01, 2018: ₹ 45.35 crores). This has resulted in an increase of revenue for the current year by ₹ 161.63 crores which otherwise would have been disclosed as changes in work-in-progress amounting to ₹ 145.40 crores. Under Ind AS 115, the Company has also provided for expected credit loss (ECL) on the aforesaid contract assets amounting to ₹ 51.66 crores (April 01, 2018: ₹ 44.57 crores). This has resulted in an increase in construction expenses by ₹ 7.09 crores. The net impact of the above adjustments is resulted in the current year profit increased by ₹ 5.95 crores (net of taxes of ₹ 3.19 crores) and on the opening balance of retained earnings increased by ₹ 0.50 crores (net of deferred taxes of ₹ 0.28 crores).
- (b) The amounts billed but for which payment is due on completion of future performance obligation, amounting to ₹ 2,813.27 crores (April 01, 2018: ₹ 2,244.84 crores), was earlier shown under "Trade Receivables" have been reclassified to "Other Current Assets" and "Other Non Current Assets".
- (c) The cumulative impact of Ind AS 115 during the year has resulted in an increase of ₹ 0.10 in Earning per share of the Company.

51 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 24, 2019.

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, 2019

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
NCC LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

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 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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, subsidiaries, associates and joint operations, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and its associates as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Trade receivables and contract assets of the Holding Company	
<p>Trade receivables and contract assets of the Holding Company amounting to ₹ 3,154.16 crores and ₹ 4,204.16 crores respectively, represents approximately 50.19% of the total assets of the Group as at March 31, 2019.</p> <p>In assessing the recoverability of the aforesaid balances, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.</p> <p>Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>	<p>Our audit procedures in respect of the Holding Company amongst others included the following:</p> <ul style="list-style-type: none"> • We understood and tested the design and operating effectiveness of management control over the recognition and the recoverability of the trade receivables and contract assets. • We performed test of details, and tested relevant contracts, documents and subsequent settlements for material trade receivable balances and amounts included in contract assets that are due on performance of future obligations. • We tested the aging of trade receivables at year end. • We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed during the period for material unbilled revenue included in contract assets. • We performed additional procedures, in respect of material over-due trade receivables and long outstanding contract assets, i.e. tested historical payment records, correspondence with customers and legal advice obtained by the management on litigations from legal experts. • We evaluated the competence, capabilities and objectivity of the aforesaid legal experts. • We assessed the allowance for impairment made by management.
Indirect tax litigations of the Holding Company	
<p>The Holding Company is subject to assessments by tax authorities on various indirect tax matters resulting into litigations/disputes (Significant portion of the amounts disclosed in note 38 to the consolidated Ind AS financial statements are from the Holding Company).</p> <p>The tax matters involve significant amounts which are at various stages and the proceedings take significant time to resolve.</p> <p>Management exercises significant judgement in assessing the financial impact of tax matters due to the complexity of the cases and involvement of various tax authorities.</p> <p>Accordingly, we have identified this as a key audit matter.</p>	<p>Our audit procedures in respect of the Holding Company amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained list of indirect tax litigations as at March 31, 2019 from management. • Discussed the matters with the management to understand the possible outcome of these disputes. • Involved our experts to review the management's assessment of the possible outcome of the disputes relating to indirect tax litigations. • Our experts also considered legal precedence and other rulings in evaluating management's assessment on these indirect tax litigations. • Assessed contingent liability disclosure in note 38 to the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Implementation of Ind AS 115 – Revenue from Contracts with Customers	
<p>The statutory auditors of NCC Urban Infrastructure Limited ('NCCUIL'), a subsidiary of the Holding Company have reported Implementation of Ind AS 115 as a key audit matter as follows:</p> <p>NCCUIL has implemented Ind AS 115 - Revenue from Contracts with Customers from 01 April 2018. Under Ind AS 115, the performance obligations (sale of real estate units to customers) are satisfied at a point in time. However, prior to implementation of Ind AS 115, NCCUIL was recognizing revenue on the basis of percentage of completion method as required by Guidance Note on Real Estate Transactions (Revised). NCCUIL has opted to adopt modified retrospective approach pursuant to transition provisions of Ind AS 115 and accordingly, the net impact due to the change in accounting policy for recognition of revenue of ₹ 19.46 crores has been adjusted to the reserves of NCCUIL as on 01 April 2018.</p> <p>Application of Ind AS 115, requires significant judgement in determining when control of the goods or services underlying the performance obligation is transferred to the customer.</p>	<p>The procedures performed by the auditor of NCCUIL, as reported by them, included the following:</p> <ul style="list-style-type: none"> Reviewed the assessments and judgements made by NCCUIL in determining that their performance obligations are performed at a point in time. Obtained and understood the processes followed and systems established around transfer of control in case of real estate projects. Performed tests of details on a sample basis, and inspected the underlying customer contracts, sale deeds and handover documents evidencing transfer of control of the asset to the customer on the basis of which revenue is recognized at a point in time. Reviewed the disclosures given in Note No. 59 to the consolidated Ind AS financial statements.
Litigation on sale of investment	
<p>The statutory auditors of NCC Infrastructure Holdings Limited ('NCCIHL'), a subsidiary of the Holding Company have reported litigation on sale of investment as a key audit matter as follows:</p> <p>NCCIHL has ongoing litigation with respect to sale of its investment in a subsidiary. For details of the litigation refer Note No. 44 of the accompanying consolidated Ind AS financial statements.</p> <p>Management's assessment of the outcome of the aforesaid litigation has been identified as a key audit matter due to the materiality of the potential obligation as it requires significant judgement in assessing the outcome of the litigation and provision to be made towards aforesaid litigation.</p>	<p>The procedures performed by the auditors of NCCIHL, as reported by them, included the following:</p> <ul style="list-style-type: none"> Reviewed the relevant documents regarding the litigation in particular the arbitration award, the claims and counter claims raised by the parties as well as the opinion from the in-house legal and claims team to assess the adequacy of the provision made. Understood and tested the design and operating effectiveness of management control over assessment of the outcome of the litigation. Discussed and understood various steps being taken by management to resolve the dispute.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 the 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. 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; selection and application of appropriate accounting policies; making judgements 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- For the branches, joint operations and other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 50 subsidiaries, 10 joint operations and 5 branches, whose financial statements include total assets of ₹ 3,480.27 crores and net assets of ₹ 867.60 crores as at March 31, 2019, and total revenues of ₹ 980.76 crores and net cash outflows of ₹ 2.82 crores for the year ended on that date. These financial statements 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 ₹ 7.28 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 8 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 subsidiaries, joint operations, branches 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 subsidiaries, joint operations, branches and associates, is based solely on the report(s) of such other auditors.

Of the above 2 branches, 5 subsidiaries and 1 associate 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 branches, subsidiaries and associate 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 associate 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.

The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 0.42 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose financial statements and other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above 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 and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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 branches, subsidiaries, associates and joint operations, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report 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 purposes 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, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the 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 by us 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 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, 2019 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, 2019 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) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) 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, as amended, 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 branches, subsidiaries, associates and joint 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 53 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; and
 - 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, 2019.

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, 2019

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 Ind AS financial statements of NCC Limited as of and for the year ended March 31, 2019, 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 company's internal financial controls over financial reporting with reference to these consolidated 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, 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 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 consolidated 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 consolidated 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 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 Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 consolidated 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 Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, 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 Ind AS financial statements of the Holding Company, insofar as it relates to these 32 subsidiary companies and 6 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates 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, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in crores)

	Note	As at March 31, 2019		As at March 31, 2018	
ASSETS					
Non Current Assets					
Property, Plant and Equipment	3	1,291.15		1,009.43	
Capital Work in Progress	3	13.49		23.26	
Investment Property	3.1	189.79		128.18	
Investment Property under Construction	3.1	68.10		-	
Goodwill		0.63		18.85	
Other Intangible Assets	3.2	1.07		1.58	
Financial Assets					
Investments in Associates	4.1	132.31		257.57	
Other Investments	4.1	246.06		247.82	
Loans	5	13.51		38.67	
Trade Receivables	6	104.59		209.92	
Other Financial Assets	7	326.64		308.14	
Deferred Tax Assets (Net)	8	181.68		190.90	
Non Current Tax Assets (Net)	15	36.74		46.15	
Other Non Current Assets	9	464.83		290.17	
Total Non - Current Assets			3,070.59		2,770.64
Current Assets					
Inventories	10	1,425.41		2,830.44	
Financial Assets					
Other Investments	4.2	97.12		114.07	
Trade Receivables	11	3,428.68		4,969.44	
Cash and Cash Equivalents	12.1	219.43		76.06	
Bank balances other than above	12.2	142.28		41.63	
Loans	13	80.31		61.61	
Other Financial Assets	14	247.22		158.61	
Current Tax Assets (Net)	15.1	58.53		61.98	
Other Current Assets	16	5,818.10		1,323.89	
Total Current Assets			11,517.08		9,637.73
Assets classified as held for sale			72.70		-
Total Assets			14,660.37		12,408.37

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019 (contd.)

(₹ in crores)

	Note	As at March 31, 2019		As at March 31, 2018	
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	17	120.13		120.13	
Other Equity	18	4,475.24		3,962.39	
Equity Attributable to Shareholders of the Company			4,595.37		4,082.52
Non-Controlling Interests			277.10		300.25
Total Equity			4,872.47		4,382.77
Liabilities					
Non Current Liabilities					
Financial Liabilities					
Borrowings	19	488.43		398.44	
Trade Payables	20	108.45		125.18	
Provisions	21	73.68		49.53	
Other Non Current Liabilities	22	132.20		132.00	
Total Non Current Liabilities			802.76		705.15
Current Liabilities					
Financial Liabilities					
Borrowings	23	1,873.59		1,441.41	
Trade Payables	24				
Total outstanding dues of micro and small enterprises		13.02		0.61	
Total outstanding dues of creditors other than micro and small enterprises		4,501.99		3,585.60	
Other Financial Liabilities	25	403.05		307.91	
Provisions	26	40.45		29.53	
Current Tax Liabilities (Net)	27	62.92		0.03	
Other Current Liabilities	28	2,090.12		1,955.36	
Total Current Liabilities			8,985.14		7,320.45
Total Equity and Liabilities			14,660.37		12,408.37

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, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crores)

	NOTE	YEAR ENDED MARCH 31, 2019	YEAR ENDED MARCH 31, 2018
INCOME			
Revenue from Operations	29	12,895.64	8,390.64
Other Income	30	124.33	101.36
Total Income		13,019.97	8,492.00
EXPENSES			
Cost of Materials Consumed	31	4,875.10	3,162.22
Construction Expenses	32	962.71	928.24
Changes in Inventories of Work in Progress	33	155.23	(107.02)
Sub-Contractors Work Bills		4,510.07	2,798.61
Employee Benefits Expense	34	495.16	453.32
Finance Costs	35	521.95	459.56
Depreciation and Amortization Expenses (Refer note 3, 3.1 and 3.2)		192.53	171.51
Other Expenses	36	298.20	275.88
Total Expenses		12,010.95	8,142.32
Profit Before Share of (Loss) from Associate Companies, Exceptional Items and Tax		1,009.02	349.68
Share of (Loss) of Associate Companies		(6.86)	(6.71)
Profit Before Exceptional Items and Tax		1,002.16	342.97
Exceptional Items (Net)	52	(107.82)	(124.08)
Profit Before Tax		894.34	218.89
Tax Expense			
Current Tax	37	315.07	99.36
Deferred Tax		11.70	(19.20)
		326.77	80.16
Profit for the year		567.57	138.73
Attributable to			
Shareholders of the Company		578.69	168.63
Non-Controlling Interests		(11.12)	(29.90)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or (loss)			
Remeasurement gains / (losses) of the defined benefit plans		(7.93)	(2.89)
Share of Other comprehensive income in Associates		0.03	(0.01)
Income tax effect on the above		2.76	1.01
Items that may be reclassified to profit or (loss)			
Exchange differences in translating the financial statements of foreign operations		(2.34)	7.12
Income tax effect on the above		-	0.01
Other comprehensive income / (loss) for the year (net of taxes)		(7.48)	5.24
Total comprehensive income for the year		560.09	143.97
Attributable to			
Shareholders of the Company		571.24	173.86
Non-Controlling Interests		(11.15)	(29.89)
Earnings per equity share of face value of ₹ 2 each.			
Basic and Diluted - ₹	50	9.63	2.99

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, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity share capital

	Number of shares	Amount (₹ in crores)
Balance as at April 01, 2017	555,931,588	111.19
Add: Issue of Share Capital	44,715,000	8.94
Balance as at March 31, 2018	600,646,588	120.13
Add: Issue of Share Capital	-	-
Balance as at March 31, 2019	600,646,588	120.13

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	Debenture Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Money received against share warrants (Refer note 55)	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, 2017	8.15	1,999.30	-	22.95	0.24	-	935.18	339.15	(1.37)	32.89	3,336.49	328.54	3,665.03
Profit for the year	-	-	-	-	-	-	-	168.63	-	-	168.63	(29.90)	138.73
Other	-	-	-	-	-	-	-	-	(1.91)	7.12	5.21	0.01	5.22
Comprehensive Income / (Loss) for the year (net of taxes)	-	-	-	-	-	-	-	168.63	(1.91)	7.12	173.84	(29.89)	143.95
Total Comprehensive Income for the year	-	-	-	-	-	-	-	168.63	(1.91)	7.12	173.84	(29.89)	143.95
Premium on Issue of Share Capital	-	541.05	-	-	-	-	-	-	-	-	541.05	-	541.05
Share issue expenses	-	(8.70)	-	-	-	-	-	-	-	-	(8.70)	-	(8.70)

(₹ in crores)

	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	Debtenture Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Money received against share warrants (Refer note 55)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations			
Transfer to Debtenture Redemption Reserve	-	-	6.27	-	-	-	-	(6.27)	-	-	-	-	-
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(26.76)	-	-	(26.76)	-	(26.76)
Adjustment on account of Consolidation / Foreign currency fluctuation	0.01	-	-	0.12	-	-	-	(53.66)	-	-	(53.53)	1.60	(51.93)
Balance at April 01, 2018	8.16	2,531.65	6.27	23.07	0.24	-	935.18	421.09	(3.28)	40.01	3,962.39	300.25	4,262.64
Effect of adoption of new accounting standards (Ind AS 115)	-	-	-	-	-	-	-	(15.07)	-	-	(15.07)	(3.89)	(18.96)
As at April 01, 2018 (restated)	8.16	2,531.65	6.27	23.07	0.24	-	935.18	406.02	(3.28)	40.01	3,947.32	296.36	4,243.68
Profit for the year	-	-	-	-	-	-	-	578.69	-	-	578.69	(11.12)	567.57
Other Comprehensive Income / (Loss) for the year (net of taxes)	-	-	-	-	-	-	-	-	(5.11)	(2.34)	(7.45)	(0.03)	(7.48)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	578.69	(5.11)	(2.34)	571.24	(11.15)	560.09
Proceeds received against share warrants	-	-	-	-	-	27.45	-	-	-	-	27.45	-	27.45
Transfer to Debtenture Redemption Reserve	-	-	5.62	-	-	-	-	(2.23)	-	-	3.39	(3.39)	-
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(72.42)	-	-	(72.42)	-	(72.42)

	Reserves and Surplus							Items of Other Comprehensive Income / (loss)			Total		
	Capital Reserve	Securities Premium	Debtenture Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Money received against share warrants (Refer note 55)	General Reserve	Retained Earnings	Other items of other comprehensive income			Equity attributable to the shareholders of the company	Non-controlling interests
									Exchange Differences on translating the financial statements of a foreign operations				
Adjustment on account of Consolidation / Foreign currency fluctuation	(2.52)	-	-	0.78	-	-	-	-	-	(1.74)	(4.72)	(6.46)	
Balance at March 31, 2019	5.64	2,531.65	11.89	23.85	0.24	27.45	935.18	910.06	(8.39)	37.67	4,475.24	277.10	4,752.34

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/E3000004
 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, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flows from operating activities		
Profit before tax	894.34	218.89
Adjustments for:		
Depreciation and amortisation expenses	192.53	171.51
Share of (Profit) / Loss of associate companies	6.86	6.71
(Profit) / Loss on sale of Property, Plant and Equipment and Investment Property	(23.11)	5.60
Finance costs	521.95	459.56
Interest income	(30.29)	(61.98)
(Profit) / Loss on sale of current & Non-Current investments(net)	(2.45)	(8.15)
(Gain) / Loss on remeasuring investment at FVTPL (net)	(6.15)	(3.59)
Provision for doubtful trade receivables, advances and others	39.50	41.66
Expected credit loss for unbilled revenue	7.09	-
Trade Receivables / Advances written off	10.48	11.83
Exceptional items (net)	107.82	124.08
Rental income from investment properties	(6.32)	(4.25)
	817.91	742.98
Operating profit before working capital changes	1,712.25	961.87
Changes in working capital:		
Adjustments for (Increase) / Decrease in operating assets:		
Decrease / (Increase) in Inventories	25.77	(112.33)
(Increase) in Trade receivables	(780.82)	(918.97)
(Increase) / Decrease in other financial assets	(49.33)	59.43
(Increase) in other current assets	(872.21)	(409.69)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase in Trade payables	858.07	493.63
(Decrease) in Other financial liabilities	(6.14)	(129.67)
(Decrease) / Increase in Other current liabilities	(2.29)	807.70
Increase / (Decrease) in Provisions	27.15	(36.18)
	(799.80)	(246.08)
Cash generated from operations	912.45	715.79
Net income tax (paid)	(239.32)	(129.98)
Net cash flows from operating activities (A)	673.13	585.81

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
B. Cash flows from investing activities		
Capital expenditure for Property, Plant and Equipment, Investment Property, Intangible Assets including CWIP	(572.00)	(318.15)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	132.83	46.76
Movement in Margin Money Deposits / Other Deposits	(160.37)	3.30
Sale / (Purchase) of Non current / current investments	(17.16)	18.59
Loans realised / (given) - Associates and others	(18.16)	(5.42)
Interest received	16.10	54.07
Rental income from investment property	6.32	4.25
Foreign Exchange translation adjustment (arising on consolidation)	(6.47)	8.27
Net cash flows (used) in investing activities (B)	(618.91)	(188.33)
C. Cash flow from financing activities		
Proceeds from Issue of Shares (including Securities Premium)	-	541.29
Proceeds received against share warrants	27.45	-
Issue / Redemption of debentures	(36.80)	(38.00)
Proceeds from long term borrowings	496.44	268.66
Repayment of long term borrowings	(261.40)	(166.98)
Short term borrowings - (repaid) / borrowed (net)	432.17	(575.08)
Finance Cost paid	(496.29)	(456.58)
Dividend and Dividend Tax paid	(72.42)	(26.76)
Net cash flows from / (used) in financing activities (C)	89.15	(453.45)
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	143.37	(55.97)
Cash and cash equivalents at the beginning of the year	76.06	132.03
Cash and cash equivalents at the end of the year (Refer note 12.1)	219.43	76.06
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	219.43	76.06
Cash and cash equivalents at the end of the year	219.43	76.06

Non-cash transactions

During the previous year, NCC Infrastructure Holdings Limited (NCCIHL), a subsidiary company has transferred its holding in equity share of Sembcorp Gayatri Power Limited (SGPL) of ₹ 285.43 crores to Gayatri Energy Ventures Private Limited (GEVPL) for the consideration in the form of CCDs of ₹ 240.24 crores and transfer of equity shares held by GEVPL in NCCIHL to NCC Limited of ₹ 45.19 crores.

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

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, 2019

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:

Notes forming part of the consolidated financial statements

- a) NCCL consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 40. Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiary 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, 2019 except one subsidiary where the financial statement is drawn as at December 31, 2018.
- 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.

Notes forming part of the consolidated financial statements

2.7 Revenue Recognition

a) Accounting policy as per new revenue standard

The Group applied Ind AS 115 for the first time with effect from April 01, 2018. The changes in accounting policy on account of adoption of this new accounting standard are described in note 2.36.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Project division

A single performance obligation is identified in the construction projects that the Group engages in, owing to the high degree of integration and customisation of the various goods and services to provide a combined output which is transferred to the customer over time and not at a specific point in time, since the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

With respect to the method for recognising revenue over time (i.e. the method for measuring progress towards complete satisfaction of a performance obligation), the Group has established certain criteria that are applied consistently for similar performance obligations. In this regard, the method chosen by the Group to measure the value of goods or services for which control is transferred to the customer over time is the output method based on surveys of performance completed to date (or measured unit of work), according to which revenue is recognised corresponding to the units of work performed and on the basis of the price allocated thereto. In cases where the work performed till the reporting date has not reached the milestone specified in the contract, the Group recognises revenue only to the extent that it is highly probable that the customer will acknowledge the same. This method is applied as the progress of the work performed can be measured during its performance on the basis of the contract. Under this method, on a regular basis, the work completed under each contract is measured and the corresponding output is recognised as revenue.

Contract modifications are accounted for when additions, deletions or changes are approved either to the scope or price or both. Goods / Services added that are not distinct are accounted for on a cumulative catch up basis. Goods / Services those that are distinct are accounted for prospectively as a separate contract, if the additional goods/services are priced at the standalone selling price else as a termination of the existing

contract and creation of a new contract. In cases where the additional work has been approved but the corresponding change in price has not been determined, the recognition of revenue is made for an amount with respect to which it is highly probable that a significant reversal will not occur.

If the consideration promised in a contract includes a variable amount, this amount is recognised only to the extent that it is highly probable that a significant reversal in the amount recognised will not occur.

Real Estate

The Group has assessed and determined that the performance obligation for all its revenue streams are performed at a point in time.

Contract costs

Costs related to work performed in projects are recognised on an accrual basis. Costs incurred in connection with the work performed are recognised as an expense.

Provision for future losses

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Contract balances

i) Contract assets

A contract asset is recognised for amount of work done but pending billing/acknowledgement by customer or amounts billed but payment is due on completion of future performance obligation, since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets as stated in Note 2.21.

ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received advance payments from the customer. If a customer pays consideration before

Notes forming part of the consolidated financial statements

the Group transfers goods or services to the customer, a contract liability is recognised when the consideration received.

b) Accounting policy till previous years

- 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 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 crores)

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

Notes forming part of the consolidated financial statements

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 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 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

Notes forming part of the consolidated financial statements

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.

2.12.3 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

Notes forming part of the consolidated financial statements

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.

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.

Notes forming part of the consolidated financial statements

- (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 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 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:

Notes forming part of the consolidated financial statements

- 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 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 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.

2.30 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.

2.31 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.

2.32 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 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 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.

(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 and contract assets	In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.

Notes forming part of the consolidated financial statements

Items requiring significant estimate	Assumption and estimation uncertainty
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 judgements 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.
Indirect tax litigations	The Group is subjected to VAT assessments in various states where projects were executed. Basing on applicable VAT rules of various states the Group estimated the VAT liability and provided in the book of accounts. The VAT assessments in different states are at different stages and on some of the assessment orders, the Group made appeals and they are at various tribunals and courts.

2.33 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.

2.34 Operating cycle:

The Group adopts operating cycle based on the project period (including DLP) 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.

2.35 Recent accounting pronouncements

Standards issued but not yet effective and not early adopted by the Group

On March 30, 2019, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 12 Income taxes to insert of Appendix C Uncertainty over income tax treatments.
- Ind AS 19 Employee Benefits
- Ind AS 23 Borrowing Costs
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 109 Financial Instruments
- Ind AS 111 Joint Arrangements

- Ind AS 116 Leases

These amendments are effective from April 01, 2019. The Group believes that the aforementioned amendments will not materially impact the financial statements of the Group.

2.36 Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group has adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at April 01, 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

Impact of adopting Ind AS 115 as at April 01, 2018 is given in Note 59.

Notes forming part of the consolidated financial statements

Note 3

Property, Plant, Equipment and Capital Work-in-Progress:

(₹ in crores)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Cost:										
Balance as at April 1,2017	67.50	35.09	946.00	12.45	335.40	96.12	57.90	7.43	537.88	2,095.77
Additions	-	6.24	111.81	2.21	0.56	12.43	5.99	9.81	135.86	284.91
Transferred to Investment Property	4.89	-	-	-	-	-	-	-	-	4.89
Disposals / Adjustments	-	3.55	75.22	0.70	29.04	7.35	2.35	-	31.02	149.23
Effect of Foreign Currency Exchange Differences	-	-	1.18	0.00	0.91	0.15	0.07	-	0.40	2.71
As at March 31, 2018	62.61	37.78	983.77	13.96	307.83	101.35	61.61	17.24	643.12	2,229.27
Additions	-	19.75	197.15	2.32	102.40	16.12	6.39	-	186.46	530.59
Disposals / Adjustments	-	1.21	167.41	2.38	146.70	22.11	4.94	-	37.77	382.52
Effect of Foreign Currency Exchange Differences	-	-	20.68	0.14	11.80	1.94	0.77	-	4.99	40.32
As at March 31, 2019	62.61	56.32	1,034.19	14.04	275.33	97.30	63.83	17.24	796.80	2,417.66
Depreciation:										
Balance as at April 1,2017	-	6.34	453.94	7.26	234.44	52.14	45.87	3.67	340.37	1,144.03
Depreciation	-	2.68	84.43	0.99	20.73	9.67	4.38	0.98	46.40	170.26
Disposals / Adjustments	-	1.55	33.97	0.58	25.95	5.28	2.19	-	27.39	96.91
Effect of Foreign Currency Exchange Differences	-	-	1.14	0.01	0.85	0.14	0.06	-	0.26	2.46
As at March 31, 2018	-	7.47	505.54	7.68	230.07	56.67	48.12	4.65	359.64	1,219.84
Depreciation	-	3.80	81.94	1.14	21.78	9.19	4.90	3.86	64.80	191.41
Disposals / Adjustments	-	0.31	112.00	1.73	127.00	17.86	4.57	-	25.28	288.75
Effect of Foreign Currency Exchange Differences	-	-	0.30	0.09	0.28	0.61	0.65	-	2.08	4.01
As at March 31, 2019	-	10.96	475.78	7.18	125.13	48.61	49.10	8.51	401.24	1,126.51
Net Block										
As at March 31, 2018	62.61	30.31	478.23	6.28	77.76	44.68	13.49	12.59	283.48	1,009.43
As at March 31, 2019	62.61	45.36	558.41	6.86	150.20	48.69	14.73	8.73	395.56	1,291.15

Capital work in progress ₹ 13.49 crores (31.03.2018: ₹ 23.26 crores)

Note: Refer note 19 and 23 for details of assets pledged.

Notes forming part of the consolidated financial statements

Note 3.1

Investment property & Investment property under construction:

(₹ in crores)

	Land - Freehold	Buildings given under operating Lease	Total
Cost:			
Balance as at April 01, 2017	83.29	33.30	116.59
Additions	11.19	-	11.19
Transferred from Property, Plant and Equipment	4.89	-	4.89
Disposals / Adjustments	0.05		0.05
As at March 31, 2018	99.32	33.30	132.62
Additions	9.67	68.49	78.16
Disposals / Adjustments	14.38	1.42	15.80
As at March 31, 2019	94.61	100.37	194.98
Depreciation:			
Balance as at April 01, 2017	-	3.86	3.86
Depreciation	-	0.58	0.58
Disposals / Adjustments	-	-	-
As at March 31, 2018	-	4.44	4.44
Depreciation	-	0.61	0.61
Disposals / Adjustments	-	(0.14)	(0.14)
As at March 31, 2019	-	5.19	5.19
Net Block			
As at March 31, 2018	99.32	28.86	128.18
As at March 31, 2019	94.61	95.18	189.79

Investment property under construction (Refer note 4.3) ₹ **68.10** crores (31.03.2018: ₹ Nil)

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 and investment property under construction:

Details of the investment property and information about the fair value hierarchy as at March 31, 2019, March 31, 2018 are as follows:
(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2019	Fair value as at March 31, 2018
Land	Level 3	155.42	171.73
Buildings	Level 3	211.29	67.15
Investment property under construction	Level 3	82.86	-
Total		449.57	238.88

The internal technical team of the Company has valued for some of the properties at ₹ 202.65 crores (31.03.2018: ₹ 125.70 crores) and the balance properties have been valued by independent valuer at ₹ 246.92 crores (31.03.2018: ₹ 113.18 crores). The 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 crores)

	Computer Software	Total
Cost:		
Balance as at April 01, 2017	39.43	39.43
Additions	-	-
Disposals / Adjustments	-	-
As at March 31, 2018	39.43	39.43
Additions	-	-
Disposals / Adjustments	-	-
As at March 31, 2019	39.43	39.43
Amortisation:		
Balance as at April 01, 2017	37.18	37.18
Amortisation	0.67	0.67
Disposals / Adjustments	-	-
As at March 31, 2018	37.85	37.85
Amortisation	0.51	0.51
Disposals / Adjustments	-	-
As at March 31, 2019	38.36	38.36
Net Block		
As at March 31, 2018	1.58	1.58
As at March 31, 2019	1.07	1.07

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
4 Investments				
4.1 Non Current Investments				
A Trade (Unquoted) (At Cost)				
a In Associates (Equity method)				
i) Investment in equity instruments				
In Shares of ₹ 10 each, fully paid up				
Jubilee Hills Land Mark Projects Private Limited (Refer note 4.3)		-	2,500,000	-
Tellapur Techno City Private Limited (Refer note 4.4)	14,702,600	-	14,702,600	-
Paschal Form Work (India) Private Limited	6,549,892	1.62	6,549,892	1.89
Himalayan Green Energy Private Limited	1,000,000	-	1,000,000	-
Ekana Sportz City Private Limited (Refer note 19.2)	2,268,000	23.13	1,768,000	17.71
Brindavan Infrastructure Company Limited	8,643,036	12.50	8,643,036	12.53
Pondicherry Tindivanam Tollway Limited (Refer note 4.5)	3,388,040	5.67	3,388,040	20.16
Varapradha Real Estates Private Limited	13,344,973	76.70	13,344,973	75.82
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	3,778,757	20.69	3,778,757	20.00
Less: Provision for Impairment in value of Investments		8.00		8.00
		12.69		12.00
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) (Refer note 4.4)		74.06	706,349,321	72.33
Less: Provision for Impairment in value of Investments		38.00		44.23
		36.06		28.10
Less: Transferred to held for sale		36.06		-
		-		28.10
(ii) Investment in preference shares				
2% Redeemable Preference Shares of ₹ 100 each fully paid up				
Jubilee Hills Land Mark Projects Private Limited (Refer note. 4.3)		13.21	4,274,999	13.21
Less: Provision for Impairment in value of Investments		9.62		9.62
		3.59		3.59
Less: Transferred to Property Development		(3.59)		-
		-		3.59

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
(iii) Investment in debentures				
Jubilee Hills Land Mark Projects Private Limited (of ₹ 100 each, fully paid up) (Refer note. 4.3)		50.92	5,092,252	50.92
Less: Transferred to Property Development		(50.92)		-
		-		50.92
Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up) (Refer note. 4.4)		49.60	737,248,092	49.60
Less: Provision for Impairment in value of Investments		12.95		14.75
		36.65		34.85
Less: Transferred to held for sale		(36.65)		-
		-		34.85
Total aggregate investments in Associates		132.31		257.57
b In Subsidiaries (Refer note 40.1)				
Investment in equity instruments				
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	0.05
Less: Provision for Impairment in value of Investments		-		0.05
		-		-
c In Other entities				
Investment at Fair Value through Profit and Loss				
SNP Developers and Projects LLP (Valued at ₹ 35,500)		-		0.96
SNP Ventures LLP		2.18		2.18
SNP Property Developers LLP		2.13		2.93
In Shares of ₹ 10 each, fully paid up				
NAC Infrastructure Equipment Limited	1,499,900	1.50	1,499,900	1.50
In Shares of ₹ 25 each, fully paid up				
Akola Urban Co-operative Bank Limited	4,040	0.01	4,040	0.01
d Investment in debentures (Fair value through Profit and Loss)				
0% Compulsory Convertible Debentures				
Gayatri Energy Ventures Private Limited (each ₹ 1,483)	1,619,928	240.24	1,619,928	240.24

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
B Trade (Quoted)				
Investment in equity instruments				
In Shares of ₹ 10 each, fully paid up				
NCC Finance Limited [* (Value ₹ 90)]	9	-	9	-
Total aggregate investments in Other entities		246.06		247.82
Total		378.37		505.39
4.2 Current Investments				
Investment at Fair Value through Profit and Loss Account				
A In Other entities (Unquoted)				
In Shares of ₹ 10 each, fully paid up				
Himachal Sorang Power Limited (Refer note 4.6)		-	3,994,890	40.25
B In Mutual Funds (Quoted)				
L&T Mutual Fund				
- Debt Funds (Refer note 4.7)	48,580,877	97.12	40,661,051	73.82
Total		97.12		114.07
Grand Total		475.49		619.46
Aggregate market value of current Quoted Investments		97.12		73.82
Aggregate amount of Unquoted Investments		378.37		545.64
Aggregate amount of impairment in value of investments		8.00		76.65
Aggregate market value of Non Current Quoted Investments * Market value of ₹ 10.89 (31.03.2018: ₹ 11.25)		.*		.*

4.3 During the current year, the said investments have been converted into "Investment property under construction" pursuant to an agreement entered by the Company.

4.4 During the current year, Investment in Tellapur Technocity (Mauritius) and Tellapur Technocity Private Limited is classified under "Assets classified as held for sale".

4.5 Of these 1,853,656 shares (31.03.2018: 1,853,656 shares) are pledged with Axis Bank Limited & WITCO as security for term loans availed by Pondicherry Tindivanam Tollway Limited. Nil (31.03.2018: 83,415 shares) physically pledged with Axis Bank & WITCO.

4.6 Of these Nil shares (31.03.2018: 3,991,486 shares) are pledged with Axis Bank Limited as security for term loans availed by Himachal Sorang Power Limited.

Of these Nil shares (31.03.2018: 2,652 shares) have been pledged with Axis Bank and Nil shares (31.03.2018: 748 shares) have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited.

4.7 Includes investments held pursuant to the provisions of Debenture Trust Deed to meet Debt Service Reserve Account (DSRA) ₹ 16.80 crores and Major Maintenance Reserve ₹ 54.00 crores.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
5 Loans				
Un-Secured, Considered good				
Loans and Advances to Related Parties				
Associate		13.51		12.00
Other Loans and Advances				
Considered Good		-	26.67	
Significant increase in credit risk	26.67		-	
	26.67		26.67	
Less: Allowance for significant increase in credit risk	26.67		-	
		-		26.67
Total		13.51		38.67
6 Trade Receivables (Refer note 59)				
Unsecured				
Considered Good	104.59		209.92	
Considered Doubtful	16.04		-	
	120.63		209.92	
Less: Allowance for doubtful trade receivables	16.04		-	
Total		104.59		209.92
7 Other Financial Assets				
Un-Secured, Considered good				
Other Receivables		0.30		0.12
Margin Money Deposits (Refer note 12.4)		59.22		-
In Deposit Accounts with remaining maturity more than 12 months		0.55		-
Interest accrued on loans				
Considered Doubtful	1.08		1.08	
	1.08		1.08	
Less: Allowance for doubtful interest	1.08		1.08	
		-		-
Deposits with Customers and Others		2.06		1.89
Deposits - Joint Development (Refer note 7.1)		48.82		47.29
Receivable under service concession arrangement		215.69		258.84
Total		326.64		308.14

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. 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, 2019 ₹ 62.33 crores (31.03.2018: ₹ 65.73 crores).

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
8 Deferred Tax Assets (Net) (Refer note 54) (Inclusive of MAT credit entitlement of ₹ 28.45 crores (31.03.2018: ₹ 27.60 crores))		181.68		190.90
9 Other Non - Current Assets				
Advance for Purchase of Land (Refer note 9.1)		5.97		15.98
GST / Sales Tax / Value Added Tax credit receivable		113.74		48.09
Contract Asset				
Due on performance of future obligations				
Retention Money		111.52		-
Advances to Suppliers, Sub-contractors, Capital Advances and Others (Refer note 9.2)				
Considered Good	233.60		226.10	
Considered Doubtful	42.54		42.54	
	276.14		268.64	
Less: Provision for doubtful advances	42.54		42.54	
		233.60		226.10
Total		464.83		290.17

9.1 Advances for Purchase of Land includes ₹ 5.94 crores (31.03.2018: ₹ 15.94 crores) 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 ₹ 233.60 crores (31.03.2018: ₹ 226.10 crores).

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
10 Inventories				
Raw Materials	533.47		424.10	
Raw Material in Transit	0.23		3.84	
Work-in-progress (Refer note 59)	453.21		1,983.15	
Property Development Cost (Refer note 10.1)	438.50		419.35	
Total		1,425.41		2,830.44

10.1 Property development cost includes ₹ Nil crores (31.03.2018: ₹ 27.00 crores) 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.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
11 Trade Receivables (Refer note 59)				
Unsecured (Refer note 11.1 to 11.4)				
Considered Good	3,428.68		4,969.44	
Considered Doubtful	35.12		53.20	
	3,463.80		5,022.64	
Less: Allowance for doubtful trade receivables	35.12		53.20	
Total		3,428.68		4,969.44

11.1 Trade receivables are generally realisable from customers within a period of 30 days from the date of submission of bill / invoice.

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 trade receivables:

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
Balance at beginning of the year		53.20		41.84
Add: Allowance for doubtful trade receivables		36.00		17.04
Less: Allowance written off during the year		(38.04)		(5.68)
Balance at the end of the year		51.16		53.20

11.4 Trade receivables includes ₹ 31.82 crores (31.03.2018: ₹ 52.85 crores) from associates.

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
12 Cash and Bank Balances				
12.1 Cash and Cash Equivalents				
Cash on hand	1.18		1.37	
Balances with Banks:				
In Current Accounts (Refer note 12.3)	188.10		67.34	
In Deposit Accounts with original maturity less than 3 months	30.15		7.35	
		219.43		76.06
12.2 Other Bank Balances				
In Deposit Accounts				
Margin Money Deposits (Refer note 12.4)	30.59		2.81	
In Deposit Accounts with remaining maturity less than 12 months	102.54		32.75	
Earmarked balances with Banks		133.13		35.56
Unpaid dividend accounts (Refer note 12.5)	0.43		0.37	
Long Term Deposits (Refer note 12.6)	5.65		2.63	
Escrow accounts (Refer note 38 (i) (a))	3.07		3.07	
		9.15		6.07
Total		142.28		41.63

Notes forming part of the consolidated financial statements

12.3 Current account balance includes ₹ 0.19 crores (31.03.2018: ₹ 0.05 crores) 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 ₹ 1.26 crores (31.03.2018: ₹ 2.62 crores), pursuant to the conditions of Term Loan agreement with ICICI Bank.

12.7 Changes in liabilities arising from financing activities

(₹ in crores)

	Balance As at April 01, 2018	Cash Flows	Others	As at March 31, 2019
Current borrowings (including current maturity)	1,662.45	540.52	-	2,202.97
Non-current borrowings	398.44	89.89	0.10	488.43
Total	2,060.89	630.41	0.10	2,691.40

(₹ in crores)

	Balance As at April 01, 2017	Cash Flows	Others	As at March 31, 2018
Current borrowings (including current maturity)	2,106.92	(444.47)	-	1,662.45
Non-current borrowings	464.99	(66.93)	0.38	398.44
Total	2,571.91	(511.40)	0.38	2,060.89

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
13 Loans				
Unsecured considered good				
Loans to Related Parties				
Associates		51.42		32.61
Loans to Other Body Corporates		19.64		20.29
Security Deposits		0.21		0.20
Loans and Advances to Employees		9.04		8.51
Total		80.31		61.61

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
14 Other Financial Assets				
Unsecured, considered good				
Advances recoverable		178.00		76.18
Deposits with Customers and Others				
Considered Doubtful	5.00		5.00	
	5.00		5.00	
Less: Allowance for Doubtful Deposits	5.00		5.00	
		-		-
Interest Accrued on Deposits and Others				
Considered Good	18.72		30.87	
Considered Doubtful	11.85		-	
	30.57		30.87	
Less: Allowance for doubtful interest	11.85		-	
		18.72		30.87
Unbilled Annuity Receivable		39.09		39.09
Other Receivables		11.41		12.47
Total		247.22		158.61
15 Non Current Tax Assets (Net)				
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		36.74		46.15
15.1 Current Tax Assets (Net)				
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		58.53		61.98

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
16 Other Current Assets				
Advances to Suppliers, Sub-contractors and Others (Refer note 16.1)				
Considered Good	1,063.07		895.34	
Considered Doubtful	23.55		39.27	
	1,086.62		934.61	
Less: Allowance for doubtful advances	23.55		39.27	
		1,063.07		895.34
Contract Asset				
Due on performance of future obligations				
Retention Money (Refer note 16.2)		2,214.21		-
Others		574.35		-
Unbilled revenue (Refer note 16.3)				
Considered Good	1,494.72		-	
Considered Doubtful	51.66		-	
	1,546.38		-	
Less: Expected credit loss for unbilled revenue	51.66		-	
		1,494.72		-
Prepaid Expenses		40.52		45.67
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		162.62		270.16
Service Tax credit receivable		0.94		18.94
Goods and Service Tax credit receivable		267.67		93.78
Total		5,818.10		1,323.89

16.1 Advances to Suppliers, Sub-Contractors and Others, includes advances to related parties of ₹ 63.22 crores (31.03.2018: ₹ 15.57 crores).

16.2 Retention money receivable from associates of ₹ 21.03 crores.

16.3 Movement in the Expected credit loss for unbilled revenue:

(₹ in crores)

Balance as at April 01, 2018 (Refer note 59)	44.57
Add: Expected credit loss for unbilled revenue during the year	7.09
Balance at the end of the year	51.66

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
17 Share Capital				
Authorised:				
Equity Shares of ₹ 2 each	750,000,000	150.00	750,000,000	150.00
Issued:				
Equity Shares of ₹ 2 each (Refer note 17.1)	600,646,588	120.13	600,646,588	120.13
Subscribed and Paid up:				
Equity Shares of ₹ 2 each	600,646,588	120.13	600,646,588	120.13
Total		120.13		120.13

17.1 Reconciliation of the number of equity shares and amount outstanding at beginning and at end of the year:

(₹ in crores)

	Year Ended March 31, 2019		Year Ended March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	600,646,588	120.13	555,931,588	111.19
Add: Issue of Share Capital (Refer note 17.6)	-	-	44,715,000	8.94
Balance at end of the year	600,646,588	120.13	600,646,588	120.13

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjhunwala	451,08,266	7.51	451,08,266	7.51
Reliance Capital Trustee Company Limited	414,90,247	6.91	469,08,357	7.81
A V S R Holdings Private Limited	404,53,278	6.73	404,53,278	6.73
Aditya Birla Sun Life Trustee Private Limited	344,61,104	5.74	238,88,500	3.98

17.3 Unclaimed equity shares of 25,832 (31.03.2018: 27,972) 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 3,93,653 (31.03.2018:18,700) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹ 2. The GDRs, rank pari passu in all respects with the equity shares issued by the Company, except in respect of voting rights.

17.6 During the previous year, 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, 44,715,000 equity shares of ₹ 2.00 each, at an issue price of ₹ 123.00 per equity share (including securities premium of ₹ 121.00 per share) aggregating ₹ 550.00 crores 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 were charged off against securities premium.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
18 Other Equity				
18.1 Capital Reserve				
Opening balance	8.16		8.15	
Add / (Less): Arising on account of Consolidation	(2.52)		0.01	
Closing balance		5.64		8.16
18.2 Securities Premium				
Opening balance	2,531.65		1,999.30	
Add: Premium on Issue of Share Capital	-		541.05	
Less: Share Issue Expenses	-		8.70	
Closing balance		2,531.65		2,531.65
18.3 Debenture Redemption Reserve				
Opening balance	6.27		-	
Add: Transfer from Retained Earnings	2.23		6.27	
Add: Transfer from Non Controlling Interests	3.39		-	
Closing balance		11.89		6.27
18.4 Legal / Statutory Reserve (Refer note 43)				
Opening balance	23.07		22.95	
Add / (Less): On account of Foreign Currency Fluctuation	0.78		0.12	
Closing balance		23.85		23.07
18.5 Reserve Fund under Section 45 - IC of RBI Act, 1934		0.24		0.24
18.6 Money received against share warrants (Refer note 55)		27.45		-
18.7 General Reserve		935.18		935.18
18.8 Retained Earnings (Refer note 18.8.a)				
Opening balance	421.09		339.15	
Add: Arising on Account of Consolidation	-		(53.66)	
Add: Effect of adoption of new accounting standards (Ind AS 115) (Refer note 59)	(15.07)		-	
Add: Profit for the year	578.69		168.63	
	984.71		454.12	
Less: Appropriations				
Transfer to Debenture Redemption Reserve	2.23		6.27	
Dividend distributed to equity shareholders (2018-19: ₹ 1.00 per share (2017-18: ₹ 0.40 per share))	60.07		22.23	
Tax on Dividend	12.35		4.53	
	74.65		33.03	
Closing balance		910.06		421.09
18.9 Other Components of Equity				
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		(8.40)		(3.26)
Share of Other comprehensive income in Associates		0.01		(0.02)
Exchange differences in translating the financial statements of foreign operations (Net of tax) / Adjustment on account of Foreign currency fluctuation		37.67		40.01
Total		4,475.24		3,962.39

18.8.a For the year ended March 31, 2019, the Board of Directors have proposed a dividend of ₹ 1.50 per share. The dividend, payable on approval of the shareholders, is ₹ 90.10 crores and dividend distribution tax thereon is ₹ 18.52 crores.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current*	Non Current	Current*
19 Borrowings				
Debentures				
Secured - at amortised cost				
10.90% Redeemable, Non-Convertible Debentures (Refer note 19.1)	45.60	32.00	77.60	40.80
11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	-	10.00	10.00	-
11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	65.20	4.00	69.20	1.00
0.01 % Optionally Convertible Debentures (Refer note 19.2)	5.00	-		
Term Loans:				
Secured - at amortised cost				
From Banks and Financial Institutions (Refer note 19.3)	233.94	117.06	140.83	100.20
From Other Parties (Refer note 19.4)	88.01	131.72	96.97	75.92
Unsecured - at amortised cost				
From Other Parties (Refer note 19.5)	46.00	30.39	-	-
Vehicle Loans				
Secured - at amortised cost				
From Banks (Refer note 19.6)	2.03	1.54	0.83	0.67
From Others (Refer note 19.6)	2.65	2.67	3.01	2.45
Total	488.43	329.38	398.44	221.04

* 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 ₹ 200.00 crores, 5,000 Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 50.00 crores and 8,400 Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 84.00 crores to L&T Infra Finance Limited, Aggregate value of debentures issued was ₹ 334.00 crores. 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 ₹ 61.76 crores.

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.

Notes forming part of the consolidated financial statements

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.
- 3) First pari passu charge over all accounts of OBIL including Debt Service Reserve Account (DSRA), Escrow account and the sub accounts 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 crores)

Date of Installments	Series 'A'	Series 'B'	Series 'C'	Total
June 15, 2022 & December 15, 2022	-	-	10.60	10.60
June 15, 2021 & December 15, 2021	15.60	-	34.80	50.40
June 15, 2020 & December 15, 2020	30.00	-	19.80	49.80
June 15, 2019 & December 15, 2019	32.00	10.00	4.00	46.00
June 15, 2018 & December 15, 2018	40.80	-	1.00	41.80
June 15, 2017 & December 15, 2017	22.20	15.00	0.80	38.00
June 15, 2016 & December 15, 2016	17.60	15.00	2.00	34.60
June 15, 2015 & December 15, 2015	14.60	10.00	2.00	26.60
June 15, 2014 & December 15, 2014	14.80	-	9.00	23.80
February 21, 2014	12.40	-	-	12.40
Total	200.00	50.00	84.00	334.00

19.2 Optionally Convertible Debentures by NCC Infra Limited

NCC Infra Limited issued optionally convertible debentures in to Equity at the option of the issuer at a future date after a term of 3 years , however not exceeding 5 years and pledged the shares of Ekana Sportz of ₹ 5.00 crores as security.

19.3 Term Loans from Banks and Financial Institutions

(i) Bank Muscat:

- A loan of March 31, 2019 ₹ Nil, March 31, 2018 ₹ 50.69 crores 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.

(ii) Axis Bank Limited / Kotak Mahindra Bank / Indus Ind Bank Limited

- Secured by hypothecation of specific assets purchased out of the loan.

Notes forming part of the consolidated financial statements

(iii) 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 the loans are as under.

S.No	Particulars	Number of Loans outstanding as at		Outstanding balance as at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From-To
		31.03.2019	31.03.2018	31.03.2019	31.03.2018		31.03.2019	31.03.2018		
(i)	Axis Bank Limited	26	24	14.23	12.67	8.26 to 9.85	2 to 35	9 to 41	Monthly	February 05, 2016 to February 10, 2022
(ii)	Canara Bank	1	1	181.03	11.75	9.00	11	12	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	27	-	18.64	-	10.00 to 10.50	31 to 34	-	Monthly	December 20, 2018 to January 05, 2022
(iv)	Indus Ind Bank Limited	53	-	59.09	-	9.06 to 9.76	44 to 46	-	Monthly	February 01, 2019 to January 21, 2023

(v) Loan of Nagarjuna Construction Company International L.L.C.

Bank Dhofar borrowings of ₹ 52.11 crores (March 31, 2018: ₹ 84.67 crores) are secured either / and - or as:

- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of OMR 3.36 crores.

Oman Arab Bank borrowings of ₹ Nil (March 31, 2018: ₹ 5.65 crores) are secured either / and - or as:

- Corporate guarantees from NCC Limited India to the extent of OMR 0.20 crores against term loan.

(vi) Loan of NCC Urban infrastructure Limited (NCC Urban) of ₹ 25.90 crores (March 31, 2018: ₹ 75.61 crores)

(a) NCC Urban entered into a Facility Agreement with ICICI Bank Ltd for availing term loans aggregating to ₹ 130.00 crores receivable in 5 tranches - RTL 1- ₹ 20.00 crores, RTL 2 - ₹ 25.00 crores, RTL 3 - ₹ 30.00 crores, RTL 4 - ₹ 35.00 crores, RTL 5 - ₹ 20.00 crores.

(b) RTL 1, 2, 3 shall be utilized towards repayment of unsecured loans from NCC Limited which were inter alia utilized towards project development expenses of NCC Urban Meadows II, Bengaluru, NCC Urban Nagarjuna Residency, Hyderabad, NCC Urban Gardenia, Hyderabad. RTL 1, 2, 3 shall be repayable in 36 structured monthly instalments commencing from August 15, 2016 and ending on July 15, 2019.

RTL 4 and 5 shall be utilized towards construction cost of NCC Urban Gardenia, Hyderabad and NCC Urban Green Province, Bengaluru. RTL 4 and 5 shall be repayable in 36 structured monthly instalments commencing from August 15, 2017 and ending on July 15, 2020.

(c) Term Loan carry an interest rate of bank's "I-Base" rate plus a spread. The rate of interest, as at March 31, 2019 aggregates to 12.50%.

(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

Notes forming part of the consolidated financial statements

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 Acre, 744 - 0.57 Acre, 745/1 - 1.43 Acre, 745/2 - 0.66 Acre.
- (i) There are no overdue's towards Principal or Interest as on March 31, 2019.
- (j) Long-term borrowings are net of unamortised transaction costs of ₹ 0.10 crores as at 31.03.2019 (31.03.2018: ₹ 0.38 crores).

19.4 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 crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2019	31.03.2018	31.03.2019	31.03.2018		31.03.2019	31.03.2018		
(i)	SREI Equipment Finance Limited	45	45	71.95	111.72	8.75 to 11	15 to 26	27 to 34	Monthly	September 05, 2017 to May 05, 2021
(ii)	Tata Capital Financial Services Limited	8	8	6.62	11.17	8.50 to 10	3 to 22	15 to 34	Monthly	August 21, 2016 to January 09, 2021
(iii)	Daimler Financial Services India (Private) Limited	2	-	4.78	-	8.42	28 to 29	-	Monthly	October 13, 2018 to August 04, 2021
(iv)	Volvo Financial Services (India) Private Limited	37	-	36.38	-	9.16	36	-	Monthly	January 02, 2019 to March 02, 2022

- ii) Term Loan from A.K. Capital Services Ltd, Mumbai for March 31, 2019 ₹ 20.00 crores, March 31, 2018 ₹ 50.00 crores 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.
- Final installment of ₹ 20.00 crores is due as at March 31, 2019 which is payable on May 05, 2019 and paid on the same date.

- iii) Term Loan from Hero Fincorp Ltd, for March 31, 2019 ₹ 80.00 crores, March 31, 2018 ₹ Nil is secured by:

- Pari passu first charge by the way of equitable mortgage of 2 properties.
- Personal guarantees of Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju for all the dues under facility.
- This is payable in 18 monthly installments commencing from March 03, 2019 to September 03, 2020 carry interest @ 12 % per annum.

Notes forming part of the consolidated financial statements

19.5 Unsecured term loan from other parties

S. No.	Particulars	Number of Loans outstanding as at		Outstanding balance as at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2019	31.03.2018	31.03.2019	31.03.2018		31.03.2019	31.03.2018		
(i)	Hewlett Packard Financial Services Limited	7	-	52.17	-	8.99 to 9.52	9 to 12	-	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	8	-	24.22	-	5.02 to 8.66	8 to 10	-	Quarterly	May 10, 2018 to August 05, 2021

19.6 Vehicle Loans

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 to 5 years and carry interest rate ranging between 7.78 % to 10 % per annum.

Construction equipment loan:- Loan availed for purchase of construction equipments are secured by hypothecation of construction equipment acquired out of the said loans. These loans carry an interest rate of 9.24% and repayable in 37 structured monthly installments.

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
20	Trade Payables		
	Retention Money	108.45	125.18
21	Provisions		
	Provision for Employee Benefits		
	Compensated absences	1.19	1.03
	Gratuity (Refer note 21.1)	34.93	31.11
	Provision for contractual obligations (Refer note 26.1)	36.85	16.68
	Provision on Standard Assets as per RBI Circular	0.71	0.71
	Total	73.68	49.53

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

- Liability for gratuity as on March 31, 2019 is ₹ 46.18 crores (31.03.2018: ₹ 37.33 crores) of which ₹ 6.49 crores (31.03.2018: ₹ 3.35 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 39.69 crores (31.03.2018: ₹ 33.98 crores) is included in Provision for Gratuity.
- 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 crores)

	As at March 31, 2019	As at March 31, 2018
Present Value of Funded Obligations	46.18	37.33
Fair Value of Plan Assets	(6.49)	(3.35)
Net Liability	39.69	33.98

Notes forming part of the consolidated financial statements

(iii) Expenses to be recognized in Statement of Profit and Loss under Employee Benefit Expenses:

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Service Cost	6.07	3.41
Past Service Cost	-	2.90
Interest on Defined Benefit Obligation	1.68	1.13
Expected Return on Plan assets	(0.36)	(0.21)
Total included in "Employee Benefits Expense"	7.39	7.23

(iv) Expenses to be recognized in Statement of Profit and Loss under Other Comprehensive Income:

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Return on Plan Assets	0.15	0.10
Net Actuarial Losses / (Gains) Recognised in Year	7.78	2.79
Total included in "Other Comprehensive Income"	7.93	2.89

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

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	37.33	34.17
Current Service Cost	6.07	3.51
Past Service Cost	-	2.90
Interest Cost	1.67	1.13
Actuarial Losses / (Gain)	7.78	2.79
Benefits Paid	(6.67)	(7.17)
Closing Defined Benefit Obligation	46.18	37.33
Opening Fair Value of Plan assets	3.35	3.29
Expected Return on Plan Assets	0.22	0.12
Contributions	9.59	7.17
Benefits Paid	(6.67)	(7.22)
Closing Fair Value of Plan Assets	6.49	3.36
Expected Employer's Contribution Next Year	13.27	8.95

(vi) Asset information

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Category of Assets		
Insurer Managed Funds - Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	6.49	3.35

Notes forming part of the consolidated financial statements

(vii) Experience Adjustments

(₹ in crores)

	2018 - 19	2017 - 18	2016 - 17
Defined Benefit Obligations (DBO)	46.18	37.33	34.17
Plan Assets	6.49	3.35	3.42
Surplus/(Deficit)	(39.69)	(33.98)	(30.75)
Experience Adjustments on Plan Liabilities	-	-	-
Experience Adjustments on Plan Assets	0.36	0.21	0.25

(viii) Sensitivity Analysis

(₹ in crores)

	Gratuity Plan	
	As at March 31, 2019	As at March 31, 2018
Assumptions		
Discount rate	7.65%	8%
Estimated rate of return on plan assets	8.25%	8.25%
Expected rate of salary increase	7.00%	5%
Attrition rate	20.00%	25%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	(6.20)	(0.59)
Discount rate - 100 basis points	7.00	0.66
Salary increase rate +1%	6.40	0.72
Salary increase rate -1%	(5.90)	(0.64)
Attrition rate +1%	0.30	0.28
Attrition rate -1%	(0.30)	(0.31)

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 crores)

Particulars	March 31, 2019
March 31, 2020	4.74
March 31, 2021	3.43
March 31, 2022	2.93
March 31, 2023	3.21
March 31, 2024	3.17

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
22 Other Non-Current Liabilities		
Advance from Associate	132.20	132.00

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
23 Borrowings				
Loans repayable on demand				
Secured Loans - Banks				
Working Capital Demand Loan (Refer note 23.1)		840.10		944.97
Cash Credits and Overdrafts (Refer note 23.1)		797.49		380.04
From Others (Refer note 23.2)		55.00		55.00
Unsecured Loans				
From Others (Refer note 23.3)		181.00		61.40
Total		1,873.59		1,441.41

23.1 Working Capital Demand Loans of ₹ 840.10 crores (March 31, 2018: ₹ 944.97 crores) and Cash Credit facilities of ₹ 576.21 crores (March 31, 2018: ₹ 100.12 crores) availed from consortium of banks are secured by:

- Hypothecation against first charge on stocks, book debts, shares of NCC Infrastructure Holdings Limited and other current assets of the Company, (excluding specific projects) both present and future, ranking pari 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 pari passu amongst consortium banks.
- Equitable mortgage of three properties (Land & Buildings).

These facilities carry an interest rate of 8.75% to 12.70% per annum.

- Loans of NCC Urban Infrastructure Limited

Cash credit facilities of ₹ 3.99 crores (March 31, 2018: ₹ 3.93 crores) from Bank of India, Mid-corporate branch, Hyderabad, carrying an interest rate 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 Acre 8.30 and Acre 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 ₹ 217.29 crores (March 31, 2018: ₹ 275.99 crores) 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 to the extent of OMR 3.36 crores.

23.2 NCC Urban Infrastructure Limited has entered into a Loan Agreement with Aditya Birla Finance Limited for availing term loan aggregating to ₹ 55.00 crores (March 31, 2018: ₹ 55.00 crores). This facility carry an interest rate of 10.50% as at 31.03.2019 by securing NCC Limited Shares held by Sirisha Projects Private Limited.

23.3 Unsecured - term loans from Others:

Includes loan of NCC Urban Infrastructure Limited taken from Other Corporates and Directors having a maturity of less than one year and outstanding balance of ₹ 181.00 crores (31.03.2018: ₹ 61.40 crores) and carry interest rate of 12.00 % per annum.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
24 Trade Payables				
Micro and small enterprises		13.02		0.61
Other than micro and small enterprises				
Acceptances	291.12		470.94	
Other than Acceptances (includes retention money payable)	4,210.87		3,114.66	
		4,501.99		3,585.60
Total		4,515.01		3,586.21
25 Other Financial Liabilities				
Current maturities of Long Term Borrowings (Refer note 19)		329.38		221.04
Interest Accrued but not due on borrowings and others		39.47		14.03
Unpaid Dividend Accounts (Refer note 12.5)		0.43		0.37
Other Payables				
Interest Accrued on Trade Payables		0.19		0.08
Advance Sale consideration received (Refer note 44)		-		32.67
Other Liabilities		33.58		39.72
Total		403.05		307.91
26 Provisions				
Provision for Employee Benefits				
Compensated absences		35.16		26.13
Gratuity (Refer note 21.1)		4.76		2.87
Provision for contractual obligations (Refer note 26.1)		0.53		0.53
Total		40.45		29.53

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 crores)

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	17.21	26.27
Additions (including Unwinding Interest)	20.17	16.68
Incurred during the year	-	25.74
Balance at the end of the year*	37.38	17.21

* Includes ₹ 36.85 crores (31.03.2018: ₹ 16.68 crores) Long Term Provision (Refer note 21).

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
27 Current Tax Liabilities (Net)				
Provision for Tax (Net of Advance Tax)		62.92		0.03
28 Other Current Liabilities				
TDS / Service Tax / Other payable		41.84		21.68
Goods and Service Tax payable		7.92		16.37
Contract Liabilities				
Mobilisation Advance from Customers		1,570.22		1,579.86
Advances from Customers		245.02		179.11
Advances from others		140.04		88.38
Other Liabilities		85.08		69.96
Total		2,090.12		1,955.36

(₹ in crores)

	Year Ended March 31, 2019		Year Ended March 31, 2018	
29 Revenue from Operations (Refer note 29.1)				
Income from Contracts and Services		12,563.11		8,238.91
Income from Real Estate Projects		303.67		114.80
Other Operating Income		28.86		36.93
Total		12,895.64		8,390.64

29.1 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, 2019 is not comparable with the previous year.

(₹ in crores)

	Year Ended March 31, 2019		Year Ended March 31, 2018	
30 Other Income				
Interest Income				
Deposits and Others		15.57		14.82
Loans and Advances		9.17		8.91
Income Tax refund		1.56		36.07
Others		3.99		2.18
Profit on Sale of Investment (Net)		2.45		8.15
Gain on remeasuring investment at FVTPL (Net)		6.15		3.59
Net Gain / (loss) on foreign currency transactions		8.29		0.57
Other Non-Operating Income				
Rental Income from operating lease on investment property		6.32		4.25
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)		23.11		-
Miscellaneous Income		47.72		22.82
Total		124.33		101.36

Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2019		Year Ended March 31, 2018	
31 Cost of Materials Consumed				
Construction Materials, Stores and Spares				
Opening Stock	427.95		426.53	
Add: Purchases	4,980.85		3,163.64	
		5,408.80		3,590.17
Less: Closing Stock		533.70		427.95
Total Consumption		4,875.10		3,162.22
32 Construction Expenses				
Transport Charges		100.19		77.77
Indirect Taxes				
Value Added Tax	-		114.20	
Service Tax	-		13.66	
		-		127.86
Repairs and Maintenance				
Machinery	139.06		157.64	
Others	20.38		23.73	
		159.44		181.37
Hire Charges for Machinery and others	176.34		156.41	
Power and Fuel	34.74		21.11	
Technical Consultation	102.91		49.48	
Royalties, Seigniorage and Cess	31.47		37.35	
Property Development Cost	5.08		0.64	
Other Expenses	345.45		276.25	
Expected credit loss for unbilled revenue	7.09		-	
		703.08		541.24
Total		962.71		928.24
33 Changes in Inventories of Work in Progress				
Opening Balance (Refer note 59)		1,983.15		1,876.13
Less: Transition impact of Ind AS 115 (including of ₹ 58.91 crores transferred to Investment property)		(1,374.71)		-
Closing Balance		453.21		1,983.15
Total		155.23		(107.02)
34 Employee Benefits Expense				
Salaries and Other Benefits		447.23		393.02
Contribution to Provident Fund and Other Funds		39.47		39.89
Staff Welfare Expenses		8.46		20.41
Total		495.16		453.32

34.1 Refer note 21.1 for expenses recognised for gratuity of employees.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019 and hence no provision has been made. The Company is in the process of complying with the aforesaid order on prospective basis.

Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2019		Year Ended March 31, 2018	
35 Finance Costs				
Interest Expense on				
Borrowings				
Debentures	19.65		24.06	
Term Loans	46.84		31.86	
Working Capital Demand Loans and Cash Credit	168.44		209.78	
Mobilisation Advance	131.59		63.06	
Others	37.69		32.18	
		404.21		360.94
Other Borrowing Costs				
Commission on - Bank Guarantees	96.60		79.74	
- Letters of Credit	12.65		12.12	
		109.25		91.86
Bank and Other Financial Charges		8.49		6.76
Total		521.95		459.56
36 Other Expenses				
Rent		66.91		62.66
Travelling and Conveyance		30.19		27.37
Office Maintenance		25.75		18.27
Electricity Charges		9.18		11.13
Rates and Taxes		6.84		12.09
Consultation Charges		12.65		16.00
Postage, Telegrams and Telephones		4.10		5.13
Insurance		12.69		16.98
Printing and Stationery		5.73		4.48
Legal and Professional Charges		20.29		12.48
Auditors' Remuneration		1.72		1.31
Directors' Sitting Fees		0.30		0.35
Trade Receivables / Advances Written off		10.48		11.83
Loss on Sale of Property, Plant and Equipment / Investment Property (Net)		-		5.60
Provision for Doubtful Trade Receivables / Advances / Others		39.50		41.66
Tender Schedule Expenses		2.14		2.31
Donations and Electoral Bonds (includes ₹ 20.00 crores Electoral Bonds (31.03.2018: ₹ Nil))		22.77		2.65
CSR Expenditure (Refer note 51)		6.14		4.67
Miscellaneous Expenses		20.82		18.91
Total		298.20		275.88

Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
37 Tax Expense		
Current Tax	315.07	170.02
Earlier year taxes (net) (includes ₹ Nil (31.03.2018: ₹ 27.60 crores MAT credit recognised during the current year)	-	(70.66)
Deferred Tax	11.70	(19.20)
Total	326.77	80.16

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

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Accounting profit before tax	894.34	218.89
Tax expense at statutory tax rate at 34.944% / 34.608%	312.52	75.75
Adjustments:		
Effect of income that is exempt from taxation	(1.02)	(5.35)
Adjustments recognised in the current year in relation to the current tax of prior years	0.47	(70.66)
Effect of expenses that are not deductible in determining taxable profit	13.57	29.20
Effect of capital gains set off with unused capital losses	(2.91)	(0.48)
Losses and tax offsets not considered for deferred tax asset	6.13	51.69
Others including effect of change in rate of tax	(1.99)	-
	14.25	4.40
Tax expense reported in the Statement of Profit and Loss	326.77	80.15

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

(₹ in crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Tax effect on actuarial gains/losses on defined benefit obligations	2.76	1.01
Tax effect on foreign currency translation differences	-	0.01
Total	2.76	1.02

Notes forming part of the consolidated financial statements

38 Contingent Liabilities and Commitments (to the extent not provided for)

(i) Contingent Liability

	(₹ in crores)	
	As at March 31, 2019	As at March 31, 2018
(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	330.92	253.09
- 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	0.46	0.46
- Disputed service tax liability for which the Group preferred appeal	99.35	99.35
- Disputed income tax liability for which the Company preferred appeal	-	4.85
- Others	31.34	15.87
(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 ₹ 3.07 crores (31.03.2018: ₹ 3.07 crores) 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 46).	Amount not ascertainable	Amount not ascertainable
- In respect of NCC Infrastructure Holdings Limited (NCCIHL), a subsidiary, could not achieve wet commissioning due to certain force majeure events (Refer Note 44).	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 45).	Amount not ascertainable	Amount not ascertainable
(c) Guarantees		
Counter Guarantees given to the Bankers **	2.44	2.44
(d) Share of group in contingent liabilities of Associates.	0.06	0.06
** Excludes Guarantees given against Company's liabilities, in terms of Guidance Note issued by the Institute of Chartered Accountants of India.		

(ii) Commitments

	(₹ in crores)	
	As at March 31, 2019	As at March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	70.15	48.26
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme.	2.99	6.02
(c) Share of group in commitments of Associates.	-	327.76

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
A)	Subsidiaries (Refer note 40 & 40.1)	E)	Enterprises owned or significantly influenced by key management personnel or their relatives
B)	Associates (Refer note 40)	33	NCC Blue Water Products Limited
C)	Key Management Personnel	34	NCC Finance Limited
1	Sri. A.A.V. Ranga Raju	35	Shyamala Agro Farms Private Limited
2	Sri. A.S.N. Raju	36	Ranga Agri Impex LLP**
3	Sri. A.G.K. Raju	37	NCC Foundation
4	Sri. A.V.N. Raju	38	Sirisha Projects Private Limited
5	Sri. J.V. Ranga Raju	39	Narasimha Developers Private Limited
6	Sri. Ramachandra Venkataraman Shastri	40	Avathesh Property Developers Private Limited
7	Sri. Utpal Hemendra Sheth	41	Arnesh Ventures Private Limited
8	Smt. Renu Challu	42	AVSR Holdings Private Limited
9	Sri. Ravi Shankararamaiah	43	Sridevi Properties
10	Sri. Hemant Madhusudan Nerurkar	44	Matrix Security and Surveillance Private Limited
11	Dr. Durga Prasad Subramanyam Anapindi	45	Jampana Constructions Private Limited
12	Sri. Neeraj Mohan*	46	Shri Aruna Constructions Private Limited (w.e.f. September 29, 2018)
13	Sri. R.S. Raju		
14	Sri. M.V. Srinivasa Murthy		
D)	Relatives of Key Management Personnel		
15	Dr. A.V.S. Raju		
16	Smt. A. Satyanarayanamma		
17	Sri. N.R. Alluri (Key Management Person upto November 11, 2017)		
18	Sri. A. Srinivasa Rama Raju		
19	Smt. B. Kaushalya		
20	Smt. J. Sridevi		
21	Smt. J. Sowjanya		
22	Smt. A. Arundhati		
23	Smt. M. Swetha		
24	Sri. J. Krishna Chaitanya Varma		
25	Smt. A. Subhadra Jyotirmayi		
26	Smt. A. Shyama		
27	Smt. A. Suguna		
28	Sri. A. Sri Harsha Varma		
29	Sri. S.R.K. Surya Srikrishna Raju		
30	Sri. A. Vishnu Varma		
31	Smt. A. Nikitha		
32	Sri.U. Sunil		

* Key Management Person upto May 07, 2018.

** Converted from Limited Liability Company to Limited Liability Partnership during the year.

Notes forming part of the consolidated financial statements

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

(₹ in crores)

S. No	Particulars	Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Investments in Equity shares	5.00	4.68	-	-	-	-
2	Loans received	-	-	8.90	-	-	-
3	Loan repaid	-	-	1.00	-	-	-
4	Loan repayment received	-	1.50	-	-	-	-
5	Advances granted	19.65	3.88	-	-	107.59	33.49
6	Advances Repayment received/Adjusted	1.13	1.04	-	-	0.69	48.39
7	Advances repaid / adjusted	-	-	-	-	0.00	0.07
8	Mobilisation Advance recovered / adjusted from the Group	1.50	7.48	-	-	-	-
9	Mobilisation Advance recovered / adjusted by the Group	-	-	-	-	8.95	7.00
10	Mobilisation Advance released	-	-	-	-	-	1.41
11	Retention Money recovered	-	6.04	-	-	-	-
12	Retention Money released	-	-	-	-	-	7.02
13	Remittance to Trade Payables	-	-	-	-	5.00	14.73
14	Trade/Accounts Receivables realised	-	34.24	-	-	-	-
15	Revenue from Operations	-	60.36	-	-	-	-
16	Material Purchase & Services	0.74	1.20	-	-	-	0.16
17	Interest Income on loans given	6.47	4.44	-	-	-	-
18	Interest Expense	-	-	0.14	0.19	-	-
19	Reimbursement of Expenses	2.90	0.68	-	-	1.64	13.21
20	Sub-Contractors work bills	-	-	-	-	97.87	54.18
21	Remuneration (Including commission)*						
	Short-term employee benefits	-	-	32.76	22.77	-	-
	Post employee benefits	-	-	1.18	1.08	-	-
22	Directors Sitting Fees	-	-	0.26	0.30	-	-
23	Rent expenses	-	-	0.67	0.75	10.41	10.23
24	Dividend paid	-	-	5.19	2.38	5.65	1.93

* 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 crores)

S. No	Particulars	Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
1	Debit Balances outstanding						
	Jubilee Hills Landmark Projects Private Limited	-	0.12	-	-	-	-
	Pondichery Tindivanam Tollway Limited	13.51	12.05	-	-	-	-
	Tellapur Technocity Private Limited	0.03	0.04	-	-	-	-
	Paschal Form Work (India) Private Limited	0.08	0.08	-	-	-	-
	Varaprada Real Estates Private Ltd	51.42	32.61	-	-	-	-
	Brindavan Infrastructure Company Limited	0.59	0.59	-	-	-	-
	Ekana Sportz City Private Limited	52.26	52.25	-	-	-	-
	NCC Urban Infrastructure Company Limited, Dubai	-	-	-	-	233.60	226.10
	Sridevi Properties	-	-	-	-	0.19	0.19
	Jampana Constructions Private Limited	-	-	-	-	21.31	15.09
	Shri Aruna Constructions Private Limited	-	-	-	-	41.22	-
	Sri. J.V. Ranga Raju	-	-	0.08	0.08	-	-
	Smt. J. Sowjanya	-	-	0.10	0.10	-	-
	Smt. J. Sridevi	-	-	0.08	0.08	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	0.13	0.13	-	-
2	Credit Balances outstanding						
	Nagarjuna Facilities Management Services L.L.C.	0.25	0.25	-	-	-	-
	Brindavan Infrastructure Company Limited	0.35	0.35	-	-	-	-
	Ekana Sportz City Private Limited	-	1.50	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	0.05	0.23
	Sirisha Projects Private Limited	-	-	-	-	0.03	0.03
	Jampana Constructions Private Limited	-	-	-	-	4.90	0.83
	Shri Aruna Constructions Private Limited	-	-	-	-	8.11	-
	Sridevi Properties	-	-	-	-	0.03	0.03
	Sri. A.A.V. Ranga Raju	-	-	10.78	3.21	-	-
	Sri. A.S.N. Raju	-	-	2.89	1.61	-	-
	Sri. A.G.K. Raju	-	-	6.12	1.60	-	-
	Sri. A.V.N. Raju	-	-	2.90	1.60	-	-
	Sri. J.V. Ranga Raju	-	-	0.36	0.24	-	-
	Sri. R.S. Raju	-	-	0.12	0.06	-	-
	Sri. M.V. Srinivasa Murthy	-	-	0.09	0.04	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	0.08	0.02	-	-
	Sri. A. Vishnu Varma	-	-	0.07	0.02	-	-
	Smt. A. Nikhita	-	-	0.03	0.02	-	-
	Sri. A. Sri Harsha Varma	-	-	0.03	0.00	-	-
	Sri. U. Sunil	-	-	0.03	0.00	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	0.10	0.01	-	-
	Smt. J. Sowjanya	-	-	0.01	0.01	-	-
	Smt. J. Sridevi	-	-	0.01	0.01	-	-
	Smt. B. Kaushalya	-	-	0.03	-	-	-

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

(₹ in crores)		
Particulars	2018 - 19	2017 - 18
Investments in Equity Shares - Made		
- Ekana Sportz City Private Limited	5.00	4.68
Loans Received		
- Sri. A.A.V. Ranga Raju	5.90	-
- Sri. A.G.K. Raju	3.00	-
Loan Repaid		
- Sri. A.A.V. Ranga Raju	1.00	-
Loans Repayment Received		
- Pondicherry Tindivanam Tollway Limited	-	1.50
Advances Granted		
- Jampana Constructions Private Limited	64.83	33.49
- Shri Aruna Constructions Private Limited	42.76	-
- Varaprada Real estates Private Limited	18.81	3.83
Advances Repayment Received / Adjusted		
- Jampana Constructions Private Limited	0.69	47.44
- Jubilee Hills Landmark Projects Private Limited	1.04	-
Advances Repaid / Adjusted		
- NCC Blue Water Projects Limited	-	0.07
Mobilisation Advance Recovered / Adjusted from the Group		
- Ekana Sportz City Private Limited	1.50	7.48
Mobilisation Advance Recovered / Adjusted by the Group		
- Jampana Constructions Private Limited	7.15	7.00
- Shri Aruna Constructions Private Limited	1.80	-
Mobilisation Advance Released		
- Jampana Constructions Private Limited	-	1.41
Retention Money Recovered		
- Ekana Sportz City Private Limited	-	6.04
Retention Money Released		
- Jampana Constructions Private Limited	-	7.02
Remittance to Trade Payables		
- Jampana Constructions Private Limited	3.30	14.73
- Shri Aruna Constructions Private Limited	1.70	-
Trade / Accounts Receivables realised		
- Ekana Sportz City Private Limited	-	31.06
Revenue from Operations		
- Ekana Sportz City Private Limited	-	60.36
Material Purchases & Services		

Notes forming part of the consolidated financial statements

(₹ in crores)

Particulars	2018 - 19	2017 - 18
- Paschal Form Work (India) Private Limited	0.74	1.20
- Jampana Constructions Private Limited	-	0.16
Interest Income on loans given		
- Varaprada Real estates Private Limited	6.47	4.44
Interest Expense		
- Sri. A.G.K.Raju	0.14	0.19
Reimbursement of Expenses		
- Jampana Constructions Private Limited	1.64	12.26
- Jubilee Hills Landmarks Projects Private Limited	2.84	-
Sub Contract Work Bills		
- Jampana Constructions Private Limited	58.17	54.18
- Shri Aruna Constructions Private Limited	39.70	-
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	10.81	6.87
- Sri. A.S.N. Raju	5.44	3.51
- Sri. A.G.K. Raju	5.46	3.52
- Sri. A.V.N. Raju	5.39	3.46
Directors Sitting Fees		
- Sri. R.V.Shastri	0.06	0.06
- Sri. Hemanth M Nerurkar	0.06	0.06
- Smt. Renu Challu	0.05	0.06
- Sri. Utpal Sheth [#]	-	0.03
- Sri. S. Ravi [#]	-	0.03
- Dr. A.S. Durga Prasad	0.06	0.07
Rent Expenses		
- Sirisha Projects Private Limited	9.36	9.50
Dividend Paid		
- AVSR Holdings Private Limited	4.05	1.56
- Sri. A.A.V. Ranga Raju	1.36	0.54
- Sirisha Projects Private Limited	1.11	-

[#] 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, 2019	As at March 31, 2018
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	62.13%	62.13%
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%
Pachhvara Coal Mining Private Limited	India	51%	51%
Talaipalli Coal Mining Private Limited	India	51%	51%
Nagarjuna Construction Co. Limited & Partners L.L.C. (Refer note 40.2 (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%
Subsidiaries of NCC Urban Infrastructure Limited			
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 LLP *	India	100%	100%
Thrilekya Real Estates LLP *	India	100%	100%
Varma Infrastructure LLP *	India	100%	100%
Nandyala Real Estates LLP *	India	100%	100%
Kedarnath Real Estates LLP *	India	100%	100%
AKHS Homes LLP *	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 LLP *	India	100%	100%
VSN Property Developers LLP *	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%

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, 2019	As at March 31, 2018
Nagarjuna Suites Private Limited	India	100%	100%
NCC Urban Homes Private Limited	India	100%	100%
NCC Urban Ventures Private Limited	India	100%	100%
NCC Urban Meadows Private Limited	India	100%	100%
NCC Urban Villas Private Limited	India	100%	100%
Subsidiaries of NCC Infrastructure Holdings Limited			
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%
Subsidiaries of NCC Infrastructure Holdings Mauritius Pte. Limited			
Liquidity Limited (Refer note 40.2 (b))	Mauritius	-	100%
Al Mubarakia Contracting Co. L.L.C.	Dubai	100%	100%
Tellapur Technocity (Mauritius) (Refer note 40.2 (d))	Mauritius	93.63%	-
Subsidiary of Nagarjuna Construction Company International L.L.C.			
NCCA International Kuwait General Contracts Company L.L.C.	Kuwait	100%	100%
NCC WLL	Qatar	100%	100%
Partnership Firm of NCC Urban Infrastructure Limited			
NR Avenues	India	100%	100%
Associates of the NCC Limited			
Brindavan Infrastructure Company Limited	India	33.33%	33.33%
Paschal Form Work (India) Private Limited	India	23.74%	23.74%
Jubilee Hills Landmark Projects Private Limited (Refer note 40.2 (a))	India	-	25.00%
Tellapur Technocity Private Limited	India	25.92%	25.92%
Nagarjuna Facilities Management Services L.L.C.	Dubai	49.00%	49.00%
Associates of the NCC Infrastructure Holdings Limited			
Pondicherry Tindivanam Tollway Limited	India	47.80%	47.80%
Ekana Sportz City Private Limited	India	26.00%	26.00%
Associates of the NCC Infrastructure Holdings Mauritius Pte. Limited			
Himalayan Green Energy Private Limited	India	50.00%	50.00%
Tellapur Technocity (Mauritius)	Mauritius	-	25.59%
Apollonius Coal and Energy Pte. Limited	Singapore	44.22%	44.22%
Associate of the NCC Urban Infrastructure Limited			
Varaprada Real Estates Private Limited	India	40.00%	40.00%

* Converted into limited liability partnership during the year.

** 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.

Notes forming part of the consolidated financial statements

40.1 List of entities not considered for consolidation

- (a) In respect of a step subsidiary company, NCC Urban Lanka (Private) Limited, there are no transactions since incorporation, hence not considered for consolidation.
- (b) Naftogaz Engineering Private Limited, a subsidiary company which got liquidated during the year.

40.2 Change in the Group's ownership interest

- (a) During the current year, the said investments have been converted into "Investment property under construction" pursuant to an agreement entered by the Company.
- (b) During the year, the step subsidiary company, Liquidity Limited was merged with its holding company NCC Infrastructure Holdings Mauritius Pte. Limited.
- (c) During the year, in respect of subsidiary company Nagarjuna Construction Co. Ltd. & Partners L.L.C., the Management has decided to cease the operations of the Entity and the final liquidation report is placed for the approval of the members' to conclude the liquidation process.
- (d) During the year investment holding % in Tellapur Technocity (Mauritius) is increased from 25.59% to 93.63%.

40.3 Disclosure of subsidiary having material non-controlling interests:

(i) Summarised statement of Profit and Loss:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	0.48	0.48
Profit / (loss) for the year	(48.33)	(81.50)
Other comprehensive income	(0.02)	0.01
Total comprehensive income	(48.35)	(81.49)
Add: Consolidation adjustment	3.00	13.00
Total comprehensive income after consolidation adjustment	(45.35)	(68.49)
Non-controlling interest %	37.87%	45.00%
Profit / (loss) allocated to non-controlling interests	(17.17)	(30.82)

(ii) Summarised Balance Sheet:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	As at March 31, 2019	As at March 31, 2018
Current assets (a)	102.50	143.33
Current liabilities (b)	89.08	113.77
Net current Assets (c) = (a) - (b)	13.42	29.56
Non-current assets (d)	454.81	487.04
Non-current liabilities (e)	0.85	0.85
Net non-current Assets (f) = (d) - (e)	453.96	486.19
Net assets (g)=(c)+(f)	467.38	515.75
Add: Consolidation adjustment	3.00	13.00
Net assets after consolidation adjustment	470.38	528.75
Non-controlling interest %	37.87%	37.87%
Accumulated non-controlling interests	178.13	200.24

Notes forming part of the consolidated financial statements

(iii) Summarised Cash Flow:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities	57.74	30.52
Cash flows from investing activities	-	-
Cash flows from financing activities	(64.14)	(29.93)
Net increase/(decrease) in cash and cash equivalents	(6.40)	0.59

40.4 Financial information in respect of individually immaterial associates:

(₹ in crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Aggregate carrying amount of investments in individually immaterial associates as at	132.31	257.57
Aggregate group share of		
Profit for the year	(6.86)	(6.71)
Other comprehensive income for the year	0.03	(0.01)
Total comprehensive income for the year	(6.83)	(6.72)

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 year March 31, 2019							
	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 (₹ crores)	As % of Consolidated profit or loss	Amount (₹ crores)	As % of Consolidated other comprehensive income	Amount (₹ crores)	As % of Consolidated total comprehensive income	Amount (₹ crores)
NCC Limited	103.51%	4,756.78	97.45%	563.91	57.92%	(4.31)	97.96%	559.60
Subsidiaries								
Indian								
NCC Urban Infrastructure Limited	3.30%	151.72	0.53%	3.08	1.51%	(0.11)	0.52%	2.96
NCC Infrastructure Holdings Limited	10.17%	467.38	-8.35%	(48.33)	0.23%	(0.02)	-8.46%	(48.35)
Samashti Gas Energy Limited	-0.03%	(1.41)	0.03%	0.15	0.00%	-	0.03%	0.15
NCC Infra Limited	0.00%	0.03	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
NCC Vizag Urban Infrastructure Limited	0.59%	26.90	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
OB Infrastructure Limited	3.18%	146.21	0.97%	5.61	-0.15%	0.01	0.98%	5.62
Patnitop Ropeway and Resorts Limited	0.03%	1.20	0.00%	-	0.00%	-	0.00%	-

Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the year March 31, 2019							
	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 (₹ crores)	As % of Consolidated profit or loss	Amount (₹ crores)	As % of Consolidated other comprehensive income	Amount (₹ crores)	As % of Consolidated total comprehensive income	Amount (₹ crores)
NCC International Convention Centre Limited	-0.10%	(4.66)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
NCC Oil & Gas Limited	0.00%	-	-0.01%	(0.03)	0.00%	-	-0.01%	(0.03)
Vaidehi Avenues Limited	0.11%	5.06	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Aster Rail Private Limited	-0.09%	(4.14)	0.36%	2.10	0.00%	-	0.37%	2.10
Pachhvara Coal Mining Private Limited	-0.02%	(0.89)	-0.02%	(0.14)	0.00%	-	-0.03%	(0.14)
Talaipalli Coal Mining Private Limited	-0.01%	(0.24)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Savitra Agri Industrial Park Private Limited	-0.57%	(26.42)	-0.01%	(0.09)	0.00%	-	-0.02%	(0.09)
CSVS Property Developers Private Limited	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Dhatri Developers & Projects Private Limited	0.00%	(0.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
JIC Homes Private Limited	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
M A Property Developers Private Limited	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Mallelavanam Property Developers Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Sushanthi Housing Private Limited	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Sradha Real Estates Private Limited	0.00%	(0.05)	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Sushruta Real Estates Private Limited	0.00%	(0.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Sri Raga Nivas Ventures Private Limited	0.00%	(0.19)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Sushanti Avenues Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Vera Avenues Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Vara Infrastructure Private Limited	0.00%	(0.05)	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)

Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the year March 31, 2019							
	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 (₹ crores)	As % of Consolidated profit or loss	Amount (₹ crores)	As % of Consolidated other comprehensive income	Amount (₹ crores)	As % of Consolidated total comprehensive income	Amount (₹ crores)
NJC Avenues Private Limited	0.00%	(0.09)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Siripada Homes Private Limited	0.00%	(0.05)	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Nagarjuna Suites Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
NCC Urban Ventures Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
NCC Urban Homes Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
NCC Urban Meadows Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
NCC Urban Villas Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Foreign								
Nagarjuna Construction Co.Limited and Partners L.L.C.	0.00%	-	4.29%	24.85	37.68%	(2.81)	3.86%	22.04
Nagarjuna Construction Company International L.L.C.	2.52%	115.95	-10.20%	(59.05)	181.35%	(13.50)	-12.70%	(72.55)
NCC Infrastructure Holdings Mauritius Pte Limited	-1.48%	(67.96)	-5.33%	(30.85)	280.63%	(20.90)	-9.06%	(51.74)
Liquidity Limited	0.00%	-	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Al Mubarakia Contracting Co. L.L.C.	0.00%	0.11	8.21%	47.52	83.51%	(6.22)	7.23%	41.31
Nagarjuna Contracting Co. L.L.C.	-0.04%	(1.99)	12.11%	70.11	154.21%	(11.48)	10.26%	58.62
NCCA International Kuwait General Contracts Company L.L.C.	0.06%	2.96	0.30%	1.74	2.79%	(0.21)	0.27%	1.53
NCC WLL	0.02%	0.93	0.00%	-	0.76%	(0.06)	-0.01%	(0.06)
Tellapur Technocity (Mauritius)	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Partnership Firm								
AKHS Homes LLP	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Kedarnath Real Estates LLP	0.05%	2.49	0.43%	2.47	0.00%	-	0.43%	2.47
Sri Raga Nivas Property Developers LLP	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)

Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the year March 31, 2019							
	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 (₹ crores)	As % of Consolidated profit or loss	Amount (₹ crores)	As % of Consolidated other comprehensive income	Amount (₹ crores)	As % of Consolidated total comprehensive income	Amount (₹ crores)
VSN Property Developers LLP	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Nandyala Real Estates LLP	0.03%	1.28	0.22%	1.25	0.00%	-	0.22%	1.25
PRG Estates LLP	0.03%	1.24	0.21%	1.23	0.00%	-	0.22%	1.23
Threlekya Real Estates LLP	0.05%	2.09	0.36%	2.07	0.00%	-	0.36%	2.07
Varma Infrastructure LLP	0.06%	2.91	0.47%	2.75	0.00%	-	0.48%	2.75
N R Avenues	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Non Controlling Interest	-6.03%	(277.10)	1.92%	11.12	-0.36%	0.03	1.95%	11.15
Associates (Investment as per equity method)								
Indian								
Himalayan Green Energy Private Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Paschal Form Work (I) Private Limited	0.04%	1.62	-0.05%	(0.30)	-0.46%	0.03	-0.05%	(0.26)
Tellapur Technocity Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Ekana Sportz city Private Limited	0.50%	23.13	0.07%	0.42	0.00%	-	0.07%	0.42
Brindavan Infrastructure Company Limited	0.27%	12.50	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Pondicherry Tindivanam Tollway Limited	0.12%	5.67	-1.34%	(7.77)	0.01%	(0.00)	-1.36%	(7.77)
Varapradha Real Estates Private Limited	1.67%	76.70	0.15%	0.88	0.00%	-	0.15%	0.88
Foreign								
Nagarjuna Facilities Management Services L.L.C.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Apollonius Coal and Energy Pte.Limited	0.28%	12.69	-0.01%	(0.05)	0.00%	-	-0.01%	(0.05)
Total before CFS adjustments & eliminations		5,432.22		594.41		(59.54)		534.87
CFS adjustments & eliminations	-18.21%	(836.85)	-2.72%	(15.72)	-699.63%	52.09	6.37%	36.37
Total	100.00%	4,595.37	100.00%	578.69	100.00%	(7.45)	100.00%	571.24

Notes forming part of the consolidated financial statements

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.

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 crores)	
	As at March 31, 2019	As at March 31, 2018
Equity	4,872.47	4,382.77
Short-term borrowings and current portion of long-term debt	2,202.97	1,662.45
Long-term debt	488.43	398.44
Cash and cash equivalents	(219.43)	(76.06)
Net debt	2,471.97	1,984.83
Total capital (equity + net debt)	7,344.44	6,367.60
Gearing ratio	0.51	0.45

42.2 Categories of financial instruments

	(₹ in crores)	
	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mandatorily measured:		
Equity investments in other entities	343.18	361.89
Measured at amortised cost		
Cash and bank balances	361.71	117.69
Other financial assets at amortised cost	4,200.95	5,746.39
Measured at cost		
Investments in equity instruments in associates		
a) Equity shares	132.31	171.80
b) Debentures	-	85.77
	5,038.15	6,483.54
Financial liabilities		
Measured at amortised cost	7,388.53	5,859.15

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.

Notes forming part of the consolidated financial statements

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.

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 ₹ 2,691.40 crores (31.03.2018: ₹ 2,060.89 crores) as of 31.03.2019, the floating rate borrowings are ₹ 1,502.24 crores (31.03.2018: ₹ 1,191.38 crores). For every 50 base points change in the interest rate when no change in other variables, it will affect the profit before tax by ₹ 7.51 crores for the year ended March 31, 2019 (31.03.2018: ₹ 5.96 crores).

• 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 summarise below the financial instruments which have the foreign currency risks as at March 31, 2019 and March 31, 2018.

(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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD (crores)	4.32	4.30	5.09	5.15
INR (₹ in crores)	299.21	279.96	352.24	335.76
Euro (crores)	0.31	0.01	-	-
INR (₹ in crores)	24.40	0.51	-	-

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 crores)

Currency USD impact on:	As at March 31, 2019	As at March 31, 2018
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(0.77)	(0.86)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	0.77	0.86
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(0.77)	(0.86)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	0.77	0.86

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.

Notes forming part of the consolidated financial statements

Credit risk on trade receivables and contract assets is limited as the customers of the Group 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 and contract assets. In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract. Refer note 6, 11.3 and 16.3 for provision made against trade receivable and contract assets.

Credit risk on account of investments, loans (including interest) and other receivables from related parties has been adequately provided in the books. The cash and bank balances (excluding cash on hand) are held with banks and financial institutions having good credit rating.

iii) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuous planning and monitoring of 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, 2019:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	4,623.46	4,348.65	212.09	62.72	4,623.46
Borrowings and interest thereon	2,730.87	2,242.44	463.37	25.06	2,730.87
Other financial liabilities	34.20	34.20	-	-	34.20
Total	7,388.53	6,625.29	675.46	87.78	7,388.53

The table below provides details of financial assets as at March 31, 2019:

(₹ in crores)

	Carrying amount
Trade receivables	3,533.27
Loans	93.82
Other financial assets	1,278.75
Total	4,905.84

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

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	3,711.39	3,537.37	127.85	46.17	3,711.39
Borrowings and interest thereon	2,074.92	1,644.47	369.45	61.00	2,074.92
Other financial liabilities	72.84	72.84	-	-	72.84
Total	5,859.15	5,254.68	497.30	107.17	5,859.15

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

(₹ in crores)

	Carrying amount
Trade receivables	5,179.36
Loans	100.28
Other financial assets	946.33
Total	6,225.97

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 crores)

Financial assets / financial liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2019	As at March 31, 2018		
Investments in quoted Debt instruments at FVTPL	97.12	73.82	Level 1	Refer Note 2
Investments in unquoted equity instruments at FVTPL	5.82	7.58	Level 2	Refer Note 3(a)
Investments in unquoted equity instruments at FVTPL	240.24	280.49	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 crores)

	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	3,533.27	3,533.27	5,179.36	5,179.36
- Cash and cash equivalents	219.43	219.43	76.06	76.06
- Bank balances other than cash and cash equivalents	142.28	142.28	41.63	41.63
- Loans	93.82	93.82	100.28	100.28
- Other financial assets	573.86	573.86	466.75	466.75
Financial liabilities				
Financial liabilities at amortised cost:				
- Borrowings	2,362.02	2,362.02	1,839.85	1,839.85
- Trade payables	4,623.46	4,623.46	3,711.39	3,711.39
- Other financial liabilities	403.05	403.05	307.91	307.91

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 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 ₹ 10.00 each and 7,858,900 Zero Coupon Irredeemable Fully Convertible Debentures held by it in Himachal Sorang 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 ₹ 10.00 each of HSPL held by NCCIHL and
- ii) 7,858,900 Zero Coupon Irredeemable Fully Convertible Debentures of ₹ 10.00 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 Shares Transfer, the consideration of ₹ 40.25 crores was received pending transfer, however on January 22, 2019, 3,991,490 Equity Shares of ₹ 10.00 each of HSPL held by the subsidiary were transferred to beneficial owner. Sale consideration receivable on account of subsequent sale ₹ 9.00 crores shown under other receivables.

During the year 2012-13, the management has estimated and made a provision of ₹ 51.96 crores towards its obligation to meet cost over runs, contingencies, etc. TAQA during 2014 - 15 invoked bank guarantee of ₹ 36.00 crores, submitted by NCCIHL as security and adjusted this with provision. During 2017-18 Receivable amounts on account of advances paid to HSPL for expenses ₹ 14.08 crores adjusted with this provision. The net provision amount of ₹ 1.88 crores presented under "Other Current Liabilities".

In terms of SPA, NCCIHL should achieve wet commissioning by March, 2013 within agreed cost of ₹ 890.00 crores and failing which has to bear the cost over run exceeding ₹ 890.00 crores, 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 ₹ 409.90 crores which is revised to ₹ 671.43 crores during the Arbitration Process. NCCIHL denied all the disputes/claims in its entirety and raised Counter Claims aggregating to ₹ 210.34 crores (subsequently revised to ₹ 78.50 crores). The Learned Arbitral Tribunal has while quashing the claims of TAQA, has allowed certain claims of HSPL amounting to ₹ 108.38 crores (after adjustments of receivables) together with interest commencing on varied dates.

Aggrieved by the order of the learned Tribunal, NCCIHL had challenged the award in the High Court of Singapore under the Singapore International arbitration centre Rules and the International Arbitration Act.

TAQA and HSPL in March 2018 had 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 02, 2019.

The Management has provided ₹ 65.51 crores in the Financial Year 2017-18 and the same is shown under "Other Current Liabilities". During the Current Financial Year 2018-19, the Management reviewed various items of the claims of both the parties and also considering the in-house legal experts opinion, assessed the likely outcome of the claims and basing on such assessments a further amount of ₹ 38.28 crores is provided.

- 45 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.

The step subsidiary has planned to develop Aquaculture in own lands (Patta) in Benkili-Baruva Village, Sompeta Mandal Jurisdiction. Accordingly, it has filed application (Form-B) on February 24, 2018, for registration of Fresh Water Aquaculture Farm in 197.00 acres. A Sub-Committee consisting of the officials from Revenue, Irrigation, Ground

Notes forming part of the consolidated financial statements

Water and Agriculture Departments headed by JD-Fisheries visited the project site and made physical inspections. NOCs from all the individual departments have been received except from Agriculture Department which is also expected shortly.

- 46** 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.

Due to various reasons, the project did not commence and the Subsidiary Company proposed various options to the Municipal Administration & Urban Development Department, Govt of A.P., for implementation of the housing development scheme. After reviewing various options, the Govt of A.P., issued G.O.M.S.No.64 on February 12, 2019, permitting the land to be made free hold subject to certain terms & conditions. The Subsidiary Company accepted the scheme and now in the process of complying with the G.O. In the opinion of the Management, all hurdles are getting cleared with the above scheme decided by two parties and confident to take forward the project.

- 47** In respect of subsidiary Nagarjuna Contracting Co. L.L.C., as at March 31, 2019, the Entity has ongoing law suit with a customer and the matter is pending before the courts. During the year the Management has decided to cease the operations of the Entity, 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.

48 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:- ₹ 44.82 crores (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

49 Segment Reporting

- a) 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.
- b) Geographical segment: The Group has operations within India and outside India and the disclosures in respect of the geographical segment are given below:

(₹ in crores)

Geographical Segment	Revenue for the year ended	Segment assets *
Within India		
March 31,2019	12,528.05	1,722.36
March 31,2018	7,756.34	1,082.12
Outside India		
March 31,2019	367.59	343.44
March 31,2018	634.30	435.50

* Segment assets represents non current assets excluding financial assets and deferred tax asset.

Notes forming part of the consolidated financial statements

Customer Concentration

Revenue from one customer amounted to 18.57 % arising on account of Income from Contracts and Services.

50 Earnings per share

	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Profit after tax available for equity shareholders (₹ in crores)	578.69	168.63
Weighted Average number of equity shares for Basic EPS (Nos)	600,646,588	563,159,492
Weighted Average number of equity shares for Diluted EPS (Nos)	600,646,588	563,159,492
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	9.63	2.99

*The Company has no dilutive instruments during the year ended March 31, 2019 and March 31, 2018. As such Dilutive Earnings per share equals to Basic Earnings per share.

51a) Gross amount required to be spent by the Group towards CSR during the year ₹ 6.14 crores (March 31, 2018: ₹ 4.68 crores)

b) Amount spent on:

Particulars	March 31, 2019			March 31, 2018		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
	Rural Development-Antervedipallipalem	4.85	-	4.85	1.64	-
Education, Sports and Harithaharam	0.29	-	0.29	3.03	-	3.03
Installation of CC Cameras under Police stations - Hyderabad	-	-	-	0.01	-	0.01
Army welfare fund	1.00	-	1.00	-	-	-
Total	6.14	-	6.14	4.68	-	4.68

52 The exceptional items for the year ended March 31, 2019 is ₹ 107.82 crores after netting off profit on sale of investment of ₹ 2.57 crores and provision made for adverse arbitration award, obligation on sale of investments and impairment of goodwill ₹ 110.39 crores.

The exceptional items for the year ended March 31, 2018 is ₹ 124.08 crores after netting off profit on sale of investment of ₹ 12.42 crores and provision made for impairment of investment, obligation on sale of investments and impairment of goodwill ₹ 136.50 crores.

53 Consequent to the encashment of Bank Guarantees (BGs) of ₹ 343.10 crores in the year 2017-18 by one of the customer, NCCL invoked the arbitration clause and submitted a claim of ₹ 1,571.41 crores towards refund of retention money, refund of BGs amount, payment of pending bills, additional works done and cost incurred on prolongation of the project by the customer. Against which, the customer has filed a counter claim of ₹ 1,071.46 crores towards liquidated damages, turbine replacement and balance works, etc. As per the management assessment and legal advise, no provision is required for the subject matter and arbitration proceedings are expected to be completed in a year's time.

Notes forming part of the consolidated financial statements

54 Deferred tax assets (Net)

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2019:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(18.66)	(13.64)
Provision for doubtful trade receivables, advances and others	53.85	50.56
Provision for diminution in value of investments	25.03	41.85
Provision for employee benefits	26.58	19.65
Loss allowance on Financial Instruments	63.40	79.36
MAT Credit entitlement	28.45	27.60
Others	3.03	(14.48)
Total	181.68	190.90

54.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
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	642.71	652.19
- Unused tax credits	198.22	151.58
Total	840.93	803.77

55 The Company had issued and allotted 9,200,000 Convertible Warrants on August 23, 2018 at a price of ₹ 119.37 per Warrant on preferential basis to the promoters of the Company, as per the provision of Chapter VII of the SEBI ICDR Regulations. The Company has received the part payment (25% of total consideration) of ₹ 27.45 crores. As per the said regulations the Warrants would be converted into equivalent number of equity shares of ₹ 2.00 each (at a premium of ₹ 117.37 per share) on payment of the balance amount prior to expiry of 18 months from the date of issue of convertible warrants.

56 Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 1,119.41 crores. Increase in the trade receivables, contract assets and contract liabilities as at March 31, 2019 from April 01, 2018 is on account of increase in operations of the Group.

57 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss for the current year. There is no significant revenue recognised in the current year from performance obligations satisfied in previous periods.

58 Performance obligation

The transaction price allocated to the remaining performance obligations is ₹ 41,197.00 crores, which will be recognised as revenue over the respective project durations. Generally the project duration of contracts with customers is be 1 to 3 years.

Notes forming part of the consolidated financial statements

59 Transition impact of Ind AS 115

The nature of the adjustments as at April 01, 2018 and the reasons for the significant changes in the balance sheet as at March 31, 2019 and the statement of profit or loss for the year ended March 31, 2019 are described below:

- (a) The amount of work done but pending acknowledgment by contractee was recognised as “Work-in-progress” (disclosed under “Inventories”) and valued at cost until previous year by the Group for construction contracts. Under Ind AS 115, the same is treated as “Unbilled Revenue” (disclosed under “Other Current Assets”) which is valued at the contracted rates amounting to ₹ 1,546.38 crores (April 01, 2018: ₹ 1,498.78 crores) and thereby it includes profit element of ₹ 61.58 crores (April 01, 2018: ₹ 45.35 crores). This has resulted in increase in revenue for the current year by ₹ 47.60 crores which otherwise would have been disclosed as changes in work-in-progress amounting to ₹ 31.37 crores. Under Ind AS 115, the Group has also provided for Expected Credit Loss (ECL) on the aforesaid contract assets amounting to ₹ 51.66 crores (April 01, 2018: ₹ 44.57 crores). This has resulted in increase in construction expenses by ₹ 7.09 crores. The cumulative effect of the above adjustments on the current year profit is ₹ 5.95 crores (net of taxes of ₹ 3.19 crores) and on the opening balance of retained earnings is ₹ 0.50 crores (net of deferred taxes of ₹ 0.28 crores).
- (b) The amounts billed but for which payment is due on completion of future performance obligation, amounting to ₹ 2,900.88 crores (April 01, 2018: ₹ 2,356.95 crores), was earlier shown under “Trade Receivables” have been reclassified to “Other Current Assets” and “Other Non Current Assets”.
- (c) Consequent to transition to Ind AS 115 in its real estate business, the group has reversed the revenue recognized in respect of units for which control has not been transferred. This has resulted in reduction in trade receivables by ₹ 20.45 crores (April 01, 2018: ₹ 33.46 crores), increase in advance from customers by ₹ 57.74 crores (April 01, 2018: ₹ 123.63 crores) and increase in work-in-progress by ₹ 69.47 crores (April 01, 2018: ₹ 137.63 crores), resulting in an decrease in retained earnings by ₹ 15.57 crores (net of decrease in non controlling interest by ₹ 3.89 crores) as at April 01, 2018. This has also resulted in an increase in the revenue from contracts with customer and cost represented by changes in work-in-progress for the year ending March 31, 2019 by ₹ 78.90 crores and ₹ 68.16 crores respectively, resulting in an increase in profit before tax by ₹ 8.59 crores (net of increase in non controlling interest by ₹ 2.15 crores).

The cumulative impact of Ind AS 115 during the year has resulted in increase of ₹ 0.24 to the Earning per shares of the Group.

60 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 24, 2019.

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, 2019

Form AOC-1

(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 Urban Infrastructure Limited	8-Dec-2006	INR	150.00	6.29	776.84	933.13	933.13	124.12	365.18	14.04	1.41	12.63	80%
2	NCC Infrastructure Holdings Limited	27-May-2005	INR	696.05	(228.67)	89.92	557.30	557.30	440.84	0.48	(46.37)	-	(46.37)	62.13%
3	Samashti Gas Energy Limited	29-Sep-2010	INR	0.05	(0.05)	-	-	-	-	-	0.18	0.03	0.15	100%
4	NCC Infra Limited	28-Nov-2011	INR	0.05	17.66	5.00	22.71	22.71	22.68	-	(0.00)	-	(0.00)	100%
5	NCC Vizag Urban Infrastructure Limited	25-Jan-2006	INR	52.63	(25.73)	192.29	219.19	219.19	-	-	(0.02)	-	(0.02)	95%
6	OB Infrastructure Limited	31-Mar-2006	INR	14.76	131.45	201.36	347.57	347.57	97.12	89.64	7.07	1.46	5.62	64.02%
7	Patnitop Ropeway and Resorts Limited	13-Feb-2007	INR	2.26	(1.05)	-	1.20	1.20	-	-	-	-	-	100%
8	NCC International Convention Centre Limited	5-Dec-2008	INR	1.00	(1.00)	-	0.00	0.00	-	-	-	-	-	100%
9	NCC Oil & Gas Limited	6-Oct-2010	INR	0.05	(0.05)	-	-	-	-	-	(0.03)	-	(0.03)	80%
10	Vaidehi Avenues Limited	1-Apr-2011	INR	5.16	(0.10)	0.16	5.22	5.22	0.05	-	(0.01)	-	(0.01)	100%
11	Aster Rail Private Limited	30-Jul-2013	INR	3.10	(7.24)	7.25	3.11	3.11	-	30.09	2.09	(0.01)	2.10	100%
12	Pachhwara Coal Mining Private Limited	1-Jun-2016	INR	0.20	(1.10)	3.81	2.91	2.91	-	10.80	(0.14)	-	(0.14)	51%
13	Talaipalli Coal Mining Private Limited	25-Dec-2017	INR	0.09	(0.33)	0.25	0.01	0.01	-	-	(0.00)	-	(0.00)	51%
14	Savitra Agri Industrial Park Limited	17-Feb-2017	INR	0.12	(26.55)	89.54	63.11	63.11	-	-	(0.09)	-	(0.09)	100%
15	CSVS Property Developers Private Limited	13-Feb-2007	INR	0.05	1.78	0.00	1.83	1.83	-	-	(0.00)	-	(0.00)	100%
16	Dhatri Developers Private Limited	13-Feb-2006	INR	0.10	6.29	0.00	6.39	6.39	-	-	(0.00)	-	(0.00)	100%
17	JIC Homes Private Limited	12-Feb-2007	INR	0.05	1.79	0.00	1.84	1.84	-	-	(0.00)	-	(0.00)	100%
18	M A Property Developers Private Limited	17-Feb-2007	INR	0.05	1.70	0.00	1.75	1.75	-	-	(0.00)	-	(0.00)	100%

(₹ in Crores)

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 %)
19	Mallelavanam Property Developers Private Limited	15-Mar-2007	INR	0.05	0.94	0.00	0.99	0.99	-	-	(0.00)	-	(0.00)	100%
20	Sushanti Housing Private Limited	12-Feb-2007	INR	0.05	1.70	0.00	1.75	1.75	-	-	(0.00)	-	(0.00)	100%
21	Sradha Real Estates Private Limited	16-Mar-2007	INR	0.05	(0.05)	-	-	-	-	-	(0.04)	-	(0.04)	100%
22	Sushrutha Real Estate Private Limited	13-Feb-2006	INR	0.10	1.67	0.00	1.77	1.77	-	-	(0.00)	-	(0.00)	100%
23	Sri Raga Nivas Ventures Private Limited	7-Mar-2007	INR	0.05	(0.03)	0.00	0.02	0.02	-	-	(0.00)	-	(0.00)	100%
24	Sushanti Avenues Private Limited	13-Feb-2006	INR	0.10	4.57	0.00	4.68	4.68	-	-	(0.00)	-	(0.00)	100%
25	Vera Avenues Private Limited	13-Feb-2007	INR	0.05	1.36	0.00	1.41	1.41	-	-	(0.00)	-	(0.00)	100%
26	Vara Infrastructure Private Limited	9-Mar-2007	INR	0.05	(0.05)	-	-	-	-	-	(0.04)	-	(0.04)	100%
27	NJC Avenues Private Limited	9-Apr-2007	INR	0.05	(0.14)	132.25	132.16	132.16	-	-	(0.00)	-	(0.00)	100%
28	Siripada Homes Private Limited	3-Apr-2007	INR	0.05	(0.05)	-	-	-	-	-	(0.04)	-	(0.04)	100%
29	Nagarjuna Suites Private Limited	14-Sep-2011	INR	0.01	(0.01)	-	-	-	-	-	0.00	-	0.00	100%
30	NCC Urban Ventures Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%
31	NCC Urban Homes Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%
32	NCC Urban Meadows Private Limited	11-Sep-2012	INR	0.01	(0.01)	0.00	0.00	0.00	-	-	(0.00)	-	(0.00)	100%
33	NCC Urban Villas Private Limited	11-Sep-2012	INR	0.01	(0.01)	-	-	-	-	-	(0.00)	-	(0.00)	100%
34	Nagarjuna Construction Company International L.L.C.	17-Jan-2007	OMR	230.33	(114.37)	549.84	665.80	665.80	4.05	363.73	(59.05)	-	(59.05)	100%
35	NCC Infrastructure Holdings Mauritius Pte Limited	27-Apr-2006	USD	185.95	(109.85)	284.80	360.90	360.90	18.43	-	(17.29)	-	(17.29)	100%
36	Liquidity Limited	3-May-2006	USD	-	-	-	-	-	-	-	(0.02)	-	(0.02)	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 %)
37	Al Mubarakia Contracting Co LLC	7-Jul-1997	AED	1.88	(1.78)	0.01	0.11	0.11	-	-	100.53	-	100.53	100%
38	Nagarjuna Contracting Co. L.L.C.	20-Jun-2005	AED	0.57	(2.56)	2.93	0.93	0.93	-	0.33	70.11	-	70.11	100%
39	Nagarjuna Construction Company & Partners L.L.C	20-Apr-2005	OMR	-	-	-	-	-	-	0.02	24.85	-	24.85	100%
40	NC WLL	10-Jul-2013	QAR	1.90	(0.98)	0.04	0.96	0.96	-	-	-	-	-	100%
41	NCCA International Kuwait General Contracts Company L.L.C.	10-Jan-2017	KWD	5.69	(2.74)	-	2.96	2.96	-	-	1.74	-	1.74	100%

Note:

- Exchange rate as on 31.03.2019: Omani Rial = ₹ 179.695, AED = ₹ 18.84, US\$ = ₹ 69.19, KWD = ₹ 227.76, QAR = ₹ 19.01.
- Reporting period for all subsidiaries is same as of holding company i.e., 1st April to 31st March.
- During the year, in respect of subsidiary company Nagarjuna Construction Co. Ltd. & Partners L.L.C., the Management has decided to cease the operations of the Entity and the final liquidation report is placed for the approval of the members' to conclude the liquidation process.
- During the year, the step subsidiary company, Liquidity Limited was merged with its holding company NCC Infrastructure Holdings Mauritius Pte. Limited.
- 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	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	%				
1	Brindavan Infrastructure Company Limited	31-Mar-19	8,643,036	33.33%	Significant influence due to % of Share capital	NA	12.49	(0.04)
2	Paschal Form Work (India) Private Limited	31-Mar-19	6,549,892	23.74%	Significant influence due to % of Share capital	NA	1.83	(0.30)
3	Nagarjuna Facilities Management Services L.L.C.	31-Mar-19	147	49.00%	Significant influence due to % of Share capital	NA	-	-
4	Himalayan Green Energy Private Limited	31-Mar-19	1,000,000	50.00%	Significant influence due to % of Share capital	NA	(7.18)	-
5	Apollonius Coal and Energy Pte. Limited	31-Mar-19	3,778,757	44.22%	Significant influence due to % of Share capital	NA	25.47	(0.05)
6	Pondicherry Tindivanam Tollway Limited	31-Mar-19	3,388,040	47.80%	Significant influence due to % of Share capital	NA	2.97	(7.77)
7	Ekana Sportz City Private Limited	31-Mar-19	2,268,000	26.00%	Significant influence due to % of Share capital	NA	23.13	0.42
8	Varaprada Real Estates Limited	31-Mar-19	13,344,973	40.00%	Significant influence due to % of Share capital	NA	74.01	0.88

REGIONAL OFFICES

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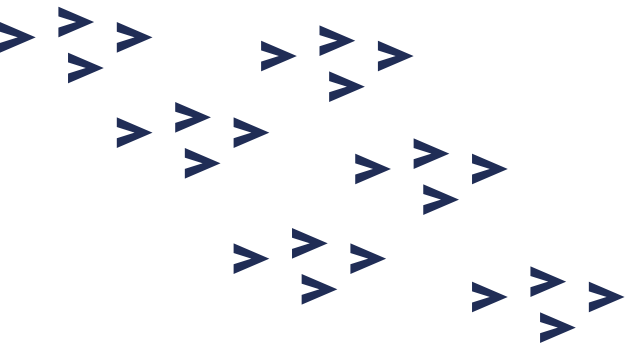
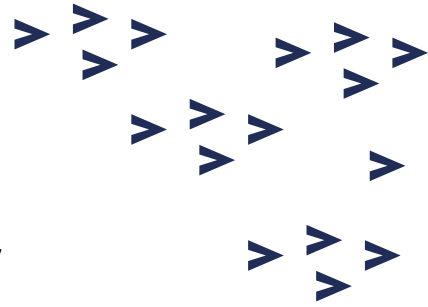
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NCC LIMITED

(CIN: L72200TG1990PLC011146)

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

Website : www.ncclimited.com E-mail : ho.secr@nccltd.in

NCC

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of **NCC LIMITED** will be held on Friday, the 6th September, 2019, at 3.00 P.M. at Avasa Hotel, Constellation Hall, 1st Floor, Plot No.15,24,25 & 26, Sector-1, Survey No.64, Near Cyber Towers, Hitech City, Madhapur, Hyderabad-500081 Telangana, to transact the following business:

A ORDINARY BUSINESS:

1. To receive, consider and adopt:

- (a) The audited Standalone financial statements of the Company for the financial year ended 31 March, 2019 together with the reports of the Board of Directors and the Auditors thereon
- (b) The audited consolidated financial statements of the Company for the financial year ended 31 March, 2019, together with the report of the Auditors thereon.

2. To declare dividend on the Equity Shares for the financial year 2018-2019.

3. To appoint a Director in place of Sri A V N Raju, (DIN 00018965) who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a Director in place of Sri Utpal Sheth, (DIN 0081012) who retires by rotation and being eligible, offers himself for reappointment.

B SPECIAL BUSINESS:

5. To re-appoint Sri Hemant M Nerurkar (DIN-00265887) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), as amended from time to time, Sri Hemant M Nerurkar (DIN-00265887), who was appointed as an Independent Director at the Twenty Fourth Annual General Meeting of the Company and who holds office up to 24th September, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act read with the rules framed there under and Regulation 16(1)(b) of LODR Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term with effect from 25th September, 2019 upto 24th September, 2024 or till such earlier date to confirm with the policy on retirement and as may be determined by any applicable statutes, regulations or guidelines."

6. To re-appoint Smt. Renu Challu (DIN-00157204) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), as amended from time to time, Smt. Renu Challu, who was appointed as an Independent Director at the Twenty Fourth Annual General Meeting of the Company and who holds office up to 24th September, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act read with the rules framed there under and Regulation 16(1)(b) of LODR Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term with effect from 25th September, 2019 upto 24th September, 2024 or till such earlier date to confirm with the policy on retirement and as may be determined by any applicable statutes, regulations or guidelines."

7. To Reappoint of Sri A S N Raju (DIN-00017416) as a Whole time Director of the Company and the remuneration payable to him

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act the consent of the Members of the Company be and is hereby accorded for the re-appointment of Sri A S N Raju (DIN-00017416) as a Whole Time Director of the Company for a further period of 5 (five) years with effect from May 01, 2019, on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the Notice convening the meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed there under Sri A S N Raju (DIN-00017416) Whole Time Director, may be paid the remuneration as set out in

the Explanatory Statement annexed to the Notice convening the meeting, as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Whole Time Director, in accordance with the provisions of Schedule V to the Companies Act, 2013”.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things that may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

8. To consider and approve payment of Commission to Non Executive Directors of the Company

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

“RESOLVED THAT, pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 (‘the Act’), and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, the Non-Executive Directors of the Company be paid annually, for a period not exceeding five years, for each of the financial years commencing from 1st April, 2019, commission upto ₹ 20.00 lakhs individually, as the Board of Directors of the Company (‘the Board’) may determine based on performance and guidelines framed by the Board for this purpose, in addition to the fees for attending the meetings of the Board and its Committees, provided however that the aggregate remuneration, including commission, paid to all such Directors put together in a financial year shall not exceed 0.5% (Half Percent) of the net profits of the Company in terms of Section 197 of the Act, and computed in the manner referred to in Section 198 of the Act.”

9. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2019

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹.1,70,000 (Rupees One Lac Seventy Thousand only) plus taxes and reimbursement of out of pocket expenses if any on actual basis, payable to M/s. Vajralingam & Co., Cost Accountants (Firm Registration Number: 101059) for conduct of cost audit relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 for the financial year ended 31st March, 2019.

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

**M V SRINIVASA MURTHY
COMPANY SECRETARY & EVP (Legal)**

Place: Hyderabad
Date : May 24, 2019

Registered Office

NCC House,
Madhapur, Hyderabad - 500 081, Telangana
E.Mail: ho.secr@nccltd.in

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under item No(s). 5 to 9 set out above is annexed hereto.

2. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed thereto.

3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m upto the date of the 29th Annual General Meeting.

4. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

5. In terms of the provisions of Section 152 of the Act, Shri A V N Raju and Shri Utpal Sheth, Directors, retire by rotation at the Meeting. The Board of Directors of the Company recommend their respective reappointments for the approval of the Members.

6. Details of Directors being appointed and reappointed at the ensuing Meeting are provided in the “Annexure to Notice” pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

7. The requirement to place the matter relating to appointment of the Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of the Statutory Auditors, who were appointed in the Annual General Meeting held on 24th August, 2017.

8. Corporate members intending to send their authorized representative (s) to attend the Meeting, are requested to send to the Registered Office of the Company, a certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting

9. Members are requested to notify immediately any change of address or bank mandates to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the Company i.e. Karvy Fintech Private Ltd in respect of their physical share folios, if any.

10. Members who have not registered / updated their e-mail addresses with Karvy, if shares are held in physical mode or with their DPSs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.

11. Shareholders are requested to bring their copies of the Annual Report to the Annual General Meeting and are requested to sign at

the place provided on the attendance slip and hand it over at the entrance to the venue of the Annual General Meeting.

12. **A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query in writing to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.**
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Agreements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. In order to service the shareholders effectively and for administrative convenience, members are requested to notify multiple folios standing in their name for consolidation, if any, to the Secretarial Department at the Registered Office of the Company immediately.
15. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form as prescribed under the Companies Act, 2013 and the Rules framed there under to the Registrars of the Company
16. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday 13th August, 2019 to Friday, 16th August, 2019 (both days inclusive)**. The equity dividend of ₹ 1.50 (Rupees One and Paise Fifty only) per share (75%) for the year ended March 31, 2019 as recommended by the Board, if approved at the ensuing Annual General Meeting, will be payable to those members whose names appear on the Company's Register of Members on 13th August, 2019. In respect of shares held in electronic form the dividend will be payable on the basis of beneficial ownership as per the details furnished by the Depositories, viz. National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for the purpose as on that date
17. **Transfer of Unclaimed / Unpaid Dividend Amounts and Unclaimed Shares to the Investor Education and Protection Fund (IEPF):**
 - a) The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2010-11 from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unclaimed dividends lying with the Company as on 10th August, 2018 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: <http://ncclimited.com/UDI.html>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
 - b) In compliance with the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during the financial year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://ncclimited.com/UESI.html>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
 - c) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to write to the Company Secretary or to Karvy Fintech Pvt. Ltd., for lodging claim for refund of shares and / or dividend from the IEPF Authority.

18. **Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or M/s. Karvy Fintech Private Ltd for assistance in this regard.**

Members holding shares in physical mode are also requested to register / update their e-mail address with the Company/ Karvy for receiving all communications from the Company electronically.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic form are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN details to the Company or to Karvy.
20. In compliance with the provisions of Section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI(Listing Obligations & Disclosure Requirement) Regulations, 2015, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited, in respect of all resolutions set forth in this Notice. The Company is also providing the facility for voting by way of physical ballot at the Annual General Meeting.

Mr. A Ravi Shankar, Practicing Company Secretary (Membership No.FCS 5335) (PCS No.4318) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the Ballot process at the Annual General Meeting in a fair and transparent manner.

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned in the e-mail / covering letter. Your folio/DP Client ID will be your User-ID.

User – ID	For shareholders holding shares in Demat Form:-
	a) For NSDL:- 8 Character DP ID
	followed by 8 Digits Client ID
	b) For CDSL:- 16 digits beneficiary
	c) ID For shareholders holding shares in Physical Form:-
	• Event no. followed by Folio Number registered with the Company
Password	Your Unique password is sent through e.mail / printed on the covering letter
Captcha	Enter the Verification code i.e., please enter the letters and numbers in the exact way as they are displayed for security reasons.

- iii) **Please contact Karvy's toll free No. 1800-34-54-001 for any support or clarification in relation to the e-voting.**
- iv) Shareholders can cast their vote online from **September 03, 2019 (9.00 AM) to September 05, 2019 (5.00 PM)**. During this period, shareholders of the company holding shares either in dematerialized or physical form as on the cut-off date viz., August 30, 2019, may cast their vote electronically.

- v) After entering these details appropriately, click on "LOGIN".
 - vi) In case of first login, shareholders holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 - vii) You need to login again with the new credentials
 - viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
 - ix) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and cast your vote earlier for any company, then your existing login id and password are to be used.
 - x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder does not want to cast, select 'ABSTAIN'
 - xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xiii) Corporate/Institutional Members (corporate/FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to ravi@rscs.in with copy to evoting@karvy.com. The file/scanned image of the Board Resolution should be in the naming format "Corporate Name Event no."
- The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote through e-voting, may vote at the AGM through ballot for all the business specified in the accompanying Notice. The Members who have exercised their right to vote by e-voting may attend the AGM but shall not vote at the AGM. If a member casts vote by both modes, then voting done through e-voting shall prevail and the Ballot form shall be treated as invalid.**
- xiv) The Voting Results on above resolutions shall be submitted to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
 - xv) The Results of voting will be declared and the same along with Scrutinizer's Report(s) will be placed on the website of the Company (www.ncclimited.com) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the result is declared by the Chairman.

21. Information on Directors recommended for appointment/re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars					
Name of the Director	Sri Hemant M Nerurkar (DIN No.00265887)	Smt. Renu Challu (DIN No.00157204)	Sri Utpal Sheth (DIN No.0081012)	Sri A S N Raju (DIN No.00017416)	Sri A V N Raju (DIN No.00018965)
Qualification	B.Tech	Master Degree in Economics	Cost Account & Chartered Financial Analyst	Under-Graduate	Under-Graduate
Age	70 Years	67 Years	48 Years	61 Years	57 Years
Date of first Appointment	09/04/2014	13/08/2014	11/10/2013	22/03/1990	01/06/1999
(a) Terms & Conditions of Re-Appointment along with Remuneration sought to be paid	Being Re-Appointed as an Independent Director for the second term.	Being Re-Appointed as an Independent Director for the second term.	Being Re-Appointed as a Director liable to retire by rotation	Being Re-Appointed as a Wholetime Director	Being Re-Appointed as a Director liable to retire by rotation
(b) Remuneration Last drawn	Sitting Fees	Sitting Fees	Sitting Fees	Please refer Report on the Corporate Governance	Please refer Report on the Corporate Governance
Relationship with other Directors, manager and other key managerial personnel of the Company	NIL	NIL	NIL	Sri A S N Raju is the brother of Sri A A V Ranga Raju, Sri A G K Raju and Sri A V N Raju None of the other Directors and Key Managerial Personnel are related to Sri A S N Raju	Sri A V N Raju is the brother of Sri A A V Ranga Raju, Sri A G K Raju, and Sri A S N Raju None of the other Directors and Key Managerial Personnel are related to Sri A V N Raju
Brief Resume and expertise in specific functional area	Sri Hemant M Nerurkar is Chairman – Independent Director of the Company. He was earlier associated as Managing Director (India & South East Asia) in Tata Steel Ltd. He has vast experience spanning around 47 years in the in Steel and Mining and related fields	Smt Renu Challu is an Independent Director of the Company. She retired as Dy. Managing Director of State Bank of India and was earlier Managing Director of State Bank of Hyderabad. She has vast experience spanning around 46 years in the fields of Banking, Finance and allied fields.	Sri Utpal Sheth is a Non-Executive Director. He is an investment analyst. He has vast experience spanning around 25 years experience in Finance, Capital Markets and related fields	Sri A S N Raju is one of the Promoters and has been associated with the Company since inception. He heads the Buildings and Roads Division of the Company. He has vast experience spanning around 38 years in the construction industry.	Sri A V N Raju is one of the Promoters of the Company and has been associated with the Company since 1999, as a Wholetime Director. He heads the Electrical, Irrigation and Power Divisions of the Company. He has vast experience spanning around 33 years in the construction industry.
Number of meetings of the Board attended during the year	6	6	3	5	6
Names of other companies in which directorship(s) is held	TRL Krosaki Refracroties Ltd Skill Council for Mining Sector Tega Industries Ltd Igarashi Motors India Ltd OM BESCO Rail Products Ltd Adani Enterprises Ltd Management & Entrepreneurship and Professional Skill Council Crompton Greaves Consumer Electricals Ltd Tega Industries (SEZ) Ltd Trust Asset Management Pvt. Ltd	SMS Ltd Reliance Nippon Life Insurance Company Ltd Fullerton India Credit Company Ltd Schaeffler India Ltd Fullerton India Home Finance Company Ltd Ceinsys Tech Ltd	Aptech Ltd Cineline India Ltd Rare Equity Pvt. Ltd Metro Brands Ltd Concord Biotech Ltd Trustplus Family Office & Investment Advisers (India) Pvt. Ltd Insight Asset Management (India) Pvt. Ltd Trust Plus Wealth Managers (India) Pvt. Ltd Chanakya Corporate Services Pvt. Ltd Trust Capital Holdings Pvt. Ltd HRS Insight Financial Intermediaries Pvt. Ltd Chanakya Wealth Creation Pvt. Ltd Inventurus Knowledge Solutions Pvt. Ltd Trust Asset Management Pvt. Ltd Clue Leasing and Finance Pvt. Ltd Hillcroft Investment Company Pvt. Ltd Star Health and Allied Insurance Company Ltd Safecrop Holdings Pvt. Ltd	NCC Vizag Urban Infrastructure Ltd. NCC Oil & Gas Ltd Vaidehi Avenues Ltd	NCC Vizag Urban Infrastructure Ltd
Names of other companies in which holds the membership of Committees of the Board	Adani Enterprise Ltd Igarashi Motors India Ltd Crompton Greaves Consumer Electricals Ltd	Schaeffler India Ltd Fullerton India Home Finance Company Ltd Reliance Nippon Life Insurance Company Ltd Ceinsys Tech Ltd	Aptech Ltd Cineline India Ltd	NCC Vizag Urban Infrastructure Ltd.	NCC Vizag Urban Infrastructure Ltd
No. of Equity Shares of ₹ 2/- each held in the Company as on 31st March, 2019	NIL	NIL	NIL	62,52,215 Equity Shares	79,85,791 Equity Shares

ANNEXURE TO NOTICE:

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

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the items of Special Business specified in item no(s) 5 to 9 of the Notice of the Meeting.

Item No.5

Sri Hemant M Nerurkar (DIN-00265887) was appointed as an Independent Director with effect from 25th September, 2014 and his current term as Independent Director is set to expire on 24th September, 2019. Sri Hemant Nerurkar meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b), 17 and 17A of the LODR Regulations.

The Board at its meeting held on 24th May 2019, based on the outcome of performance evaluation, recommendations of the Nomination and Remuneration Committee, background, experience and contribution made by Sri Hemant Nerurkar during his tenure, has approved the re-appointment for a second term commencing from 25th September, 2019 upto 24th September, 2024, subject to the approval of shareholders of the company. The Board of Directors state that the re-appointment of Sri Hemant Nerurkar would be in the interest of the Company and its Members.

Sri Hemant Nerurkar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to continue to act as an Independent Director of the Company. The Company has also received declaration from Sri Hemant Nerurkar that he meets the criteria of independence as prescribed under Section 149 of the Act and the LODR Regulations.

In the opinion of the Board, Sri Hemant Nerurkar meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16(1) (b), 17 and 17A of the LODR Regulations. Details of Sri Hemant Nerurkar whose re- appointment as an Independent Director is proposed at Resolution No. 5 is provided in the Annexure to this Notice.

Other than Sri Hemant Nerurkar and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5, except to the extent of their shareholding, if any, in the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Sri Hemant Nerurkar as an Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution set out at Resolution No. 5 of the Notice for the approval by the Members.

Item No.6

Smt. Renu Challu (DIN-00157204) was appointed as an Independent Director with effect from 25th September, 2014 and her current term as Independent Director is set to expire on 24th September, 2019. Smt. Renu Challu meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b), 17 and 17A of the LODR Regulations.

The Board at its meeting held on 24th May 2019, based on the outcome of performance evaluation, recommendations of the Nomination and Remuneration Committee, background, experience and contribution made by Smt. Renu Challu during her tenure, has approved the re-appointment for a second term commencing from 25th September, 2019 upto 24th September, 2024, subject to the approval of shareholders of the company. The Board of Directors state that the re-appointment of Smt. Renu Challu would be in the interest of the Company and its Members.

Smt. Renu Challu is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to continue to act as an Independent Director of the Company. The Company has also received declaration from Smt. Renu Challu that she meets the criteria of independence as prescribed under Section 149 of the Act and the LODR Regulations.

In the opinion of the Board, Smt. Renu Challu meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b), 17 and 17A of the LODR Regulations. Details of Smt. Renu Challu whose re- appointment as an Independent Director is proposed at Resolution No. 6 is provided in the Annexure to this Notice.

Other than Smt. Renu Challu and her relatives, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.6, except to the extent of their shareholding, if any, in the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Smt. Renu Challu as an Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution set out at Resolution No. 6 of the Notice for the approval by the Members.

Item No:7

The Board of Directors of the Company at its meeting held on February 12, 2019 on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company have accorded their approval for the re-appointment of Sri A S N Raju (DIN-00017416) as a Whole-time Director of the Company for a period of 5 (five) years with effect from May 01, 2019 and the payment of remuneration to him.

The broad particulars of remuneration to be paid to Sri A S N Raju as a Whole-time Director of the Company during his tenure of office is as under

Salary	₹ 4.00 lakhs per month in the scale of ₹ 4.00 lakhs to ₹ 10.00 lakhs
Perquisites and allowances	Upto a limit of 75% of the monthly salary
Exgratia	As per the rules of the Company
Commission	@ 0.5% (Half percent) of the net profits earned by the Company and computed in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V & the Rules framed thereunder

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

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

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

The terms and conditions set out for re-appointment of Sri A S N Raju as Whole Time Director and payment of remuneration to him as specified herein may be altered and varied from time to time by the Board of Directors ("the Board" which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board of the Company), as it may, at its discretion deem fit. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Whole-time Director of the Company at any time, such that the overall yearly remuneration payable to the said Whole-time Director shall not exceed the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof for the time being force) or any amendment made thereto.

The annual increments to the aforesaid Whole-time Director each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") and the Audit Committee and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

The Promoter/ Working Directors viz., Sri. A A V Ranga Raju, Sri. A G K Raju, Sri. A S N Raju, Sri. A V N Raju and their Relatives may be deemed to be concerned or interested in the proposed Resolution set out at Item No. 7 of the Notice convening the meeting.

Other than the aforesaid Promoter/ Working Directors and their Relatives none of the other Directors, Key Managerial Personnel of the Company and their Relatives are interested or concerned whether financially or otherwise in the Resolution set out at Item No. 7 of the Notice convening the meeting.

The Board of Directors recommend the resolution set out at item No.7 of the Notice for your approval.

Item No: 8

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, the Board of Directors of the Company ('the Board') at the meeting held on 24th May, 2019, recommended for the approval of the Members, payment of remuneration by way of commission to the Non-Executive Directors of the Company, in line with the current trends and commensurate with the time devoted and the contribution made by them, for a period not exceeding five years with effect from 1st April, 2019, as set out in the Resolution.

Such payment will be in addition to the sitting fees for attending Board/ Committee meetings. The Board recommends the Resolution at Item No. 8 of the accompanying Notice for approval by the Members.

Section 197 of the Act permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorises such payment by way of a resolution of Members. Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 authorises the Board of Directors to recommend all fees and compensation, if any, to Non-Executive Directors, including Independent Directors and shall require approval of the members in general meeting.

The Non-Executive Directors i.e. Sri Hemant Nerurkar, Sri R V Shastri, Smt Renu Challu, Dr A Durga Prasad, Sri S Ravi and Sri Utpal Sheth, and their respective relatives may be deemed to be concerned or interested in the Resolution set out at Item No.8 of the Notice to the extent of the commission that may be received by each of these Directors.

None of the other Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution set out at Item No.8 of the Notice.

The Board of Directors recommend the resolution set out at item No.8 of the Notice for your approval.

Item No. 9

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s Vajralingam & Co., Cost Accountants (Firm Registration No. 101059), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 at a remuneration of ₹. 1,70,000 (Rupees One Lac Seventy Thousand only) excluding taxes and reimbursement of out of pocket expenses if any, at actual. In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the members of the Company is sought for payment of the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company, for the financial year ended 31st March, 2019.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or of the Key Managerial Personnel is, in anyway, concerned or interested in the above resolution.

The Board commends the resolution as set out in item number 9 of the notice for the approval of the members of the Company

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

**M V SRINIVASA MURTHY
COMPANY SECRETARY & EVP (Legal)**

Place: Hyderabad
Date : May 24, 2019

Registered Office

NCC House,
Madhapur, Hyderabad - 500 081,
Telangana
E.Mail: ho.secr@ncccltd.in

Notes

ROUTE MAP FOR THE VENUE OF THE AGM

Venue : Avasa Hotel, Constellation Hall, 1st Floor, Plot No.15,24,25 & 26, Sector-1, Survey No.64, Near Cyber Towers, Hitech City, Madhapur, Hyderabad-500081, Telangana.

