

Ref. No.: NCCL/Regulation 34/2017

Date : 26-08-2017

**The Secretary**

**National Stock Exchange of India Ltd**

5<sup>th</sup> Floor, Exchange Plaza

Bandra – Kurla Complex

Bandra (E)

**MUMBAI - 500 051.**

Fax No: 022 – 2659 8237 / 38

**The Secretary**

**Bombay Stock Exchange Ltd,**

1<sup>st</sup> Floor, New Trading Ring

Rotunda Building, P J Towers

Dalal Street, Fort

**M U M B A I – 400 001.**

Fax : 022-22722037/39

Dear Sir(s),

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

**Sub: Submission of Annual Report for the Financial Year 2016-17**

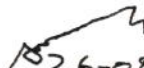
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith Annual Report for the Financial year 2016-17, which has been duly adopted and approved at the Annual General Meeting held on 24<sup>th</sup> August, 2017.

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

Thanking you,

Yours faithfully

**For NCC LIMITED**

  
26-08-2017  
**M V SRINIVASA MURTHY**  
**COMPANY SECRETARY & EVP (L)**



# Enduring Strengths

Annual Report 2016-17



**NCC Limited**

# Enduring Strengths

NCC's mission is to build a **strong future** ensuring increased returns to shareholders.

Today our business portfolio includes infrastructure projects like Buildings, Roads, Water & Environment, Electrical, Irrigation, Power, Metals, Mining, International and Railways which are fortified by four **enduring strengths** that equip NCC to execute its mission.

- A proactive management approach with focus on value creation.
- A disciplined approach to growing our portfolio with focus on financial viability and enhancing returns.
- Improving Human Resource skills across functions.
- Building a fundamentally **strong NCC** with enduring financial strength

The building featured on the cover page is the ESIC Hospital project at Gulbarga, Karnataka. It has an Ultra Modern multi-specialty 500 bedded Hospital, Medical college, Dental College, Nursing College and Allied works. This building was declared as the best construction project by The Construction Industry Development Council (CIDC) New Delhi in 2016.



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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



# Company Overview & Business Divisions

Established in 1978, as a partnership firm and converted into a limited company in 1990, NCC has progressed consistently over past three 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.

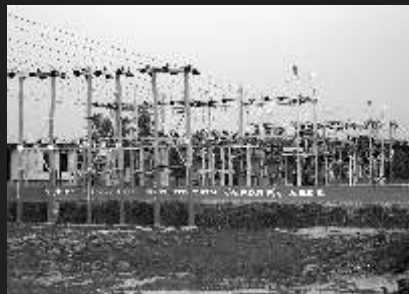
NCC undertakes civil construction in segments such as buildings, water, roads, irrigation, power, electrical, railways, metals, mining and has also a presence in the Middle East where it currently undertakes works in roads, buildings, and water segments.



Buildings & Housing



Roads



Electrical



Water & Environment

## 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

## Business Divisions :

NCC's business divisions include buildings and housing, roads, electrical, water and environment, irrigation, railways, power, metals, mining and international business. NCC's diversified operating base across these 10 divisions helps mitigate risk against a slowdown in any single division.

Dun & Bradstreet India in its premier publication "India's Top 500 Companies-2017" has ranked NCC-106 among top 500 companies in terms of revenue and 2nd among Infrastructure and Construction Companies.



Irrigation



Railways



Power



Metals



Mining



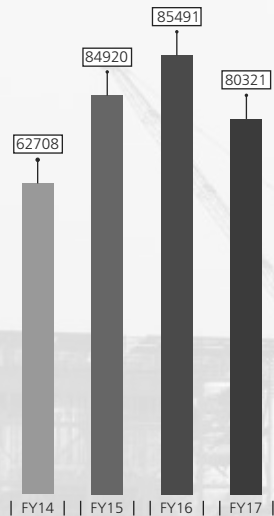
International

## Our Customers

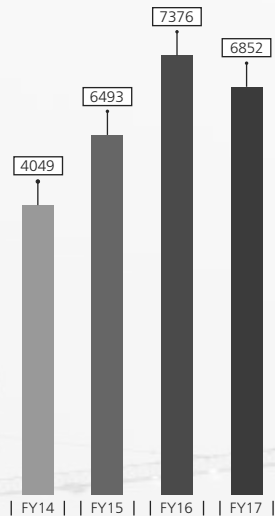
Maharashtra Metro Rail Corporation Ltd. | Amaravathi Development Corporation Ltd. | National Highways Authority of India (NHAI)  
 State Public Works Departments (of various states)  
 Karnataka Road Development Corporation | Irrigation and CAD departments (of various States)  
 Hyderabad Metropolitan 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

# Key Performance Indicators

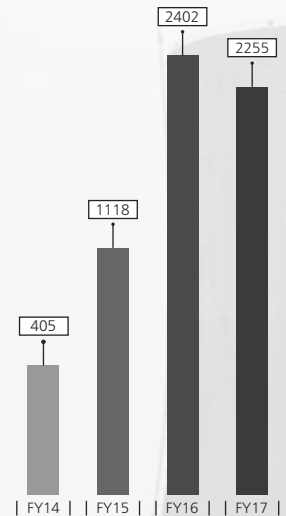
REVENUE  
(₹ Million)



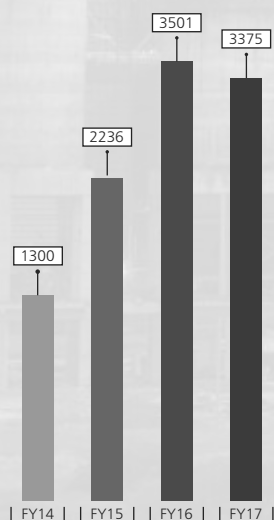
EBIDTA  
(₹ Million)



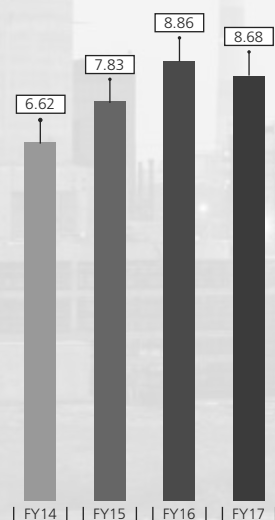
POST TAX PROFIT  
(₹ Million)



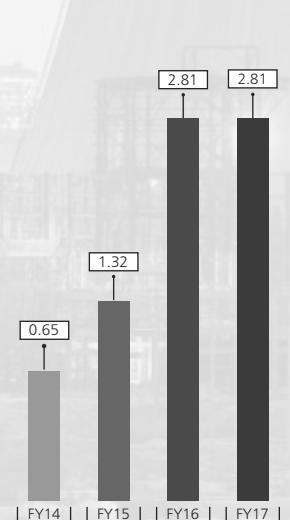
CASH PROFIT  
(₹ Million)



EBIDTA MARGIN  
(Margin %)

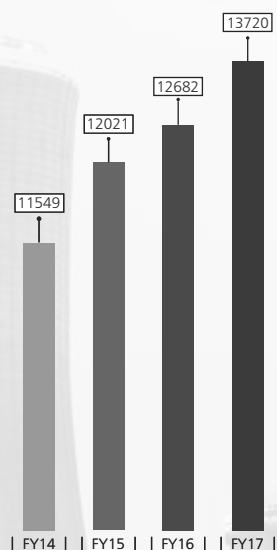


POST TAX PROFIT  
(Margin %)

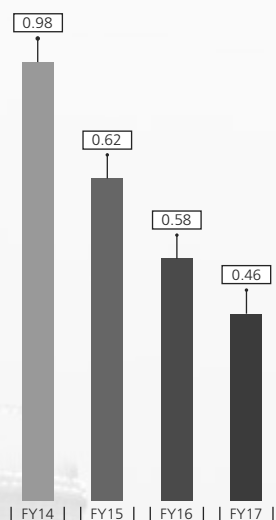




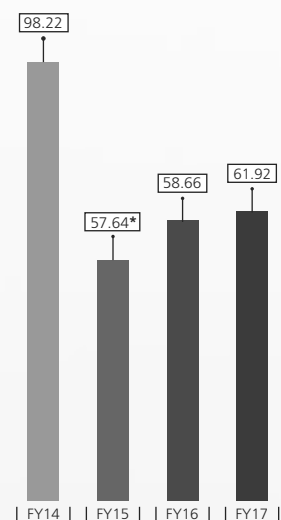
GROSS BLOCK  
(₹ Million)



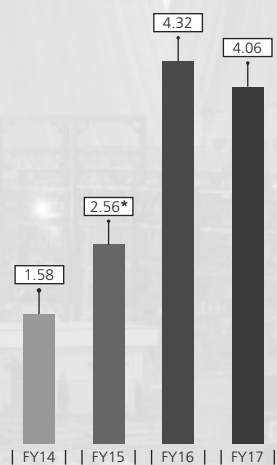
DEBT EQUITY RATIO



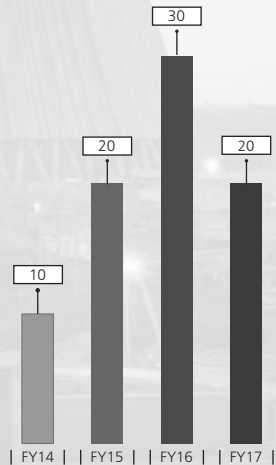
BOOK VALUE PER SHARE (₹)  
(\*After the Rights Issue)



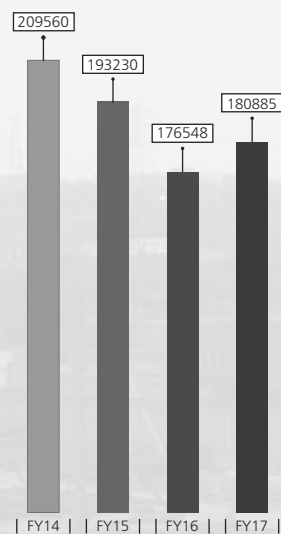
EPS BASIC (₹)  
(\*After the Rights Issue)



DIVIDEND  
(%)



ORDER BOOK  
(₹ in Million)





# Message from The Founder and Chairman Emeritus

■ It is our firm conviction that values are not situational, relative, or conditional. Rather, they are enduring and complete in nature.



## Greetings from NCC Ltd!

FY 17 has been a challenging year for NCC Ltd. However it was also a year in which, despite difficulties, we did not deviate from our core values and founding principles. We continue to move towards our vision to be a world class construction and infrastructure company by delivering quality, timely completion of the projects undertaken, focussing on customer satisfaction, and continuous learning at all levels of the hierarchy.

Our core values support our vision, shape the NCC culture and reflect what we stand for. It is our firm conviction that values are not situational, relative, or conditional.

Rather, they are enduring and complete in nature. Our values reflect the NCC ideologies and cannot be altered in an economic downturn or changed to confront unique business situations. It is our firm conviction that our values are the very reason for NCC's existence.

I am extremely confident about the capabilities of our Board and Management to work as a cohesive strategic team in line with our strategic goals.

I thank our stakeholders, NCC's management team and employees for their untiring contributions.

**Dr. AVS Raju**

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

# Chairman's Message

The management since last couple of years had consciously taken a decision not to bid for projects below benchmarks and ensure financial viability while funding ongoing projects.



Sri Hemant M Nerurkar - Chairman | Independent Director

## Dear Shareholders,

On behalf of the Board of NCC Ltd it is my pleasure to present the Annual Report and Audited Financial Statements for the year ended 31st March, 2017; to review our performance for the year and to outline our future direction.

## Performance

During the year under review (FY 2017) our Company on a standalone basis has achieved a topline of ₹ 8032 crore as compared to ₹ 8549 crore in the previous year. The decline in the turnover is mainly on account of slowdown in the economy in the second half of FY-17. The Company has reported an EBITDA of ₹ 685.17 crore, Net profit of ₹ 225.50 crore and Earning per share ₹ 4.06. On a consolidated basis the topline is ₹ 9204 crore as compared to ₹ 9660 crore in the previous year and reported an EBITDA of ₹ 669.72 crore, PAT of ₹ 31.68 crore and EPS ₹ 0.57.

## Dividend

Keeping in view the tight liquidity situation the Construction and Infrastructure Industry is passing through and the need to conserve and optimize the use of resources,

your Board recommended Dividend of Re.0.40 per Equity Share of ₹ 2/- each (20%) for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

## Economic Scenario

India's economic growth fell to 6.1 per cent in the fourth quarter (Q4) of 2016-17, primarily because of slow down of economy due to demonetisation adversely affecting economic activity. The sectors worst affected were construction, real estate and financial services. Construction activity reported a negative growth of -3.7% in the fourth quarter.

As per the advance estimates released by the Central Statistics Office, the growth rate of GDP at constant market prices for the year 2016-17 is placed at 7.1%, as against 7.9 % in 2015-16.

## The Road Ahead

In the Union Budget 2017-18, the Government of India has increased the total infrastructure outlay by 10 per cent to ₹ 3,96,135 crore. Railway expenditure allocation has increased by 8 per cent to ₹ 1,31,000 crore (US\$ 19.58 billion) for laying 3,500 km of railway lines in 2017-18. Affordable

housing has been given infrastructure status. Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years. The Central Electricity Authority (CEA) expects investment in India's power transmission sector to reach ₹ 2.6 lakh crore (US\$ 38.85 billion) during the 13th Five Year Plan. (2017-22), and to enhance the transmission capacity of the inter-regional links by 45,700 megawatt (MW).

The monetisation of 75 publicly funded highway projects of value ₹ 35,600 crore (US\$ 5.32 billion) via toll-operate-transfer (TOT) mode will fetch adequate funds to finance road construction of 2,700 km length of roads.

We at NCC are hopeful that the Company will benefit from the renewed thrust on infrastructure sector. Moreover we have the competitive advantage of handling large projects and have a record of completing large-sized marquee projects within stipulated timelines which enhances our ability to bag repeat orders. The Company's considerable improvement in credit profile over the last 2 years with the rights issue of ₹ 600 crore and monetisation of BOT assets and reduction of debt and financial costs during the year confirms our operational resilience. Your Board is optimistic that the Company will post improved performance in the years to come.

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

Yours truly

**Hemant M Nerurkar**  
Chairman

# Review by Managing Director

- The standalone debt has come down to ₹ 1577 Cr as on 31.03.2017. We have achieved a finance cost reduction of ₹ 113 Cr during the year.



A A V Ranga Raju | Managing Director

## On FY 17

FY17 has been a challenging year for NCC. Performance in the 3rd and 4th quarters of the year was subdued which resulted in a y-o-y de-growth in our top line. The top line is impacted due to payment delays by some of our clients in our electrical and water divisions. Further, Demonetization resulting in general slowdown of the economy also impacted the top line.

## Performance

FY17 the Company has achieved a topline of ₹8032 crore as compared to ₹8549 crore in the previous year. EBITDA is ₹685.17 crore, Net profit is ₹225.50 crore. Earnings per share is ₹4.06 as compared to ₹4.12 in the previous year. On a consolidated basis the topline is ₹9204 crore as compared to ₹9660 crore in the previous year. EBITDA is ₹669.72 crore and PAT

is ₹31.68 crore. EPS is ₹0.57 as compared to ₹2.17 in the previous year.

Looking at our past two and half years, we made significant progress in monetising BOT assets which include Himachal Sorang Hydel Project, stake sale in Coal-based Thermal Power Project to Sembcorp and two road assets — Western UP and Bengaluru Elevated Tollway — thereby managing to slash significant portion of the debt in our consolidated balance sheet. Loans and advances to group companies were also reduced to ₹558 crore in FY17 as compared to ₹1122 crore in FY16. Our debt collection period continues to be stable at about 75 days.

## Order book

During the year, the Company has secured fresh orders of ₹9226 crore

and order book of the Company stood at ₹18088 crore at the end of the financial year FY 17. We have a balanced, healthy breakup of the order book into our various divisions.

## Enduring Strengths

NCC's mission is to build a strong future ensuring increased returns to shareholders. Our business portfolio is fortified by enduring strengths that equip the Company to execute its mission.

## Going forward

In February 2017, the Central Government announced increased budgetary allocation for sectors including highways, railways, and other infrastructure segments which provide substantial opportunities for construction companies like us. Affordable housing is expected to be one of the key drivers of the infrastructure and construction sectors.

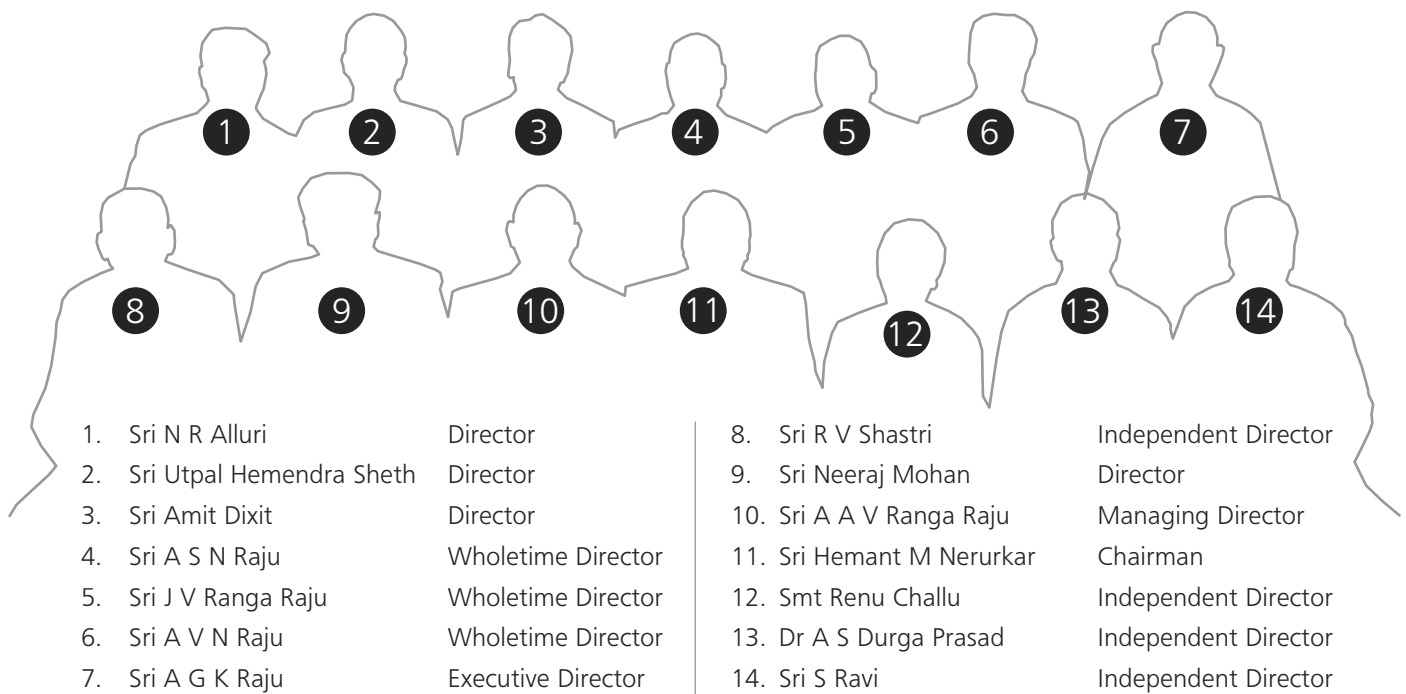
While we added orders worth ₹6,000 crore in the first quarter, we expect to see an addition of new orders worth around ₹10,000 crore in FY18. We are confident of achieving a top line growth of 10 % in FY 18.

Further we are actively considering unwinding our exposure to the real estate sector. NCC Urban, our real estate subsidiary, is planning to monetise certain land parcels and repay part of the debt taken from the parent during the current year.

**A A V Ranga Raju**  
Managing Director



# Board of Directors





# Corporate Social Responsibility

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

Million  
₹ **23.73**  
Amount spent on CSR activity FY 17

Key Initiative during FY17 -  
SWACHHA BHARAT.

As part of Swachha Bharat initiative, NCC Limited selected Antervedipallipalem village in Sakshinetipalli Mandal of East Godavari district, AP. for the purpose of achieving total sanitation. 341 houses in the village have been provided with toilet cum bathroom facility.



# 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 Amit Dixit**

Director

### **Sri Neeraj Mohan**

Director

### **Sri Utpal Sheth**

Director

### **Sri N. R. Alluri**

Director

### **Sri A A V Ranga Raju**

Managing Director

### **Sri A G K Raju**

Executive Director

### **Sri A S N Raju**

Wholetime Director

### **Sri J V Ranga Raju**

Wholetime Director

### **Sri A V N Raju**

Wholetime Director

## Chief Financial Officer

### **Sri R S Raju**

Associate Director (F&A)

## Company Secretary & EVP (L)

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

## Joint Statutory Auditors

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

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

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

Chartered Accountants  
1-8-384 & 385, 3rd Floor  
Gowra Grand, Sardar Patel Road,  
Secunderabad - 500 003

## Bankers

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

## 27th Annual General Meeting

on Thursday the 24th August, 2017, at  
3.30 p.m. at The Federation of Telangana  
and Andhra Pradesh Chambers of  
Commerce and Industry, K L N Prasad  
Auditorium, Federation House, 11-6-841,  
FTAPCCI Marg, Red Hills,  
Hyderabad - 500 004.

## Registered Office

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

## Registrar and Share Transfer Agents

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

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

# Directors' Report

## To the Members,

Your Directors take pleasure in presenting the 27th Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2017.

### Standalone Financial Results (As per Ind AS)

	₹ in million	
	2016-17	2015-16
Revenue from Operations	78920.73	83251.55
Other Income	1400.76	2239.85
<b>Total Income</b>	<b>80321.49</b>	<b>85491.40</b>
Profit before Interest, Depreciation, Exceptional Items and Tax	8252.52	9616.29
Less: Finance Costs	3956.99	5088.58
Profit before Depreciation, Exceptional Items and Tax	4295.53	4527.71
<b>Less: Depreciation and Amortisation Expense</b>	<b>1120.63</b>	<b>1099.59</b>
<b>Profit before Exceptional Items &amp; Tax</b>	<b>3174.90</b>	<b>3428.12</b>
<b>Exceptional Items (Net)</b>	<b>(503.37)</b>	<b>(203.23)</b>
<b>Profit Before Tax</b>	<b>2671.53</b>	<b>3224.89</b>
Provision for Tax (Including earlier Year Taxation)	416.52	823.20
<b>Profit After Tax</b>	<b>2255.01</b>	<b>2401.69</b>
Other comprehensive income/(loss) for the year	(38.85)	(21.14)
<b>Total comprehensive income for the year</b>	<b>2216.16</b>	<b>2380.55</b>
<b>Paid up Capital</b>	<b>1111.86</b>	<b>1111.86</b>

### Operational performance

#### A. Standalone

You will be glad to note that notwithstanding the difficult phase through which the Indian Construction Industry is passing your Company posted a turnover of ₹ 80321.49 million (inclusive of other income) for the year ended 31st March, 2017 as against ₹ 85491.40 million (inclusive of other income) in FY-2015-16. Your Company earned Gross Profit of ₹ 8252.52 million for the year 2016-17 as against ₹ 9616.29 million in FY-2015-16. After deducting financial charges of ₹ 3956.99 million, providing a sum of ₹ 1120.63 million towards depreciation and ₹ 416.52 million for income tax, the operations resulted in a net profit of ₹ 2255.01 million as against ₹ 2401.69 million in FY-2015-16.

#### B. Consolidated

During the year under review, your Company achieved a consolidated turnover of ₹ 92,044.73 million (inclusive of other income) as against ₹ 96,595.06 million (inclusive of other income) in the previous fiscal. Your Company has earned a consolidated gross profit of ₹ 8736.21 Million before interest and depreciation as against ₹ 11289.77 million in the previous year. The operations resulted in a net profit attributable to share holders of Company of ₹ 316.84 million as against ₹ 1203.25 million in the previous year.

The demonetization announced by the Union Government in November, 2016 and the consequent slow down in the economy in the second half of the Financial Year have resulted in decrease in the turnover posted and the net profit earned by the Company as compared with the previous year. Your Board is optimistic that the Company will post improved performance in the coming years.

During the year the Company, on consolidated basis, bagged new orders valued around ₹ 92258 million and executed projects worth ₹ 87922 million. The Order Book position as on March 31, 2017 stood at ₹ 180885 million.

#### Proposed Dividend

Keeping in view the tight liquidity situation the Construction and Infrastructure Industry is passing through and the need to conserve and optimize the use of resources, your Board recommends Dividend of ₹ 0.40 per Equity Share of ₹ 2/- each (20%) for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

Further information on the 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 that were entered into 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 at the end of the financial year and of the profit of the Company for that period;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (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/Associate Companies:**

The Company has 52 subsidiaries (including step down subsidiaries) as of March 31, 2017. 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 Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the Subsidiary Companies/ Associate Companies/Joint Ventures is prepared in Form AOC-1 and is attached to the Financial Statements of the Company.

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

In compliance with Section 134 of the Companies Act, 2013 read with the rules framed there under and the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time the Financial Statements for the F.Y 2016-17 have been prepared in compliance with the 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 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, 2017, which forms part of the Annual Report.

#### **Disclosures:**

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

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

##### **A. Conservation of energy**

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

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

Not applicable

##### **C. Foreign exchange earnings and outgo**

Foreign exchange earnings - Nil

Foreign exchange outgo

i. Towards travel ₹ 2.88 million

ii. Towards import of capital goods & material supplies ₹ 192.62 million

iii. Others ₹ 9.80 million

D. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

#### **Particulars of loans, guarantees or investments under Section 186;**

In compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the details of Loans, Guarantees, Investments given / furnished / made during the Financial Year ended 31st March, 2017 are given in **Annexure - 1**

#### **Particulars of Directors**

In pursuance of Section 152 of the Companies Act, 2013 and the rules framed thereunder, Sri N R Alluri (DIN-00026723), Director and Sri J V Ranga Raju, (DIN-00020547) Whole-time Director are liable to retire by rotation, at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

During the year under review Sri P. Abraham, Independent Director has resigned from the Board due to pre-occupation. Your Board places on record the valuable services rendered by Sri P. Abraham during his tenure as a Director of the Company.

During the year under review Dr A S Durga Prasad and Sri S Ravi joined the Board of NCC as Independent Directors pursuant to the approval accorded by the Members at the previous AGM held on August 24, 2016.

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, Sri A V N Raju, Wholetime Director(s), Sri N.R. Alluri, Director, Sri R S Raju, Associate Director (F&A) and Sri M V Srinivasa Murthy, Company Secretary & EVP (L) 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.

The Board of Directors at its meeting held on February 9, 2017 subject to the approval of the Members of the Company at the ensuing Annual General Meeting considered and approved the re-appointment of Sri A A V Ranga Raju, Managing Director, Sri A G K Raju, Executive Director, and Sri J V Ranga Raju, Wholetime Director of the Company for a further period of Five (5) Years commencing from 01.04.2017 to 31.03.2022 and remuneration payable to them.

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

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

### **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. Nomination and Remuneration Committee has reviewed the performance evaluation of 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 Statutory

Committees are given in the report on Corporate Governance, which forms part of this Annual Report.

### **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 May 02, 2016, May 24, 2016, August 12, 2016, August 24, 2016, November 09, 2016 and February 09, 2017. The details with respect to Committee Meetings and attendance thereat as 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 the Annual Report.

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

### **Constitution and Composition of Audit Committee**

The Company has constituted the Audit Committee under the Chairmanship of Sri R V Shastri an Independent Director and Dr.A S Durga Prasad, Sri Hemant M Nerurkar, Smt. Renu Challu, Independent Directors and Sri Amit Dixit, Non-executive Director as other Members of the Committee.

During the year under review Sri. P. Abraham ceased to be a member of the Committee following his resignation from the Board of the Company.

### **Whistle Blower Policy/Vigil Mechanism**

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a mechanism through which all the stakeholders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle Blower Policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company (<http://ncclimited.com/Policies.html>). During the year under review the Company has not received any complaint(s) under the policy.

### **Risk Management**

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

### **Internal Financial Controls and their adequacy**

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

### **Extract of Annual Return**

The extract of the Annual Return of the Company in Form MGT-9 for the Financial Year ended 31st March, 2017 is given in **Annexure -2** and forms part of the Directors Report.

## Joint Statutory Auditors and their report

The term of the existing Joint Statutory Auditors of the Company viz., M/s. M Bhaskara Rao & Co., Chartered Accountants, (Firm Registration No.000459S) and M/s. Deloitte Haskins and Sells, Chartered Accountants (Firm Registration No. 008072S) will conclude at the end of 27th Annual General Meeting being held on 24th August, 2017. Subject to the approval of the members of the Company at the forth coming Annual General Meeting, the Board of Directors of the Company on the recommendation of the Audit Committee of the Board proposed to appoint M/s.S R Batliboi & Associates LLP, Chartered Accountants (Firm Registration No 101049W/E300004) as the Statutory Auditors of the Company for a term of five years i.e. from the conclusion of the ensuing Annual General Meeting upto the conclusion of the 32nd Annual General Meeting of the Company to be held in the Year 2022 on such terms of remuneration as may be mutually discussed and agreed between the Statutory Auditors and the Board / Members of the Company. The appointment of the said Statutory Auditors for the F.Y 2018-19 to FY-2021-22 if approved by the members of the Company at the forthcoming AGM is subject to their ratification at the Annual General Meetings to be held for FY-2017-18 to 2020-21. The Company has received from the proposed Statutory Auditors the necessary declarations / disclosures u/s139, 141 of the Companies Act, 2013 read with the rules framed thereunder and also a confirmation that their firm has been subjected to Peer Review Process of the Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the ICAI.

The Independent Auditors' Report to the Members of the Company on the Stand Alone Financial Statements for the Financial Year ended March 31, 2017 does not contain any qualification(s) or adverse observations.

The Board places on record its sincere appreciation of the services rendered by M/s. M Bhaskara Rao & Co., Chartered Accountants, and M/s. Deloitte Haskins and Sells, Chartered Accountants during their tenure as the Joint Statutory Auditors of the Company.

## Secretarial Audit Report

In compliance with 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 2016-17. The Secretarial Audit Report for the Financial Year ended 31st March, 2017 in Form MR-3 is annexed to the Directors Report - **Annexure - 3** and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2017 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, 2016 had appointed M/s. Vajralingam & Co., Cost Accountants (Firm Registration No.101059) as Cost Auditors of the

Company for the FY 2016-17. 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 2016-17.

## Corporate Governance

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

## Business Responsibility Report

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

## Transfer of Un-Claimed Dividend to the Investor Education and Protection Fund.

Your Company has during the year under review transferred the Unclaimed Dividend (final) pertaining to the Financial Year to the Investor Education and Protection Fund in compliance with the provisions of Section 125 of the Companies Act, 2013

## Reporting of Frauds

There have been no instances of fraud reported by the Statutory 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-4** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company. (<http://ncclimited.com/Policies.html>)

## Particulars of Employees

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this Report. Further, the Report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company and is also hosted on the website of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.



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

#### **Policy on Sexual Harassment**

The Company has adopted 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, 2017, the Company has not received any complaints pertaining to Sexual Harassment.

#### **Acknowledgements**

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

**For and on behalf of the Board**

**Hemant M Nerurkar**

Chairman

(DIN No. 00265887)

Place: Hyderabad

Date: 23<sup>rd</sup> May, 2017

# Annexure-1

Particulars of Loans, Guarantees or Investments made during the F.Y 2016-17 (pursuant to Section 186)												
Nature of transaction (whether loan/ guarantee/ security/ acquisition)	(1)	Date of making loan/ acquisition / giving guarantee/ providing security	(2)	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	(3)	Amount of loan/ security/ acquisition / guarantee	(4)	Time period for which it is made/ given	(5)	Date of passing Board resolution	For loans	
											Rate of interest	Date of maturity
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)				
Corporate Guarantee provided in connection with the credit facilities availed by Nagarjuna Construction Company International LLC, (Oman) (Wholly Owned Subsidiary) of NCC Limited		06-05-2016	Bank Dhofar, P.O. Box 1507, PC112 Ruwi, Sultanate of Oman	OMR 10.00 million	31-12-2017	11-02-2016	NA					NA
Investment in Equity		30-06-2016	Pachhwara Coal Mining Private Ltd C/o. NCC Limited, NCC House, Madhapur, Hyderabad - 500 081.	Rs. 10,20,000	NA	24-05-2016	NA					NA
Corporate Guarantee provided in connection with the credit facilities availed by Nagarjuna Contracting Company LLC, Dubai (Wholly Owned Subsidiary) of NCC Limited		27-08-2016	M/s.First Gulf Bank P.O.Box 6316 Abu Dhabi U.A.E	AED 30.00 Million	31-03-2018	24-08-2016	NA					NA
Corporate Guarantee provided in connection with the credit facilities availed by Nagarjuna Construction Company International LLC (Oman) (Wholly Owned Subsidiary) of NCC Limited		09-11-2016	ICICI Bank Limited P.O.Box 1494, Manama Kingdom of Bahrain	USD 26.40 Million	31-12-2017	09-11-2016	NA					NA
Corporate Guarantee provided in connection with the credit facilities availed by Nagarjuna Construction Company International LLC (Oman) (Wholly Owned Subsidiary) of NCC Limited		09-11-2016	ICICI Bank Limited P.O.Box 1494, Manama Kingdom of Bahrain	USD 3.30 Million	31-03-2018	09-11-2016	NA					NA

Particulars of Loans, Guarantees or Investments made during the F.Y 2016-17 (pursuant to Section 186)							
Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	Date of passing Board resolution	For loans	
						Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Corporate Guarantee provided in connection with the credit facilities availed by Nagarjuna Construction Company International LLC (Oman) (Wholly Owned Subsidiary) ) of NCC Limited	25-11-2016	Bank Muscat (S.A.O.G) P.O.BOX:134, Ruwi Postal Code 112 Sultanate of Oman	OMR 4.5 Million	31-07-2018	24-11-2016	NA	NA
Loan	30-11-2016	NCC Infrastructure Holdings Ltd, NCC House, Madhapur, Hyderabad - 500 081	Rs.50 crores	24 Months	09-11-2016	14% p.a	29-11-2018
Investment in Equity (Conversion of loan)	06-02-2017	Nagarjuna Construction Company International LLC, Oman P.O.BOX: 3678, Ruwi Postal Code 112 Sultanate of Oman	OMR 3.216Million	NA	24-08-2016	NA	NA
Investment in CCDS (Conversion of loan)	15-03-2017	NCC Infrastructure Holdings Mauritius PTE Limited. Appavoo International Ltd, 29 Bis, Barthelemy Street, Port Louis, Mauritius	USD20.5406 Million	5 years	10-11-2015	0%	14-03-2022
Investment in Equity	28-03-2017	Vaidehi Avenues Limited NCC House, Madhapur, Hyderabad - 500 081.	Rs.10,53,760	NA	11-02-2016	NA	NA

# ANNEXURE - 2

## Form No. MGT – 9 EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2017

[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 Computershare Private Limited,  
Karvy Selenium Tower B, Plot No 31 & 32  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally  
Hyderabad – 500 032, Telangana State;  
Phone: +91 040 67161500  
Fax : +91 040 23420814  
Email Id : einward.ris@karvy.com

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

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

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

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

S. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NCC Urban Infrastructure Limited	U45200 TG2005PLC048375	Subsidiary Company	80.00	Section 2 (87)
2	NCC Infrastructure Holdings Limited	U67110AP2005PLC046367	Subsidiary Company	67.71	Section 2 (87)
3	NCC Vizag Urban Infrastructure Limited	U45200 TG2006PLC048891	Subsidiary Company	95.00	Section 2 (87)
4	OB Infrastructure Limited	U45200 TG2006PLC049067	Subsidiary Company	64.02	Section 2 (87)
5	Nagarjuna Construction Co.Ltd & Partners LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
6	Nagarjuna Construction Company International LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
7	NCC Infrastructure Holdings Mauritius Pte.Limited	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
8	Patnitop Ropeway & Resorts Limited	U45200 TG2007PLC052759	Subsidiary Company	100.00	Section 2 (87)
9	Nagarjuna Contracting Company LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
10	NCC International Convention Centre Limited.	U74900 TG2008PLC062109	Subsidiary Company	100.00	Section 2 (87)
11	NCC Oil & Gas Limited	U40107HR2010PLC041349	Subsidiary Company	80.00	Section 2 (87)
12	Nagarjuna Construction Company (Kenya) Limited	Not Applicable	Subsidiary Company	65.00	Section 2 (87)
13	Vaidehi Avenues Limited	U70109TG2011PLC073648	Subsidiary Company	100.00	Section 2 (87)
14	Aster Rail Private Limited	U72200TG2007PTC053398	Subsidiary Company	100.00	Section 2 (87)
15	Savitra Agri Industrial Park Private Limited	U15100TG2014PTC092525	Subsidiary Company	73.00	Section 2 (87)
16	Pachhwarra Coal Mining Private Limited	U10200TG2016PTC110024	Subsidiary Company	51.00	Section 2 (87)
17	Dhatri Developers & Projects Private Limited	U45200TG2006PTC049114	Subsidiary Company	100.00	Section 2 (87)
18	Sushanti Avenues Private Limited	U72200TG2006PTC049115	Subsidiary Company	100.00	Section 2 (87)
19	Sushruta Real Estates Private Limited	U45200TG2006PTC049116	Subsidiary Company	100.00	Section 2 (87)
20	PRG Estates Private Limited	U45200TG2003PTC041925	Subsidiary Company	100.00	Section 2 (87)
21	Thriplekya Real Estates Private Limited.	U70102TG2002PTC039242	Subsidiary Company	100.00	Section 2 (87)
22	Varma Infrastructure Private Limited	U45200TG1997PTC027547	Subsidiary Company	100.00	Section 2 (87)
23	Nandyala Real Estates Private Limited	U70102TG2002PTC039244	Subsidiary Company	100.00	Section 2 (87)
24	Kedarnath Real Estates Private Limited	U70102TG2002PTC039268	Subsidiary Company	100.00	Section 2 (87)
25	AKHS Homes Private Limited	U45200TG2007PTC052708	Subsidiary Company	100.00	Section 2 (87)
26	JIC Homes Private Limited	U45200TG2007PTC052709	Subsidiary Company	100.00	Section 2 (87)
27	Sushanti Housing Private Limited	U45200 TG 2007PTC052710	Subsidiary Company	100.00	Section 2 (87)
28	CSVS Property Developers Private Limited	U45200TG2007PTC052743	Subsidiary Company	100.00	Section 2 (87)
29	Vera Avenues Private Limited	U45200TG2007PTC052745	Subsidiary Company	100.00	Section 2 (87)
30	Sri Raga Nivas Property Developers Private Limited	U45200TG2007PTC052807	Subsidiary Company	100.00	Section 2 (87)
31	VSN Property Developers Private Limited	U45200TG2007PTC052808	Subsidiary Company	100.00	Section 2 (87)
32	M A Property Developers Private Limited	U45200TG2007PTC052809	Subsidiary Company	100.00	Section 2 (87)
33	Vara Infrastructure Private Limited	U45203TG2007PTC053076	Subsidiary Company	100.00	Section 2 (87)
34	Sri Raga Nivas Ventures Private Limited	U70102TG2007PTC053048	Subsidiary Company	100.00	Section 2 (87)
35	Mallelavanam Property Developers Private Limited	U45200TG2007PTC053137	Subsidiary Company	100.00	Section 2 (87)
36	Sradha Real Estates Private Limited	U70102TG2007PTC053160	Subsidiary Company	100.00	Section 2 (87)
37	Siripada Homes Private Limited	U45200TG2007PTC053442	Subsidiary Company	100.00	Section 2 (87)
38	NJC Avenues Private Limited	U45200TG2007PTC053484	Subsidiary Company	100.00	Section 2 (87)



S. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
39	Nagarjuna Suites Private Limited	U55101TG2011PTC076528	Subsidiary Company	100.00	Section 2 (87)
40	NCC Urban Homes Private Limited	U45201TG2012PTC083002	Subsidiary Company	100.00	Section 2 (87)
41	NCC Urban Ventures Private Limited	U45400TG2012PTC083004	Subsidiary Company	100.00	Section 2 (87)
42	NCC Urban Meadows Private Limited	U45400TG2012PTC083003	Subsidiary Company	100.00	Section 2 (87)
43	NCC Urban Villas Private Limited	U45400TG2012PTC083005	Subsidiary Company	100.00	Section 2 (87)
44	NCC Infra Limited	U45400TG2011PLC077680	Subsidiary Company	100.00	Section 2 (87)
45	Samashti Gas Energy Limited	U40300TG2010PLC070627	Subsidiary Company	100.00	Section 2 (87)
46	Liquidity Limited	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
47	Al Mubarakia Contracting Co.LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
48	NCCA International Kuwait General Contracts Company LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
49	NCC WLL	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
50	NCC Urban Lanka Private Limited	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
51	Naftogaz Engineering Private Limited *	U74900TG2007PTC055292	Subsidiary Company	100.00	Section 2 (87)
52	NCC Deserve Urban Construction Private Limited	U45201MH2015PTC265003	Subsidiary Company	51.00	Section 2 (87)
53	Jubilee Hills Landmark Projects Private Limited	U45201TG2006PTC098108	Associates Company	25.00	Section 2 (6)
54	Himalayan Green Energy Private Limited	U40101DL2005PTC137235	Associates Company	50.00	Section 2 (6)
55	Nagarjuna Facilities Management Services LLC	Not Applicable	Associates Company	49.00	Section 2 (6)
56	Tellapur Technocity (Mauritius)LLC	Not Applicable	Associates Company	26.00	Section 2 (6)
57	Tellapur Technocity Private Limited	U45400TG2007PTC053720	Associates Company	26.00	Section 2 (6)
58	Paschal Form Work (I) Private Limited	U74900AP2008FTC058963	Associates Company	26.00	Section 2 (6)
59	Apollonius Coal and Energy Pte. Ltd.	Not Applicable	Associates Company	43.96	Section 2 (6)
60	Ekana Sportz City Private Limited	U45202UP2014PTC063932	Associates Company	26.00	Section 2 (6)
61	Brindavan Infrastructure Company Limited	U45203TG2003PLC042006	Associates Company	33.33	Section 2 (6)

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

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

##### i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
(1) Indian										
(a) Individuals / HUF		68617345	-	68617345	12.34	62993207	-	62993207	11.33	-1.01
(b) Central Government		-	-	-	-	-	-	-	-	-
(c) State Government(s)		-	-	-	-	-	-	-	-	-
(d) Bodies Corporate		44785123	-	44785123	8.06	46535123	-	46535123	8.37	+0.31
(e) Banks/Fl		-	-	-	-	-	-	-	-	-
(f) Any Other		-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A) (1):-</b>	<b>113402468</b>	<b>-</b>	<b>113402468</b>	<b>20.40</b>	<b>109528330</b>	<b>-</b>	<b>109528330</b>	<b>19.70</b>	<b>-0.70</b>
(2) Foreign		-	-	-	-	-	-	-	-	-
(a) NRIs-Individuals		-	-	-	-	-	-	-	-	-
(b) Other - Individuals		-	-	-	-	-	-	-	-	-
(c) Bodies Corporate		-	-	-	-	-	-	-	-	-
(d) Banks/Fl		-	-	-	-	-	-	-	-	-
(e) Any other		-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>113402468</b>	<b>-</b>	<b>113402468</b>	<b>20.40</b>	<b>109528330</b>	<b>-</b>	<b>109528330</b>	<b>19.70</b>	<b>-0.70</b>
<b>B. Public Shareholding</b>										
<b>1 Institutions</b>										
(a) Mutual Funds		79094696	6000	79100696	14.23	124459726	6000	124465726	22.39	+8.16
(b) Banks/Fl		954043	1000	955043	0.17	1971670	1000	1972670	0.35	+0.18
(c) Central Government		-	-	-	-	-	-	-	-	-
(d) State Government(s)		-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds		-	-	-	-	-	-	-	-	-
(f) Insurance Companies		-	-	-	-	-	-	-	-	-
(g) FIs		164830452	17500	164847952	29.65	129107447	17500	129124947	23.23	-6.42
(h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-	-
(i) Others (Specify)		-	-	-	-	-	-	-	-	-
	<b>Sub - Total (B) (1):-</b>	<b>244879191</b>	<b>24500</b>	<b>244903691</b>	<b>44.05</b>	<b>255538843</b>	<b>24500</b>	<b>255563343</b>	<b>45.97</b>	<b>+1.92</b>

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Central Government/State Government/President if India	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
3	Non-Institutions									
a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
i)	Indian	63400755	24272	63425027	11.41	54287948	24272	54312220	9.77	-1.64
ii)	Overseas (OCB)	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to ₹2 lakh.	49691569	1543632	51235201	9.22	53145991	1511182	54657173	9.83	+0.61
ii)	Individual Shareholders holding nominal share capital in excess of ₹2 lakh.	76880305	-	76880305	13.83	75153308	-	75153308	13.52	-0.31
iii)	NBFCs Registered with RBI	81348	-	81348	0.01	30607	-	30607	0.01	0.00
c)	Others (Specify)									-
i.	Foreign bodies – DR	-	-	-	-	443341	-	443341	0.08	+0.08
ii.	Non Resident Individuals	4191305	-	4191305	0.75	4477128	-	4477128	0.81	+0.06
iii.	Trusts	23302	-	23302	0.00	20602	-	20602	0.00	0.00
iv.	Clearing Members	1031131	-	1031131	0.19	1243705	-	1243705	0.22	+0.03
	Sub - Total (B) (3):-	195299715	1567904	196867619	35.41	188802630	1535454	190338084	34.24	-1.17
	Total B=B(1)+B(2)+B(3)	440178906	1592404	441771310	79.46	444341473	1559954	445901427	80.21	0.75
	Total (A+B)	553581374	1592404	555173778	99.86	553869803	1559954	555429757	99.91	0.05
C.	Shares held by Custodian for GDR & ADRs	757810	-	757810	0.14	501831	-	501831	0.09	-0.05
	Grand Total (A+B+C)	554339184	1592404	555931588	100.00	554371634	1559954	555931588	100.00	0

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	ALLURI NARAYANA RAJU	8858806	1.60	1.26	8858806	1.60	1.26	0.00
2	A V S R HOLDINGS PRIVATE LIMITED	34052278	6.13	4.09	36352278	6.54	2.93	+0.41
3	ALLURI ANANTA VENKATA RANGA RAJU	13563196	2.44	1.01	13563196	2.44	1.75	0.00
4	ALLURI ARUNDHATHI	847222	0.15	0.00	847222	0.15	0.00	0.00
5	ALLURI BHARATHI	124059	0.02	0.00	124059	0.02	0.00	0.00
6	ALLURI GOPALA KRISHNAM RAJU	9759080	1.76	1.24	9759080	1.76	1.29	0.00
7	ALLURI NILAVATHI DEVI	73281	0.01	0.00	73281	0.01	0.00	0.00
8	ALLURI SHYAMA	99902	0.02	0.00	99902	0.02	0.00	0.00
9	ALLURI SRIDEVI	113884	0.02	0.00	113884	0.02	0.00	0.00
10	ALLURI SRIMANNARAYANA RAJU	8652215	1.56	0.70	8652215	1.56	0.70	0.00
11	ALLURI SRINIVASA RAMA RAJU	3346668	0.61	0.46	3346668	0.61	0.56	0.00
12	ALLURI SUBHADRA JYOTHIRMAYI	308091	0.06	0.00	308091	0.06	0.00	0.00
13	ALLURI SUGUNA	68202	0.01	0.00	68202	0.01	0.00	0.00
14	ALLURI SWETHA	1225530	0.22	0.00	1225530	0.22	0.00	0.00
15	ALLURI VENKATA NARASIMHA RAJU	7985791	1.44	1.26	7985791	1.44	1.26	0.00
16	ALLURI VENKATA SATYANARAYANA RAJU	7249260	1.31	0.00	4188060	0.76	0.00	-0.55
17	ALLURI VENKATA SATYANARAYANAMMA	2120226	0.38	0.00	7288	0.00	0.00	-0.38
18	ARNESH VENTURES PRIVATE LIMITED	4259666	0.77	0.00	4259666	0.77	0.00	0.00
19	AVATHESH PROPERTY DEVELOPERS PVT LIMITED	4017000	0.72	0.00	3467000	0.62	0.00	-0.10
20	BHUPATHI RAJU KAUSALYA	11090	0.00	0.00	11090	0.00	0.00	0.00
21	J SOWJANYA	409166	0.07	0.00	409166	0.07	0.00	0.00
22	J SRI DEVI	237859	0.04	0.00	187859	0.03	0.00	-0.01
23	JAMPANA VENKATA RANGA RAJU	3365916	0.61	0.00	3015916	0.54	0.00	-0.07
24	JAMPANNA KRISHNA CHAITANYA VARMA	156121	0.03	0.00	106121	0.02	0.00	-0.01
25	NARASIMHA DEVELOPERS PRIVATE LIMITED	1516179	0.27	0.00	1516179	0.27	0.00	0.00
26	SRI HARSHA VARMA ALLURI	41780	0.01	0.00	41780	0.01	0.00	0.00
27	BHUVANESH REALTORS PRIVATE LIMITED	940000	0.17	0.00	940000	0.17	0.00	0.00
	<b>Total</b>	<b>113402468</b>	<b>20.43</b>	<b>10.04</b>	<b>109528330</b>	<b>19.72</b>	<b>9.75</b>	<b>0.71</b>

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

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	ALLURI NARAYANA RAJU	8858806	1.60	-	-	8858806	1.60
2	A V S R HOLDINGS PRIVATE LIMITED	34052278	6.13	2300000	-	36352278	6.54
3	ALLURI ANANTA VENKATA RANGA RAJU	13563196	2.44	-	-	13563196	2.44
4	ALLURI ARUNDHATHI	847222	0.15	-	-	847222	0.15
5	ALLURI BHARATHI	124059	0.02	-	-	124059	0.02
6	ALLURI GOPALA KRISHNAM RAJU	9759080	1.76	-	-	9759080	1.76
7	ALLURI NILAVATHI DEVI	73281	0.01	-	-	73281	0.01
8	ALLURI SHYAMA	99902	0.02	-	-	99902	0.02
9	ALLURI SRIDEVI	113884	0.02	-	-	113884	0.02
10	ALLURI SRIMANNARAYANA RAJU	8652215	1.56	-	-	8652215	1.56
11	ALLURI SRINIVASA RAMA RAJU	3346668	0.61	-	-	3346668	0.61
12	ALLURI SUBHADRA JYOTHIRMAYI	308091	0.06	-	-	308091	0.06
13	ALLURI SUGUNA	68202	0.01	-	-	68202	0.01
14	ALLURI SWETHA	1225530	0.22	-	-	1225530	0.22
15	ALLURI VENKATA NARASIMHA RAJU	7985791	1.44	-	-	7985791	1.44
16	ALLURI VENKATA SATYANARAYANA RAJU	7249260	1.31	-	3061200	4188060	0.76
17	ALLURI VENKATA SATYANARAYANAMMA	2120226	0.38	-	2112938	7288	0.00
18	ARNESH VENTURES PRIVATE LIMITED	4259666	0.77	-	-	4259666	0.77
19	AVATHESH PROPERTY DEVELOPERS PRIVATE LIMITED	4017000	0.72	-	550000	346700	0.62
20	BHUPATHI RAJU KAUSALYA	11090	0.00	-	-	11090	0.00
21	J SOWJANYA	409166	0.07	-	-	409166	0.07
22	J SRI DEVI	237859	0.04	-	50000	187859	0.03
23	JAMPANA VENKATA RANGA RAJU	3365916	0.61	-	350000	3015916	0.54
24	JAMPANNA KRISHNA CHAITANYA VARMA	156121	0.03	-	50000	106121	0.02
25	NARASIMHA DEVELOPERS PRIVATE LIMITED	1516179	0.27	-	-	1516179	0.27
26	SRI HARSHA VARMA ALLURI	41780	0.01	-	-	41780	0.01
27	BHUVANESH REALTORS PRIVATE LTD	940000	0.11	-	-	940000	0.11
	<b>Total</b>	<b>113402468</b>	<b>20.43</b>	<b>2300000</b>	<b>6174138</b>	<b>109528330</b>	<b>19.72</b>



**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	BLACKSTONE GPV CAPITAL PARTNERS MAURITIUS V-ALTD	54903498	9.88	-	54903498	0	0
2	JHUNJHUNWALA REKHA RAKESH	45233266	8.14	-	125000	45108266	8.11
3	M/s.NAPEAN TRADING & INVESTMENT CO.PVT LTD	20708610	3.73	-	20708610	0	0
4	UTI – EQUITY FUND	20462662	3.68	3861311	-	24323973	4.38
5	BEACON INDIA PRIVATE EQUITY FUND	13951740	2.51	-	-	13951740	2.51
6	GOVERNMENT PENSION FUND GLOBAL	13849572	2.49	11324275	-	25173847	4.53
7	TATA BALANCED FUND	12471500	2.24	5665000	-	18136500	3.26
8	RAKESH JHUNJHUNWALA	11600000	2.09	-	-	11600000	2.09
9	ICICI PRUDENTIAL MIDCAP FUND	11465635	2.06	4585632	-	16051267	2.89
10	MAX LIFE INSURANCE COMPANY LTD	9526619	1.71	-	8963993	562626	0.10

**(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	Sri P Abraham *	-	-	-	-	-	-
2	Sri R V Shastri	216	0.00	-	-	216	0.00
3	Dr A S Durga Prasad @	-	-	-	-	-	-
4	Sri Amit Dixit	-	-	-	-	-	-
5	Sri Hemant M Nerurkar	-	-	-	-	-	-
6	Sri Utpal Sheth	-	-	-	-	-	-
7	Sri Neeraj Mohan	-	-	-	-	-	-
8	Smt Renu Challu	-	-	-	-	-	-
9	Sri S Ravi	-	-	-	-	-	-
10	Sri A S N Raju	8652215	1.56	-	-	8652215	1.56
11	Sri N R Alluri	8858806	1.60	-	-	8858806	1.60
12	Sri J V Ranga Raju	3365916	0.61		350000	3015916	0.54
13	Sri A V N Raju	7985791	1.44		-	7985791	1.44
14	Sri A G K Raju	9759080	1.76		-	9759080	1.76
15	Sri A A V Ranga Raju	13563196	2.44		-	13563196	2.44
KMPs							
1	Sri R S Raju	4000	0.00	-	2000	2000	0.00
2	Sri M V Srinivasa Murthy	-	-	-	-	-	-

\* Sri P Abraham resigned from the Board w.e.f. 7th September, 2016.

@ Sri A S Durga Prasad was appointed as an Independent Director w.e.f. 24th May, 2016.

## V. Indebtedness

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

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2016)</b>				
i) Principal Amount	18579.03	250.00	0	18829.03
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	53.58	0	0	53.58
<b>Total (i+ii+iii)</b>	<b>18632.61</b>	<b>250.00</b>	<b>0</b>	<b>18882.61</b>
<b>Change in indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	(2783.46)	(250.00)	0	(3033.46)
<b>Net Change</b>	<b>(2783.46)</b>	<b>(250.00)</b>	<b>0</b>	<b>(3033.46)</b>
<b>Indebtedness at the end of the financial year (31.03.2017)</b>				
i) Principal Amount	15766.70	0	0	15766.70
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	82.45	0	0	82.45
<b>Total (i + ii + iii)</b>	<b>15849.15</b>	<b>0</b>	<b>0</b>	<b>15849.15</b>

## 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	A A V Ranga Raju (MD & CEO)	A G K Raju ED	A S N Raju WTD	A V N Raju WTD	J V Ranga Raju WTD	Total Amount
1	Gross Salary	6,00,31,072	3,09,50,121	3,08,44,831	3,03,26,701	1,82,28,000	17,03,80,725
	(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	86,00,000	1,55,40,000	5,96,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	20,65,472	19,67,321	18,62,031	16,23,901	16,80,000	91,98,725
	(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	3,90,53,600	1,95,26,800	1,95,26,800	1,95,26,800	-	9,76,34,000
	Others, specify	-	-	-	-	-	-
5	Others (Company's contribution towards PF, Medical Reimbursement)	11,52,000	5,76,000	5,76,000	5,76,000	10,08,000	38,88,000
	<b>Total (*)</b>	<b>6,00,31,072</b>	<b>3,09,50,121</b>	<b>3,08,44,831</b>	<b>3,03,26,701</b>	<b>1,82,28,000</b>	<b>17,03,80,725</b>
6	<b>Ceiling as per the Act @ 10% of profits calculated u/s 198 of the Companies Act, 2013</b>						<b>39.10 crores</b>

(\*) No Stock Options were issued to any of the Directors during the F.Y ended 31st March, 2017

**A1. Remuneration to Key Managerial Personnel other than MD, ED & WTDs :**

(Amount in ₹)

Sl. No	Particulars of Remuneration	CFO	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)	70,39,803	48,42,945	1,18,82,748
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,32,422	2,54,575	7,86,997
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961			
2	Stock Option (*)	-	-	-
	Grand during the year	-	-	-
	Exercised during the year	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % of profit	-	-	-
	Others, specify	-	-	-
5	Others (Company's contribution towards PF, Medical Reimbursement)	4,25,940	2,93,016	7,18,956
	<b>Total</b>	<b>79,98,165</b>	<b>53,90,536</b>	<b>1,33,88,701</b>

(\*) No Stock Options were issued to the CFO &amp; CS during the F.Y ended 31st March, 2017

**B. Remuneration to other Directors:**

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of Director									Total Amount
		Hemant M Nerurkar	R V Shastri	*P Abraham	Renu Challu	S Ravi	A S Durga Prasad	Amit Dixit	Utpal Sheth	Neeraj Mohan	
<b>1</b>	<b>Independent Directors</b>										
	Fees for attending Board / Committee Meetings	4,75,000	5,75,000	50,000	4,00,000	1,50,000	3,25,000	-	-	-	19,75,000
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>4,75,000</b>	<b>5,75,000</b>	<b>50,000</b>	<b>4,00,000</b>	<b>1,50,000</b>	<b>3,25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,75,000</b>
<b>2</b>	<b>Other Non – Executive Directors</b>										
	Fees for attending board / committee meetings	-	-	-	-	-	-	-	2,50,000	-	-
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify (Fixed pay, pension, LTA, Bonus and medical)	-	-	-	-	-	-	-	-	-	-
	Others, specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,50,000</b>	<b>-</b>	<b>2,50,000</b>
	<b>Total (1+2)</b>										
	<b>Total Managerial Remuneration</b>										<b>22,25,000</b>
	Overall Ceiling as per the Act										'Refer Note'

Note : The Non-Executive Directors have been paid only the Sitting Fee during the F.Y. ended 31st March, 2017

\*Sri P Abraham resigned as a director w.e.f September 9, 2016

**VII. Penalties / Punishment / Compounding of Offences**

There were no Penalties, Punishment or Compounding of Offences during the F.Y. ended 31st March, 2017.

# ANNEXURE - 3

## Form No. MR-3

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

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

To,  
The Members,  
NCC Limited,  
Hyderabad.

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, 2017.

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, 2017 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, 2017, 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 and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

- a. Has reconstituted various Committees of the Board.
- b. Has approved the retirement policy of the Non-Executive Directors of the Company.
- c. Mr. P Abhram, an Independent Director resigned from the Board w.e.f September 07, 2016 and Dr. A. S. Durga Prasad was appointed as an Independent Director w.e.f May 24, 2016 and the Company has filed necessary forms/ returns with the Registrars of Companies.
- d. Has re-appointed Mr. AAV Ranga Raju, Managing Director, Mr. AGK Raju, Executive Director, Mr. JV Ranga Raju, Whole Time Director and Mr. AVN Raju, Whole Time Directors for a further period of 5 years.

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

**K.V.S. Subramanyam**  
Company Secretary in Practice  
FCS No.: 5400  
C P No.: 4815

Dated : May 15, 2017  
Place : Hyderabad

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

## Annexure

To,  
The Members,  
NCC Limited

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

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

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

**K.V.S. Subramanyam**  
Company Secretary in Practice  
FCS No.: 5400  
C P No.: 4815

Dated : May 15, 2017  
Place : Hyderabad

# Annexure - 4

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

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
  - Promotion of education, including special education;
  - Rural Development Projects
  - Ensuring environmental sustainability, ecological balance,
  - Promoting gender equality and empowering women.
  - Eradicating extreme hunger, poverty
  - Safety traffic engineering
  - Web link: [www.ncclimited.com](http://www.ncclimited.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 (w.e.f 12th August, 2016)

3. Average Net profit for last three Financial Years for the purpose of computation of CSR spending: ₹ 118.61 Crores
4. Prescribed CSR expenditure (2% of Average Net Profit) : ₹ 2.37 Crores
5. Details of CSR spent for the financial year :
  - a. Total amount spent for the financial year: ₹ 2.37 crores
  - b. Amount unspent, if any: Nil



c. 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 Million)	Amount spent on the projects Sub heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Million)	Cumulative expenditure upto the reporting period (₹ in Million)	Amount spent: Direct or through implementing agency
1	Construction of Public Amenities	Health care and Sanitation	Antervedi palem Andhra Pradesh	24.00	21.18	33.08	Direct
2	Donation to Police Department of Telangana	Safety Engineering	Hyderabad Telangana	NA	1.19	1.19	Direct
3	Donation to Sri Saraswathi Vidya Peetam	Promoting Education	Andhra Pradesh	NA	1.00	1.00	Direct
4	Amount paid to Charitable Organisation "RK Homes"	Providing shelter, clothing and education for poor girls	Andhra Pradesh	NA	0.16	0.16	Direct
5	Donation to MPDO Thullur for construction of Public Amenities	Health care and Sanitation	Andhra Pradesh	NA	0.20	0.20	Direct
	<b>Total</b>				<b>23.73</b>		

6. The Company has spent two percent of the average net profits of the last three financial years.
7. 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 CSR Committee)**  
**(DIN No: 00017416)**

# ANNEXURE 5

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17:

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Sri Hemant M Nerurkar	Nil
2	Sri P Abraham*	Nil
3	Sri R V Shastri	Nil
4	Smt Renu Challu	Nil
5	Sri.S.Ravi	Nil
6	Dr A S Durga Prasad	Nil
7	Sri Utpal Sheth	Nil
8	Sri Amit Dixit	Nil
9	Sri Neeraj Mohan	Nil
10	Sri A A V Ranga Raju	157:10
11	Sri A G K Raju	81:10
12	Sri J V Ranga Raju	48:10
13	Sri A S N Raju	81:10
14	Sri A V N Raju	79:10
15	Sri N R Alluri	Nil

\* Sri P Abraham resigned from the Board w.e.f. September 7, 2016

- (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 remuneration
1	Directors	No Increase
2	Sri R S Raju, Associate Director (F&A) & CFO	9.02%
3	Sri M V Srinivasa Murthy, Company Secretary & EVP (Legal)	9.47%

- (iii) The percentage increase in the median remuneration of the employees in the financial year 10.09%
- (iv) The number of permanent employees on the rolls of Company; 4653 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 9.56% and there has been no increase in the managerial remuneration during the last financial year.
- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

**For and on behalf of the Board**

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

# Management Discussion & Analysis

## Global Economy

Global GDP growth is projected to increase, rising from just under 3% in 2016 – the slowest pace since 2009 – to 3.3% in 2017 and around 3½ percent in 2018. While the modest pick-up is welcome, it would still leave global GDP growth below the historical average of around 4% in the two decades prior to the crisis.

Disconnect between financial markets and fundamentals, potential market volatility, financial vulnerabilities and policy uncertainties could, however, derail the modest recovery. The positive assessment reflected in market valuations appears disconnected from real economy prospects. Vulnerabilities remain in some advanced economies from rapid house price increases. Risks to emerging market economies are high, including from higher corporate debt, rising non-performing loans and vulnerability to external shocks.

Policy needs to manage risks, strengthen growth and ensure it is more inclusive. Countries should use increased fiscal space to implement effective fiscal initiatives that boost demand and make government taxes and spending more supportive of long-term growth and equity. A durable exit from the low-growth trap also requires greater political commitment to implement structural reform packages to boost inclusive growth. These should combine policies to develop skills, remove barriers to competition and trade, and improve labour market policies in a way that raises overall incomes and shares the gains widely.

A stronger growth environment would enhance resilience. Countries should have robust early warning systems and supervision, use macro prudential instruments appropriately and promote effective approaches to managing and resolving non-performing loans. It is important to maintain open and transparent global markets for capital, goods and services.

Global growth is set to pick-up modestly, but remains too slow

## Indian Economy

The Indian Economy has sustained a macro-economic environment of relatively lower inflation, fiscal discipline and moderate current account deficit coupled with broadly stable rupee-dollar exchange rate. The Economic Survey 2016-17 presented in the Parliament states that such sustenance is despite continuing global sluggishness.

As per the advance estimates released by the Central Statistics Office, the growth rate of GDP at constant market prices for the year 2016-17 is placed at 7.1%, as against 7.9 % in 2015-16.

### Indian Economy Key Forecasts FY 17-18

India is expected to be the fastest growing economy in the world in 2017-18 and will be a key driver for global growth, according to the International Monetary Fund (IMF). Medium-term growth prospects are favorable, with growth forecast to rise to about 8 per cent due to the implementation of key reforms like GST, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

## Indian Infrastructure Sector

The infrastructure sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

India needs Rs 31 trillion (US\$ 454.83 billion) to be spent on infrastructure development over the next five years, with 70 per cent of funds needed for power, roads and urban infrastructure segments. India is also witnessing significant interest from international investors in the infrastructure space.

Union budget 2017-18 is a positive step forward for India because it has focused on increasing consumption and enabling infrastructure development. It continues to place emphasis on infrastructure development with an increased outlay of INR 3,961 billion. The finance minister has announced a 25% increase in allocations for infrastructure over last year. This will surely have a salutary effect on the economy, creating new employment and income-generation opportunities.

One also believes that surplus liquidity in the banking system, spawned by demonetization, will push banks to lower their lending rates and in turn increase the access to credit. This may have a multiplier effect on economic activity, increase consumer spending and create additional demand.

### Opportunities and Strengths

- The Company has a well diversified business portfolio spread across ten business verticals viz., Buildings & Housing, Roads, Water & Environment, Electrical, Irrigation, Metals, Power, International, Mining and Railways.
- The Company has more than three decades of experience in construction sector and is recognized as one of the key construction players in the country.
- The Company has successfully executed complex engineering projects across the country and also in international geographies.
- The Company's clientele consists of several reputed public and private sector organizations.
- The Company is recognized for timely completion of projects within budgets.
- Our core strength is our people who carry several years of industry experience in various domains including engineering, design, construction, procurement, planning, etc

In FY 17, the company bagged fresh orders worth ₹ 92.26 bn and executed projects worth ₹ 87.92 bn. As on 31st March 2017, the order book of the company stood at ₹ 180.88 bn.

Strengths	Opportunities
<ul style="list-style-type: none"> <li>• <b>Strong brand</b> awareness and reputation</li> <li>• Recognised <b>industry leader</b> in large civil construction and infrastructure projects</li> <li>• More than <b>three decades of experience</b>.</li> <li>• Track record of <b>successfully completing complex projects</b></li> <li>• <b>Ensuring quality and timely completion</b> of the projects without cost overruns</li> <li>• <b>Diversified business portfolio</b></li> <li>• <b>Strong and close relationships</b> built on mutual trust and respect with our clients, sub-contractors, financial institutions and shareholders</li> <li>• <b>Pan India presence</b></li> <li>• Large pool of <b>talented and skilled employees</b> with low attrition rate</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Demand for world class infrastructure</b> in India</li> <li>• <b>“Make in India”</b> initiative would demand good infrastructure specifically roads, railways, etc thus <b>offering opportunities for construction companies</b></li> <li>• Government’s <b>“100 smart cities”</b> initiative</li> <li>• <b>Higher budgetary allocation</b> for infrastructure sector</li> <li>• <b>Pro- industry policies and initiatives</b> such as lowering of corporate tax, setting up of REITs and Infrastructure Investment Trusts would drive investment in infrastructure sector, etc.</li> <li>• <b>Strong and diversified orderbook and order pipeline</b></li> <li>• <b>Good construction opportunities in the new state of Andhra Pradesh</b></li> </ul>

## RISKS AND CONCERNS

The Company has Enterprise Risk Management process in place, which is a holistic, integrated and structured approach to manage risks with the objective of maximizing shareholders’ value.

The risk management process at NCC broadly consists of identification, assessment, mitigation, prioritization and monitoring of risks. The ERM process allows NCC to:

- Enhance confidence in achieving its desired goals and objectives
- Effectively restrain threats to acceptable levels
- Take informed decisions about exploiting opportunities

Owing to the nature of the industry the Company operates in, it is exposed to a variety of risk factors which are broadly categorized into financial, technical, construction, policy and political, market and legal.

A tight risk process is carried out from pre-bid to project completion stage to manage, mitigate and monitor these risks by adopting specific risk mitigation measures.

During the year, the Board has reviewed the process and the Risks that have already been identified for the business. Some of these key risks that the Company faces along with their mitigation strategies adopted are listed below:

Risk Type	Risk Probability	Risk Impact	Risk Mitigation Strategy
<b>Financial Risks</b>			
<b>Inflation Rate Fluctuation</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Ensuring that appropriate price escalation clause in the Contracts is incorporated</li> <li>• Incorporating likely inflation fluctuation in price bids</li> <li>• In-house experts for close analysis of historical trends and forecasting of future patterns</li> <li>• Regular monitoring of the inflation rates</li> </ul>
<b>Interest Rate Fluctuation</b>	Medium	Low	<ul style="list-style-type: none"> <li>• Incorporating likely interest rate fluctuation in the price bids</li> <li>• In-house experts for close analysis of historical trends and forecasting of future patterns</li> <li>• Negotiating for the best interest rates from the financial institutions</li> </ul>

<b>Risk Type</b>	<b>Risk Probability</b>	<b>Risk Impact</b>	<b>Risk Mitigation Strategy</b>
<b>Currency Exchange Rate</b>	Medium	Low	<ul style="list-style-type: none"> <li>• Hedging currency exchange risks through spot contracts</li> <li>• Global diversification of works as well as procurement</li> <li>• Incorporating unfavorable currency exchange rates in the overall planning</li> </ul>
<b>Fuel Prices</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Incorporating adversarial fuel prices in the price bids and during project planning</li> <li>• Adopting hedging strategies</li> </ul>
<b>Bankruptcy of Project Partner</b>	Low	Medium	<ul style="list-style-type: none"> <li>• Carrying out extensive due diligence while selecting the partners</li> <li>• Prefer partnering with established industry players with sound track record</li> </ul>
<b>Technical Risks</b>			
<b>Incomplete Design</b>	Low	High	<ul style="list-style-type: none"> <li>• Carrying out extensive due diligence during the project bid phase</li> <li>• Bidding for those works which are closely aligned with our core strengths</li> </ul>
<b>Inadequate Specifications</b>	Low	High	<ul style="list-style-type: none"> <li>• Carrying out exhaustive due diligence before and during the bid phase</li> <li>• Incorporating contingency for inadequate specifications in the price bids</li> <li>• Engaging with clients and their representatives on a regular basis</li> </ul>
<b>Inadequate Site Investigation</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Carrying out thorough investigation of site by in-house team of experts during initial phases</li> <li>• Seeking opinions from local experts</li> </ul>
<b>Scope Change</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Thorough documentation of works and communication with clients and their representatives</li> <li>• Incorporating contingency for fluctuation in scope</li> </ul>
<b>Insufficient Resources</b>	Low	Medium	<ul style="list-style-type: none"> <li>• Strong and efficient resources planning, both at the corporate and project levels</li> <li>• Maintaining an efficient supply chain including procuring material from sources other than main vendors/subcontractors if need arises</li> <li>• Strong management of vendors and subcontractors</li> <li>• Carrying out due diligence on vendors and sub-contractors before entering into agreements with them</li> </ul>
<b>Physical Risks</b>			
<b>Equipment Damage/Failure</b>	Low	Medium	<ul style="list-style-type: none"> <li>• Own a sizeable equipment base, specifically those, which are frequently used in our operations thus reducing dependence on equipment vendors</li> <li>• Following a strict preventive and corrective maintenance schedule</li> <li>• Strong relationship with equipment vendors for renting equipment</li> <li>• Strong management of equipment vendors including rating their performance</li> </ul>

<b>Risk Type</b>	<b>Risk Probability</b>	<b>Risk Impact</b>	<b>Risk Mitigation Strategy</b>
<b>Labor Injuries</b>	Low	Low	<ul style="list-style-type: none"> <li>• Strong implementation and monitoring of health and safety protocols to prevent injuries</li> <li>• Designated safety personnel at sites</li> <li>• Periodical reporting on safety and health issues</li> <li>• Conducting training programs on health and safety issues</li> </ul>
<b>Theft</b>	Low	Low	<ul style="list-style-type: none"> <li>• Strong monitoring and control to prevent theft</li> <li>• Penalising defaulters without exception</li> </ul>
<b>Construction Risks</b>			
<b>Labor Productivity</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Ensure safe, clean and hygienic work environment at all work locations</li> <li>• Strong track record in maintaining labor</li> <li>• Regular monitoring and ensuring strong controls to ensure adherence to timelines and quality</li> </ul>
<b>Labor Disputes</b>	Low	High	<ul style="list-style-type: none"> <li>• Taking proactive steps to address issues that could lead to labour problems</li> <li>• Ensuring safe work environment</li> <li>• Sensitivity towards soft issues affecting the workforce</li> </ul>
<b>Land Disputes and right of way</b>	Medium	High	<ul style="list-style-type: none"> <li>• Focus on bidding for those projects where land acquisition is almost completed by the client</li> <li>• Thorough due diligence and reconnaissance of land and right of way required for projects</li> <li>• Frequent and clear communication with Clients with proper documentation</li> </ul>
<b>Performance Risks</b>			
<b>Achieving Required Quality</b>	Low	Medium	<ul style="list-style-type: none"> <li>• Regular inspection of works and reporting to clients</li> <li>• Strong adherence to specifications and timelines</li> <li>• Constant engagement with clients and their representatives</li> <li>• Reliable Quality assurance programs</li> <li>• ISO certification</li> </ul>
<b>Meeting Client Expectations</b>	Low	Medium	<ul style="list-style-type: none"> <li>• Experienced workforce</li> <li>• Strong track record and brand equity</li> <li>• Regular engagement with clients and representatives</li> <li>• Response mechanisms to address issues raised by clients and representatives</li> </ul>
<b>Legal Risks</b>			
<b>Claims / Disputes / Litigations</b>	Medium	Medium	<ul style="list-style-type: none"> <li>• Engagement with clients to capture and address litigious issues upfront</li> <li>• Proper and thorough documentation on each project from the pre-bid stage</li> <li>• In-house Contracts and Claims team</li> <li>• Legal firm onboard to handle pre-legal claims and/or litigations</li> <li>• Keeping ourselves abreast on regulatory issues</li> </ul>

Risk Type	Risk Probability	Risk Impact	Risk Mitigation Strategy
<b>Market Risk</b>			
<b>Market Trend</b>	Medium	Medium	<ul style="list-style-type: none"> <li>Strong management team and talented work force with capabilities to foray into new related segments</li> <li>On the lookout for new opportunities and keeping ourselves abreast on new market trends</li> <li>Strong focus on training and development of employees</li> </ul>
<b>Market Segments</b>	Medium	Medium	<ul style="list-style-type: none"> <li>Well diversified business portfolio across segments</li> <li>Experienced workforce</li> </ul>
<b>Policy and Political Risk</b>			
<b>Policy and Regulation Changes</b>	Low	High	<ul style="list-style-type: none"> <li>Eminent members in the management and the board for advising us on coping up with and preparing ourselves for such changes</li> <li>Constant monitoring of changes in the regulatory landscape and taking appropriate internal measures</li> <li>Active participation in industry conferences, seminars and meetings, and representation in leading industry bodies</li> </ul>
<b>Social Risk</b>	Low	Medium	<ul style="list-style-type: none"> <li>Weeding out controversial projects during the bid phase</li> <li>Engaging in corporate social responsibility activities to engage social stakeholders</li> <li>Carrying out community outreach programs</li> </ul>

#### INTERNAL CONTROL SYSTEM

The Company has adequate system of Internal Financial Controls to help Management review the effectiveness of the Financial and Operating Controls and assurance about adherence to Company's laid down Systems and Procedures. As per the provisions of the Companies Act, 2013, internal controls and documentation are in place for all the activities. Both Internal Auditors and Statutory Auditors have verified, 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 and correctly reported and assets are safeguarded. The Audit Committee periodically reviews the findings and recommendations of the Auditors and takes necessary corrective actions as deemed necessary.

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

#### Financial Performance (NCCL Stand alone)

- Equity Share capital:** During the year no change in share capital.
- Other Equity :** The Other Equity of the Company has gone up from ₹ 31.50 billion to ₹ 33.31 billion in 2016-17 and the increase is on account of profits made in 2016-17.
- Net worth:** The Company's net worth increased from ₹ 32.61 billion to ₹ 34.42 billion on account of retained profits.

- Borrowings (Long-Term & Short-Term):** There was a decrease in loans from ₹ 18.83 billion to ₹ 15.77 billion.

#### 5) Assets :

- Property, Plant & Equipment (PPE):** The Company's PPE(gross block plus Capital WIP) increased by ₹ 0.84 billion in 2016-17 from ₹ 12.24 billion to ₹ 13.08 billion.
- Investments:** The investments increased by ₹ 0.72 billion, from ₹ 9.57 billion to ₹ 10.29 billion during the year 2016-17
- Inventories:** The Company's inventories stand at ₹ 15.26 billion as against ₹ 16.57 billion of previous year
- Trade Receivables (Current & Non-Current) :** The company's Trade Receivables increased by ₹ 4.99 billion in 2016-17 from ₹ 32.04 billion to ₹ 37.03 billion. The trade receivables includes Retention Money not fallen due ₹ 11.86 billion
- Loans & Other Financial Assets (Current & Non-Current):** Loans and Other financial assets decreased from ₹ 13.68 billion to ₹ 7.41 billion during the year under review. The decrease represents amounts received against the Loans and Advances made to subsidiaries & Others and conversion of loans & advances to equity nature to the extent of ₹ 1.91 billion during the year.
- Other Current Assets:** Other Current Assets decreased from ₹ 9.95 billion to ₹ 9.30 billion during the year under review.



## Operational Performance

- a) **Revenue from Operations:** The Company has reported a Revenue from Operations of ₹ 78.92 billion during the year 2016-17 as against ₹ 83.25 billion in the previous year.
- b) **Other Income:** The other income of the company for the year ₹ 1.40 billion as against ₹ 2.24 billion last year. Other income comprises of Interest on advances, interest on bank deposits and miscellaneous income.
- c) **Direct cost:** The direct cost for the year under review works out to 84.73% of the turnover as against 84.99 % last year.
- d) **Overheads:** Overheads, comprising salaries and administrative expenses, work out to ₹ 5.20 billion for the year under review as against ₹ 5.12 billion in the previous year. The overheads as % of revenue 6.59% as against 6.15% of the previous year.
- e) **Finance cost:** The Finance cost during the year as a % of revenue has decreased from 6.11% (₹ 5.09 billion) to 5.01% (₹ 3.96 billion), which was on account of decrease in loans and decrease in average interest cost of borrowings.
- f) **Depreciation:** The Company's depreciation for the year has increased from ₹ 1.10 billion to ₹ 1.12 billion.
- g) **Tax Expense:** The tax expense of the company for the year 2016-17 is ₹ 0.42 billion as against ₹ 0.82 billion of previous year. The reduction is on account of receiving favourable orders for earlier year resulting in reversal of taxes paid earlier.
- h) **Net profit:** The Company has reported a Net Profit of ₹ 2.26 billion as against ₹ 2.40 billion in the previous year.
- i) **Total Comprehensive Income:** The Company has reported a Total Comprehensive Income of ₹ 2.22 billion as against ₹ 2.38 billion in the previous year.
- j) **Dividend:** The Board of Directors have recommended a dividend of ₹ 0.40 per share (20%) and the dividend works out to ₹ 0.22 billion as against ₹ 0.33 billion in the previous year.

## Human Resources & Industrial Relations

The human resource (HR) strategy at NCC is focused on creating a performance-driven atmosphere in the Company, where innovation is encouraged, performance is recognised and employees are motivated, to realize their potential. Company's HR department co-creates all HR strategies along with senior management and BOD so as to influence change, attract talent and build capabilities. HR department is fully specialized to respond to varied human resource needs of NCC's business units to enable each division to maintain the human strategic advantage.

### Talent Development and employee engagement

Key components of talent development at NCC is initiating various skill and leadership development programmes as well as creating a culture of continued employee engagement. During the year the company organized 47 training programs with a total attendance of 835 participants. Safety, Personality & Leadership Development and statutory procedures were some of the key topics covered during these programmes.

### Talent Diversity

NCC has a healthy talent diversity. The company's human capital comprises of 4653 employees across its business divisions at various locations as on 31-03-2017. 42% of the company's human resource is below 34 years. Company is able to maintain an average employee tenure of 5 years and 7 months and the annual attrition rate has been lowered from 20.51% in FY13 to 13.79% in FY16. About 60% of the company's work force comprises of technically qualified as well as engineers such as M Tech, B Tech, DCE, DME & ITI.

# Report on Corporate Governance

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

## 1. Company's philosophy on the Code of Governance

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

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

## 2. Board of Directors

The Company's Board of Directors comprises of a judicious mix of Fourteen Directors consisting of five (5) Executive Directors, four (4) Non-Executive Directors and five (5) 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 gives the composition of the Company's Board, category, number of Board Meetings held during the year, attendance of each Director at the Board Meeting and at the last Annual General Meeting and other Directorships, Memberships and Chairmanships of Committees held by each of the Directors during the Financial Year. The Company is compliant with all the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and the rules made thereunder relating to appointment of Directors.

### Composition of the Board of Directors as on March 31, 2017.

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 24, 2016	Number of Directorships in other companies	Number of committee positions held in other public companies ##		No. of shares of ₹ 2/- each held in the Company
					Chairman	Member	
Sri Hemant M Nerurkar (Chairperson)	Non-Executive and Independent	6	Yes	7	3	5	Nil
Sri R V Shastri	Non-Executive and Independent	6	Yes	1	Nil	NIL	216
Sri S Ravi	Non-Executive and Independent	2	Yes	1	Nil	Nil	Nil
Dr A S Durga Prasad*	Non-Executive and Independent	4	Yes	7	1	2	Nil
Smt Renu Challu	Non-Executive and Independent	4	Yes	8	3	7	Nil
Sri Amit Dixit	Non-Executive and Non-Independent	1	No	8	Nil	2	Nil
Sri Neeraj Mohan	Non-Executive and Non-Independent	1	No	3	Nil	Nil	Nil
Sri Utpal Sheth	Non-Executive and non-Independent	4	No	16	Nil	2	Nil
Sri A A V Ranga Raju (Managing Director)	Promoter and Executive	6	Yes	4	Nil	Nil	13,563,196 (2.44%)
Sri A G K Raju	Promoter and Executive	5	No	4	1	4	9,759,080 (1.76%)
Sri A S N Raju	Promoter and Executive	6	Yes	3	1	1	8,652,215 (1.56%)
Sri J V Ranga Raju	Promoter and Executive	2	No	Nil	Nil	Nil	3,015,916 (0.54%)

Sri A V N Raju	Promoter and Executive	4	Yes	1	Nil	1	7,985,791 (1.44%)
Sri N R Alluri	Promoter and Non-Executive	2	No	14	Nil	2	8,858,806 (1.60%)

Notes:

1. Sri P Abraham resigned from the Board w.e.f. September 7, 2016
2. None of the Directors of the Company are on the Boards of more than Ten Public Companies /overall Twenty Companies (including Private Limited Companies but excluding Companies incorporated outside India and Companies incorporated under section 8 of the Companies Act, 2013).

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

\*Dr A S Durga Prasad has been appointed as a director w.e.f. May 24, 2016

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

#### Shares held by Non-Executive Directors as on March 31, 2017.

Name of the Director	No. of Shares held	% on paid-up capital of the company
Sri N R Alluri	8,858,806	1.60
Sri R V Shastri	216	0.00

#### Board Meetings held during FY-2016-17:

During the FY-2016-17 six Board Meetings were held as detailed below:

Date of Meeting	Board Strength	No. of Directors Present
May 2, 2016	14	09
May 24, 2016	14	07
August 12, 2016	15	08
August 24, 2016	15	07
November 9, 2016	14	09
February 9, 2017	14	14

#### Familiarization Programme

A training programme was organized for the Board Members and particularly for Independent Directors on May 2, 2016 at the Corporate office of the Company. Presentations were made by experts in Corporate Laws and the Construction & Infrastructure Industry who had briefed the Members of the Board regarding the changes in the Corporate Laws and the developments in the Construction and Infrastructure Industry. Details of the familiarization programmes are hosted on [http://ncclimited.com/corporate\\_governance.html](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, Sri N. R. Alluri and Sri A. V. N. Raju, are related to each other in terms of the definition of "Relative" under Section 2(77) of the Companies Act, 2013 and Rules framed there under. The aforementioned Promoter Directors are not related to the other Board members.

#### Information supplied to the Board

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

- o Annual operating plans, budgets & any updates.
- o Capital budgets and any updates.
- o Quarterly results of the Company and its operating divisions or business segments.
- o Minutes of the meetings of the Audit Committee and other Committees of the Board of 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 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 Details of foreign exchange exposures and steps taken by management to limit the risks of adverse exchange rate movement, if material,
- o Non-compliance with any regulatory, statutory or listing requirement and shareholders service such as non payment of dividend, delay in share transfer, among others.

### Code of Conduct

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

### Board Committees

As on March 31, 2017 the Company has Eight Board level Committees, which include the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee, Enterprise Risk Management Committee and the Performance Review Committee.

### 3. Audit Committee of the Board

The Audit Committee presently comprises five Non-Executive Directors, of which four are Independent Directors. The members of the Committee are financially literate and bring in expertise in the fields of Finance, Strategy, Banking, Energy and Management. Sri R. V. Shastri, 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, 2016, August 12, 2016, November 8, 2016 and February 9, 2017. The Company is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 in terms of time gap between any two Audit Committee Meetings. Sri R V Shastri, Chairperson of the Committee was present at the last Annual General Meeting of the Company held on August 24, 2016.

The following is the Composition of the Audit Committee as on March 31, 2017 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
Sri P.Abraham *	Member	4	-
Dr A S Durga Prasad #	Member	4	2
Sri Hemant M Nerurkar	Member	4	3
Sri Amit Dixit	Member	4	1
Smt. Renu Challu #	Member	4	2

\* Sri P Abraham ceased to be member of the Audit Committee consequent to his resignation from the Board w.e.f. September 7, 2016.

# Dr.A S Durga Prasad and Smt Renu Challu have been co-opted as members of the Audit Committee w.e.f. August 12, 2016.

### Terms of reference of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the Statutory and the Internal Auditors of the company;
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.

- f. Disclosure of any related party transactions.
- g. Modified opinion (if any) in the draft Audit Report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company Secretary is the Secretary to the Audit Committee.

#### 4. Nomination and Remuneration Committee

The Committee comprises of five 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 & Sri S Ravi, Independent Directors and Sri Amit Dixit & Sri Utpal Sheth Non-Executive and non – Independent Directors are the other members of the Committee. The Committee met two times during the Financial Year on May 24, 2016 and February 9, 2017.

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 Amit Dixit	Member	2	1
Sri Hemant M Nerurkar	Member	2	2
Sri S Ravi #	Member	2	1

# Sri S Ravi has been co-opted as member of the Committee w.e.f 12.08.2016.

#### 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;
- (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.

#### Performance evaluation of the Board, Committees of the Board and the Directors

Listing Regulations mandate the Board of listed companies to monitor and review the Board Evaluation framework. The Companies Act, 2013 read with the Rules issued thereunder further provides that a formal annual evaluation needs to be made by the Board of its own performance and that of Committees and Individual Directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued thereunder states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. Keeping in view the aforesaid requirement the assessment formats for evaluation of performance of the Directors were prepared based on various aspects and circulated amongst the members of the Board. The parameters for performance evaluation of Board includes composition of the Board, process of appointment to the Board of Directors, common understanding that the different

Board members have of the roles and responsibilities of the Board, timelines for circulating the board papers, content and the quality of information provided to the Board etc., The performance indicators for the Committees included understanding the terms of reference, effectiveness of the discussions at the Committee Meetings, information provided to the Committees etc. The evaluation process was facilitated by the Chairman of the Company with the active support of the chairperson of the Nomination & Remuneration Committee. The Board of Directors expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board and its Committees.

## 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, 2017 to the Managing Director, Executive Director and the Whole time Directors of the Company and the details of the sitting fee paid to the Non-Executive Directors are as follows-

### a. Executive Directors

( Amount in ₹)

Name & Designation	Salary	Other benefits	Bonus / Exgratia	Pension	Commission	Total
*Sri A. A. V. Ranga Raju Managing Director	16,465,472	3,072,000	1,440,000	Nil	39,053,600	60,031,072
*Sri A. G. K. Raju Executive Director	9,167,321	1,536,000	720,000	Nil	19,526,800	30,950,121
@Sri A. S. N. Raju Wholetime Director	9,062,031	1,536,000	720,000	Nil	19,526,800	30,844,831
*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	8,823,901	1,256,000	720,000	Nil	19,526,800	30,326,701

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

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

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

None of the Directors were given any Stock Option in the Company during the year.

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 the Board. During the year, the sitting fees paid to the Directors was as follows.

Name of the Director	*Sitting Fees (Amount in ₹)
Sri P. Abraham**	50,000
Sri R. V. Shastri	575,000
Sri Hemant M Nerurkar	475,000
Smt. Renu Challu	400,000
Sri Utpal Sheth	250,000
Sri S Ravi	150,000
Dr A S Durga Prasad	325,000

The Non Executive Directors have been paid only sitting fees during the Financial Year 2016-17.

\* Excludes Service Tax

\*\* Sri P Abraham resigned from the Board w.e.f. September 7, 2016.

Other than the above there has not been any pecuniary relationship or transactions of the Directors with the Company

## Meeting of Independent Directors:

In compliance with the 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 Calendar Year 2016 was held on November 9, 2016 and the next meeting will be held in the calendar year 2017.

## 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 of 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, 2017 the Committee comprises of Four Directors viz., Sri R V Shastri (Chairperson of the Committee), Smt. Renu Challu, Sri S Ravi and Sri A G K Raju as its members.

The Committee met four times during the Financial Year i.e. on May 24, 2016, August 12, 2016, November 09, 2016 and February 09, 2017.

Attendance of Members at the Stakeholders Relationship Committee Meetings held during the year are as follows.

Name of the Director	Designation	No. of meetings held	No. of Meetings attended
Sri R.V.Shastri	Chairman	4	4
Smt Renu Challu	Member	4	3
Sri A G K Raju	Member	4	4
Sri S Ravi #	Member	4	1

# Sri S Ravi has been co-opted as member of the Committee w.e.f August 12, 2016.

During the Financial Year 2016-17, the Company has received 80 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, 2017. 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, 2017. The Company designated a separate email id for investor grievances reachable at ho.secr@nccld.in.

## 7. General Body Meetings

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

Year	Location	Date & Time	Special Resolutions passed
2014	K L N Prasad, Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation	September 25, 2014 at 3.30 p. m	Payment of minimum remuneration to Sri A A V Ranga Raju, Managing Director, Sri A G K Raju , Executive Director and Sri A S N Raju, Sri J V Ranga Raju, Sri A V N Raju , Sri A K H S Rama Raju Whole Time Directors in excess of Limits provided in the Companies Act, 1956/2013.
2015	House FAPCCI Marg, Red Hills, Hyderabad -500 004	August 24, 2015 at 3.30 p m	Nil
2016		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 30th May, 2016.

## Postal Ballot.

During the year no resolution was passed through postal ballot.

The proposed itmes of business which are to be transacted at the ensuing Annual General Meeting do not require passing of a resolution through Postal Ballot process.

## 8. Means of Communication

The Company was having 96322 shareholders as on March 31, 2017. The main channel of communication with the shareholders is through the Annual Report which inter alia includes the statement of Chairman Emeritus, Chairman of the Company, the Directors Report, Report on Corporate Governance, Management Discussion and Analysis Report, the Standalone and Consolidated Financial Statements along with the Auditor's Report thereon, the Secretarial Audit Report, Special Initiatives and Shareholders Information.

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

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

Regular communication with the 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' website.



## Quarterly results

The Quarterly Results of the Company are published in newspapers such as Business Standard / Financial Express or Saakshi / Eenadu (regional language), along with the official press releases.

### 9. General shareholders' information

#### (a) Day, date and time of 27th Annual General Meeting

27th Annual General Meeting of Members of the Company is scheduled to be held on Thursday the 24th day of August, 2017 at 3.30 p.m at K L N Prasad, Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, FAPCCI Marg, Red Hills, Hyderabad - 500 004.

#### (b) Financial calendar (Tentative) for the Financial Year 2017-18.

Results for quarter ending June 30, 2017	Latest by August 14, 2017
Results for quarter ending September 30, 2017	Latest by November 14, 2017
Results for quarter ending December 31, 2017	Latest by February 14, 2018
Results for year ending March 31, 2018	Latest by May 30, 2018

**Dates of Book closure: August 9, 2017 to August 11, 2017** (both days inclusive) for payment of dividend.

**(c) Dividend payment date:** (subject to approval of shareholders at AGM) on or after August 29, 2017.

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

#### National Stock Exchange of India Ltd.,

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051

#### BSE Limited

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Listing fee for the financial year 2017-18 has been paid to the stock exchanges.

#### (e) Stock codes Equity shares

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

#### (f) Market price data

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

Month	BSE		Sensex		NSE		Nifty	
	High price ₹	Low price ₹	High	Low	High price ₹	Low price ₹	High	Low
April 2016	82.55	71.80	26,100.54	24,523.20	82.45	71.80	7,992.00	7,516.85
May 2016	81.80	68.65	26,837.20	25,057.93	81.80	68.45	8,213.60	7,678.35
June 2016	77.50	68.50	27,105.41	25,911.33	77.60	68.35	8,308.15	7,927.05
July 2016	83.65	73.75	28,240.20	27,034.14	83.75	73.95	8,674.70	8,287.55
August 2016	88.60	75.35	28,532.25	27,627.97	88.60	75.20	8,819.20	8,518.15
September 2016	90.45	78.00	29,077.28	27,716.78	90.50	78.00	8,968.70	8,555.20
October 2016	95.65	79.75	28,477.65	27,488.30	95.65	79.55	8,806.95	8,506.15
November 2016	94.80	71.20	28,029.80	25,717.93	94.85	70.80	8,669.60	7,916.40
December 2016	87.10	75.10	26,803.76	25,753.74	86.95	75.10	8,274.95	7,893.80
January 2017	87.20	77.90	27,980.39	26,447.06	87.30	77.85	8,672.70	8,133.80
February 2017	89.40	79.10	29,065.31	27,590.10	89.40	79.20	8,982.15	8,537.50
March 2017	84.85	77.55	29,824.62	28,716.21	84.85	77.45	9,218.40	8,860.10



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

M/s. Karvy Computershare Pvt. Ltd  
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.karvycomputershare.com

**(h) Share Transfer System**

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being found valid and complete in all respects. The Company appointed M/s. Karvy Computershare Private Limited as common Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the Securities of the Company.

**(i) Distribution of shareholding as on March 31, 2017.**

Number of shares held	Number of shareholders		Total Shares ₹ 2/- each	Details of shareholding	
	No	%		Value of shares of ₹ 2/- each	%
1 - 5,000	92021	95.53	27,778,973	55,557,946	5.00
5,001 - 10,000	2145	2.23	7,962,730	15,925,460	1.43
10,001 - 20,000	1006	1.04	7,442,407	14,884,814	1.34
20,001 - 30,000	318	0.33	3,960,658	7,921,316	0.71
30,001 - 40,000	173	0.18	3,118,080	6,236,160	0.56
40,001 - 50,000	88	0.09	2,007,810	4,015,620	0.36
50,001 - 100,000	171	0.18	6,202,504	12,405,008	1.12
100,001 and above	400	0.42	497,458,426	994,916,852	89.48
<b>Total</b>	<b>96322</b>	<b>100.00</b>	<b>555,931,588</b>	<b>1,111,863,176</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2017**

Category	No. of Shares of ₹ 2/- each	%
Promoters	109,528,330	19.70
Domestic Institutional Investors/Banks	1,972,670	0.35
Bodies Corporate including NBFC's Registered with RBI	54,342,827	9.78
Foreign Institutional Investors	129,124,947	23.23
NRIs, OCBs, GDRs etc.,	5,422,300	0.98
Mutual Funds	124,465,726	22.39
Indian Public	131,074,788	23.57
<b>Total</b>	<b>555,931,588</b>	<b>100.00</b>

**(j) Dematerialization.**

Over 99.72% of the outstanding shares were dematerialized up to March 31, 2017. The Company's shares are liquid and actively traded.

Category	Number of Shares	%
NSDL	495,491,711	89.13
CDSL	58,879,923	10.59
Physical	1,559,954	0.28
<b>Total</b>	<b>555,931,588</b>	<b>100.00</b>

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

As on March 31, 2017, there were 501831 GDRs pending for conversion. The overseas depository is Deutsche Bank Trust Company Americas, 60 Wall Street New York NY 10005, USA and the Custodian is ICICI Bank Ltd, Securities Processing Division, North Tower, 2nd Floor, ICICI Towers, Bandra Kurla Complex, Mumbai - 400051, India.

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

**(l) International Securities Identification Number (ISIN): INE868B01028****(m) Address for Correspondence**

Physical/Electronic mode	Shareholders general correspondence
M/s. Karvy Computershare Pvt. Ltd 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.karvycomputershare.com	Company Secretary 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 available on the website of the Company or can be obtained from the Company's Registrar and Transfer Agents M/s. Karvy Computershare Private Limited.

**Unclaimed Dividend**

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, and corresponding sections 124 &125 of Companies Act, 2013 which are applicable w.e.f. 7th September, 2016, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unclaimed dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund. In compliance with above said provisions of the Companies Act, 1956/2013, the Company transferred the unclaimed dividend amounting to Rs.8,81,289 (Final Dividend) pertaining to the year 2008-2009 to the Investor Education and Protection Fund.

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

Financial year	Type of dividend	Date of declaration	Amount of unclaimed dividend outstanding as on March 31, 2017 ₹	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2009-2010	Final	10.08.2010	940,886.70	16.09.2017	15.10.2017
2010-2011	Final	12.08.2011	868,320.00	18.09.2018	17.10.2018
2011-2012	Final	26.09.2012	415,352.10	02.11.2019	01.12.2019
2012-2013	Final	27.09.2013	396,212.70	03.11.2020	02.12.2020
2013-2014	Final	25.09.2014	228,542.80	01.11.2021	01.12.2021
2014-2015	Final	24.08.2015	530,466.40	30.09.2022	30.10.2022
2015-2016	Final	24.08.2016	771,246.60	30.09.2023	30.10.2023

**Dividend Distribution policy**

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

## 10. Other Disclosures

- (a) During 2016 -17 certain transactions were entered into with related parties. The details thereof are given in note number 37 of the Financial Statements.
- (b) There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.
- (c) The Company has formulated and adopted formal Whistle Blower Policy/vigil mechanism and the same is hosted on the Company's Web site and no concerned person has been denied access to the Audit Committee.
- (d) The Company has complied with all the mandatory requirements of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (e) Material Subsidiary policy is hosted in our website [www.ncclimited.com](http://ncclimited.com)  
The following is the web link: <http://ncclimited.com/policies.html>
- (f) Related party transaction policy is hosted in our website [www.ncclimited.com](http://ncclimited.com), the following is the link; <http://ncclimited.com/policies.html>
- (g) While submitting the Bids for Tenders the Company generally takes into account, the likely increase in the prices of the raw materials / goods / commodities used in the Contracts if awarded to the Company

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.

This Annual Report has a detailed section on Management Discussion and Analysis. A report on risk management forms a part of the section relating to Management Discussion and Analysis.

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

- 11. The Company has complied with all the requirements of Corporate Governance Report as set out in paras (2) to (10) above.
- 12. Non-mandatory requirements/Discretionary Requirements as stipulated in Regulation 27 (1) read with Part E of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (a) The Company's financial statements are with unmodified audit opinion.
  - (b) The Company has appointed separate persons to the post of Chairman and Managing Director.
  - (c) The Internal auditors of the Company report directly to the Audit Committee of the Board.
- 13. The Company has complied with all the mandatory clauses of corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of its applicability.
- 14. Disclosures with respect to demat suspense account / unclaimed suspense account:

The Company has followed the due procedure as provided in the Regulation 39 (4) read with Schedule V & VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in dealing with the unclaimed shares in Public issue/Rights issues. The movement of 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, 2016	170	108,667
Unclaimed shares Credited to the Account during the year	Nil	Nil
Number of shareholders approached the Company for transfer of shares from Unclaimed Suspense Account during the year	Nil	Nil
Aggregate Number of Shareholders and outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2017	170	108,667
<b>The voting rights of the above said unclaimed shares lying in Demat Account shall remain frozen till the rightful owner of such shares claims the shares.</b>		

## 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, 2017.

**For NCC Limited**

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

Place: Hyderabad  
Date: 23rd May, 2017

## Chief Executive Officer and Chief Financial Officer Certification

In relation to the Audited Financial Accounts of the Company as at March 31, 2017, 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: 23rd May, 2017

**M. Bhaskara Rao & Co.**

Chartered Accountants  
5D, Fifth Floor, 'Kautilya'  
6-3-652, Somajiguda  
Hyderabad – 500 082

**Deloitte Haskins & Sells**

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

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF NCC LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter reference dated October 24, 2016.
2. We, M. Bhaskara Rao & Co and Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of NCC Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended as on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For M. Bhaskara Rao & Co.**

Chartered Accountants  
(Firm's Registration. No. 0004595)

**M. Bhaskara Rao**

Partner  
Membership No. 005176

Hyderabad, May 23, 2017

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration. No No. 008072S)

**Ganesh Balakrishnan**

Partner  
Membership No 201193

# 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@nccltd.in
6. Financial Year reported: 2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Construction, Engineering and Infrastructure Development activities.
8. List three key products / 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 International Locations: Two (Sultanate of Oman and Sri Lanka)
  - (b) Number of National Locations: The Company executes construction projects in most of the States and Union Territories in India

## SECTION B: FINANCIAL DETAILS OF THE COMPANY FY 2016-17

1. Paid up capital ( INR): 1111.86 million
2. Total turnover (INR): 78920.73 million
3. Total profit after taxes (INR): 2255.01 million
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): As stipulated under section 135 of the Companies Act, 2013, 2% of the average net profits of the last three years are 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 Abhyan
  - b. Promoting Education
  - c. Safety engineering
  - d. Contribution to eligible charitable institutions

## SECTION C: OTHER DETAILS

1	Does the Company have Subsidiary Companies	Yes, as on 31st March 2017, the Company has 52 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

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

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 the Managing Director and the Executive Director 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 over see the implementation of the policy?	Yes. Executive Director								
6	Indicate the link for the policy to be viewed online	Policies hosted on the Company's website <a href="http://ncclimited.com/images/PDF/Policies">http://ncclimited.com/images/PDF/Policies</a>								
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.
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 : 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 hosts the same on the Company's website.
	Web link for viewing the BR Report	<a href="http://ncclimited.com/images/PDF/Policies">http://ncclimited.com/images/PDF/Policies</a>
	How frequently it is published?	Annually

### E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1	Coverage of policy relating to ethics, bribery and corruption (e.g. Joint Ventures, Suppliers, Contractors, NGOs etc.).	The policy is basically applicable to the Company. The group Companies have adopted similar policies
2	How many stake holder complaints have been received in the Financial Year 2016-17?	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 / suppliers. 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 of the products is not applicable as the company is not engaged in manufacturing activities. Hazardous wastes are disposed off as per the statutory provisions



<b>Principle 3: Businesses should promote the well-being of all employees</b>		
1	Total number of permanent employees as on 31.3.2017	4653
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	79
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 programmes held during the F.Y 2016-17 for the employees including with regard to Safety, Skill Development / Up-gradation Programmes. Programmes held for exclusively for the women employees:	<p>During the Financial Year 2016-2017 total 30 Training Programs were organized covering 735 employees.</p> <p>In total 8457 training man-days were achieved during the period on various aspects viz., Personal &amp; Organizational Effectiveness (POE), Environment &amp; Health, Safety Awareness, Technical and E-learning, Communication skills, Time management, Stress management, Site acclimatization, Team spirit, Leadership skills, Presentation skills etc.</p> <p>Programs for Project Managers</p> <p>With a view to enrich the management and leadership abilities of our project managers, two exclusive programs were conducted. The programs emphasized on upgrading the administrative skills among the project managers in the areas of a) Stakeholders' Management, b) Risk Management, c) Prudent Planning for Successful Execution of Projects, d) How to Overcome the Constraints in Project Management, e) Execution of claims in the contract, and f) stress management etc.</p> <p>GETs &amp; DETs Training</p> <p>Intense on-the-job training was imparted to 98 Graduate Engineering Trainees (GETs) and 8 Diploma Engineering Trainees (DETs) at various sites.</p> <p>Women's Day</p> <p>International Women's Day was celebrated at the HO premises on March 8, 2017.</p> <p>Health Awareness Programmes</p> <p>During the Financial Year 2016-17 the Company has also conducted various Health Awareness Programmes viz., Cardio Camp, ORTHOPEDIC &amp; GENERAL SCREENING CAMP, "Eye Screening Camp" by doctors from the reputed hospitals.</p>
<b>Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised</b>		
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

<b>Principle 5 : Businesses should respect and promote human rights</b>		
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 2016-17?	Nil
3	Percentage of satisfactory resolution of Stake Holders complaints	Not Applicable as the Company has not received any complaints
<b>Principle 6 : Business should respect, protect and make efforts to restore the environment</b>		
1	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?	The policy is basically applicable to the company. The group Companies have adopted similar policies
2	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. (Sustainability Report's link)	Yes. The company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed off as per the statutory provisions
3	Does the company identify and assess potential environmental risks?	The company addresses the issues through the Environment, Health and Safety (EHS) Policy and also holds the ISO certification in respect of Environment, Health and Management System
4	Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company strictly adheres to the same.
5	Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	As part of the project execution the Company has undertaken initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6	Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. Complied to the extent applicable
7	Number of show cause / legal notices received from CPCB /SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil
<b>Principle 7 : Business , when engaged in influencing public and regulatory policy, should do so in a responsible manner</b>		
1	Is the Company a member of any trade and chamber or association and If Yes, name of major ones that the Company deals with	Yes 1. Construction Federation of India 2. Builders Association of India 3. Construction Industry Development Council (CIDC) 4. Confederation of Indian Industry 5. Water Supply Contractors Association 6. National Highway Builders Federation 7. National Safety Council of India 8. Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry
2	Has the Company advocated/lobbied through above associations for the advancement or improvement of the public good?  If yes specify the broad areas	Whenever Policy guidelines are issued, the company has been providing its suggestions to the Government and above Trade / Chamber Associations. Company officials have also attended seminars / workshops organized by the apex organizations for facilitating views on the policies.

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

1	Does the Company carried on programmes/initiatives/projects in support of inclusive growth and equitable development?	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013. The details of the CSR projects under taken by the Company is provided in the annexure IV to the Directors' Report
2	Are the programmes/projects undertaken through in-house team/Own foundation/External NGO/Government structures or any other organisations?	In house teams and External Agencies viz., charitable organisations.
3	What is the Company's Direct contribution to the community development projects?	Rs. 23.73 Million
4	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

## STANDALONE FINANCIAL STATEMENTS



# INDEPENDENT AUDITORS' REPORT

To The Members of  
**NCC Limited**

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **NCC Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Oman, Nepal and Sri Lanka and twenty six (26) Joint Operations.

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and 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 standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors and other auditors on separate financial statements of the 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 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matters

- a) We did not audit the financial statements of three (3) branches and one (1) joint operations included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹1373.94 million as at March 31, 2017 and total revenues of ₹2100.91 million for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial statements of these branches and joint operations have been audited by the branch auditors and other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and 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.

- b) We did not audit the financial statements of seventeen (17) joint operations included in the standalone financial statements of the companies included in the Company whose financial statements reflect total assets of ₹541.59 million as at March 31, 2017 and total revenues of ₹145.26 million for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Company. The financial statements of these joint operations have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and 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 joint operations, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Company.

Of these two (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 other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements 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 other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- c) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015:
- (i) in respect of one (1) branch included in this Standalone Ind AS financial statements prepared in accordance with the Ind AS are audited by the other auditors.
  - (ii) in respect of one (1) joint operations included in this Standalone Ind AS financial statements prepared in accordance with the Ind AS are audited by the other auditors.
  - (iii) in respect of two (2) branches included in this Standalone Ind AS financial statements are prepared in accordance with accounting principles generally accepted in their respective countries (Local GAAP) and audited by the branch auditors as per their Local GAAP. The Company's management has converted the financial statements of such branches and joint operations from Local GAAP 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 the other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (iv) in respect of seventeen (17) joint operations included in this Standalone Ind AS financial statements prepared in accordance with the Ind AS are not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on such Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial statements.

Our opinion on the standalone 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 Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements of the branches and joint operations, referred to in the Other Matters paragraph above we report, to the extent applicable 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 the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c) The reports on the accounts of the branches 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 Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 Indian Accounting Standards prescribed under section 133 of the Act.
  - f) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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;
  - 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.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us. However, as stated in Note 11.8 to the financial statements and as represented to us by the Management during the aforesaid period ₹10.49 million has been utilized for other than permitted transactions and ₹ 3.96 million has been received from other than permitted transactions.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M. BHASKARA RAO & CO**  
Chartered Accountants  
(Firm's Registration No.000459S)

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)

**M. Bhaskara Rao**  
Partner  
Membership No. 5176

**Ganesh Balakrishnan**  
Partner  
Membership No. 201193

Hyderabad, May 23, 2017



# ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

## **Report on the Internal Financial Controls Over Financial Reporting 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, 2017 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 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 Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company’s internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting 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 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **M. BHASKARA RAO & CO**  
Chartered Accountants  
(Firm’s Registration No.000459S)

**M. Bhaskara Rao**  
Partner  
Membership No. 5176

Hyderabad, May 23, 2017

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm’s Registration No.008072S)

**Ganesh Balakrishnan**  
Partner  
Membership No. 201193

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been mortgaged as security for loans are held in the name of the Company based on the confirmations received. There are no immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the standalone financial statements.
- (ii) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans and having regard to the rollover stipulations for loans to certain parties:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits to which the directions issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, where applicable, during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax (VAT), Cess and any other statutory dues applicable to it, to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Income-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT (contd.)

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2017 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Central Excise Act, 1944	Excise Duty	CESTAT, Bangalore	2007 - 2008	3.55
Finance Act, 1994	Service Tax	CESTAT, Bangalore	2005 - 2011	742.30
	Service Tax	CESTAT, Hyderabad	2010 - 2015	73.88
	Service Tax	Commissioner Appeals, (MESCOM)	2005 - 2007	2.96
	Service Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2007 - 2009	130.21
Sales tax and VAT laws	VAT	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2005 - 2006	14.52
	VAT	CTO, Jubilee Hills, Hyderabad	2006 - 2007	17.96
	VAT	Addl. Commissioner (CT ), Andhra Pradesh	2012 - 2013	74.51
	VAT	Addl. Commissioner (CT ), West Bengal	2010-2011	203.20
	VAT	Sr.Joint Commissioner, Commercial Tax, West Bengal	2013 - 2014	90.71
	VAT	Department of Trade & Taxes, New Delhi	2009 - 2013	239.39
	VAT	Appellate Deputy Commissioner, KERALA	2008 - 2009	2.64
	VAT	Assessing Officer Commercial Tax Dept, Kerala	2013 - 2014	13.14
	VAT	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2011 - 2013	46.49
	VAT	Deputy Commissioner of Sales tax (Appeals), Assam	2005 - 2007	184.10
	VAT	Hon’ble High Court of Madras	2006 - 2007	4.36
	VAT	Sr.Joint Commissioner (Appeals), WEST BENGAL	2008 - 2013	342.84
	VAT	Joint Commissioner (Appeals), Maharashtra	2010 - 2011	29.33
	Sales tax	Sales Tax Appellate Tribunal, ANDHRA PRADESH	1999 - 2007	57.10
	Sales tax	Additional Commissioner, Grade-2 (Appeals), Commercial Tax, Range-5 Lucknow	2006 - 2007	13.96
	Sales Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	1994 - 1995	1.67
	CST	Appellate Authority, Bhopal	2011 - 2015	3.23
	CST	Odisha High Court	2007 - 2012	51.53
	CST	Joint Commissioner (Appeals), Maharashtra	2010 - 2011	86.26
	Entry Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, Commercial Tax Department Andhra Pradesh	2012 - 2013	4.95
	Entry Tax	Odisha High Court	2007 - 2012	22.07

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT (contd.)

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**M. Bhaskara Rao**  
Partner  
Membership No. 5176

Hyderabad, May 23, 2017

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

**Ganesh Balakrishnan**  
Partner  
Membership No. 201193

# BALANCE SHEET AS AT MARCH 31, 2017

(₹ in million)

	NOTE	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	3	5,899.53	5,801.77	5,892.93
Capital Work in Progress	3	12.74	76.43	78.51
Investment Property	3.1	481.25	358.40	380.58
Other Intangible Assets	3.2	22.53	37.31	49.33
Financial Assets				
Investments in Associates	4.1	1,430.35	1,679.65	1,979.64
Other Investments	4.1	8,856.56	7,888.16	8,849.83
Loans	5	-	115.53	395.70
Trade Receivables	6	1,676.58	1,172.12	1,474.47
Other Financial Assets	7	2.66	1.43	4.28
Deferred Tax Assets (Net)	8	1,354.21	814.46	544.84
Non Current Tax Assets (Net)	14	855.63	869.95	925.64
<b>Total Non - Current Assets</b>		<b>20,592.04</b>	18,815.21	20,575.75
<b>Current Assets</b>				
Inventories	9	15,258.25	16,567.70	18,030.93
Financial Assets				
Other Investments	4.2	0.03	2.28	0.03
Trade Receivables	10	35,358.09	30,866.31	27,339.89
Cash and Cash Equivalents	11.1	1,086.60	2,118.49	709.98
Bank balances other than above	11.2	8.04	39.99	416.92
Loans	12	5,860.78	11,494.39	12,361.88
Other Financial Assets	13	1,542.03	2,072.37	2,149.60
Current Tax Assets (Net)	14.1	147.69	633.32	701.82
Other Current Assets	15	9,304.94	9,946.85	10,066.57
<b>Total Current Assets</b>		<b>68,566.45</b>	73,741.70	71,777.62
<b>Total Assets</b>		<b>89,158.49</b>	92,556.91	92,353.37

# BALANCE SHEET AS AT MARCH 31, 2017 (contd.)

(₹ in million)

	NOTE	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	16	1,111.86	1,111.86	1,111.86
Other Equity	17	33,311.00	31,496.31	29,383.40
<b>Total Equity</b>		<b>34,422.86</b>	32,608.17	30,495.26
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
Financial Liabilities				
Borrowings	18	91.07	1,018.63	2,618.47
Trade Payables	19	754.49	497.43	534.70
Provisions	20	268.05	227.99	210.80
<b>Total Non Current Liabilities</b>		<b>1,113.61</b>	1,744.05	3,363.97
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	21	15,282.62	17,165.65	16,626.91
Trade Payables	22	28,680.85	27,710.52	23,008.10
Other Financial Liabilities	23	485.83	869.06	1,589.84
Provisions	24	68.89	59.16	71.46
Current Tax Liabilities (Net)	25	30.94	30.94	-
Other Current Liabilities	26	9,072.89	12,369.36	17,197.83
<b>Total Current Liabilities</b>		<b>53,622.02</b>	58,204.69	58,494.14
<b>Total Equity and Liabilities</b>		<b>89,158.49</b>	92,556.91	92,353.37

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.** For **DELOITTE HASKINS & SELLS**  
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M. BHASKARA RAO**  
Partner

**GANESH BALAKRISHNAN**  
Partner

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

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

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

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

Hyderabad, May 23, 2017

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in million)

	NOTE	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
<b>Income</b>			
Revenue from Operations	27	78,920.73	83,251.55
Other Income	28	1,400.76	2,239.85
<b>Total Income</b>		<b>80,321.49</b>	<b>85,491.40</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	29	29,958.85	38,619.35
Construction Expenses	30	9,347.37	8,395.98
Changes in Inventories of Work in Progress	31	1,398.02	389.59
Sub-contractors Work Bills		26,166.72	23,351.11
Employee Benefits Expense	32	3,315.45	3,007.81
Finance Costs	33	3,956.99	5,088.58
Depreciation and Amortization Expense (Refer note 3, 3.1 and 3.2)		1,120.63	1,099.59
Other Expenses	34	1,882.56	2,111.27
<b>Total Expenses</b>		<b>77,146.59</b>	<b>82,063.28</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>3,174.90</b>	<b>3,428.12</b>
Exceptional Items (Net)	44	(503.37)	(203.23)
<b>Profit Before Tax</b>		<b>2,671.53</b>	<b>3,224.89</b>
<b>Tax Expense</b>	35		
Current Tax (including earlier year taxation)		935.61	1,081.61
Deferred Tax		(519.09)	(258.41)
		<b>416.52</b>	<b>823.20</b>
<b>Profit for the year</b>		<b>2,255.01</b>	<b>2,401.69</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(15.46)	(2.73)
Income tax on above items		5.42	0.96
Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(44.05)	(29.62)
Income tax on above items		15.24	10.25
<b>Other comprehensive income / (loss) for the year</b>		<b>(38.85)</b>	<b>(21.14)</b>
<b>Total comprehensive income for the year</b>		<b>2,216.16</b>	<b>2,380.55</b>
<b>Earnings per share of face value of ₹ 2 each.</b>			
Basic and Diluted - ₹	39	4.06	4.32

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.** For **DELOITTE HASKINS & SELLS**  
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M. BHASKARA RAO**  
Partner

**GANESH BALAKRISHNAN**  
Partner

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

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

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

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

Hyderabad, May 23, 2017

# Statement of Changes in Equity for the year ended March 31, 2017

A. Equity share capital	Number of shares	Amount (₹ in million)
Balance as at April 1, 2015	555,931,588	1,111.86
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2016	555,931,588	1,111.86
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2017	555,931,588	1,111.86

## B. Other equity

(₹ in million)

	Reserves and Surplus						Items of other comprehensive income / (loss)		Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Contingency Reserve	General Reserve	Surplus in Statement of Profit and Loss	Other items of other comprehensive income	Exchange differences on translating financial statement of a foreign operations	
Balance at April 1, 2015	54.33	19,993.03	125.00	220.00	7,129.59	1,861.45	-	-	29,383.40
Transfer from Debenture Redemption Reserve	-	-	(125.00)	-	125.00	-	-	-	-
Transfer to General Reserve	-	-	-	-	1,745.41	(1,745.41)	-	-	-
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-	(1.77)	(19.37)	(21.14)
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	(267.64)	-	-	(267.64)
Profit for the year	-	-	-	-	-	2,401.69	-	-	2,401.69
Balance at March 31, 2016	54.33	19,993.03	-	220.00	9,000.00	2,250.09	(1.77)	(19.37)	31,496.31
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	(401.46)	-	-	(401.46)
Transfer to General Reserve	-	-	-	(220.00)	220.00	-	-	-	-
Profit for the year	-	-	-	-	-	2,255.01	-	-	2,255.01
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-	(10.05)	(28.81)	(38.86)
<b>Balance at March 31, 2017</b>	<b>54.33</b>	<b>19,993.03</b>	<b>-</b>	<b>-</b>	<b>9,220.00</b>	<b>4,103.64</b>	<b>(11.82)</b>	<b>(48.18)</b>	<b>33,311.00</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.**  
CHARTERED ACCOUNTANTS

For **DELOITTE HASKINS & SELLS**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M. BHASKARA RAO**  
Partner

**GANESH BALAKRISHNAN**  
Partner

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

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

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

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

Hyderabad, May 23, 2017



# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in million)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>2,671.53</b>	3,224.89
<b>Adjustments for:</b>		
Depreciation and amortisation expense	<b>1,120.63</b>	1,099.59
Loss / (Profit) on sale of Property, Plant and Equipment, Investment Property (Net)	<b>22.93</b>	(65.01)
Finance costs	<b>3,956.99</b>	5,088.58
Interest income	<b>(1,391.72)</b>	(1,866.94)
Trade Receivables / Advances written off	-	246.21
Provision for doubtful trade receivables, advances and others	<b>263.00</b>	286.00
Exceptional items	<b>503.37</b>	203.23
Rental income from investment properties	<b>(20.77)</b>	(18.10)
Net foreign exchange loss / (gain)	<b>24.10</b>	(184.21)
	<b>4,478.53</b>	4,789.35
<b>Operating profit before working capital changes</b>	<b>7,150.06</b>	8,014.24
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Decrease in Inventories	<b>1,309.45</b>	1,463.23
(Increase) in Trade receivables	<b>(4,923.03)</b>	(3,376.25)
(Increase) / Decrease in other current assets	<b>556.80</b>	(108.18)
(Increase) in other financial assets	<b>(86.77)</b>	(13.15)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Increase in Trade payables	<b>1,236.26</b>	4,661.72
(Decrease ) in other current and financial liabilities	<b>(2,873.47)</b>	(4,836.48)
Increase in Provisions	<b>34.33</b>	7.62
	<b>(4,746.43)</b>	(2,201.49)
Cash generated from operations	<b>2,403.63</b>	5,812.75
Net income tax (Paid)	<b>(435.66)</b>	(926.47)
<b>Net cash flow from operating activities (A)</b>	<b>1,967.97</b>	4,886.28

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

(₹ in million)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>B. Cash flow from investing activities</b>		
Capital expenditure for Property, Plant and Equipment, Investment Property, Intangible Assets including CWIP	<b>(1,349.59)</b>	(1,066.59)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	<b>63.89</b>	156.67
Bank balances not considered as Cash and cash equivalents	<b>31.82</b>	376.45
Purchase of non-current investments		
- Subsidiaries	<b>(2.08)</b>	(4.13)
Refund of share application money	-	4.76
Proceeds from sale of non-current and current investments		
- Subsidiaries	<b>130.13</b>	1,055.54
- Associates	<b>184.37</b>	-
Loans given to subsidiaries, associates and others	<b>(1,511.56)</b>	(121.45)
Loans realised from subsidiaries, associates and others	<b>2,652.93</b>	112.65
Inter Corporate Deposits given	<b>(356.08)</b>	(77.45)
Inter Corporate Deposits realised	<b>2,901.80</b>	1,391.61
Interest received	<b>1,786.00</b>	1,806.16
Rental income from investment property	<b>20.77</b>	18.10
<b>Net cash flow from investing activities (B)</b>	<b>4,552.40</b>	3,652.32
<b>C. Cash flow from financing activities</b>		
Repayment of Debentures	-	(500.00)
Proceeds from long term borrowings	<b>104.18</b>	410.31
Repayment of Long term borrowings	<b>(1,289.13)</b>	(1,564.68)
Net increase / (decrease) in working capital borrowings	<b>(1,883.03)</b>	538.74
Finance cost	<b>(4,082.69)</b>	(5,746.34)
Dividend & Tax on dividend paid	<b>(401.59)</b>	(268.12)
<b>Net cash flow used in financing activities (C)</b>	<b>(7,552.26)</b>	(7,130.09)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(1,031.89)</b>	1,408.51
Cash and cash equivalents at the beginning of the year	<b>2,118.49</b>	709.98
<b>Cash and cash equivalents at the end of the year (Refer note 11.1)</b>	<b>1,086.60</b>	2,118.49
Note: Figures in brackets represents cash outflows.		

See accompanying notes forming part of the financial statements  
In terms of our report attached

For **M. BHASKARA RAO & CO.** For **DELOITTE HASKINS & SELLS**  
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M. BHASKARA RAO**  
Partner

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

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

Hyderabad, May 23, 2017

# Notes forming part of the financial statements

## 1 General Information:

NCC Limited, ("NCCCL", / "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, roads, bridges and flyovers, water supply and environment projects, housing, power transmission lines, irrigation and hydrothermal power projects, real estate development, etc.

## 2 Significant accounting policies:

### 2.1 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 and companies ( Indian Accounting Standards) Amendment Rules, 2016 as applicable.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the first Ind AS financial statements and the date of transition to Ind AS is April 1, 2015. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 47.

### 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for

measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as a net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

### 2.3 Interest in Joint Operations

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

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

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

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

### 2.4 Revenue Recognition

- i) **Project Division:** Revenue from construction contracts is recognised by reference to the stage of completion of the contract activity. The stage of completion is determined by survey of work performed and / or on

# Notes forming part of the financial statements

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.

## 2.5 Other income:

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

## 2.6 Foreign exchange translation and foreign currency transactions:

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

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

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

The exchange difference on restatement of long term receivables / payables from / to foreign operations that are considered as net investments in such operation are recognised in the statement of profit or 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 made to Regional Provident Fund Commissioner are recognised as expense.

For defined post employment 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 and availment, 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.

## 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.

## 2.9.3 Current and deferred tax for the year

Current and deferred tax 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.

## 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

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

# Notes forming part of the financial statements

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 at least at each financial year end.

**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.

## **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 under. 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 under. 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 benefit 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 profit or loss.

## **2.18 Financial assets**

Financial asset is

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

## **2.19 Subsequent measurement of the financial assets**

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

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial

# Notes forming part of the financial statements

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 or 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 or 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.

## 2.21 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.

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

## 2.25 Fair value measurement

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

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

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

# Notes forming part of the financial statements

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 labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

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

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment	The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Fair value measurements and valuation processes	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.  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 qualified valuers to perform the valuation. Finance team works closely with the qualified external 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.



# Notes forming part of the financial statements

Items requiring significant estimate	Assumption and estimation uncertainty
Provision for doubtful receivables	The company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

## 2.30 Exceptional Items:

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

## 2.31 Operating cycle:

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

## 2.32 New standards and interpretations not yet adopted

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

# Notes forming part of the financial statements

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

### Carrying Amount:

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Buildings	287.50	292.12	209.83
Plant and Equipment	3,046.43	3,113.11	3,413.45
Furniture and Fixtures	37.50	34.06	34.42
Construction Vehicles	337.43	498.77	615.04
Office Vehicles	332.11	236.17	232.29
Office Equipment	93.07	96.09	99.64
Lease Hold Improvements	34.94	43.06	43.58
Construction Accessories	1,730.55	1,488.39	1,244.68
<b>Total</b>	<b>5,899.53</b>	<b>5,801.77</b>	<b>5,892.93</b>
<b>Capital work in progress</b>	12.74	76.43	78.51

### Cost or deemed Cost:

(₹ in million)

	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Balance as at April 1, 2015	231.79	5,330.18	68.62	1,469.79	457.44	356.39	57.26	3,518.35	11,489.82
Additions	101.82	251.67	6.88	26.70	65.80	38.54	6.48	562.59	1,060.48
Disposals/Adjustments	2.71	153.45	0.70	1.88	37.89	12.88	-	181.63	391.14
<b>Balance as at March 31, 2016</b>	<b>330.90</b>	<b>5,428.40</b>	<b>74.80</b>	<b>1,494.61</b>	<b>485.35</b>	<b>382.05</b>	<b>63.74</b>	<b>3,899.31</b>	<b>12,159.16</b>
Additions	22.60	447.93	9.67	5.46	153.69	35.05	-	609.44	1,283.84
Disposals/Adjustments	2.63	160.12	2.00	69.82	32.04	15.91	-	90.63	373.15
<b>Balance as at March 31, 2017</b>	<b>350.87</b>	<b>5,716.21</b>	<b>82.47</b>	<b>1,430.25</b>	<b>607.00</b>	<b>401.19</b>	<b>63.74</b>	<b>4,418.12</b>	<b>13,069.85</b>

### Accumulated depreciation

(₹ in million)

	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Balance as at April 1, 2015	21.96	1,916.73	34.20	854.75	225.15	256.75	13.68	2,273.67	5,596.89
Depreciation / Amortization	17.79	500.22	7.14	142.16	51.63	41.32	7.00	307.07	1,074.33
Disposals/Adjustments	0.97	101.66	0.60	1.07	27.60	12.11	-	169.82	313.83
<b>Balance as at March 31, 2016</b>	<b>38.78</b>	<b>2,315.29</b>	<b>40.74</b>	<b>995.84</b>	<b>249.18</b>	<b>285.96</b>	<b>20.68</b>	<b>2,410.92</b>	<b>6,357.39</b>
Depreciation / Amortization	25.13	480.29	6.00	132.69	51.18	37.22	8.12	360.46	1,101.09
Disposals/Adjustments	0.54	125.80	1.77	35.71	25.47	15.06	-	83.81	288.16
<b>Balance as at March 31, 2017</b>	<b>63.37</b>	<b>2,669.78</b>	<b>44.97</b>	<b>1,092.82</b>	<b>274.89</b>	<b>308.12</b>	<b>28.80</b>	<b>2,687.57</b>	<b>7,170.32</b>

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

# Notes forming part of the financial statements

## Note 3.1

### Investment property:

#### Carrying Amount:

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Land - Freehold	217.52	90.19	107.88
Buildings	263.73	268.21	272.70
<b>Total</b>	<b>481.25</b>	<b>358.40</b>	<b>380.58</b>

#### Cost or deemed Cost:

(₹ in million)

	Land - Freehold	Buildings	Total
Balance as at April 1, 2015	107.88	300.27	408.15
Additions	-	-	-
Disposals / Adjustments	17.69	(1.28)	16.41
<b>Balance as at March 31, 2016</b>	<b>90.19</b>	<b>301.55</b>	<b>391.74</b>
Additions	129.42	-	129.42
Disposals / Adjustments	2.09	-	2.09
<b>Balance as at March 31, 2017</b>	<b>217.52</b>	<b>301.55</b>	<b>519.07</b>

#### Accumulated Depreciation:

(₹ in million)

	Land - Freehold	Buildings	Total
Balance as at April 1, 2015	-	27.57	27.57
Depreciation	-	5.05	5.05
Disposals / Adjustments	-	(0.72)	(0.72)
<b>Balance as at March 31, 2016</b>	<b>-</b>	<b>33.34</b>	<b>33.34</b>
Depreciation	-	4.76	4.76
Disposals / Adjustments	-	0.28	0.28
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>37.82</b>	<b>37.82</b>

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

#### Fair value of the investment property

Details of the investment property and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and April 1, 2015, are as follows:

(₹ in million)

	Fair value hierarchy	Fair value as at March 31, 2017	Fair value as at March 31, 2016	Fair value as at April 1, 2015
Land	Level 3	861.25	698.88	732.80
Buildings	Level 3	640.09	576.09	542.54
<b>Total</b>		<b>1,501.34</b>	<b>1274.97</b>	<b>1275.34</b>

# Notes forming part of the financial statements

## 3.2 Intangible Assets

### Carrying Amount:

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Computer Software	22.53	37.31	49.33

### Cost or deemed Cost:

(₹ in million)

	Computer Software	Total
<b>Balance as at April 1, 2015</b>	122.76	<b>122.76</b>
Additions	8.19	<b>8.19</b>
Disposals / Adjustments	-	-
<b>Balance as at March 31, 2016</b>	130.95	<b>130.95</b>
Additions	-	-
Disposals / Adjustments	-	-
<b>Balance as at March 31, 2017</b>	130.95	<b>130.95</b>

### Accumulated Depreciation:

(₹ in million)

	Computer Software	Total
<b>Balance as at April 1, 2015</b>	73.43	<b>73.43</b>
Depreciation	20.21	<b>20.21</b>
Disposals / Adjustments	-	-
<b>Balance as at March 31, 2016</b>	93.64	<b>93.64</b>
Depreciation	14.78	<b>14.78</b>
Disposals / Adjustments	-	-
<b>Balance as at March 31, 2017</b>	108.42	<b>108.42</b>

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>4 Investments</b>						
<b>4.1 Non Current Investments</b>						
<b>A Trade (Unquoted) (At Cost)</b>						
<b>a In Subsidiaries</b>						
<b>(i) Investment in equity shares</b>						
<u>In Shares of ₹ 10 each, fully paid up</u>						
NCC Infrastructure Holdings Limited (Refer note 4.3)	<b>3,82,827,745</b>	<b>3,992.81</b>	4,71,323,321	4,915.80	4,71,323,321	4,915.80
<b>Less:</b> Provision for Impairment in value of Investments		<b>213.00</b>		213.00		-
		<b>3,779.81</b>		4,702.80		4,915.80
NCC Urban Infrastructure Limited (Refer note 4.4)	<b>1,20,000,000</b>	<b>1,200.00</b>	1,20,000,000	1,200.00	1,20,000,000	1,200.00
NCC Vizag Urban Infrastructure Limited	<b>50,000,000</b>	<b>500.00</b>	50,000,000	500.00	50,000,000	500.00
OB Infrastructure Limited (Valued at ₹ 6,000) (Refer note 4.5)	<b>600</b>	-	600	-	7,548,281	745.79
Western UP Tollway Limited (Refer note 4.6 and 4.10)	-	-	-	-	225,000	2.25
Patnitop Ropeway & Resorts Limited	<b>2,255,300</b>	<b>22.56</b>	2,255,300	22.56	2,255,300	22.56
<b>Less:</b> Provision for Impairment in value of Investments		<b>9.50</b>		-		-
		<b>13.06</b>		22.56		22.56
Naftogaz Engineering Private Limited	<b>50,000</b>	<b>0.50</b>	50,000	0.50	50,000	0.50
<b>Less:</b> Provision for Impairment in value of Investments		<b>0.50</b>		-		-
		-		0.50		0.50
NCC International Convention Centre Limited	<b>1,000,000</b>	<b>10.00</b>	1,000,000	10.00	1,000,000	10.00
<b>Less:</b> Provision for Impairment in value of Investments		<b>10.00</b>		-		-
		-		10.00		10.00
NCC Oil & Gas Limited	<b>40,000</b>	<b>0.40</b>	40,000	0.40	40,000	0.40
Vaidehi Avenues Limited	<b>5,163,422</b>	<b>51.64</b>	5,058,046	50.58	4,645,300	46.45
Savitra Agri Industrial Park Private Limited (formerly known NCC Power projects (Sompeta) Private Limited) (Refer note 4.10)	-	-	69,600	0.69	69,600	0.69
Pachhwara Coal Mining Private Limited	<b>102,000</b>	<b>1.02</b>	-	-	-	-
<u>In Equity Shares of ₹ 5/- each, fully paid up</u>						
Aster Rail Private Limited	<b>3,098,800</b>	<b>15.49</b>	3,098,800	15.49	3,098,800	15.49
<u>In Shares of Omani Rials one each, fully paid up</u>						
Nagarjuna Construction Company International LLC, Oman	<b>8,316,000</b>	<b>1,172.97</b>	5,100,000	611.69	5,100,000	611.69

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<u>In Shares of US \$ 10 each, fully paid up</u>						
NCC Infrastructure Holdings Mauritius Pte. Ltd. (Refer note 47)	<b>2,687,508</b>	<b>618.79</b>	2,687,508	618.79	2,687,508	618.79
<u>In Shares of 'AED' 1000 each, fully paid up</u>						
Nagarjuna Contracting Company Limited, LLC, Dubai	<b>300</b>	<b>3.44</b>	300	3.44	300	3.44
<u>In Shares of 'Shillings' 100, each fully paid up</u>						
Nagarjuna Construction Company Limited, Kenya * (Valued at ₹ 3,250 )	<b>65</b>	<b>.*</b>	65	.*	65	.*
<b>(ii) Investment in debentures</b>						
0% Compulsory Convertible Debentures						
NCC Infrastructure Holdings Mauritius Pte. Ltd. (US \$ 1 each)	<b>20,540,600</b>	<b>1,348.72</b>	-	-	-	-
<b>Total aggregate investments in Subsidiaries</b>		<b>8,705.34</b>		<b>7,736.94</b>		<b>8,693.85</b>
<b>b In Associates</b>						
<b>(i) Investment in equity shares</b>						
<u>In Shares of ₹ 10 each, fully paid up</u>						
Jubilee Hills Land Mark Projects Private Limited	<b>2,500,000</b>	<b>25.00</b>	2,500,000	25.00	2,500,000	25.00
<b>Less:</b> Provision for Impairment in value of Investments		<b>25.00</b>		25.00		-
		-		-		25.00
Tellapur Techno City Private Limited	<b>14,702,600</b>	<b>147.03</b>	14,702,600	147.03	14,702,600	147.03
Paschal Form Work (India) Private Limited	<b>6,549,892</b>	<b>69.14</b>	6,549,892	69.14	6,549,892	69.14
Brindavan Infrastructure Company Limited	<b>8,643,036</b>	<b>34.58</b>	8,643,036	34.58	8,643,036	34.58
Bangalore Elevated Tollway Limited(Refer note 4.7 and 4.10)	-	-	80,400	0.80	80,400	0.80
Pondichery Tindivanam Tollway Limited (valued at ₹ 1,000) (Refer note 4.8 and 4.10)	<b>100</b>	-	1,775,250	168.53	1,775,250	168.52
<u>In Shares of one USD each fully paid up</u>						
Apollonius Coal and Energy Pte Limited	<b>1,498,757</b>	<b>79.97</b>	1,498,757	79.97	1,498,757	79.97
<b>Less:</b> Provision for Impairment in value of Investments		<b>79.97</b>		-		-
		-		79.97		79.97
<u>In Shares of 'AED' 1000 each fully paid up</u>						

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Nagarjuna Facilities Management Services, LLC, Dubai	147	1.72	147	1.72	147	1.72
<b>(ii) Investment in preference shares</b>						
2% Redeemable Preference Shares of ₹ 100 each fully paidup						
Jubilee Hills Land Mark Projects Private Limited	4,274,999	427.50	4,274,999	427.50	4,274,999	427.50
<b>Less:</b> Provision for Impairment in value of Investments		275.00		275.00		
		152.50		152.50		427.50
<b>(iii) Investment in debentures</b>						
Jubilee Hills Land Mark Projects Private Limited (of ₹ 100 each, fully paid up)	5,092,252	509.23	5,092,252	509.23	5,092,252	509.23
Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up) (Refer note 47)	737,248,092	516.15	737,248,092	516.15	737,248,092	516.15
<b>Total aggregate investments in Associates</b>		1,430.35		1,679.65		1,979.64
<b>c In Other entities</b>						
Investments - fair value through profit and loss account						
<u>In Shares of ₹ 10 each, fully paid up</u>						
SNP Developers and Projects LLP (Refer note 47)		9.66		9.66		9.66
SNP Ventures LLP (formerly SNP Ventures Private Limited) (Refer note 47)		97.15		97.15	3,368,231	97.15
SNP Property Developers LLP (Refer note 47) (formerly SNP Property Development Private Limited)		29.31		29.31	1,700,275	29.31
NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00	1,499,900	15.00
<u>In Shares of ₹ 25 each, fully paid up</u>						
Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10	4,040	0.10
<b>C Trade (Quoted)</b>						
Investment in equity instruments						
<u>In Shares of ₹ 10 each, fully paid up</u>						
NCC Finance Limited [ ** (Value ₹ 90) ]	9	_*	9	_*	9	_*
Share Application Money to associate						4.76
<b>Total aggregate investments in Other entities</b>		151.22		151.22		155.98
<b>Grand Total</b>		10,286.94		9,567.81		10,829.47
<b>4.2 Current Investments</b>						
Trade (Unquoted) (At Cost)						
<b>(i) In Subsidiaries</b>						

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
In Shares of ₹ 10 each, fully paid up						
Western UP Tollway Limited (Refer note 4.6 and 4.10)	-	-	225,000.00	2.25	-	-
<b>(ii) In Other entities</b>						
Himachal Sorang Power Limited (Refer note 4.9)	3,400	0.03	3,400	0.03	3,400	0.03
<b>Total</b>		0.03		2.28		0.03
Aggregate amount of Unquoted Investments		10,899.91		10,083.09		10,829.50
Aggregate market value of Quoted Investments		₹ **		₹ **		₹ **
Aggregate amount of impairment in value of investments		612.97		513.00		-
** Market value of ₹ 17.91 (31.03.2016: ₹ 13.14 and 01.04.2015: ₹ 7.11 )						

- 4.3** Of these 212,318,091 (31.03.2016: 212,318,091 and 01.04.2015: 212,318,091) equity shares have been pledged with State Bank of India, Nil (31.03.2016: 58,240,000 and 01.04.2015: 79,040,000) equity shares have been pledged to Standard Chartered Securities (India) Limited and Nil (31.03.2016: 88,495,576 and 01.04.2015: Nil ) equity shares have been pledged to Gayatri Energy Ventures Private Limited.
- 4.4** Of these 61,500,000 (31.03.2016: 61,500,000 and 01.04.2015: 61,500,000) equity shares have been pledged with State Bank of India.
- 4.5** Of these Nil (31.03.2016: Nil and 01.04.2015: 3,849,368) and equity shares have been pledged with IDBI Trustee Ship Services Limited for the Redeemable Non convertible debentures issued by OB Infrastructure Limited.
- 4.6** Of these Nil ( 31.03.2016: 224,600 and 01.04.2015: 224,600) equity shares have been pledged to the consortium of bankers for the term loan availed by Western UP Tollway Limited.
- 4.7** Of these Nil (31.03.2016: Nil and 01.04.2015: 40,800) equity shares have been pledged to the consortium of bankers for the term loan availed by Bangalore Elevated Tollway Limited.
- 4.8** Of these Nil (31.03.2016 : 564,833 and 01.04.2015: 564,833) equity shares have been pledged to IDBI Trustee Ship Services Limited and Nil ( 31.03.2016: 137,831 and 01.04.2015: 137,831) equity shares have been pledged to Axis Bank for the term loan availed by Pondichery Tindivanam Tollway Limited.
- 4.9** Of these 2652 (31.03.2016 : 2,652 and 01.04.2015: 2,652) equity shares have been pledged with Axis Bank and 748 (31.03.2016 :748 and 01.04.2015: 748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. The Company in the year 2012 -13, has entered into securities purchase agreement for disposal of these shares, subject to compliance with the various conditions mentioned in the agreement.
- 4.10** During the year the Company has sold its investment in these entities and the relationship is ceased with effect from below dates:
- Western UP Tollway Limited - May 11, 2016
  - Pondichery Tindivanam Tollway Limited - September 1, 2016
  - Savitra Agri Industrial Park Private Limited (formerly known as NCC Power projects Sompeta Private Limited) - November 30, 2016
  - Bangalore Elevated Tollway Limited - October 18, 2016



# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>5 Loans</b>			
Unsecured, Considered good			
Loans to Related Parties(Refer note 12.1 and 47)			
Subsidiary	-	115.53	395.70
<b>Total</b>	<b>-</b>	<b>115.53</b>	<b>395.70</b>
<b>6 Trade Receivables</b>			
Retention Money	<b>1,676.58</b>	1,172.12	1,474.47
<b>7 Other Financial Assets</b>			
Unsecured, Considered good			
Deposits with Customers and Others	<b>2.66</b>	1.43	4.28
<b>8 Deferred Tax Assets (Net) (Refer note 46)</b>	<b>1,354.21</b>	814.46	544.84
<b>9 Inventories</b>			
Raw Materials - at cost or under	<b>3,628.28</b>	3,642.62	4,671.94
Raw Material in Transit - at cost or under	<b>114.86</b>	0.13	25.40
Work-in-progress	<b>11,357.46</b>	12,755.48	13,145.07
Property Development Cost - at cost or under	<b>157.65</b>	169.47	188.52
<b>Total</b>	<b>15,258.25</b>	<b>16,567.70</b>	<b>18,030.93</b>
<b>10 Trade Receivables</b>			
Unsecured (Refer note 10.1 to 10.4)			
Considered Good	<b>35,358.09</b>	30,866.31	27,339.89
Considered Doubtful	<b>403.00</b>	230.00	170.00
	<b>35,761.09</b>	31,096.31	27,509.89
Less : Allowance for doubtful trade receivables	<b>403.00</b>	230.00	170.00
<b>Total</b>	<b>35,358.09</b>	<b>30,866.31</b>	<b>27,339.89</b>

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

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

**10.3** Movement in the allowance for doubtful receivables

(₹ in million)

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	230.00	170.00
Add: Allowance for doubtful receivables	173.00	60.00
Balance at the end of the year	403.00	230.00

**10.4** Trade receivables includes retention money not fallen due of ₹ 11,857.17 million (31.03.2016: ₹ 11,218.23 million and 01.04.2015: ₹ 9,250.03 million).

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>11 Cash and Bank Balances</b>			
<b>11.1 Cash and Cash Equivalents</b>			
Cash on hand (Refer note 11.3)	6.84	15.32	15.48
Balances with Banks			
In Current Accounts (Refer note 11.4)	1,064.72	1,938.82	639.88
In Deposit Accounts with maturity less than 3 months	15.04	164.35	54.62
	1,086.60	2,118.49	709.98
<b>11.2 Other Bank Balances</b>			
In Deposit Accounts			
Margin Money Deposits (Refer note 11.5)	1.39	30.94	96.50
In Deposit Accounts with maturity more than 3 months	2.50	4.77	165.23
	3.89	35.71	261.73
Earmarked balances with Banks			
Unpaid dividend accounts (Refer note 11.6)	4.15	4.28	4.76
Long Term Deposits (Refer note 11.7)	-	-	150.43
	4.15	4.28	155.19
<b>Total</b>	<b>1,094.64</b>	<b>2,158.48</b>	<b>1,126.90</b>

**11.3** Cash on hand includes ₹ 0.15 million (31.03.2016: ₹ 0.18 million and 01.04.2015: ₹ 0.51 million) held in foreign currency.

**11.4** Current account balance includes ₹ 0.05 million (31.03.2016: ₹ 0.07 million and 01.04.2015: ₹ 0.40 million) remittance in transit

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

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

**11.7** Represents Cash and Cash equivalents but pursuant to notification issued by Ministry of Corporate Affairs vide circular no. 04/2013, dated February 11, 2013, the Company has deposited ₹ Nil (31.03.2016: ₹ Nil and 01.04.2015: ₹ 150.43 million) in a scheduled bank and which are not available for use by the Company other than specific purpose.

**11.8** Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 across various locations are given below.

(₹ in million)

S. No.	Particulars	SBNs	Other Denomination Notes	Total
(i)	Closing cash in hand as on November 8, 2016	17.18	15.30	32.48
(ii)	(+) Permitted Receipts	-	66.79	66.79
(iii)	(+) Non Permitted Receipts	3.96	-	3.96
(iv)	(-) Permitted Payments	-	68.01	68.01
(v)	(-) Non Permitted Payments	10.49	-	10.49
(vi)	(-) Amount deposited in banks	10.65	0.30	10.95
(vii)	Closing cash in hand as on December 30, 2016	-	13.78	13.78

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>12 Loans</b>			
Secured, considered good			
Loans to Related Parties			
Other Body Corporate (Refer note 12.1 and 12.2)	-	70.24	69.61
Unsecured, considered good			
Loans to Related Parties (Refer note 12.1 and 47)			
Subsidiaries	5,326.15	8,299.55	8,183.57
Associates	-	0.74	0.74
Inter Corporate Deposits - Subsidiary (Refer note 12.1)	259.12	2,804.83	3,759.00
Loan to Other Body Corporate	196.00	196.00	196.00
Loans and Advances to Employees	79.51	123.03	152.96
<b>Total</b>	<b>5,860.78</b>	<b>11,494.39</b>	<b>12,361.88</b>

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

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	Maximum outstanding during the year (2016-17)	Maximum outstanding during the year (2015-16)
<b>(i) Subsidiaries</b>				
NCC Urban Infrastructure Limited	3,523.03	4,009.54	4,057.54	4,062.20
NCC Vizag Urban Infrastructure Limited	1,107.52	1,105.25	1,107.52	1,105.25
NCC Infrastructure Mauritius Pte Limited	-	1,365.72	2,239.39	2,185.72
Western UP Tollway Limited	-	235.59	235.59	235.59
Nagarjuna Contracting Company LLC	652.10	650.37	870.84	831.37
NCC International LLC, Oman	-	363.42	510.10	363.42
Savitra Agri Industrial Park Private Limited (formerly known as NCC Power projects Sompeta Private Limited)	-	641.70	642.70	641.70
NCC Infrastructure Holdings Limited	259.12	2,804.83	2,808.84	4,119.00
Aster Rail Private Limited	43.49	43.49	43.49	43.49
<b>(ii) Associates</b>				
Jubilee Hills Landmark Projects Private Limited	-	0.74	0.74	0.74
<b>(iii) Advances in the nature of Loan to company in which Directors are interested and where there is no repayment schedule</b>				
NCC Blue Water Products Limited	-	70.24	70.24	70.24
<b>(iv) Advances in the nature of Loans where no interest is charged or interest is below as per Section 186 of Companies Act, 2013</b>				
NCC Blue Water Products Limited	-	70.24	70.24	70.24
Aster Rail Private Limited	43.49	43.49	43.49	43.49

# Notes forming part of the financial statements

## 12.2 Secured by equitable mortgage of immovable properties of a body corporate

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
<b>13 Other Financial Assets</b>						
Unsecured, considered good						
Advances recoverable		<b>371.97</b>		286.42		270.43
Interest Accrued on Deposits and others (Refer note 47)						
Considered Good	<b>1,170.06</b>		1,785.95		1,879.17	
Considered Doubtful	<b>387.30</b>		-		-	
	<b>1,557.36</b>		1,785.95		1,879.17	
Less : Allowance for doubtful interest	<b>387.30</b>		-		-	
		<b>1,170.06</b>		1,785.95		1,879.17
<b>Total</b>		<b>1,542.03</b>		2,072.37		2,149.60
<b>14 Non Current tax asset (net)</b>						
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>855.63</b>		869.95		925.64
<b>14.1 Current Tax Assets (Net)</b>						
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>147.69</b>		633.32		701.82
<b>15 Other Current Assets</b>						
Advances to Suppliers, Sub-contractors and Others (Refer note 15.1 and 47)						
Considered Good	<b>4,768.46</b>		5,469.91		6,413.59	
Considered Doubtful	<b>487.66</b>		384.60		158.60	
	<b>5,256.12</b>		5,854.51		6,572.19	
Less : Allowance for doubtful advances	<b>487.66</b>		384.60		158.60	
		<b>4,768.46</b>		5,469.91		6,413.59
Prepaid Expenses		<b>304.56</b>		304.79		297.54
Balances with Government Authorities						
Sales Tax / Value Added Tax credit receivable		<b>3,775.11</b>		3,411.92		3,240.59
Service Tax credit receivable		<b>456.81</b>		760.23		114.85
<b>Total</b>		<b>9,304.94</b>		9,946.85		10,066.57

**15.1** Advances to Suppliers, Sub-contractors and others, includes advance to subsidiaries and associates ₹ 311.30 million (31.03.2016: ₹ 219.11 million).

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>16 Share Capital</b>						
<b>Authorised :</b>						
Equity Shares of ₹ 2 each	750,000,000	1,500.00	750,000,000	1,500.00	750,000,000	1,500.00
<b>Issued :</b>						
Equity Shares of ₹ 2 each (Refer note 16.3)	555,931,588	1,111.86	555,931,588	1,111.86	556,181,588	1,112.36
<b>Subscribed and Paid up :</b>						
Equity Shares of ₹ 2 each	555,931,588	1,111.86	555,931,588	1,111.86	555,931,588	1,111.86
<b>Total</b>		1,111.86		1,111.86		1,111.86

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

(₹ in million)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	555,931,588	1,111.86	555,931,588	1,111.86
Add: Equity shares allotted	-	-	-	-
Balance at end of the year	555,931,588	1,111.86	555,931,588	1,111.86

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Blackstone GPV Capital Partners Mauritius V-A Ltd.	-	-	54,903,498	9.88	55,032,681	9.90
Smt. Rekha Jhunjunwala	45,108,266	8.11	45,233,266	8.14	54,233,266	9.76
A V S R Holdings Private Limited	36,352,278	6.54	34,052,278	6.13	34,052,278	6.13
UTI Mutual Fund	-	-	20,462,662	3.68	36,371,415	6.54

## 16.3 Details of unsubscribed equity shares

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 2 each	_*	_*	_*	_*	250,000	0.50

\* Pursuant to the approval of the shareholders during the meeting held on August 24, 2015, the unsubscribed portion of the issued share capital of the Company representing 250,000 equity shares ₹ 2 each amounting to ₹ 500,000 has been cancelled.

**16.4** Unclaimed equity shares of 108,667 (31.03.2016: 108, 667 and 01.04.2015: 109, 825) are held in "NCC Limited - Unclaimed suspense account " in trust.

# Notes forming part of the financial statements

## 16.5 Rights of the share holders

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

**16.6** 501,831 (31.03.2016:7,57,810 and 01.04.2015:18,700) 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.

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015
<b>17 Other Equity</b>					
<b>17.1 Capital Reserve</b>		<b>54.33</b>		54.33	54.33
<b>17.2 Securities Premium (Refer Note 17.2.a)</b>		<b>19,993.03</b>		19,993.03	19,993.03
<b>17.3 Debenture Redemption Reserve</b>					
Opening balance	-		125.00		
<b>Less:</b> Transfer to General Reserve	-		125.00		
Closing balance		-		-	125.00
<b>17.4 Contingency Reserve</b>					
Opening balance	<b>220.00</b>		220.00		
<b>Less:</b> Transfer to General Reserve	<b>220.00</b>		-		
Closing balance		-		220.00	220.00
<b>17.5 General Reserve (Refer Note 17.5.a)</b>					
Opening balance	<b>9,000.00</b>		7,129.59		
<b>Add:</b> Transfer from Debenture Redemption Reserve	-		125.00		
<b>Add :</b> Transfer from Contingency Reserve	<b>220.00</b>		-		
<b>Add :</b> Transfer from Surplus in Statement of Profit and Loss	-		1,745.41		
Closing balance		<b>9,220.00</b>		9,000.00	7,129.59
<b>17.6 Surplus in Statement of Profit and Loss (Refer Note 17.6.a)</b>					
Opening balance	<b>2,250.09</b>		1,861.45		
<b>Add :</b> Profit for the year	<b>2,255.01</b>		2,401.69		
	<b>4,505.10</b>		4,263.14		
<b>Less :</b> Appropriations					
Dividend distributed on equity shares	<b>333.56</b>		222.37		
Tax on Dividend Paid	<b>67.90</b>		45.27		
Transfer to General Reserve	-		1,745.41		
	<b>401.46</b>		2,013.05		
Closing balance		<b>4,103.64</b>		2,250.09	1,861.45
<b>17.7 Other Components of Equity</b>					
Remeasurements of the defined benefit plans (Net of tax ) (Refer note 17.7.a)		<b>(11.82)</b>		(1.77)	-
Exchange differences in translating the financial statements of foreign operations (Net of tax) (Refer note 17.7.b)		<b>(48.18)</b>		(19.37)	-
<b>Total</b>		<b>33,311.00</b>		31,496.31	29,383.40

# Notes forming part of the financial statements

- 17.2. a** Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Act.
- 17.5. a** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- 17.6. a** Retained earnings represents the Company's undistributed earnings after taxes.
- 17.6. b** In respect of the year ended March 31, 2017, the directors propose that a dividend of ₹ 0.40 per share be paid on fully paid equity shares. This equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 222.37 million including dividend distribution tax of ₹ 45.27 million.
- 17.7. a** It represents the actuarial gain/(loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.
- 17.7. b** It represents the exchange differences accumulated when the foreign operations financial statements are converted from their functional currency to presentation currency of the Company.

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current*	Non Current	Current*	Non Current	Current*
<b>18 Borrowings</b>						
<b>Debentures</b>						
<b>Unsecured - at amortised cost</b>						
9.50% Redeemable, Non-convertible Debentures (Refer note 18.1)	-	-	-	-	-	500.00
<b>Term Loans</b>						
<b>Secured - at amortised cost</b>						
From Banks (Refer note 18.2)	32.62	352.94	1,007.51	591.66	2,565.83	43.48
From Other Parties (Refer note 18.3)	19.42	14.14	1.59	43.20	43.39	132.47
<b>Vehicle Loans</b>						
<b>Secured - at amortised cost</b>						
From Banks (Refer note 18.4)	9.69	6.15	3.86	3.44	2.33	4.94
From Others (Refer note 18.4)	29.34	19.78	5.67	6.45	6.92	5.79
<b>Total</b>	<b>91.07</b>	<b>393.01</b>	<b>1,018.63</b>	<b>644.75</b>	<b>2,618.47</b>	<b>686.68</b>

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

## 18.1 9.50 % Redeemable Non-Convertible Debentures

- Debentures numbering to 500 having face value of ₹ 4 million each comprising of four (4) Detachable and Separately Transferable Redeemable principal parts ("STRPPS") of face value of ₹ 1 million each aggregating to ₹ 2,000 million privately placed with ICICI Bank Limited.
- These Debentures are to be redeemed at par in four equated installments commencing at the end of second year from the date of allotment i.e. August 11, 2012 onwards.
- During the year 2015-16 the final installment has been repaid.

# Notes forming part of the financial statements

## 18.2 Term Loans from Banks

- (i) Term loans from Andhra Bank, State Bank of Hyderabad, State Bank of India, Syndicate Bank, Indian Overseas Bank, Canara Bank and Standard Chartered Bank outstanding balance as at March 31, 2017 ₹ 319.45 million (31.03.2016: ₹ 1,512.00 million and 01.04.2015: ₹ 2,572.00 million) are secured, in terms of the sanction letter, by:

- first parri-passu charge on the properties owned by NCC Limited, NCC Urban Infrastructure Limited, Dhatri Developers and Properties Private Limited and the subsidiaries of NCC Urban Infrastructure Limited
- pledge of shares of NCC Urban Infrastructure Limited held by NCC Limited.
- personal guarantees of Sri AAV Ranga Raju, Sri AGK Raju, Sri ASN Raju, Sri AVN Raju, Sri AKHS Rama Raju, Sri NR Alluri and Sri JV Ranga Raju.

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

- (ii) HDFC Bank

- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery

- (iii) Axis Bank Limited

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

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

S. No.	Particulars	Number of Loans outstanding As at			Outstanding balance As at (₹ in million)			Interest Range % per annum	Balance number of Installments as at			Frequency of Installments	Commencing From- To
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015		31.03.2017	31.03.2016	01.04.2015		
(i)	Indus Ind Bank Ltd	-	-	3	-	-	37.07	12.25	-	-	2 to 11	Monthly	July 31, 2011 to February 15, 2016
(ii)	HDFC Bank	-	2	4	-	0.45	3.34	10.50	-	4 to 8	1 to 20	Monthly	June 20, 2012 to November 06, 2016
(iii)	Axis Bank Limited	13	11	1	67.11	93.37	16.14	9.85 to 10.75	21 to 26	33 to 35	12	Monthly	May 01, 2012 to May 20, 2019



# Notes forming part of the financial statements

## 18.3 Term Loans from Others Parties:-

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

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

S. No.	Particulars	Number of Loans outstanding As at			Outstanding balance As at (₹ in million)			Interest Range % per annum	Balance number of Installments as at			Frequency of Installments	Commencing From- To
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015		31.03.2017	31.03.2016	01.04.2015		
(i)	SREI Equipment Finance Limited	2	3	4	1.60	6.08	23.71	10.25 to 13	4 to 12	5 to 24	12. to 28	Monthly	June 03, 2013 to March 22, 2018
(ii)	L&T Finance Limited	-	3	3	-	19.22	60.30	11.46 to 12	-	4 to 6	16 to 18	Monthly	September 10, 2012 to September 05, 2016
(iii)	Siemens Financial Services (P) Limited	-	1	1	-	3.64	24.01	12	-	2	14	Monthly	June 22, 2013 to May 22, 2016
(iv)	Shri Ram Equipment Finance Company Limited	-	1	1	-	3.22	39.35	12.50	-	1	13	Monthly	June 22, 2013 to April 22, 2016
(v)	Tata Capital Financial Services Limited	3	3	3	31.96	12.63	28.49	10 to 12.75	27 to 31	7 to 9	19 to 21	Monthly	December 09, 2013 to October 15, 2019

## 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 7.43 % to 11.93 % per annum.

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
<b>19 Trade Payables</b>						
Retention money		754.49		497.43		534.70
<b>Total</b>		754.49		497.43		534.70
<b>20 Provisions</b>						
Provision for Employee Benefits						
Compensated absences (Refer note 20.2)		180.52		164.10		145.35
Gratuity (Refer note 20.1)		87.53		63.89		65.45
<b>Total</b>		268.05		227.99		210.80

# Notes forming part of the financial statements

**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

- (i) Liability for gratuity as on March 31, 2017 is ₹ 143.18 million (31.03.2016: ₹ 123.17 million and 01.04.2015: ₹ 113.32 million) of which ₹ 31.89 million (31.03.2016: ₹ 41.15 million and 01.04.2015: ₹ 24.86 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 111.29 million (31.03.2016: ₹ 82.02 million and 01.04.2015: ₹ 88.46 million) is included in Provision for Gratuity.
- (ii) Details of the company's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary.

Amount to be recognised in Balance Sheet

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present Value of Funded Obligations	<b>143.18</b>	123.17	113.32
Fair Value of Plan Assets	<b>(31.89)</b>	(41.15)	(24.86)
Net Liability	<b>111.29</b>	82.02	88.46

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

	Year Ended March 31, 2017	Year Ended March 31, 2016
Current Service Cost	<b>20.04</b>	19.15
Interest on Defined Benefit Obligation	<b>9.85</b>	9.07
Expected Return on Plan assets	<b>(2.76)</b>	-
Direct Payments	-	-
Total included in "Employee Benefits Expense"	<b>27.13</b>	28.22

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

	Year Ended March 31, 2017	Year Ended March 31, 2016
Return on Plan Assets	-	(2.56)
Net Actuarial Losses / (Gains) Recognised in Year	<b>15.46</b>	5.30
Total included in "Other Comprehensive Income"	<b>15.46</b>	2.74

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

	Year Ended March 31, 2017	Year Ended March 31, 2016	As at April 1, 2015
Change in Defined Benefit Obligation			
Opening Defined Benefit Obligation	<b>123.17</b>	113.32	101.88
Current Service Cost	<b>20.04</b>	19.15	14.58
Interest Cost	<b>9.85</b>	9.07	9.17
Actuarial Losses / (Gain)	<b>15.46</b>	5.30	9.15
Benefits Paid	<b>(25.34)</b>	(23.67)	(21.46)
Closing Defined Benefit Obligation	<b>143.18</b>	123.17	113.32
Opening Fair Value of Plan assets	<b>41.15</b>	24.86	33.99
Expected Return on Plan Assets	<b>2.47</b>	2.56	2.33
Contributions	<b>13.61</b>	37.40	10.00
Benefits Paid	<b>(25.34)</b>	(23.67)	(21.46)
Closing Fair Value of Plan Assets	<b>31.89</b>	41.15	24.86
Expected Employer's Contribution Next Year	<b>30.00</b>	30.00	24.40

# Notes forming part of the financial statements

## (vi) Asset information

	Year Ended March 31, 2017	Year Ended March 31, 2016	As at April 1, 2015
Category of Assets			
Insurer Managed Funds – Life Insurance Corporation of India	100%	100%	100%
Amount - ₹ in million	31.89	41.15	24.86

## (vii) Experience Adjustments

	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligations	143.18	123.17	113.32	101.88	97.56
Plan Assets	31.89	41.15	24.86	33.99	52.40
Surplus/(Deficit)	(111.29)	(82.02)	(88.46)	(67.89)	(45.16)
Experience Adjustments on Plan Liabilities	-	-	-	-	-
Experience Adjustments on Plan Assets	2.49	2.56	2.33	3.61	3.42

## (viii) Sensitivity Analysis

	Gratuity Plan		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assumptions			
Discount rate	8%	8%	8%
Estimated rate of return on plan assets	8.25%	8.35%	9%
Expected rate of salary increase	10%	10%	10%
Attrition rate	20%	20%	20%
Sensitivity analysis – DBO at the end of the year			
Discount rate + 100 basis points	7.79	6.68	6.76
Discount rate - 100 basis points	8.62	7.39	6.91
Salary increase rate +1%	3.27	3.07	2.24
Salary increase rate -1%	3.50	3.39	3.05
Attrition rate +1%	7.79	6.68	6.76
Attrition rate -1%	8.62	7.39	6.91

20.2 The Liability for Cost of Compensated absences is ₹ 225.65 million (31.03.2016: ₹ 205.13 million and 01.04.2015: ₹ 193.80 million) has been actuarially determined and provided for in the books.

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>21 Borrowings</b>			
Loans repayable on demand			
Secured Loans - Banks			
Working Capital Demand Loan (Refer note 21.1)	5,487.12	4,369.28	5,918.04
Cash Credit (Refer note 21.1)	9,795.50	12,546.37	10,708.87
Unsecured Loans			
From Others (Refer note 21.2)	-	250.00	-
<b>Total</b>	<b>15,282.62</b>	<b>17,165.65</b>	<b>16,626.91</b>

# Notes forming part of the financial statements

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

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

This facility carries an interest rate of 13.50% per annum.

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

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>22 Trade Payables</b>			
Acceptances	<b>2,758.00</b>	4,584.95	5,073.42
Other than Acceptances (includes retention money payable)	<b>25,922.85</b>	23,125.57	17,934.68
<b>Total</b>	<b>28,680.85</b>	27,710.52	23,008.10

**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	<b>9.23</b>	22.97	11.16
b)	Interest due thereon	<b>1.48</b>	0.67	0.59
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.	-	-	-
	Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.			

# Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>23 Other Financial Liabilities</b>			
Current maturities of Long Term Borrowings (Refer note 18)	393.01	644.75	686.68
Interest Accrued but not due on borrowings and others	87.19	219.36	889.81
Unpaid Dividend Accounts	4.15	4.28	4.76
Other Payables			
Payables on purchase of Fixed Assets	-	-	8.00
Interest Accrued on Trade Payables (Refer note 22.1)	1.48	0.67	0.59
<b>Total</b>	<b>485.83</b>	<b>869.06</b>	<b>1,589.84</b>
<b>24 Provisions</b>			
Provision for Employee Benefits			
Compensated absences (Refer note 20.2)	45.13	41.03	48.45
Gratuity (Refer note 20.1)	23.76	18.13	23.01
<b>Total</b>	<b>68.89</b>	<b>59.16</b>	<b>71.46</b>
<b>25 Current Tax Liabilities (Net)</b>			
Provision for Tax (Net of Advance Tax)	30.94	30.94	-
<b>26 Other Current Liabilities</b>			
Statutory remittances	531.73	690.26	641.94
Mobilisation Advance from Customers	5,718.53	6,332.93	9,924.75
Advances from Customers and others	2,822.63	5,346.17	6,631.14
<b>Total</b>	<b>9,072.89</b>	<b>12,369.36</b>	<b>17,197.83</b>

(₹ in million)

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>27 Revenue from Operations</b>		
Income from Contracts and Services	78,802.66	82,634.06
Other Operating Income	118.07	617.49
<b>Total</b>	<b>78,920.73</b>	<b>83,251.55</b>
<b>28 Other Income</b>		
Interest Income		
Deposits and Others	97.89	114.81
Loans and Advances	852.53	1,738.72
Income Tax refund	440.75	9.97
Others	0.55	3.44
Net Gain / (Loss) on foreign currency transactions	(81.20)	198.84
Other Non-Operating Income		
Rental Income from operating lease on investment property	20.77	18.10
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)	-	65.01
Miscellaneous Income	69.47	90.96
<b>Total</b>	<b>1,400.76</b>	<b>2,239.85</b>

# Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
<b>29 Cost of Materials Consumed</b>				
Construction Materials, Stores and Spares				
Opening Stock	<b>3,642.75</b>		4,697.34	
Add : Purchases	<b>30,059.24</b>		37,564.76	
		<b>33,701.99</b>		42,262.10
Less : Closing Stock		<b>3,743.14</b>		3,642.75
<b>Total Consumption</b>		<b>29,958.85</b>		38,619.35
<b>30 Construction Expenses</b>				
Transport Charges		<b>499.20</b>		548.41
Indirect Taxes				
Value Added Tax	<b>2,915.40</b>		2,321.13	
Service Tax	<b>385.41</b>		651.92	
		<b>3,300.81</b>		2,973.05
Repairs and Maintenance				
Machinery	<b>649.47</b>		520.26	
Others	<b>231.88</b>		156.87	
		<b>881.35</b>		677.13
Hire Charges for Machinery and others	<b>1,454.87</b>		1,269.95	
Power and Fuel	<b>216.65</b>		198.13	
Technical Consultation	<b>207.51</b>		196.43	
Royalties, Seigniorage and Cess	<b>593.69</b>		305.43	
Other Expenses	<b>2,193.29</b>		2,227.45	
		<b>4,666.01</b>		4,197.39
<b>Total</b>		<b>9,347.37</b>		8,395.98
<b>31 Changes in Inventories of Work in Progress</b>				
Opening Balance		<b>12,755.48</b>		13,145.07
Closing Balance		<b>11,357.46</b>		12,755.48
<b>Total</b>		<b>1,398.02</b>		389.59
<b>32 Employee Benefits Expense</b>				
Salaries and Other Benefits		<b>2,987.16</b>		2,712.54
Contribution to Provident Fund and Other Funds (Refer note 20.1 and 32.1)		<b>285.94</b>		249.12
Staff Welfare Expenses		<b>42.35</b>		46.15
<b>Total</b>		<b>3,315.45</b>		3,007.81

## 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 ₹ 176.45 million (31.03.2016: ₹ 156.57 million) for Provident Fund contributions and ₹ 69.63 million (31.03.2016: ₹ 58.90 million) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

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

# Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
<b>33 Finance Costs</b>				
<b>Interest Expense on</b>				
Borrowings				
Debentures	-		17.18	
Term Loans	179.28		437.71	
Working Capital Demand Loans and Cash Credit	2,414.70		2,538.97	
Mobilisation Advance	321.24		568.01	
Others	99.30		620.79	
		3,014.52		4,182.66
<b>Other Borrowing Costs</b>				
Commission on - Bank Guarantees	725.35		678.44	
- Letters of Credit	170.17		176.41	
		895.52		854.85
Bank and Other Financial Charges		46.95		51.07
<b>Total</b>		3,956.99		5,088.58
<b>34 Other Expenses</b>				
Rent		540.96		497.08
Travelling and Conveyance		255.85		312.11
Office Maintenance		202.90		209.65
Electricity Charges		52.00		49.92
Rates and Taxes		47.95		65.05
Consultation Charges		44.38		45.56
Postage, Telegrams and Telephones		44.39		46.47
Insurance		80.54		78.97
Printing and Stationery		34.83		34.05
Legal and Professional Charges		103.37		84.88
Auditors' Remuneration (Refer note 34.1)		18.92		19.20
Directors' Sitting Fees		2.13		2.25
Trade Receivables / Advances Written off		-		246.21
Provision for Doubtful Trade Receivables / Advances / Others		263.00		286.00
Loss on Sale of Property, Plant and Equipment / Investment Property (Net)		22.93		-
Miscellaneous Expenses		168.41		133.87
<b>Total</b>		1,882.56		2,111.27
<b>34.1 Auditors' Remuneration</b>				
(Excluding service tax and education cess thereon)				
Statutory Audit fee		17.72		17.72
Tax Audit fee		1.19		1.01
Certification fee		0.01		0.47
<b>Total</b>		18.92		19.20

# Notes forming part of the financial statements

(₹ in million)

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>35 Tax Expense</b>		
Current Tax (including earlier year taxation)	<b>935.61</b>	1,081.61
Deferred Tax	<b>(519.09)</b>	(258.41)
<b>Total</b>	<b>416.52</b>	823.20

<b>35.1 Reconciliation of tax expense to the accounting profit is as follows:</b>				
<b>Accounting profit before tax</b>		<b>2,671.53</b>		3,224.89
Tax expense at statutory tax rate of 34.608%		<b>924.56</b>		1,116.07
Adjustments:				
Effect of income that is exempt from taxation	-		(55.14)	
Adjustments recognised in the current year in relation to the current tax of prior years	<b>(435.04)</b>		40.81	
Effect of expenses that are not deductible in determining taxable profit	<b>23.21</b>		10.58	
Effect of capital gains set off with unused capital losses	<b>(116.65)</b>		(318.13)	
Others	<b>20.44</b>		29.01	
		<b>(508.04)</b>		(292.87)
Tax expense reported in the Statement of Profit and Loss		<b>416.52</b>		823.20

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

	Year ended March 31, 2017	Year ended March 31, 2016
Tax effect on actuarial gains/losses on defined benefit obligations	<b>5.42</b>	0.96
Tax effect on foreign currency translation differences	<b>15.24</b>	10.25
<b>Total</b>	<b>20.66</b>	11.21



# Notes forming part of the financial statements

## 36 Contingent Liabilities and Commitments

### (i) Contingent Liability

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Matters under litigation			
Claims against the company not acknowledged as debt			
- Disputed sales tax / entry tax liability for which the Company preferred appeal	1,528.37	1,185.04	1,190.79
- Disputed central excise duty relating to clearance of goods of LED division in favour of Developers of SEZ, for which the Company has filed an appeal to CESTAT, Bangalore	4.55	5.73	5.73
- Disputed service tax liability for which the Company preferred appeal	963.14	1,706.12	1,953.57
- Disputed Income tax liability for which the Company preferred appeal	36.08	86.83	120.50
- Others	115.51	18.93	12.53
(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.			
- 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	Amount not ascertainable
- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
(c) Guarantees			
Counter Guarantees given to the Bankers *	627.00	773.70	1,572.32
Corporate Guarantees given to Banks for financial assistance extended to Subsidiaries.	13,461.32	13,861.08	16,116.10
*Excludes Guarantees given against Company's liabilities, in terms of Guidance Note issued by the Institute of Chartered Accountants of India.			
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances ₹ 4.69 million (31.03.2016: ₹ 1.00 million and 01.04.2015: ₹ 2.78 million)]	100.48	8.52	4.48
(b) Other commitments Commitment towards investment in companies [net of commitments already made ₹ 19,900.41 million (31.03.2016: ₹ 25,715.46 million and 01.04.2015: ₹ 27,283.80 million)]	915.78	1,916.90	783.43
Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	470.35	517.90	517.90

# Notes forming part of the financial statements

## 37. Related Party Transactions

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

S.No	Particulars	S.No	Particulars
<b>A)</b>	<b>Subsidiaries</b>	36	Sri Raga Nivas Ventures Private Limited
1	NCC Infrastructure Holdings Limited	37	Mallelavanam Property Developers Private Limited
2	NCC Urban Infrastructure Limited	38	Sradha Real Estates Private Limited
3	NCC Vizag Urban Infrastructure Limited	39	Siripada Homes Private Limited
4	Nagarjuna Construction Co.Ltd and Partners LLC	40	NJC Avenues Private Limited
5	OB Infrastructure Limited	41	NCC Urban Lanka (Private) Limited
6	NCC Infrastructure Holdings Mauritius Pte. Limited	42	NCC WLL
7	Nagarjuna Construction Company International LLC	43	Al Mubarakia Contracting Company LLC
8	Nagarjuna Contracting Co.LLC	44	NCCA International Kuwait General Contracts Company LLC
9	Patnitop Ropeway and Resorts Limited	45	Samashti Gas Energy Limited
10	Western UP Tollway Limited **	46	NCC Infra Limited
11	Vaidehi Avenues Limited	47	NCC Urban Homes Private Limited
12	NCC International Convention Centre Limited	48	NCC Urban Ventures Private Limited
13	NCC Oil & Gas Limited	49	NCC Urban Meadows Private Limited
14	Nagarjuna Construction Company (Kenya) Limited	50	NCC Urban Villas Private Limited
15	Naftogaz Engineering Private Limited	51	Nagarjuna Suites Private Limited
16	Aster Rail Private Limited	52	Savitra Agri Industrial Park Private Limited (formerly NCC Power Projects (Sompeta) Private Limited)
17	Pachhwara Coal Mining Private Ltd		
<b>B)</b>	<b>Step-Down Subsidiaries</b>	<b>C)</b>	<b>Associates</b>
18	Liquidity Limited	53	Paschal Form Work (India) Private Limited
19	Dhatri Developers & Projects Private Limited	54	Nagarjuna Facilities Management Services LLC
20	Sushanti Avenues Private Limited	55	Himalayan Green Energy Private Limited
21	Sushruta Real Estates Private Limited	56	Jubilee Hills Landmark Projects Private Limited
22	PRG Estates Private Limited	57	Tellapur Technocity (Mauritius)
23	Thrilekya Real Estates Private Limited	58	Tellapur Technocity Private Limited
24	Varma Infrastructure Private Limited	59	Apollonius Coal and Energy Pte.Ltd.
25	Nandyala Real Estates Private Limited	60	Ekana Sportz City Private Limited
26	Kedarnath Real Estates Private Limited	61	Varapradha Real Estates Private Limited
27	AKHS Homes Private Limited	62	Brindavan Infrastructure Company Limited
28	JIC Homes Private Limited	63	Bangalore Elevated Tollway Limited *
29	Sushanthi Housing Private Limited	64	Pondicherry Tindivanam Tollway Limited
30	CSVs Property Developers Private Limited		
31	Vera Avenues Private Limited	<b>D)</b>	<b>Key Management Personnel</b>
32	Sri Raga Nivas Property Developers Private Limited	65	Sri A.A.V. Ranga Raju
33	VSN Property Developers Private Limited	66	Sri A.S.N. Raju
34	MA Property Developers Private Limited	67	Sri A.G.K. Raju
35	Vara Infrastructure Private Limited	68	Sri A.V.N. Raju

# Notes forming part of the financial statements

S.No	Particulars	S.No	Particulars
69	Sri N.R. Alluri	94	Shyamala Agro Farms Private Limited
70	Sri J.V. Ranga Raju	95	Ranga Agri Impex Private Limited
71	Sri R.S. Raju	96	NCC Foundation
72	Sri M.V. Srinivasa Murthy	97	Sirisha Projects Private Limited
		98	Ruthvik Estates Private Limited
<b>E)</b>	<b>Relatives of Key Management Personnel</b>	99	Narasimha Developers Private Limited
73	Dr. A.V.S. Raju	100	Mihika Agro Farms Private Limited
74	Smt. A. Bharathi	101	Lalit Agro Farms Private Limited
75	Smt. B. Kausalya	102	Bhuvanesh Realtors Private Limited
76	Smt. A. Satyanarayanamma	103	Arnesh Ventures Private Limited
77	Smt. J. Sridevi	104	Suguna Estates Private Limited
78	Smt. J. Sowjanya	105	AVSR Holdings Private Limited
79	Smt. A. Arundhati	106	Kolleru Industries Pvt Ltd
80	Sri. A. Srinivasa Rama Raju	107	Godavari Holiday Resorts Private Limited
81	Smt. A.Swetha	108	Sridevi Properties
82	Sri. J. Krishna Chaitanya	109	Kaveri Properties
83	Smt. A. Subhadra Jyotirmayi	110	Avathesh Property Developers Private Limited
84	Smt. A.Shyama	111	Jyothi Greenlands Private Limited
85	Smt. A.Suguna	112	Arundhathi Greenlands Private Ltd
86	Sri. A. Harsha Varma	113	Sirisha Mining Private Limited
87	Sri. SK. S.S.K. Raju	114	Nirathi Mining Private Limited
88	Sri. A. Vishnu Varma	115	Jyothirmayi Minerals Private Limited
89	Ms. A. Nikitha	116	Prakrithi Realty Private Limited
		117	Natural Buildtech Private Limited
<b>F)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	118	Prakrithi Promoters Private Limited
90	NCC Blue Water Products Limited		
91	Swetha Estates		
92	NCC Finance Limited		
93	Sirisha Memorial Charitable Trust		

\* Ceased to be Associate w.e.f October 18, 2016

\*\* Ceased to be Subsidiary w.e.f May 11, 2016

# Notes forming part of the financial statements

## 37. Related Party Transactions

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

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)		Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Share Application Money Refund	-	-	-	4.76	-	-	-	-
2	Investments in Equity shares	2.08	4.13	-	-	-	-	-	-
3	Loan Converted to Equity Shares / Compulsory Convertible Debentures	1,797.93	-	-	-	-	-	-	-
4	Accrued interest converted to Equity Shares	112.07	-	-	-	-	-	-	-
5	Sale of Investments@	1,314.49	1,055.55	-	-	-	-	-	-
6	Loans granted	1,511.55	120.81	-	-	-	-	-	0.64
7	Loan repayment received	2,769.59	472.66	-	-	-	-	-	-
8	Inter Corporate Deposit given	356.08	77.45	-	-	-	-	-	-
9	Inter Corporate Deposit Repayment received	2,901.79	1,031.61	-	-	-	-	-	-
10	Advances granted@	198.54	54.54	18.02	-	-	-	-	-
11	Advances Repayment received	158.11	24.82	-	-	-	-	-	-
12	Advances received@	-	-	-	100.00	-	-	-	-
13	Advances repaid / adjusted	12.68	-	-	-	-	-	-	-
14	Mobilisation Advance received	-	-	160.23	100.00	-	-	-	-
15	Mobilisation Advance recovered / adjusted	-	-	-	1,740.75	-	-	-	-
16	Retention Money recovered	-	-	149.92	1,229.99	-	-	-	-
17	Interest received	1,058.96	1,720.05	-	-	-	-	-	-
18	Accounts receivable - receipts	-	-	620.73	399.25	-	-	-	-
19	Revenue from Operations	-	-	720.32	11,186.32	-	-	-	-
20	Material Purchase & Services	19.03	6.84	16.28	9.23	-	-	-	-
21	Interest Income	852.54	1,749.34	-	-	-	-	277.70	-
22	Interest Expense@	-	-	-	406.96	-	-	-	-
23	Reimbursement of Expenses@	97.36	-	-	7.05	-	-	-	-
24	Sub-Contractors work bills	4.15	-	-	-	-	-	-	-
25	Remuneration (Including commission)								
a)	Short-term employee benefits	-	-	-	-	180.29	165.48	-	-
b)	Post employee benefits	-	-	-	-	10.31	9.73	-	-
26	Rent income	0.53	0.53	-	-	-	-	-	-
27	Rent expenses	-	-	-	-	-	-	100.56	109.46
28	Dividend paid	-	-	-	-	38.91	27.89	27.92	17.79
29	Corporate Guarantees given	2,513.27	1,429.59	-	-	-	-	-	-
30	Corporate Guarantees revoked / expired	2,629.41	-	-	-	-	-	-	-
31	Counter Guarantees revoked / expired	146.70	86.45	-	514.53	-	-	-	-

@ Closing Balances and Transactions with Bangalore Elevated Tollway Limited & Brindavan Infrastructure Company Limited, which were classified as 'Joint Ventures' till previous year have been classified as 'Associates' from current year onwards as per Ind AS.

# Notes forming part of the financial statements

## 37. Related Party Transactions

(ii) Related Party balances outstanding are as follows:

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)			Associates			Key Management personnel and relatives			Enterprises owned and significantly influenced by key management personnel or their relatives		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	<b>Debit Balances outstanding</b>												
	NCC Urban Infrastructure Limited	3,553.45	4,214.84	4,267.47	-	-	-	-	-	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	1,919.26	1,668.73	1,449.72	-	-	-	-	-	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte. Limited	176.30	1,555.45	1,255.58	-	-	-	-	-	-	-	-	-
	Nagarjuna Contracting Company LLC, Dubai	964.91	969.69	762.29	-	-	-	-	-	-	-	-	-
	Nagarjuna Construction Company & Partners LLC	55.67	53.32	50.32	-	-	-	-	-	-	-	-	-
	Nagarjuna Construction Company International LLC	141.32	617.28	518.61	-	-	-	-	-	-	-	-	-
	NCC Infrastructure Holdings Limited	419.16	2,822.88	4,602.41	-	-	-	-	-	-	-	-	-
	Western UP Tollway Limited	5.24	331.13	297.25	-	-	-	-	-	-	-	-	-
	Savitra Agri Industrial Park Private Limited (formerly NCC Power Projects (Sompeta) Private Limited)	-	886.20	881.30	-	-	-	-	-	-	-	-	-
	OB Infrastructure Limited	1.61	10.26	-	-	-	-	-	-	-	-	-	-
	Vaidehi Avenues Limited	0.01	-	0.25	-	-	-	-	-	-	-	-	-

# Notes forming part of the financial statements

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)			Associates			Key Management personnel and relatives			Enterprises owned and significantly influenced by key management personnel or their relatives		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Patnitop Ropeway and Resorts Limited	0.13	0.13	0.13	-	-	-	-	-	-	-	-	-
	Aster Rail Private Limited	64.09	72.62	66.60	-	-	-	-	-	-	-	-	-
	Pachhwara Coal Mining Private Limited	0.14	-	-	-	-	-	-	-	-	-	-	-
	Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	-	-	-	5,916.93	6,487.48	-	-	-	-	-	-
	Jubilee Hills Landmark Projects Private Limited	-	-	-	0.74	0.74	154.74	-	-	-	-	-	-
	Tellapur Technocity Private Limited	-	-	-	32.11	31.75	31.75	-	-	-	-	-	-
	Paschal Form Work (India) Private Limited	-	-	-	4.17	2.47	0.12	-	-	-	-	-	-
	Bangalore Elevated Tollway Limited@	-	-	-	0.31	3.10	2.74	-	-	-	-	-	-
	Brindavan Infrastructure Company Limited@	-	-	-	6.58	6.58	6.58	-	-	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	-	-	-	-	-	-	70.23	69.61
	Ekana Sportz City Private Limited	-	-	-	304.38	336.96	-	-	-	-	-	-	-
	Pondichery Tindivanam Tollway Limited	-	-	-	0.01	-	-	-	-	-	-	-	-
	Corporate Guarantees & Counter Guarantees Closing Balance												
	Corporate Guarantees	13,461.32	13,861.08	16,116.10	-	-	-	-	-	-	-	-	-
	Counter Guarantees	590.02	736.72	823.17	-	36.98	749.15	-	-	-	-	-	-

# Notes forming part of the financial statements

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)			Associates			Key Management personnel and relatives			Enterprises owned and significantly influenced by key management personnel or their relatives		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2	<b>Credit Balances outstanding</b>												
	NCC Urban Infrastructure Limited	16.31	-	-	-	-	-	-	-	-	-	-	-
	Nagarjuna Contracting Company LLC	19.09	19.50	18.39	-	-	-	-	-	-	-	-	-
	Nagarjuna Construction Company International LLC	1,175.19	1,156.97	1,005.02	-	-	-	-	-	-	-	-	-
	Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	-	-	-	2,223.70	4,615.78	-	-	-	-	-	-
	OB Infrastructure Limited	-	0.02	0.02	-	-	-	-	-	-	-	-	-
	Nagarjuna Facilities Management Services LLC	-	-	-	2.51	2.51	2.51	-	-	-	-	-	-
	Brindavan Infrastructure Company Limited	-	-	-	3.50	3.50	3.50	-	-	-	-	-	-
	Ekana Sportz City Private Limited	-	-	-	89.77	250.00	150.00	-	-	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	-	-	-	-	-	1.25	-	-
	Shyamala Agro Farms Private Limited	-	-	-	-	-	-	-	-	-	2.17	-	-
	Ranga Agri Impex Private Limited	-	-	-	-	-	-	-	-	-	0.34	-	-
	Sri. A.A.V. Ranga Raju	-	-	-	-	-	-	27.67	25.15	22.10	-	-	-
	Sri. A.S.N. Raju	-	-	-	-	-	-	13.82	12.53	9.41	-	-	-
	Sri. A.G.K. Raju	-	-	-	-	-	-	13.78	12.63	4.69	-	-	-

# Notes forming part of the financial statements

(₹ in million)

S. No	Particulars	Subsidiaries (including Step-down Subsidiaries)			Associates			Key Management personnel and relatives			Enterprises owned and significantly influenced by key management personnel or their relatives		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Sri. A.V.N. Raju	-	-	-	-	-	-	13.74	12.34	4.47	-	-	-
	Sri. J.V. Ranga Raju	-	-	-	-	-	-	2.09	2.54	2.49	-	-	-
	Sri. R.S. Raju	-	-	-	-	-	-	1.08	0.76	-	-	-	-
	Sri. A.K.H.S. Rama Raju	-	-	-	-	-	-	-	0.72	1.34	-	-	-
	Sri. M.V. Srinivasa Murthy	-	-	-	-	-	-	0.80	0.52	-	-	-	-
	Sri. SK. S.S.K. Raju	-	-	-	-	-	-	0.49	0.13	-	-	-	-
	Sri. A. Vishnu Varma	-	-	-	-	-	-	0.25	-	-	-	-	-
	Ms. A. Niktha	-	-	-	-	-	-	0.16	-	-	-	-	-

@ Closing Balances and Transactions with Bangalore Elevated Tollway Limited & Brindavan Infrastructure Company Limited, which were classified as 'Joint Ventures' till previous year have been classified as 'Associates' from current year onwards as per Ind AS.

# Not an associate w.e.f March 15, 2016



# Notes forming part of the financial statements

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

(₹ in million)

Particulars	2016 - 17	2015 - 16
Share Application Money Refunded		
- Tellapur Technocity Private Limited	-	4.76
Investments in Equity Shares - Made		
- Vaidehi Avenues Limited	1.06	4.13
- Pachhwarra Coal Mining Private Limited	1.02	-
Loan Converted to Equity Shares / Compulsory Convertible Debentures		
- Nagarjuna Construction Company International LLC	449.21	-
- NCC Infrastructure Holdings Maurities Pte Ltd	1,348.72	-
Accrued interest converted to Equity Shares		
- Nagarjuna Construction Company International LLC	112.07	-
Sale of Investments		
- Pondicherry Tindivanam Tollway Limited	181.07	-
- NCC Infrastructure Holdings Limited	1,000.00	-
- OB Infrastructure Limited	-	1,055.55
Loans Granted		
- Nagarjuna Construction Company International LLC	147.38	-
- Nagarjuna Contracting Company LLC, Dubai*	-	50.78
- NCC Urban Infrastructure Limited	1,338.17	60.00
Loan Repayment Received		
- NCC Urban Infrastructure Limited	1,824.68	112.66
- NCC Infrastructure Holdings Limited*	-	360.00
- Savitra Agri Industrial Park Private Limited (formerly NCC Power Projects (Sompeta) Private Limited)	642.70	-
Interest Received		
- NCC Urban Infrastructure Limited	679.42	645.94
- NCC Infrastructure Holdings Limited	-	1,074.11
- Savitra Agri Industrial Park Private Limited (formerly NCC Power Projects (Sompeta) Private Limited)	244.49	-
Accounts Receivable - Receipts		
- Ekana Sportz City Private Limited	620.73	399.25
Inter Corporate Deposit given		
- NCC Infrastructure Holdings Limited	356.08	77.45
Inter Corporate Deposit Received		
- NCC Infrastructure Holdings Limited	2,901.79	1,031.61
Advances Granted		
- Nagarjuna Contracting Company LLC, Dubai*	-	2.72
- Nagarjuna Construction Company International LLC *	-	43.77
- NCC Infrastructure Holdings Limited	176.64	-

# Notes forming part of the financial statements

(₹ in million)

Particulars	2016 - 17	2015 - 16
Advances Repayment Received		
- Nagarjuna Construction Company International LLC	35.52	23.20
- NCC Infrastructure Holdings Limited	34.70	-
Advances Received		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	100.00
Advances Repaid / Adjusted		
- Nagarjuna Construction Company International LLC	12.68	-
Mobilisation Advance Received		
- Ekana Sportz City Private Limited	160.23	100.00
Mobilisation Advance Recovered / Adjusted		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	1,740.75
Retention Money Recovered		
- Ekana Sportz City Private Limited	149.92	-
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	1,229.99
Revenue from Operations		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	10,407.41
- Ekana Sportz City Private Limited	720.32	778.91
Material Purchases		
- Paschal Form Work (India) Private Limited	16.28	9.23
- NCC Urban Infrastructure Limited	19.03	-
Sub Contract Work Bills		
- NCC Urban Infrastructure Limited	4.15	-
Interest Income		
- NCC Urban Infrastructure Limited	553.91	582.76
- NCC Vizag Urban Infrastructure Limited	249.51	217.27
- NCC Blue Water Products Limited	277.70	-
- Nagarjuna Contracting Company LLC	-	94.82
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	143.33
- NCC Infrastructure Holdings Limited*	-	624.39
Interest Expense		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	406.96
Reimbursement of Expenses		
- Nagarjuna Construction Company International LLC	36.32	-
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	6.84
- NCC Infrastructure Holdings Limited	5.27	-
Rent Expenses		
- Sirisha Projects Private Limited	10.77	11.80
- Ruthvik Estates Private Limited	10.77	11.80
- Narasimha Developers Private Limited	10.77	11.80
- Mihika Agro Farms Private Limited	10.77	11.80
- Lalit Agro Farms Private Limited	10.77	11.80

# Notes forming part of the financial statements

(₹ in million)

Particulars	2016 - 17	2015 - 16
- Bhuvanesh Realtors Private Limited	10.77	11.80
- Arnesh Ventures Private Limited	10.77	11.80
- Suguna Estates Private Limited	10.77	11.80
- Shyamala Agro Farms Private Limited	13.89	14.63
Rent Income		
- NCC Urban Infrastructure Limited	0.53	0.53
Dividend Paid		
- AVSR Holdings Private Limited	21.81	13.62
- Sri A.A.V. Ranga Raju	8.14	5.43
Remuneration (Including Commission)		
- Sri A.A.V. Ranga Raju	60.03	56.82
- Sri A.S.N. Raju	30.84	28.93
- Sri A.G.K. Raju	30.95	28.86
- Sri A.V.N. Raju	30.33	28.26
- Sri J.V. Ranga Raju	18.23	18.23
Corporate Guarantees Given		
- Nagarjuna Construction Company International LLC	2,513.27	658.74
Corporate Guarantees Revoked / Expired		
- Nagarjuna Construction Company International LLC	1,349.95	3,104.03
- Nagarjuna Contracting Company LLC	1,279.46	-
Counter Guarantees Revoked / Expired		
- NCC Infrastructure Holdings Limited	146.70	86.45
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	-	514.53

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

# Not an associate w.e.f March 15, 2016

## 38 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS 108. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. The Company's operations outside India do not qualify as reportable segments as the operations are not material.

## 39 Earnings per share

	Year Ended March 31, 2017	Year Ended March 31, 2016
Net Profit after tax available for equity shareholders (₹ in million)	2,255.01	2,401.69
Weighted Average number of equity shares for Basic EPS (Nos)	555,931,588	555,931,588
Weighted Average number of equity shares for Diluted EPS (Nos)	555,931,588	555,931,588
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	4.06	4.32

\*The Company has no dilutive instruments. As such Diluted Earnings per share equals to Basic Earnings per share.

# Notes forming part of the financial statements

## 40 Disclosure pursuant to Ind AS – 11 “Construction Contracts”

(₹ in million)

	Year Ended March 31, 2017	Year Ended March 31, 2016
Contract revenue recognised as revenue in the year	<b>78,696.45</b>	82,521.20
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	<b>407,932.46</b>	367,321.08
Amount of advances received for contracts in progress	<b>6,744.78</b>	9,395.47
Amount of retention money for contracts in progress	<b>16,302.57</b>	14,237.66
Gross amount due from customers for contract work	<b>21,135.10</b>	18,030.77

## 41 Leases

- Rental expenses of ₹ 410.03 million (31.03.2016: ₹ 366.15 million) has been charged to Statement of Profit and Loss in respect of cancellable operating lease.
- The Company has entered into Operating Lease arrangement for certain equipments. The lease is non-cancellable for a period of 5 years from March 28, 2013 to March 27, 2018.

(₹ in million)

	Year Ended March 31, 2017	Year Ended March 31, 2016
Future Minimum Lease Payments		
Not later than one year	<b>130.93</b>	130.93
Later than one year and not later than five years	-	130.93
Later than five years	-	-
Total	<b>130.93</b>	261.86
Lease payments recognised in the statement of Profit and Loss	<b>130.93</b>	130.93

## 42 Financial instruments

### 42.1 Capital management

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

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

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

The following table summarises the capital of the Company:

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity</b>	<b>34,422.86</b>	32,608.17	30,495.26
Short-term borrowings and current portion of long-term debt	<b>15,675.63</b>	17,810.40	17,313.59
Long-term debt	<b>91.07</b>	1,018.63	2,618.47
Cash and cash equivalents	<b>(1,086.60)</b>	(2,118.49)	(709.98)
<b>Net debt</b>	<b>14,680.10</b>	16,710.54	19,222.08
<b>Total capital (equity + net debt)</b>	<b>49,102.96</b>	49,318.71	49,717.34

# Notes forming part of the financial statements

## 42.2 Categories of financial instruments

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
Mandatorily measured:			
Equity investments in other entities	151.22	151.22	151.22
<b>Measured at amortised cost</b>			
Cash and bank balances	1,094.64	2,158.48	1,126.90
Other financial assets at amortised cost	44,440.14	45,722.15	43,725.82
<b>Measured at cost</b>			
Investments in equity instruments in subsidiaries, associates and others	7,761.63	8,393.49	9,652.90
Investments in Debentures in subsidiaries and associates	2,374.09	1,025.38	1,025.38
<b>Financial liabilities</b>			
Measured at amortised cost	45,294.86	47,261.29	44,378.02

## 42.3 Financial risk management objectives

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

## 42.4 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. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- 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.

- 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, 2017, March 31, 2016 and April 1, 2015.

# Notes forming part of the financial statements

- (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, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD (millions)	0.28	0.89	-	17.38	44.25	38.41
INR (₹ in millions)	17.94	58.93	-	1,127.54	2,931.98	2,400.21
Euro (millions)	1.42	-	-	-	-	-
INR (₹ in millions)	98.74	-	-	-	-	-
AED (millions)	-	0.14	0.15	0.77	3.72	9.39
INR (₹ in millions)	-	2.51	2.51	13.66	67.14	159.82
OMR (millions)	-	-	-	0.86	0.85	0.73
INR (₹ in millions)	-	-	-	144.72	146.26	118.89

- (b) Unhedged foreign currency exposures outstanding as at the Balance Sheet date:

Currency	Liabilities			Assets		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD (millions)	0.28	0.89	-	17.38	44.25	38.41
INR (₹ in millions)	17.94	58.93	-	1,127.54	2,931.98	2,400.21
Euro (millions)	1.42	-	-	-	-	-
INR (₹ in millions)	98.74	-	-	-	-	-
AED (millions)	-	0.14	0.15	0.77	3.72	9.39
INR (₹ in millions)	-	2.51	2.51	13.66	67.14	159.82
OMR (millions)	-	-	-	0.86	0.85	0.73
INR (₹ in millions)	-	-	-	144.72	146.26	118.89

- (c) Foreign currency sensitivity analysis

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

(₹ in million)

Currency USD impact on:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Impact of ₹1 strengthening against US Dollar on (profit) or loss for the year	11.18	28.36	25.12
Impact of ₹1 weakening against US Dollar on (profit) or loss for the year	(11.18)	(28.36)	(25.12)
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(11.18)	(28.36)	(25.12)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	11.18	28.36	25.12

# Notes forming part of the financial statements

## Equity risks

The company is exposed only to non-listed equity investments and as a policy matter the company bringing down the equity investment exposure to the various companies. The company continuously in the process of disinvestment of its investments in the foreign companies. As the exposure has come down significantly and does not have any equity investment in the listed entities, the impact of change in equity price on profit or loss is not significant.

## 42.5 Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables from group companies.

Credit risk on trade receivables, work in progress is limited as the customers of the company mainly consists of the Government promoted entities having a strong credit worthiness. For doubtful receivables the company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers. The company has made a provision of ₹ 403.00 million and ₹ 230.00 million towards amounts doubtful to receive during the year ended March 31, 2017 and March 31, 2016 respectively.

## 42.6 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 32.8 sets out details of additional undrawn facilities that the Company has at its disposal to reduce liquidity risk.

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

(₹ in million)

	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	29,435.34	28,680.85	324.75	429.74	29,435.34
Borrowings and interest thereon*	15,853.89	15,762.83	91.06	-	15,853.89
Other financial liabilities	5.63	5.63	-	-	5.63
Foreign currency forward contracts, option contracts and interest and currency swaps	-	-	-	-	-
<b>Total</b>	<b>45,294.86</b>	<b>44,449.31</b>	<b>415.81</b>	<b>429.74</b>	<b>45,294.86</b>

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

(₹ in million)

	Carrying amount
Trade receivables	37,034.67
Loans	5,860.78
Other financial assets	12,926.27
<b>Total</b>	<b>55,821.72</b>

# Notes forming part of the financial statements

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2016:

(₹ in million)

	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Accounts payable and acceptances	28,207.95	27,710.52	242.25	255.18	28,207.95
Borrowings and interest thereon*	19,048.39	18,029.76	1,018.63	-	19,048.39
Other financial liabilities	4.95	4.95	-	-	4.95
Foreign currency forward contracts, option contracts and interest and currency swaps	-	-	-	-	-
<b>Total</b>	<b>47,261.29</b>	<b>45,745.23</b>	<b>1,260.88</b>	<b>255.18</b>	<b>47,261.29</b>

The table below provides details of financial assets as at March 31, 2016:

(₹ in million)

	Carrying amount
Trade receivables	32,038.43
Loans	11,609.92
Other financial assets	13,802.37
<b>Total</b>	<b>57,450.72</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2015:

(₹ in million)

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	23,542.80	23,008.10	315.42	219.28	23,542.80
Borrowings and interest thereon*	20,821.87	18,203.41	2,618.46	-	20,821.87
Other financial liabilities	13.35	13.35	-	-	13.35
Foreign currency forward contracts, option contracts and interest and currency swaps	-	-	-	-	-
<b>Total</b>	<b>44,378.02</b>	<b>41,224.86</b>	<b>2,933.88</b>	<b>219.28</b>	<b>44,378.02</b>

The table below provides details of financial assets as at April 1, 2015:

(₹ in million)

	Carrying amount
Trade receivables	28,814.36
Loans	12,757.58
Other financial assets	14,110.28
<b>Total</b>	<b>55,682.22</b>

\*Included in Borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates, the actual interest rates may differ based on the changes in the benchmark interest rates.

## 42.7 Financing facilities

The Company has access to financing facilities of which ₹ 5,297.38 million (31.03.2016: ₹ 2,664.35 million and 01.04.2015: ₹ 2,953.09 million) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.



# Notes forming part of the financial statements

## 42.8 Fair value measurements

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

(₹ in million)

Financial assets / Financial Liabilities	Fair Value as at*			Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015		
Investments in unquoted equity instruments at FVTPL	151.22	151.22	151.22	Level 2	Refer Note

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

Notes:

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

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

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

(₹ in million)

	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Financial assets at amortised cost:							
- Trade receivables	Level 2	37,034.67	37,034.67	32,038.43	32,038.43	28,814.36	28,814.36
- Investments	Level 2	10,135.72	10,135.72	9,418.87	9,418.87	10,678.28	10,678.28
- Cash and cash equivalents	Level 2	1,086.60	1,086.60	2,118.49	2,118.49	709.98	709.98
- Bank balances other than cash and cash equivalents	Level 2	8.04	8.04	39.99	39.99	416.92	416.92
- Loans	Level 2	5,860.78	5,860.78	11,609.92	11,609.92	12,757.58	12,757.58
- Other financial assets	Level 2	1,544.69	1,544.69	2,073.80	2,073.80	2,153.88	2,153.88

	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities							
Financial liabilities at amortised cost:							
- Borrowings	Level 2	15,373.69	15,373.69	18,184.28	18,184.28	19,245.38	19,245.38
- Trade payables	Level 2	29,435.34	29,435.34	28,207.95	28,207.95	23,542.80	23,542.80
- Other financial liabilities	Level 2	485.83	485.83	869.06	869.06	1,589.84	1,589.84

- (1) In case of Investments in equity instruments, the company adopted fair value as deemed cost for certain investments as on transition date i.e. April 01, 2015.
- (2) In case of certain loans and other receivables, the company has provided expected credit loss allowance as on transition date i.e. April 01, 2015.
- (3) 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

**43** Expenses incurred on Corporate Social Responsibility (CSR) programs under Section 135 of the Companies Act, 2013 are charged to the Statement of Profit and Loss under 'Other Expenses' (Note 34) - ₹ 20.73 million and an advance of ₹ 3.00 million has been paid for CSR related activities (31.03.2016: ₹ 12.94 million).

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

The exceptional items for the year ended March 31, 2016 is ₹ 203.23 million after netting off profit on sale of non current investments ₹ 309.77 million with provision made for impairment of non current investments ₹ 513.00 million.

**45** During the current year, a customer of the Company had raised claims for an amount of ₹ 2,882.50 million and of US\$ 9.04 million on February 23, 2017 towards liquidated damages towards the delays in execution of the project. As against this, on March 14, 2017 the Company has issued a notice of disputes under the contracts and amongst other things, had counter claimed payment of additional costs of ₹ 6,847.80 million, with interest. The Company filed petitions under Section 9 of the Arbitration and Conciliation Act, 1996, before the Hon'ble Court of the XXIV Additional Chief Judge cum Commercial Court, City Civil Courts, Hyderabad ("Commercial Court"), seeking injunction restraining the Company from invoking the Performance Bank Guarantees issued in favour of the Company, pursuant to the terms of the EPC Contracts. On April 18, 2017, the Commercial Court dismissed the petition filed by the Company. The Company has filed an appeal before the High Court to set aside the Order passed by Commercial Court until the disputes are adjudicated and settled between the parties through arbitration as per the terms of the contract and restraining the Company from invoking or encashing the bank guarantee(s). In the interim, the demand notices for the bank guarantees had already been presented to the respective banks by the Customer and the bank guarantee for ₹ 516.00 million issued by the Syndicate Bank was honoured. The matter is pending disposal as of date and as per the Management estimates, no additional provision required for this project.

## **46 Deferred tax assets (Net)**

### **Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2017**

(₹ in million)

	<b>As at March 31, 2017</b>	As at March 31, 2016	As at April 1, 2015
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment	<b>(164.29)</b>	(247.61)	(322.47)
Provision for doubtful trade receivables, advances and others	<b>772.55</b>	335.35	76.14
Provision for employee benefits	<b>132.36</b>	120.25	104.12
Deemed cost of Investments	<b>197.06</b>	197.06	197.06
Effect of measuring Investments at fair value	<b>(18.73)</b>	(18.73)	(18.73)
Loss allowance on Financial Instruments	<b>622.98</b>	622.98	622.98
Others	<b>(187.72)</b>	(194.84)	(114.26)
<b>Total</b>	<b>1,354.21</b>	814.46	544.84

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

(₹ in million)

	<b>As at March 31, 2017</b>	As at March 31, 2016	As at April 1, 2015
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	<b>5,526.70</b>	6,627.68	6,787.83
-unused tax credits	<b>850.28</b>	850.28	356.01
<b>Total</b>	<b>6,376.98</b>	7,477.96	7,143.84

# Notes forming part of the financial statements

## 47 "First-time adoption of Ind-AS

- (i) These financial statements, for the year ended March 31, 2017 have been prepared in accordance with the Ind AS. For the purpose of transition to Ind AS, the Company has complied with Ind AS 101 – "First time adoption of Indian Accounting Standard" for exemptions and exceptions, on transition date (i.e. April 1, 2015) and Indian GAAP is the previous GAAP followed by the company.

The transition to Ind AS has resulted in changes in the presentation of financial statements, disclosures in the notes and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the separate financial statements for the year ended March 31, 2017 and the comparative information.

**(ii) Deemed cost for investments in Subsidiaries, associates and Other entities:**

The Company has elected to continue with the carrying value for all its investments in subsidiaries and associates as of April 1, 2015 measured under Indian GAAP as deemed cost as of April 1, 2015 (transition date) except certain investments where fair value has been considered as deemed cost.

**(iii) Cumulative translation differences on foreign operations:**

The Company has elected to transfer the cumulative foreign currency translation reserve existed as of April 1, 2015 (transition date) to retained earnings.

**(iv) Derecognition of Financial Assets (i.e. Loans, Accrued Interest etc.):**

The Company has applied the derecognition of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015(transition date).

**47.1** The effect of the Company's transition to Ind AS is summarized as reconciliations of Equity, Profit and Total comprehensive income with Indian GAAP as explained below:

- (a) Reconciliation of equity as previously reported under Indian GAAP to Ind AS.  
 (b) Reconciliation of profit or loss and Total Comprehensive income as previously reported under Indian GAAP to Ind AS.  
 (c) Adjustments to the statement of cash flows.

**(a) Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

(₹ in million)

	Notes	As at March 31, 2016	As at April 1, 2015
<b>Equity as per IGAAP</b>		34,088.22	32,044.30
Deemed cost of Investments	(i)	(821.10)	(821.10)
Effect of measuring Investments at fair value	(ii)	78.06	78.06
Loss allowance on Financial Instruments	(iii)	(1,779.95)	(1,779.95)
Proposed dividend and related distribution tax	(iv)	401.46	267.64
Others	(v, vi & vii)	35.00	19.25
Deferred tax Adjustments	(ix)	606.48	687.06
<b>Equity reportable under Ind AS</b>		<b>32,608.17</b>	<b>30,495.26</b>

# Notes forming part of the financial statements

## (b) Reconciliation of Statement of Profit and Loss and Other Comprehensive Income

(₹ in million)

	Notes	Year ended March 31, 2016
Net profit under previous IGAAP		2,228.46
Effect of measuring guarantees issued at fair value	(v)	28.36
Remeasurement of the defined benefit plans	(vi)	2.74
Effect of application of effective rate of interest for borrowings	(vii)	(12.61)
Exchange Gains / (Losses) on translation of other assets and liabilities	(viii)	246.54
Deferred tax adjustments	(ix)	(91.80)
<b>Net profit under Ind AS</b>		<b>2,401.69</b>
<b>Other Comprehensive Income (Net of tax)</b>		<b>(21.14)</b>
<b>Total Comprehensive Income as per Ind AS</b>		<b>2,380.55</b>

- (i) Under Indian GAAP, the Company accounted for investments in subsidiaries and associates (unquoted) measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, as of April 01, 2015 (transition date) the company opted the deemed cost of investments in subsidiaries and associates as the carrying value as per Indian GAAP except certain investments where fair value has been considered as deemed cost.
- (ii) Under Indian GAAP, the Company accounted for other entity investments as investments measured at lower of cost and fair value. Under Ind AS, the Company has designated such investments as FVTPL.
- (iii) Under Indian GAAP, the Company measured financial assets at cost. As at the transition date, the company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101.
- (iv) Under Indian GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends along with the dividend distribution tax thereon are recognised as a liability when approved by the members in a general meeting.
- (v) Under Ind AS, the company has recognised interest income on financial guarantees given on behalf of its group companies.
- (vi) The Company recognises costs related to its post-employment defined benefit plan on an actuarial basis both under Indian GAAP and Ind AS. Under Indian GAAP, the entire cost including actuarial gains and losses and return on planned assets are charged to profit or loss. Under Ind AS, actuarial gains and losses and return on planned assets recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.
- (vii) Under Indian GAAP, transaction costs incurred in connection with borrowings are charged in statement of profit or loss in respective year. Under Ind AS, such costs are included in the initial recognition amount of financial liability are charged to statement of profit or loss using the effective interest method (i.e., over the tenure of the loan).
- (viii) Under Indian GAAP, the company has accumulated the foreign exchange translation differences in Foreign Currency Translation Reserve (FCTR). Under Ind AS as of April 1, 2015, the company elected to net off the accumulated FCTR to retained earnings and subsequently charge off all the exchange gains and losses to the statement of profit and loss except translation differences arising during the conversion of financial statements of branches from their respective reporting currency to company presentation currency and such translation differences are recognised in other comprehensive income.

# Notes forming part of the financial statements

(ix) Consequential deferred tax on above applicable adjustments

## (c) Effect of adoption of Ind AS on the Statement of cash flows for the year ended March 31, 2016:

Following is the impact on cash flows on transition from Indian GAAP to Ind AS. Cash flows relating to interest are classified in a consistent manner as operating, investing or financing each year.

(₹ in million)

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	4,880.23	6.05	4,886.28
Net cash flows from investing activities	3,658.37	(6.05)	3,652.32
Net cash flows from financing activities	(7,130.09)	-	(7,130.09)
Net increase / (decrease) in cash and cash equivalents	1,408.51	-	1,408.51
Cash and cash equivalents at the beginning of the year	709.98	-	709.98
Cash and cash equivalents at the end of the period	2,118.49	-	2,118.49

## 48 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 23, 2017.

For and on behalf of the Board

**R.S. RAJU**

Associate Director (F&A)

**A.A.V. RANGA RAJU**

Managing Director  
(DIN No: 00019161)

**M.V. SRINIVASA MURTHY**

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

**A.G.K. RAJU**

Executive Director  
(DIN No: 00019100)

Hyderabad, May 23, 2017

## CONSOLIDATED FINANCIAL STATEMENTS

# INDEPENDENT AUDITORS' REPORT

To The Members of  
**NCC Limited**

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

We have audited the accompanying consolidated Ind AS financial statements of NCC Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its associates, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements") in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the branches of the Group located at Oman, Nepal and Sri Lanka and which includes twenty six (26) Joint Operations of the Group.

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

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "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 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) prescribed under Section 133 of the Act. 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 the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

## **Basis for Qualified Opinion**

The consolidated financial Statements includes:

- (a) the unaudited financial statements / financial information of two (2) subsidiaries, whose financial statements / financial information reflect total assets of ₹ 29.51 million as at March 31, 2017, total revenue of ₹ Nil and net cash (outflows) amounting to ₹ 27.44 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of net loss of ₹ 157.64 million and total comprehensive loss of ₹ 157.64 million for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of five (5) associates is based on financial statements / financial information prepared by the management and not audited by their auditors.
- (b) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 in respect of two (2) subsidiaries and five (5) associates included in this Statement prepared in accordance with the Ind AS have not been audited by their auditors.

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors and other auditors on separate financial statements / financial information of the branches, joint operations, the subsidiaries and associates referred to below in the Other Matters paragraph, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

- i. In case of one of the subsidiaries (Name of the Company: NCC Infrastructure Holdings Limited) of the Parent, the Auditors have drawn attention to :
  - a. Note 45.1 which indicates that, the uncertainty related to the outcome of the arbitration proceedings initiated against the Subsidiary Company in connection with the sale of an investment.
  - b. Note 46 which indicates that, Losses incurred by the Subsidiary/ Other Companies in which the Subsidiary Company has invested money/ given advances.
  - c. Note 48 which indicates that, Non-compliance by the Subsidiary Company with the applicable prudential norms to be followed by the Non-Banking Financial Companies, issued by Reserve Bank of India.
- ii. Note 50 which indicates that, in case of one of the subsidiaries (Name of the Company: Nagarjuna Construction Co. Ltd. & Partners L.L.C.) of the Parent, the Auditor has indicated that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern.
- iii. Note 51 which indicates that, in case of one of the subsidiaries (Name of the Company: NCC Vizag Urban Infrastructure Limited) of the Parent, the Auditors have drawn attention to the uncertainty related to the outcome of the lawsuit filed by the Subsidiary Company and consequential impact on the carrying value of inventories and preparation of accounts under going concern basis.
- iv. Note 52 which indicates that, in case of one of the step-sub-subsidiaries (Name of the Company: Al Mubarakia Contracting Co. L.L.C.) of the Parent, the Auditor has indicated that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern.

- v. Note 53 which indicates that, in case of one of the subsidiaries (Name of the Company: Nagarjuna Contracting Co. (L.L.C.)) of the Parent, the Auditor has indicated that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern.
- vi. Note 54 which indicates that, in case of one of the Associates (Name of the Company: Nagarjuna Facilities Management Services LLC) of the Parent the Auditor has indicated that going concern is not appropriate, as the management has decided to cease the operation of the Company and the financial statements have been prepared on the basis of the accounting convention of realisable/ settlement values of assets and liabilities.

Our opinion is not qualified in respect of these matters.

## Other Matters

- (a) We did not audit the financial statements / financial information of three (3) branches and one (1) joint operation included in the standalone financial statements of the Companies included in the Group whose financial statements reflect total assets of ₹ 1,373.94 million as at March 31, 2017 and total revenues of ₹ 2,100.91 million for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial statements / financial information of these branches and joint operation have been audited by the branch auditors and other auditor 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.
- (b) We did not audit the financial statements / financial information of five (5) subsidiaries, whose financial statements / financial information reflect total assets of ₹ 20,707.98 million as at March 31, 2017, total revenues of ₹ 9,387.97 Million and net cash (outflows) amounting to ₹ 225.60 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 110.57 million for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of four (4) associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and 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 and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.



Of the above two (2) Branches, five (5) Subsidiaries and one (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 Parent's management has converted the financial statements of such subsidiaries and an 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 Parent's management. Our opinion in so far as it relates to the balances and affairs of such Branches, Subsidiaries and an Associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

- (c) We did not audit the financial statements / financial information of seventeen (17) joint operations included in the standalone financial statements of the companies included in the Group whose financial statements reflect total assets of ₹ 541.59 million as at March 31, 2017 and total revenues of ₹ 145.26 million for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial statements / financial information of these joint operations have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and 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 joint operations, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Company.
- (d) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015:
- i. in respect of One (1) Branch, one (1) Joint Operations, four (4) subsidiaries, and three (3) associates included in this Statement prepared in accordance with the Ind AS have been audited by Branch auditors and other auditors and have been relied upon by us.
  - ii. in respect of two (2) Branches, five (5) subsidiaries, and one (1) associate included in this Statement 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 Parent's management has converted the financial statements of such subsidiaries and an 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 Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and an

associate located outside India is based on the report of Branch auditors and other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

- iii. in respect of seventeen (17) joint operations included in this Statement prepared in accordance with the Ind AS have not been audited by their auditors. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above, 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 branch auditors and other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the branch auditors and other auditors on separate financial statements and the other financial information of joint operations, subsidiaries and associate companies incorporated in India, referred in the Other Matters paragraph above, we report, to the extent applicable, that:
  - (a) We have sought and except for the matter described in sub-paragraph (a) and (b) of the Basis for Qualified Opinion above 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, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept and proper returns adequate for the purposes of our audit have been received from the branches not visited by us so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - (c) Except for the matter described in sub-paragraph (a) and (b) of the Basis for Qualified Opinion paragraph above, the reports on the accounts of the branch offices of the Companies included in the Group, audited under Section 143(8) of the Act by branch auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report.
  - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS

financial statements and with the returns received by us from the branches not visited.

- (e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (f) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent company, subsidiary companies, associate companies incorporated in India. Our report expresses an modified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's / associate company's incorporated in India internal financial controls over financial reporting.
- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Except for the possible effect of the matter described in sub-paragraph (a) and (b) of the Basis of Qualified Opinion above, the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

- 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.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and associate companies incorporated in India.
- iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the Management of the respective Group entities. However, as stated in Note 12.6 to the financial statements and as represented to us by the Management during the aforesaid period ₹ 10.49 million has been utilized for other than permitted transactions and ₹ 3.96 million has been received from other than permitted transactions.

For **M. BHASKARA RAO & CO**  
Chartered Accountants  
(Firm's Registration No.000459S)

**M. Bhaskara Rao**  
Partner  
Membership No. 5176

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)

**Ganesh Balakrishnan**  
Partner  
Membership No. 201193

Hyderabad, May 23, 2017

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

## **Report on the Internal Financial Controls Over Financial Reporting 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 the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of NCC Limited (hereinafter referred to as "the Parent") 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 Parent, 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 respective Companies 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 (ICAI). 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 Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, 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 system over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Basis for Qualified Opinion**

The Parent has consolidated financial statements / financial information of one (1) subsidiary company and three (3) associate companies which are companies incorporated in India, which has been included in the consolidated financial statements based on unaudited financial statements/financial information. Hence, we are unable to comment on the adequacy and operating effectiveness

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (contd.)

of the internal financial controls over financial reporting related to the consolidation of the said entities and consequently the items of revenues, expenses, assets, liabilities and net cash flows from the said subsidiary companies and associates which are companies incorporated in the consolidated financial statements of the Parent have not been audited and therefore not reported by us.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

### Qualified Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its associate companies, which are companies incorporated in India, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, and this has affected our opinion on the said consolidated Ind AS financial statements of the Company.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates three (3) associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **M. BHASKARA RAO & CO**  
Chartered Accountants  
(Firm's Registration No.000459S)

**M. Bhaskara Rao**  
Partner  
Membership No. 5176

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)

**Ganesh Balakrishnan**  
Partner  
Membership No. 201193

Hyderabad, May 23, 2017

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in million)

	NOTE	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	3	9,517.32	10,161.65	9,219.30
Capital Work in Progress	3	14.64	81.24	106.05
Investment Property	3.1	1,127.27	952.18	974.36
Goodwill		318.65	325.11	307.36
Other Intangible Assets	3.2	222.14	6,255.24	6,883.73
Financial Assets				
Investments in Associates	4.1	3,251.83	4,084.55	4,378.23
Other Investments	4.1	151.22	151.72	156.48
Loans	5	401.20	728.81	694.46
Trade Receivables	6	1,691.60	1,191.17	1,494.93
Other Financial Assets	7	3,279.91	3,683.74	4,015.08
Deferred Tax Assets (Net)	8	1,437.75	821.40	619.66
Non Current Tax Assets (Net)	15	914.57	952.89	998.22
Other Non Current Assets	9	159.78	189.58	189.57
<b>Total Non - Current Assets</b>		<b>22,487.88</b>	29,579.28	30,037.43
<b>Current Assets</b>				
Inventories	10	27,181.04	28,627.11	27,642.39
Financial Assets				
Investments in Associates	4.2	-	-	7,495.51
Other Investments	4.2	3,884.40	6,095.00	983.24
Trade Receivables	11	41,179.19	36,780.52	32,667.47
Cash and Cash Equivalents	12.1	1,320.30	2,607.21	2,238.69
Bank balances other than above	12.2	449.68	861.44	1,271.98
Loans	13	560.48	419.62	462.93
Other Financial Assets	14	1,217.52	1,392.94	2,175.62
Current Tax Assets (Net)	15.1	160.64	644.48	712.38
Other Current Assets	16	12,371.80	16,216.90	15,753.90
<b>Total Current Assets</b>		<b>88,325.05</b>	93,645.22	91,404.11
<b>Total Assets</b>		<b>110,812.93</b>	123,224.50	121,441.54

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017 (contd.)

(₹ in million)

	NOTE	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	17	1,111.86	1,111.86	1,111.86
Other Equity	18	33,364.76	32,808.27	31,605.30
<b>Equity Attributable to Shareholders of the Company</b>		<b>34,476.62</b>	33,920.13	32,717.16
<b>Non-Controlling Interests</b>		<b>3,285.44</b>	3,247.32	3,635.87
<b>Total Equity</b>		<b>37,762.06</b>	37,167.45	36,353.03
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
Financial Liabilities				
Borrowings	19	4,649.90	10,169.94	9,816.96
Trade Payables	20	771.56	616.64	877.75
Provisions	21	631.09	469.21	648.21
Deferred Tax Liabilities (Net)		-	14.38	-
Other Non-Current Liabilities	22	1,319.95	1,293.94	1,293.94
<b>Total Non Current Liabilities</b>		<b>7,372.50</b>	12,564.11	12,636.86
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	23	20,164.94	20,480.00	19,136.01
Trade Payables	24	31,398.68	32,538.00	27,852.21
Other Financial Liabilities	25	3,044.17	4,024.04	4,228.35
Provisions	26	518.09	1,144.71	451.43
Current Tax Liabilities (Net)	27	31.30	31.30	13.81
Other Current Liabilities	28	10,521.19	15,274.89	20,769.84
<b>Total Current Liabilities</b>		<b>65,678.37</b>	73,492.94	72,451.65
<b>Total Equity and Liabilities</b>		<b>110,812.93</b>	123,224.50	121,441.54

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.** For **DELOITTE HASKINS & SELLS**  
 CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M. BHASKARA RAO**  
 Partner

**GANESH BALAKRISHNAN**  
 Partner

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

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

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

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

Hyderabad, May 23, 2017

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in million)

	NOTE	YEAR ENDED MARCH 31, 2017	YEAR ENDED MARCH 31, 2016
Revenue from Operations	29	90,005.70	95,272.46
Other Income	30	2,039.03	1,322.60
<b>Total Income</b>		<b>92,044.73</b>	96,595.06
<b>EXPENSES</b>			
Cost of Materials Consumed	31	32,801.24	41,499.92
Construction Expenses	32	12,037.11	10,722.38
Changes in Inventories of Work in Progress	33	1,457.94	(2,017.70)
Sub-contractors Work Bills		29,049.48	27,161.11
Employee Benefits Expense	34	4,592.19	4,704.66
Finance Costs	35	5,133.39	6,425.78
Depreciation and Amortisation Expense (Refer note 3, 3.1 and 3.2)		2,025.53	2,482.49
Other Expenses	36	3,370.56	3,234.92
<b>Total Expenses</b>		<b>90,467.44</b>	94,213.56
<b>Profit Before Exceptional Items and Tax</b>		<b>1,577.29</b>	2,381.50
Exceptional Items (Net)	62	(802.11)	(401.72)
<b>Share of (Loss) from Associate Companies</b>		<b>(311.89)</b>	(306.40)
<b>Profit Before Tax</b>		<b>463.29</b>	1,673.38
<b>Tax Expense</b>	37		
Current Tax (including earlier year taxation)		949.79	1,118.80
Deferred Tax		(570.54)	(261.47)
		<b>379.25</b>	857.33
<b>Profit for the year</b>		<b>84.04</b>	816.05
<b>Attributable to</b>			
Shareholders of the Company		316.84	1,204.25
Non-Controlling Interests		(232.80)	(388.20)
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(17.61)	(4.43)
Share of Other comprehensive income in Associates		(0.05)	(0.16)
Income tax on above items		6.10	1.52
Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		58.46	216.92
Income tax on above items		(20.23)	(75.11)
<b>Other comprehensive income / (loss) for the year</b>		<b>26.67</b>	138.74
<b>Total comprehensive income for the year</b>		<b>110.71</b>	954.79
<b>Attributable to</b>			
Shareholders of the Company		343.95	1,343.34
Non-Controlling Interests		(233.24)	(388.55)
<b>Earnings per equity share of face value of ₹ 2 each.</b>			
Basic and Diluted - ₹	57	0.57	2.17

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.** For **DELOITTE HASKINS & SELLS**  
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

**M. BHASKARA RAO**  
Partner

**GANESH BALAKRISHNAN**  
Partner

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

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

For and on behalf of the Board

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

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

Hyderabad, May 23, 2017

## Statement of Changes in Equity for the year ended March 31, 2017

### A. Equity share capital

	Number of shares	Amount (₹ in million)
<b>Balance as at April 1, 2015</b>	555,931,588	1,111.86
Add: Equity shares allotted during the year	-	-
<b>Balance as at March 31, 2016</b>	555,931,588	1,111.86
Add: Equity shares allotted during the year	-	-
<b>Balance as at March 31, 2017</b>	555,931,588	1,111.86

### B. Other Equity

	Reserves and Surplus								Items of Other Comprehensive Income / (loss)		Equity attributable to the shareholders of the company	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Legal/ Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Contingency Reserve	General Reserve	Surplus in Statement of Profit and Loss	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations			
Balance at April 1, 2015	368.06	19,993.03	180.00	221.18	2.39	220.00	7,206.43	3,414.21	-	-	31,605.30	3,635.87	35,241.17
Transfer from Debt Redemption Reserve	-	-	(180.00)	-	-	-	180.00	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	1,745.41	(1,745.41)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	1,204.25	-	-	1,204.25	(388.20)	816.05
Other Comprehensive income / (loss) for the year (net of taxes)	-	-	-	-	-	-	-	-	(2.72)	141.81	139.09	(0.35)	138.74
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(267.64)	-	-	(267.64)	-	(267.64)
Adjustment on account of Consolidation / Foreign currency fluctuation	1.45	-	-	13.22	-	-	-	-	-	112.60	127.27	-	127.27



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

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.**  
CHARTERED ACCOUNTANTS

For **DELOITTE HASKINS & SELLS**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M. BHASKARA RAO**  
Partner

**GANESH BALAKRISHNAN**  
Partner

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

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

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

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

Hyderabad, May 23, 2017

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in million)

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
<b>A. Cash flow from operating activities</b>		
Profit before tax	463.29	1,673.38
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,025.53	2,482.49
Fair value adjustment - Carriageway	398.18	398.18
Share of loss from associate companies	311.89	306.40
Loss/(Profit) on sale of Property, Plant and Equipment, Investment Property (Net)	52.68	(37.23)
Finance costs	5,133.39	6,425.78
Interest income	(894.15)	(1,111.45)
Profit/Loss on sale of current & Non-Current investments(net)	(881.48)	(26.80)
Gain on remeasuring investment at FVTPL (Net)	(30.99)	(34.14)
Provision for doubtful trade receivables, advances and others	509.19	286.00
Trade Receivables / Advances written off	46.75	254.26
Exceptional items (net)	802.11	401.72
Rental income from investment properties	(34.53)	(23.17)
Net foreign exchange loss/(gain)	(8.88)	3.42
	7,429.69	9,325.46
<b>Operating profit before working capital changes</b>	7,892.98	10,998.84
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Decrease / (Increase) in Inventories	1,446.07	(984.72)
(Increase) in Trade receivables	(5,041.07)	(4,118.17)
Decrease in other financial assets	984.48	334.11
Decrease / (Increase) in other current assets	3,247.01	(715.77)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
(Decrease) / Increase in Trade payables	(862.53)	4,421.27
Increase in other financial liabilities	1,119.65	344.75
(Decrease) in Other Liabilities	(5,225.84)	(5,494.95)
(Decrease) / Increase in Provisions	(4.02)	157.36
	(4,336.25)	(6,056.12)
Cash generated from operations	3,556.73	4,942.72
Net income tax (Paid)	(421.06)	(988.09)
<b>Net cash flow from operating activities (A)</b>	3,135.67	3,954.63

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

(₹ in million)

	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
<b>B. B. Cash flow from investing activities</b>		
Capital expenditure for Property, Plant and Equipment, Investment Property, Intangible Assets including CWIP	<b>(1,516.56)</b>	(2,754.94)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	<b>200.90</b>	42.83
Bank balances not considered as Cash and cash equivalents	<b>411.76</b>	410.53
Sale / Purchase of Non current / current investments	<b>2,330.74</b>	2,367.14
Net cash inflow on disposal of a subsidiary	<b>158.39</b>	-
Refund of Share application money	<b>-</b>	4.76
Loans realised / (given) - Associates and others	<b>782.55</b>	(76.79)
Interest received	<b>1,258.72</b>	1,578.92
Rental income from investment property	<b>34.53</b>	23.17
Foreign Exchange translation adjustment	<b>94.66</b>	329.52
<b>Net cash flow from investing activities (B)</b>	<b>3,755.69</b>	1,925.14
<b>C. Cash flow from financing activities</b>		
Repayment of Debentures	<b>(346.00)</b>	(876.00)
Long term Borrowings - (repaid) / borrowed (net)	<b>(1,859.76)</b>	1,370.63
Short term Borrowings -(repaid) / borrowed (net)	<b>(315.06)</b>	1,343.99
Finance Cost	<b>(5,255.86)</b>	(7,081.75)
Dividend and Dividend Tax paid	<b>(401.59)</b>	(268.12)
<b>Net cash flow from financing activities (C)</b>	<b>(8,178.27)</b>	(5,511.25)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(1,286.91)</b>	368.52
Cash and cash equivalents at the beginning of the year	<b>2,607.21</b>	2,238.69
<b>Cash and cash equivalents at the end of the year (Refer note 12.1)</b>	<b>1,320.30</b>	2,607.21

Note: Figures in brackets represents cash outflows.

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.** For **DELOITTE HASKINS & SELLS**  
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

**M. BHASKARA RAO**  
Partner

**GANESH BALAKRISHNAN**  
Partner

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

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

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

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

Hyderabad, May 23, 2017

# 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, Transportation, 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

Upto the year ended March 31, 2016, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements and the date of transition to Ind AS is April 1, 2015. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 65.

### 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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 or 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.

# Notes forming part of the consolidated financial statements

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.4 Principles of Consolidation:

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

- a) NCCL consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 40. Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiaries companies are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions as per Indian Accounting Standard 110.
- b) Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.
- c) A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in joint venture includes goodwill identified on acquisition.
- d) The financial statements of the Subsidiaries, Joint ventures and the Associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2017 except one associate.
- 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 profit or 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

**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) Toll Income:** Fee collection from the users of the facility is accounted for as and when the amount is due and recovery is certain. Revenue from sale of passes to local traffic is accounted for as and when such passes are sold.

**iv) Real Estate Project:** Revenue from the sale of properties is recognised on transfer of all significant risks and rewards of ownership to the buyers, which coincides with the entering into a legally binding agreement and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on the basis of percentage completion method, measured on the basis of percentage of actual cost incurred including proportionate land cost bears to the total estimated cost of the project under execution. Revenue comprises the 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.

**v) 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:

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

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations including foreign branches are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the

# Notes forming part of the consolidated financial statements

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 profit or 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.

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 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.

In respect of employees of overseas subsidiaries and branches, contribution to defined benefit contribution retirement plans, is determined in accordance with the respective state laws.

### 2.11.2 Compensated Absences:

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

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

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

## 2.12 Taxes on Income:

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

### 2.12.1 Current Tax:

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

### 2.12.2 Deferred Taxes:

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

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

# Notes forming part of the consolidated financial statements

## 2.12.3 Current and deferred tax for the year:

Current and deferred tax 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

## 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.

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 profit or 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 has 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 assesment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance, etc.

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

Intangible Assets are amortised on straight line method based on the useful life as assessed by the Management. The amortisation method, the residual value and amortisation period for intangible assets shall be reviewed at least at each financial year-end.

**2.15 Investment property:** Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

## 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.

Carriageways represents commercial rights to collect toll fee in relation to road project, which has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the roads on Built Operate and Transfer basis less accumulated amortization and impairment losses, if any. It includes all direct material, labour and subcontracting costs, inward freight, duties, taxes, borrowing cost up to date of commercial operations and any directly attributable expenditure on making the commercial right ready for its intended use.

The cost in respect of carriageway representing the commercial rights to collect toll fee in relation to the road project is ammortised based on the proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period. Total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in Traffic and Toll rates and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.

## 2.17 Inventories:

### Raw Materials:

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



# Notes forming part of the consolidated financial statements

## **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 under. 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 or loss**

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

- (iv)** The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit or 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.

# Notes forming part of the consolidated financial statements

## 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 Carriage way:

Carriage way represents the cost incurred towards the project executed, pursuant to the Concession agreement. Up to date of transition to Ind AS the said Carriage way was treated as intangible asset of the Group and on transition to Ind AS the Group, pursuant to guidance with specified in Ind AS 101 – First time adoption of Indian Accounting Standards has elected to continue with the net carrying value of all its on the said Carriage way as non-current financial asset of the Group and will be amortised over the Concession period on straight line basis.

## 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:

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## 2.29 Grants:

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

## 2.30 Leases:

The Group leasing arrangements are mainly in respect of operating leases for premises and construction equipment. The leasing arrangements range from 11 months to 10 years generally and are usually cancellable / renewable by mutual consent on agreed terms. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

## 2.31 Earnings Per Share :

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

# Notes forming part of the consolidated financial statements

## 2.32 Cash Flow Statement:

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

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

**2.33 Critical 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 labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

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

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment	The Group reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life 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 qualified valuers to perform the valuation. Finance team works closely with the qualified external 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 fluctuations in the fair value of the assets and liabilities.
Provision for doubtful receivables	The Group makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories the Group makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/recovered for uncertain tax positions.

## 2.34 Exceptional Items:

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

## 2.35 Operating cycle:

The Group adopts operating cycle based on the project period and accordingly all project related assets and liabilities are

# Notes forming part of the consolidated financial statements

classified into current and non current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

## 2.36 New standards and interpretations not yet adopted

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate

changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

## Note 3

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

#### Carrying Amount:

	(₹ in million)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Land	675.01	675.01	671.68
Buildings	287.49	292.11	209.81
Plant and Equipment	4,920.58	5,525.32	5,343.57
Furniture and Fixtures	51.89	55.68	60.30
Construction Vehicles	1,009.63	1,341.13	950.43
Office Vehicles	439.77	384.55	376.82
Office Equipment	120.31	137.54	151.80
Lease Hold Improvements	37.60	47.22	49.28
Construction Accessories	1,975.04	1,703.09	1,405.61
<b>Total</b>	<b>9,517.32</b>	<b>10,161.65</b>	<b>9,219.30</b>
<b>Capital work in progress</b>	<b>14.64</b>	<b>81.24</b>	<b>106.05</b>

# Notes forming part of the consolidated financial statements

## Cost or deemed Cost:

(₹ in million)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Balance as at April 1, 2015	671.68	231.78	8,364.25	117.33	2,676.99	782.93	558.79	67.78	4,386.51	17,858.04
Additions	3.33	101.82	1,048.18	8.82	753.92	118.48	54.13	6.48	676.41	2,771.57
Disposals / Adjustments	-	2.70	184.10	3.54	0.04	53.21	39.06	-	278.15	560.80
Effect of Foreign Currency Exchange Differences	-	-	173.89	2.15	70.26	17.68	10.58	-	45.99	320.55
<b>Balance as at March 31, 2016</b>	<b>675.01</b>	<b>330.90</b>	<b>9,402.22</b>	<b>124.76</b>	<b>3,501.13</b>	<b>865.88</b>	<b>584.44</b>	<b>74.26</b>	<b>4,830.76</b>	<b>20,389.36</b>
Additions	-	22.60	468.66	9.85	5.47	160.87	38.05	-	695.21	1,400.71
Disposals / Adjustments	-	2.63	489.37	10.78	152.87	72.67	46.83	-	164.09	939.24
Effect of Foreign Currency Exchange Differences	-	-	78.51	0.69	0.26	7.11	3.38	-	16.89	106.84
<b>Balance as at March 31, 2017</b>	<b>675.01</b>	<b>350.87</b>	<b>9,460.02</b>	<b>124.52</b>	<b>3,353.99</b>	<b>961.19</b>	<b>579.04</b>	<b>74.26</b>	<b>5,378.77</b>	<b>20,957.67</b>

## Accumulated depreciation:

(₹ in million)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Balance as at April 1, 2015	-	21.97	3,020.68	57.03	1,726.56	406.11	406.99	18.50	2,980.90	8,638.74
Depreciation	-	17.79	901.82	12.47	380.48	101.22	66.13	8.54	352.31	1,840.76
Disposals / Adjustments	-	0.97	114.18	1.67	(1.86)	37.10	34.46	-	242.40	428.92
Effect of Foreign Currency Exchange Differences	-	-	68.58	1.25	51.10	11.10	8.24	-	36.86	177.13
<b>Balance as at March 31, 2016</b>	<b>-</b>	<b>38.79</b>	<b>3,876.90</b>	<b>69.08</b>	<b>2,160.00</b>	<b>481.33</b>	<b>446.90</b>	<b>27.04</b>	<b>3,127.67</b>	<b>10,227.71</b>
Depreciation	-	25.13	918.03	10.77	279.92	87.73	51.35	9.62	409.51	1,792.06
Disposals / Adjustments	-	0.54	299.23	7.70	107.10	51.60	42.32	-	147.95	656.44
Effect of Foreign Currency Exchange Differences	-	-	43.74	0.48	11.54	3.96	2.80	-	14.50	77.02
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>63.38</b>	<b>4,539.44</b>	<b>72.63</b>	<b>2,344.36</b>	<b>521.42</b>	<b>458.73</b>	<b>36.66</b>	<b>3,403.73</b>	<b>11,440.35</b>

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

# Notes forming part of the consolidated financial statements

## Note 3.1

### Investment property:

Carrying Amount: (₹ in million)			
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Land - Freehold	832.90	683.97	701.66
Buildings	294.37	268.21	272.70
<b>Total</b>	<b>1,127.27</b>	<b>952.18</b>	<b>974.36</b>

Cost or deemed Cost: (₹ in million)			
	Land - Freehold	Buildings	Total
Balance as at April 1, 2015	701.66	300.27	1,001.93
Additions	-	-	-
Disposals / Adjustments	17.69	(1.28)	16.41
<b>Balance as at March 31, 2016</b>	<b>683.97</b>	<b>301.55</b>	<b>985.52</b>
Additions	151.02	31.43	182.45
Disposals / Adjustments	2.09	-	2.09
<b>Balance as at March 31, 2017</b>	<b>832.90</b>	<b>332.98</b>	<b>1,165.88</b>

Accumulated depreciation: (₹ in million)			
	Land - Freehold	Buildings	Total
Balance as at April 1, 2015	-	27.57	27.57
Depreciation	-	5.05	5.05
Disposals / Adjustments	-	(0.72)	(0.72)
<b>Balance as at March 31, 2016</b>	<b>-</b>	<b>33.34</b>	<b>33.34</b>
Depreciation	-	5.55	5.55
Disposals / Adjustments	-	0.28	0.28
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>38.61</b>	<b>38.61</b>

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

### Fair value of the investment properties

Details of the investment properties and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and April 1, 2015, are as follows:

(₹ in million)				
	Fair value hierarchy	Fair value as at March 31, 2017	Fair value as at March 31, 2016	Fair value as at April 1, 2015
Land	Level 3	1476.63	1292.66	1326.58
Buildings	Level 3	671.52	576.09	542.54
<b>Total</b>		<b>2148.15</b>	<b>1868.75</b>	<b>1869.12</b>

# Notes forming part of the consolidated financial statements

## 3.2 Intangible Assets

### Carrying Amount:

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Intangible Assets	222.14	6,255.24	6,883.73

(₹ in million)

Cost or deemed Cost:	Intangible Assets
Balance as at April 1, 2015	8,131.22
Additions	8.19
Disposals / Adjustments	-
Balance as at March 31, 2016	8,139.41
Additions	-
Disposals / Adjustments	7,545.49
Balance as at March 31, 2017	593.92

(₹ in million)

Accumulated Amortisation:	Intangible Assets
Balance as at April 1, 2015	1,247.49
Amortisation	636.68
Disposals / Adjustments	-
Balance as at March 31, 2016	1,884.17
Amortisation	227.92
Disposals / Adjustments	1,740.31
Balance as at March 31, 2017	371.78

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>4 Investments</b>						
<b>4.1 Non Current Investments</b>						
<b>A Trade (Unquoted) (At Cost)</b>						
<b>(i) Investment in equity instruments</b>						
<b>a In Subsidiaries</b>						
In Equity Shares of "LKR" 10 each, fully paid up						
NCC Urban Lanka Private Limited (Value in ₹ 7)	2	-	2	-	2	-
In Shares of ₹ 10/- each, fully paid up						
Naftogaz Engineering Private Limited	50,000	0.50	50,000	0.50	50,000	0.50
Less: Provision for Impairment in value of Investments		0.50		-		-
		-		0.50		0.50
<b>b In Associates</b>						
In Shares of ₹ 10 each, fully paid up						
Jubilee Hills Landmark Projects Private Limited	2,500,000	-	2,500,000	-	2,500,000	-
Tellapur Techno City Private Limited	14,702,600	-	14,702,600	-	14,702,600	-
Paschal Form Work (India) Private Limited	6,549,892	26.08	6,549,892	25.35	6,549,892	33.38
Himalayan Green Energy Private Limited	1,000,000	-	1,000,000	17.49	1,000,000	17.01
Ekana Sportz City Private Limited	1,300,000	130.23	1,000,000	100.19	1,000,000	100.08
Brindavan Infrastructure Company Limited	8,643,036	125.81	8,643,036	125.71	8,643,036	125.94
Bangalore Elevated Tollway Limited (Refer note 4.3)	-	-	8,204,686	197.01	8,204,686	295.42
Pondichery Tindivanam Tollway Limited (Refer note 4.4)	3,388,040	30.33	3,388,040	135.59	3,388,040	225.96
Add : Fair valuation of interest free loan		315.18		205.30		205.30
		345.51		340.89		431.26
Varapradha Real Estates Private Limited	13,344,973	745.56	13,344,973	732.00	13,344,973	711.15
Aster Teleservices & MCML		1.00		1.00		1.00
Less: Provision for impairment in value of Investments		1.00		1.00		-
		-		-		1.00
In Shares of one USD each fully paid up						
Apollonius Coal and Energy PTE Limited	3,778,757	198.31	3,778,757	200.79	3,778,757	193.95
Less: Provision for impairment in value of Investments		79.97		-		-
		118.34		200.79		193.95



# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
In Shares of 1000 Dirham each fully paid up						
Nagarjuna Facilities Management Services, LLC, Dubai	147	-	147	3.43	147	3.53
In Shares of ₹ 1 each fully paid up						
Tellapur Technocity (Mauritius)	706,349,321	719.26	706,349,321	738.51	701,376,041	685.02
<b>(ii) Investment in preference shares</b>						
2% Redeemable Preference Shares of ₹ 100 each fully paid up						
Jubilee Hills Landmark Projects Private Limited	4,274,999	132.07	4,274,999	166.55	4,274,999	240.24
Less: Provision for impairment in value of Investments		96.21		96.21		-
		35.86		70.34		240.24
Bangalore Elevated Tollway Limited	-	-	5,250,000	525.00	5,250,000	525.00
<b>(iii) Investment in debentures</b>						
Jubilee Hills Landmark Projects Private Limited (of ₹ 100 each, fully paid up)	5,092,252	509.23	5,092,252	509.23	5,092,252	509.23
Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up)	737,248,092	495.95	737,248,092	498.61	737,248,092	506.02
<b>Total aggregate investments in Associates</b>		3,251.83		4,084.55		4,378.23
<b>c In Other entities</b>						
Investment at Fair Value through Profit and Loss						
In Shares of ₹ 10 each, fully paid up						
SNP Developers and Projects LLP (Refer note 65)	548,113	9.66	548,113	9.66	548,113	9.66
SNP Ventures LLP (formerly SNP Ventures Private Limited) (Refer note 65)	3,368,231	97.15	3,368,231	97.15	3,368,231	97.15
SNP Property Developers LLP (Refer note 65) (formerly SNP Property Development Private Limited)	1,700,275	29.31	1,700,275	29.31	1,700,275	29.31
NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00	1,499,900	15.00
In Shares of ₹ 25 each, fully paid up						
Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10	4,040	0.10
Share Application Money to associate		-		-		4.76

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>B Trade (Quoted)</b>						
<b>Investment in equity instruments</b>						
In Shares of ₹ 10 each, fully paid up						
NCC Finance Limited [* (Value ₹ 90) ]	9	-	9	-	9	-
<b>Total aggregate investments in Other entities</b>		151.22		151.22		155.98
<b>Grand Total</b>		3,403.05		4,236.27		4,534.71
<b>4.2 Current Investments</b>						
In Shares of ₹ 10 each, fully paid up						
<b>A In Associates</b>						
Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited - ceased to be an Associate w.e.f March 15, 2016) (Refer note 4.5)	-	-	-	-	818,691,749	7,495.51
Investment at Fair Value through Profit and Loss						
<b>B In Other entities (Unquoted)</b>						
In Shares of ₹ 10 each, fully paid up						
Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited - ceased an Associate w.e.f March 15, 2016) (Refer note 4.5)	345,752,370	2,761.38	561,847,279	4,922.32	-	-
Himachal Sorang Power Limited (Refer note 4.6)	3,994,890	402.52	3,994,890	402.52	3,994,890	402.52
Machilipatnam Port Limited	-	-	1,000	0.01	1,000	0.01
<b>C In Mutual Funds (Quoted)</b>						
L&T Mutual Fund						
- Debt Funds (Refer note 4.7 and Refer note 65)	43,757,286	720.50	52,544,326	770.15	25,658,035	334.41
- Liquid Funds		-		-	206,449	246.30
<b>Total</b>		3,884.40		6,095.00		983.24
<b>Grand Total</b>		3,884.40		6,095.00		8,478.75
Aggregate market value of current Quoted Investments		720.50		770.15		580.71
Aggregate amount of Unquoted Investments		6,566.95		9,561.12		12,432.75
Aggregate amount of impairment in value of investments		177.68		97.21		-
Aggregate market value of Non Current Quoted Investments		.*		.*		.*
* Market value of ₹ 17.91 (31.03.2016: ₹ 13.14 and 01.04.2015: ₹ 7.11)						

# Notes forming part of the consolidated financial statements

- 4.3** Of these Nil (31.03.2016: Nil and 01.04.2015: 40,800) equity shares have been pledged to the consortium of bankers for the term loan availed by Bangalore Elevated Tollway Limited.
- 4.4** Of these 1,853,656 shares (31.03.2016 : 1,234,408 shares) are pledged with Axis Bank Limited & WITCO as security for term loans availed by Pondicherry Tindivanam Tollway Limited. 83,415 shares physically pledged with Axis Bank & WITCO.  
Of these Nil (31.03.2016 : 564,833 and 01.04.2015: 564,833) equity shares have been pledged to IDBI Trustee Ship Services Limited and Nil (31.03.2016: 137,831 and 01.04.2015: 137,831) equity shares have been pledged to Axis Bank for the term loan availed by Pondichery Tindivanam Tollway Limited.
- 4.5** Of these 342,180,574 shares (31.03.2016: 342,180,574 and 01.04.2015: 743,941,493 shares) have been pledged with the lenders against the term loans availed by Sembcorp Gayatri Power Limited.
- 4.6** Of these 3,991,486 shares (31.03.2016: 3,991,486 and 01.04.2015 : 3,991,486 shares) are pledged with Axis Bank Limited as security for term loans availed by Himachal Sorang Power Limited.  
Of these 2652 (31.03.2016 : 2,652 and 01.04.2015: 2,652) equity shares have been pledged with Axis Bank and 748 (31.03.2016 :748 and 01.04.2015: 748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. The Company in the year 2012 -13, has entered into securities purchase agreement for disposal of these shares, subject to compliance with the various conditions mentioned in the agreement.
- 4.7** Includes investments held pursuant to the provisions of Debenture Trust Deed to meet Debt Service Reserve Account (DSRA) ₹ 150.00 million and Major Maintenance Reserve ₹ 152.80 million.
- 4.8** During the year the Group has sold its investment in these entities and the relationship is ceased with effect from below dates:  
a) Western UP Tollway Limited - May 11, 2016  
b) Bangalore Elevated Tollway Limited - October 18, 2016

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>5 Loans</b>			
Un-Secured, Considered good			
Loans and Advances to Related Parties			
Associate	130.28	484.44	476.39
Other Loans and Advances	270.92	244.37	218.07
<b>Total</b>	<b>401.20</b>	<b>728.81</b>	<b>694.46</b>
<b>6 Trade Receivables</b>			
Retention Money	1,691.60	1,191.17	1,494.93
<b>7 Other Financial Assets</b>			
Un-Secured, Considered good			
Other Receivables	3.01	42.27	29.81
Interest accrued on loans			
Considered Good	-	9.26	6.37
Considered Doubtful	10.84	-	-
	10.84	9.26	6.37
Less : Allowance for doubtful interest	10.84	-	-
	-	9.26	6.37
Deposits with Customers and Others	22.99	26.01	22.19
Deposits - Joint Development (Refer note 7.1)	433.69	387.80	340.12
Carriage way net of amortisation	2,820.22	3,218.40	3,616.59
<b>Total</b>	<b>3,279.91</b>	<b>3,683.74</b>	<b>4,015.08</b>

# Notes forming part of the consolidated financial statements

- 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, 2017 ₹ 675.70 million (31.03.2016: ₹ 684.10 million and 01.04.2015: ₹ 681.60 million.) These deposits are valued at Fair value through Profit and Loss and the difference between the carrying values and the present value as at the Ind AS transition date is charged to Opening balance of Retained Earnings in case of the projects substantially in progress/completed as at that date and in other cases, to Inventory.

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>8 Deferred Tax Assets (Net) (Refer note 64)</b>	<b>1,437.75</b>	821.40	619.66
<b>9 Other Non - Current Assets</b>			
Advance for Purchase of Land (Refer note 9.1)	<b>159.78</b>	189.58	189.57

- 9.1 Advances for Purchase of Land includes ₹ 159.35 million (31.03.2016: ₹ 167.35 million and 01.04.2015: ₹ 167.35 million) paid towards three properties during the years from 2005-2006 to 2008-2009, in respect of which agreements were expired. The registrations in the name of NCC Urban Infrastructure Limited (NCC Urban) are pending due to non-fulfillment of certain obligations like obtaining necessary permissions, sanctions, clearances, approvals for conversions, etc from statutory authorities as per the agreement, either by NCC Urban or by the vendor. Erosion, if any, is not ascertainable. NCC Urban is confident of negotiating with the respective vendors for extension of the agreements and / or registration as per mutually agreed terms.

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>10 Inventories</b>			
Raw Materials - at cost or under	<b>4,150.45</b>	4,321.68	5,318.54
Raw Material in Transit - at cost or under	<b>114.89</b>	0.16	25.40
Work-in-progress - contract rates less profit margin	<b>19,944.96</b>	21,270.58	19,249.82
Property Development Cost (Refer note 10.1 and 10.2) - at cost or under	<b>2,970.74</b>	3,034.69	3,048.63
<b>Total</b>	<b>27,181.04</b>	28,627.11	27,642.39

- 10.1 Property development cost includes ₹ 286.55 million (31.03.2016: ₹ 286.55 million and 01.04.2015: ₹ 286.55 million) representing the cost of acquisition of land from different land owners, for which the Company holds General Power of Attorney to deal with such land including registration of the sale in the name of the Company.

- 10.2 Includes land admeasuring Acre 46.33 guntas located at Poppalaguda Village, Devar Yamzal Village, 124.97 Acres located at Neman Village and Acre 6.44 cents located at Zamin Pallavaram Village, Tamil Nadu held by a subsidiary and have now been offered as security to SBI Consortium / SBI CAP Trustee Company Limited in connection with ₹ 3,000.00 million loan availed by NCC Limited. NCC Urban has created a charge in favour of SBI Consortium / SBI CAP Trustee Company Limited on the aforesaid lands.

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>11 Trade Receivables</b>			
Unsecured (Refer note 11.1 to 11.4)			
Considered Good	<b>41,179.19</b>	36,780.52	32,667.47
Considered Doubtful	<b>418.41</b>	245.74	191.13
	<b>41,597.60</b>	37,026.26	32,858.60
Less : Allowance for doubtful trade receivables	<b>418.41</b>	245.74	191.13
<b>Total</b>	<b>41,179.19</b>	36,780.52	32,667.47

# Notes forming part of the consolidated financial statements

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

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

## **11.3 Movement in the allowance for doubtful receivables**

(₹ in million)

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	245.74	191.13
Add: Allowance for doubtful receivables	172.67	54.61
Balance at the end of the year	418.41	245.74

**11.4** Trade receivables includes retention money not fallen due of ₹ 12,899.57 million (31.03.2016: ₹ 12,383.81 million and 01.04.2015: ₹ 10,748.12 million).

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>12 Cash and Bank Balances</b>			
<b>12.1 Cash and Cash Equivalents</b>			
Cash on hand	11.84	18.02	27.99
Balances with Banks :			
In Current Accounts	1,288.81	2,420.26	2,151.79
In Deposit Accounts with maturity less than 3 months	19.65	168.93	58.91
	1,320.30	2,607.21	2,238.69
<b>12.2 Other Bank Balances</b>			
In Deposit Accounts			
Margin Money Deposits (Refer note 12.3)	108.29	262.15	308.92
In Deposit Accounts with maturity more than 3 months	270.93	537.14	742.20
	379.22	799.29	1,051.12
Earmarked balances with Banks			
Unpaid dividend accounts	4.15	4.28	4.76
Long Term Deposits (Refer note 12.4 and 12.5)	35.63	27.19	185.42
Escrow accounts (Refer note 38 (i) (a))	30.68	30.68	30.68
	70.46	62.15	220.86
	449.68	861.44	1,271.98
<b>Total</b>	<b>1,769.98</b>	<b>3,468.65</b>	<b>3,510.67</b>

## **12.3 Margin Money Deposits have been lodged with Banks against Guarantees issued by them.**

**12.4** Includes Cash and Cash equivalents but pursuant to notification issued by Ministry of Corporate Affairs vide circular no. 04/2013, dated February 11, 2013, the Group has deposited ₹ Nil (31.03.2016: ₹ Nil and 01.04.2015: ₹ 150.43 million) in a scheduled bank and which are not available for use by the Company other than specific purpose.

**12.5** Includes deposits for Debt Service Reserve ₹ 35.60 million (31.03.2016: ₹ 27.11 million and 01.04.2015: ₹ 22.61 million), pursuant to the conditions of Term Loan agreement with ICICI Bank.

# Notes forming part of the consolidated financial statements

## 12.6 Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 across various locations are given below.

(₹ in million)

S.No.	Particulars	SBNs	Other Denomination Notes	Total
(i)	Closing cash in hand as on November 8, 2016	17.63	15.77	33.40
(ii)	(+) Permitted Receipts	-	67.20	67.20
(iii)	(+) Non Permitted Receipts	3.96	-	3.96
(iv)	(-) Permitted Payments	-	68.57	68.57
(v)	(-) Non Permitted Payments	10.49	-	10.49
(vi)	(-) Amount deposited in banks	11.10	0.30	11.40
(vii)	Closing cash in hand as on December 30, 2016	-	14.10	14.10

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>13 Loans</b>			
Secured, considered good			
Loans to Related Parties			
Other Body Corporate (Refer note 13.1)	-	70.24	69.61
Unsecured considered good			
Loans to Related Parties			
Associates	254.77	7.61	9.11
Loans to Other Body Corporates	196.00	196.00	196.00
Security Deposits	3.50	3.83	3.14
Loans and Advances to Employees	106.21	141.94	185.07
<b>Total</b>	<b>560.48</b>	<b>419.62</b>	<b>462.93</b>
13.1 Secured by equitable mortgage of immovable properties of a body Corporate			
<b>14 Other Financial Assets</b>			
Unsecured, considered good			
Advances recoverable	522.46	641.08	865.00
Deposits with Customers and Others			
Considered good	-	58.88	65.13
Considered doubtful	50.00	-	-
	50.00	58.88	65.13
Less : Allowance for doubtful deposits	50.00	-	-
	-	58.88	65.13
Interest Accrued on Deposits and Others	127.63	302.05	854.56
Unbilled Revenue - Annuity Accrued	390.93	390.93	390.93
Other Receivables	176.50	-	-
<b>Total</b>	<b>1,217.52</b>	<b>1,392.94</b>	<b>2,175.62</b>
<b>15 Non Current Tax Assets (Net)</b>			
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	914.57	952.89	998.22
<b>15.1 Current Tax Assets (Net)</b>			
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	160.64	644.48	712.38

# Notes forming part of the consolidated financial statements

<b>16 Other Current Assets</b>						
Advances to Suppliers, Sub-contractors and Others (Refer note 16.1 and 65)						
Considered Good	7,742.77		11,602.88		11,905.33	
Considered Doubtful	1,066.55		384.60		158.60	
	8,809.32		11,987.48		12,063.93	
Less : Allowance for doubtful advances	1,066.55		384.60		158.60	
		7,742.77		11,602.88		11,905.33
Prepaid Expenses		387.54		437.71		486.35
Balances with Government Authorities						
Sales Tax / Value Added Tax credit receivable		3,784.58		3,416.08		3,245.72
Service Tax credit receivable		456.91		760.23		116.50
		12,371.80		16,216.90		15,753.90

**16.1** Advances to Suppliers, Sub-contractors and others, includes advance to enterprises owned are significantly influenced by key management personnel or their relatives ₹ 2,928.36 million (31.03.2016: ₹ 5,138.07 million and 01.04.2015: ₹ 4,339.03 million).

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>17 Share Capital</b>						
Authorised :						
Equity Shares of ₹ 2 each	750,000,000	1,500.00	750,000,000	1,500.00	750,000,000	1,500.00
Issued :						
Equity Shares of ₹ 2 each (Refer note 17.3)	555,931,588	1,111.86	555,931,588	1,111.86	555,931,588	1,112.36
Subscribed and Paid up :						
Equity Shares of ₹ 2 each	555,931,588	1,111.86	555,931,588	1,111.86	555,931,588	1,111.86
<b>Total</b>		1,111.86		1,111.86		1,111.86

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

(₹ in million)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	555,931,588	1,111.86	555,931,588	1,111.86
Balance at end of the year	555,931,588	1,111.86	555,931,588	1,111.86

**17.2 Details of shares held by each shareholder holding more than 5% shares (excluding shares represented by underlying Global Depositary Receipts (GDRs))**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Blackstone GPV Capital Partners Mauritius V-A Ltd.	-	-	54,903,498	9.88	55,032,681	9.90
Smt. Rekha Jhunjunwala	45,108,266	8.11	45,233,266	8.14	54,233,266	9.76
A V S R Holdings Private Limited	36,352,278	6.54	34,052,278	6.13	34,052,278	6.13
UTI Mutual Fund	-	-	20,462,662	3.68	36,371,415	6.54

# Notes forming part of the consolidated financial statements

## 17.3 Details of unsubscribed equity shares

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 2 each	-*	-*	-*	-*	250,000	0.50

\* Pursuant to the approval of the shareholders during the meeting held on August 24, 2015, the unsubscribed portion of the issued share capital of the Company representing 250,000 equity shares ₹ 2 each amounting to ₹ 500,000 has been cancelled.

**17.4** Unclaimed equity shares of 108,667 (31.03.2016: 108,667 and 01.04.2015: 109,825) are held in "NCC Limited - Unclaimed suspense account " in trust.

## 17.5 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.

**17.6** 501,831 (31.03.2016:757,810 and 01.04.2015:18,700) 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.

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015
<b>18 Other Equity</b>					
<b>18.1 Capital Reserve</b>					
Opening balance	369.51		368.06		
Add / (Less) : Arising on account of Consolidation	(288.07)		1.45		
Closing balance		81.44		369.51	368.06
<b>18.2 Securities Premium (Refer Note 18.2.a)</b>		19,993.03		19,993.03	19,993.03
<b>18.3 Debenture Redemption Reserve</b>					
Opening balance	-		180.00		
Less : Transfer to General Reserve	-		180.00		
Closing balance		-		-	180.00
<b>18.4 Legal / Statutory Reserve (Refer note 43)</b>					
Opening balance	234.40		221.18		
Add / (Less): On account of Foreign Currency Fluctuation	(4.86)		13.22		
Closing balance		229.54		234.40	221.18
<b>18.5 Reserve Fund under Section 45 - IC of RBI Act, 1934</b>		2.39		2.39	2.39
<b>18.6 Contingency Reserve</b>					
Opening balance	220.00		220.00		
Less: Transfer to General Reserve	220.00		-		
Closing balance		-		220.00	220.00



# Notes forming part of the consolidated financial statements

<b>18.7 General Reserve (Refer Note 18.7.a)</b>					
Opening balance	<b>9,131.84</b>		7,206.43		
Add : Transferred from Debenture Redemption Reserve	-		180.00		
Add : Transfer from Contingency Reserve	<b>220.00</b>		-		
Add : Transfer from Surplus in Statement of Consolidated Profit and Loss	-		1,745.41		
Closing balance		<b>9,351.84</b>		9,131.84	7,206.43
<b>18.8 Surplus in Statement of Consolidated Profit and Loss (Refer Note 18.8.a)</b>					
Opening balance	<b>2,605.41</b>		3,414.21		
Add : Arising on Account of Consolidation	<b>870.73</b>		-		
Add : Profit for the year	<b>316.84</b>		1,204.25		
	<b>3,792.98</b>		4,618.46		
Less : Appropriations					
Dividend proposed to be distributed on equity shares	<b>333.56</b>		222.37		
Tax on Dividend	<b>67.90</b>		45.27		
Transfer to General Reserve	-		1,745.41		
	<b>401.46</b>		2,013.05		
Closing balance		<b>3,391.52</b>		2,605.41	3,414.21
<b>18.9 Other Components of Equity</b>					
"Remeasurements of the defined benefit plans (Net of tax ) (Refer note 18.9.a)"		<b>(13.63)</b>		(2.56)	-
Share of Other comprehensive income in Associates		<b>(0.21)</b>		(0.16)	-
Exchange differences in translating the financial statements of foreign operations (Net of tax ) / Adjustment on account of Foreign currency fluctuation (Refer note 18.9.b)		<b>328.84</b>		254.41	-
<b>Total</b>		<b>33,364.76</b>		32,808.27	31,605.30

**18.2.a** Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Act.

**18.7.a** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**18.8.a** Retained earnings represents the Company's undistributed earnings after taxes.

**18.8.b** In respect of the year ended March 31, 2017, the directors propose that a dividend of ₹ 0.40 per share be paid on fully paid equity shares. This equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 222.37 million including dividend distribution tax of ₹ 45.27 million.

**18.9.a** It represents the actuarial gain / (loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.

**18.9.b** It represents the exchange differences accumulated when the foreign operations financial statements are converted from their functional currency to presentation currency of the Company.

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current*	Non Current	Current*	Non Current	Current*
<b>19 Borrowings</b>						
<b>Debentures</b>						
<b>Secured</b>						
18% Redeemable, Non-convertible Debentures (Refer note 19.1)	-	-	-	-	110.00	-
10.90% Redeemable, Non-Convertible Debentures(Refer note 19.2)	<b>1,184.00</b>	<b>222.00</b>	1,406.00	176.00	1,582.00	146.00
11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.2)	<b>100.00</b>	<b>150.00</b>	250.00	150.00	400.00	100.00
11.50 % Redeemable, Non-Convertible Debentures(Refer note 19.2)	<b>702.00</b>	<b>8.00</b>	710.00	20.00	730.00	20.00
<b>Unsecured</b>						
9.50% Redeemable, Non-convertible Debentures (Refer note 19.3)	-	-	-	-	-	500.00
<b>Term Loans :</b>						
<b>Secured</b>						
From Banks and Financial Institutions (Refer note 19.4)	<b>2,605.45</b>	<b>484.30</b>	7,147.94	810.58	6,563.53	398.01
From Other Parties (Refer note 19.5)	<b>19.42</b>	<b>14.14</b>	1.59	263.65	43.39	132.47
<b>Vehicle Loans</b>						
<b>Secured</b>						
From Banks (Refer note 19.6)	<b>9.69</b>	<b>6.15</b>	3.86	3.44	2.33	5.35
From Others (Refer note 19.6)	<b>29.34</b>	<b>19.78</b>	5.67	6.45	6.92	5.79
<b>Other Loans</b>						
<b>Unsecured</b>						
Loans from Related parties (Refer note 19.7)	-	-	644.88	-	378.79	-
<b>Total</b>	<b>4,649.90</b>	<b>904.37</b>	10,169.94	1,430.12	9,816.96	1,307.62

\* Current maturities are included in Note 25 - Other Financial Liabilities

## 19.1 18% Redeemable Non Convertible Debentures

Debentures issued by NCC Urban Infrastructure Limited (NCC Urban) in earlier years have been repaid during the year 2015-16 and obtained Letter of Satisfaction. The same has been filed with Register of Companies, Telangana.

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

### a) Interest

The interest rate payable on the debentures depends upon the 'Rating' by rating agency and in accordance with Clause 3.1 of the Debenture Trust Deed entered between 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 subaccounts and all the funds from time to time deposited therein.
- 4) First pari passu charge over all receivables and all Authorised Investments or other securities including receivables from NHAI of the Project, whatsoever nature both present and future subject to the provisions of the Transaction Documents.
- 5) Assignment by way of security, in :
  - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in the Project Agreements;
  - All the rights, title and interest of OBIL in, to and all the Clearances;
  - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
  - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL under all insurance contracts;
- 6) A pledge on 51% of the issued, paid up and voting equity share capital of OBIL held by the promoters of OBIL.

## c) Redemption Schedule

(₹ in million)

Date of Installments	Series 'A'	Series 'B'	Series 'C'	Total
June 15, 2022 & December 15, 2022	-	-	106.00	<b>106.00</b>
June 15, 2021 & December 15, 2021	156.00	-	348.00	<b>504.00</b>
June 15, 2020 & December 15, 2020	300.00	-	198.00	<b>498.00</b>
June 15, 2019 & December 15, 2019	320.00	100.00	40.00	<b>460.00</b>
June 15, 2018 & December 15, 2018	408.00	-	10.00	<b>418.00</b>
June 15, 2017 & December 15, 2017	222.00	150.00	8.00	<b>380.00</b>
June 15, 2016 & December 15, 2016	176.00	150.00	20.00	<b>346.00</b>
June 15, 2015 & December 15, 2015	146.00	100.00	20.00	<b>266.00</b>
June 15, 2014 & December 15, 2014	148.00	-	90.00	<b>238.00</b>
February 21, 2014	124.00	-	-	<b>124.00</b>

## 19.3 9.50 % Redeemable Non-Convertible Debentures

- (i) Debentures numbering to 500 having face value of ₹ 4 million each comprising of four (4) Detachable and Separately Transferable Redeemable principal parts ("STRPPS") of face value of ₹ 1 million each aggregating to ₹ 2,000 million privately placed with ICICI Bank Limited.
- (ii) These Debentures are to be redeemed at par in four equated installments commencing at the end of second year from the date of allotment i.e. August 11, 2012 onwards.
- (iii) During the year 2015-16 the final installment has been repaid.

## 19.4 Term Loans from Banks and Financial Institutions

- (i) Term loans from Andhra Bank, State Bank of Hyderabad, State Bank of India, Syndicate Bank, Indian Overseas Bank, Canara Bank and Standard Chartered Bank aggregating ₹ 1,512.00 million are secured, in terms of the sanction letter, by:
  - first parri-passu charge on the properties owned by NCC Limited, NCC Urban Infrastructure Limited, Dhatri Developers and Properties Private Limited and the subsidiaries of NCC Urban Infrastructure Limited
  - pledge of shares of NCC Urban Infrastructure Limited held by NCC Limited.

# Notes forming part of the consolidated financial statements

- personal guarantees of Sri. A.A.V. Ranga Raju, Sri. A.G.K. Raju, Sri. A.S.N. Raju, Sri. A.V.N. Raju, Sri. A.K.H.S. Rama Raju, Sri. N.R. Alluri and Sri. J.V. Ranga Raju.

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

## (ii) HDFC Bank

- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery

## (iii) Axis Bank Limited

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

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

S. No	Particulars	Number of Loans outstanding As at			Outstanding balance As at (₹ in million)			Interest Range % per annum	Balance number of Installments as at			Frequency of Installments	Commencing From-To
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015		31.03.2017	31.03.2016	01.04.2015		
(i)	Indus Ind Bank Ltd	-	-	3	-	-	37.07	12.25	-	-	2 to 11	Monthly	July 31, 2011 to February 15, 2016
(ii)	HDFC Bank	-	2	4	-	0.45	3.34	10.50	-	4 to 8	1 to 20	Monthly	June 20, 2012 to November 06, 2016
(iii)	Axis Bank Limited	13	11	1	67.11	93.37	16.14	9.85 to 10.75	21 to 26	33 to 35	12	Monthly	May 01, 2012 to May 20, 2019

## (iv) Loan of Nagarjuna Construction Company International LLC

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

- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of USD 18.2 million
- Corporate guarantees from NCC Limited India to the extent of USD 8.8 million against term loan.
- Corporate guarantees from NCC Limited India to the extent of USD 3.3 million against working capital facility for Qatar projects.

Oman Arab Bank borrowings are secured either / and - or as:

- Corporate guarantees from NCC Limited India to the extent of OMR 2 million against term loan.

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

- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of OMR 51.45 million.

## (v) Loan of NCC Urban infrastructure Limited (NCC Urban)

- NCC Urban entered into a Facility Agreement with ICICI Bank Ltd for availing term loans aggregating to ₹ 1500 million receivable in 5 tranches - RTL 1 - ₹ 200 million, RTL 2 - ₹ 250 million, RTL 3 - ₹ 300 million, RTL 4 - ₹ 350 million, RTL 5 - ₹ 400 million.

# Notes forming part of the consolidated financial statements

- (ii) 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 4 and 5 shall be utilized towards construction cost of NCC Urban Gardenia, Hyderabad and NCC Urban Green Province, Bengaluru.
- (iii) Term Loan carry an interest rate of bank's "I-Base" rate plus a spread. The rate of interest, as at March 31, 2017 aggregates to 12.80%.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) Exclusive charge by way of registered hypothecation on the Escrow accounts of NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad & NCC Urban Green Province - Bengaluru and the Debt Service Reserve (DSR) Account all monies credited/deposited therein (in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be).
- (viii) Exclusive charge by way of equitable mortgage on land parcel/ property located in Semmenchery on the Old Mahabalipuram Road, Chennai to the extent of 7.53 acres with survey numbers 552/1A1 - 0.09 Acre, 553/2B1A - 0.15 Acre, 553/2B2A - 0.16 Acre, 742 - 1.9 Acre, 743/3 - 2.57 Acres, 744 - 0.57 Acre, 745/1 - 1.43 Acre, 745/2 - 0.66 Acre.
- (ix) Term Loan shall be repayable in 36 structured monthly installments commencing from August 15, 2016 and ending on July 15, 2019.
- (x) There are no overdue's towards Principal or Interest as on March 31, 2017.
- (xi) Long-term borrowings are net of unamortised transaction costs of ₹ 8.62 million as at 31.03.2017 (31.03.2016: ₹ 12.50 million)
- (vi) Loan of Western UP Tollway Ltd.(WUPTL)

## Term Loans - Secured

Term Loans from Banks and financial institutions viz. Punjab National bank, Bank of Baroda, Infrastructure Development Finance Company Limited and Infrastructure India Finance Company Limited are secured by:

- (i) First mortgage and charge in a form satisfactory to the Security Agent of all WUPTL's immovable properties, present and future except project assets.
- (ii) A first charge by way of hypothecation of all WUPTL's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, except the project assets.
- (iii) A first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
- (iv) A first charge of all intangibles including but not limited to goodwill, uncalled capital, present and future.
- (v) Subject to the provisions of the Concession Agreement, a first charge on the Escrow Account, Debt service reserve, Major Maintenance Reserve and other reserves
- (vi) A first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum of 51% of the total paid up capital of WUPTL held by the promoter during the currency of the Loan.

# Notes forming part of the consolidated financial statements

(vii) Term Loans from Banks and Financial Institutions carry an interest of 11.50% to 12.30% and are repayable as follows:

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

## 19.5 Term Loans from Others Parties:-

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

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

S. No	Particulars	Number of Loans outstanding As at			Outstanding balance As at (₹ in million)			Interest Range % per annum	Balance number of Installments as at			Frequency of Installments	Commencing From-To
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015		31.03.2017	31.03.2016	01.04.2015		
(i)	SREI Equipment Finance Limited	2	3	4	1.60	6.08	23.71	10.25 to 13	4 to 12	5 to 24	12 to 28	Monthly	June 03, 2013 to March 22, 2018
(ii)	L&T Finance Limited	-	3	3	-	19.22	60.30	11.46 to 12	-	4 to 6	16 to 18	Monthly	September 10, 2012 to September 05, 2016
(iii)	Siemens Financial Services (P) Limited	-	1	1	-	3.64	24.01	12	-	2	14	Monthly	June 22, 2013 to May 22, 2016
(iv)	Shri Ram Equipment Finance Company Limited	-	1	1	-	3.22	39.35	12.50	-	1	13	Monthly	June 22, 2013 to April 22, 2016
(v)	Tata Capital Financial Services Limited	3	3	3	31.96	12.63	28.49	10 to 12.75	27 to 31	7 to 9	19 to 21	Monthly	December 09, 2013 to October 15, 2019

# Notes forming part of the consolidated financial statements

## 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 7.43 % to 11.93 % per annum.

## 19.7 Other Loans

Loans of Western Up Tollway Limited

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

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>20 Trade Payables</b>			
Trade Payables	-	11.38	11.39
Retention Money payable / Others	771.56	605.26	866.36
<b>Total</b>	<b>771.56</b>	<b>616.64</b>	<b>877.75</b>
<b>21 Provisions</b>			
Provision for Employee Benefits			
Compensated absences	191.96	177.63	156.31
Gratuity (Refer note 55)	283.06	287.09	257.67
Provision for contractual obligations (Refer note 26.2)	-	-	234.23
Provision on Standard Assets as per RBI Circular	6.07	4.49	-
Provision for Commitments (Refer note 47)	150.00	-	-
<b>Total</b>	<b>631.09</b>	<b>469.21</b>	<b>648.21</b>
<b>22 Other Non-Current Liabilities</b>			
Advance from Associate	1,319.95	1,293.94	1,293.94
<b>23 Borrowings</b>			
Loans repayable on demand			
Secured Loans - Banks			
Working Capital Demand Loan (Refer note 23.1)	5,487.12	4,979.35	6,504.30
Cash Credits and Overdrafts(Refer note 23.1)	13,434.17	15,245.60	12,626.65
Unsecured Loans			
From Others(Refer note 23.2)	1,243.65	255.05	5.06
<b>Total</b>	<b>20,164.94</b>	<b>20,480.00</b>	<b>19,136.01</b>

### 23.1 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 4.5) and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu amongst consortium banks.
- Hypothecation against first charge on unencumbered fixed assets of the Project Division and Light Engineering Division (excluding Land & Buildings) of the Company rank parri passu amongst consortium banks.
- Equitable mortgage of three properties (Land & Buildings).

# Notes forming part of the consolidated financial statements

- d) The Company availed overdraft facility from ICICI Bank and is secured, in terms of the sanction letter, by:
- mortgage over immovable fixed assets;
  - pledge of shares of NCC Urban Infrastructure Limited held by NCC Limited;
  - personal guarantees of Sri. A.A.V. Ranga Raju, Sri. A.G.K. Raju, Sri. A.S.N. Raju, Sri. A.V.N. Raju, Sri. A.K.H.S. Rama Raju, Sri. N.R. Alluri and Sri. J.V. Ranga Raju;

This facility carries an interest rate of 13.50% per annum.

- e) Loans of NCC Urban Infrastructure Limited

Working Capital facilities of ₹ 109.30 million from Bank of India, Mid-corporate branch, Hyderabad , carrying an interest of 14% per annum is secured by:

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

- f) Loans of Nagarjuna Construction Company International LLC

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

- First exclusive charge on fixed assets of value OMR 4.40 million only.
- Assignment of project receivables.
- Corporate guarantees from NCC Limited, India to the extent of OMR 2.838 million.

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

- Counter guarantees from ICICI bank Ltd.
- Corporate guarantees from NCC Limited, India to the extent of OMR 8.808 million.

- g) Loans of Nagarjuna Contracting Company LLC

The overdraft facility is secured by:

- Assignment of contract receivables.
- Corporate guarantee from NCC Limited - India

- h) Loans of Aster Rail Private Limited

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

## 23.2 Unsecured - term loans from Others:

Includes loan of NCC Urban Infrastructure Limited having a maturity of less than one year and outstanding balance of ₹ 1,243.50 million (31.03.2016: ₹ 4.90 million and 01.04.2015: ₹ 4.90 million) carry interest rate of 13.00 % per annum.



# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>24 Trade Payables</b>			
Acceptances	2,758.00	4,584.95	5,073.42
Other than Acceptances	28,640.68	27,953.05	22,778.79
<b>Total</b>	<b>31,398.68</b>	<b>32,538.00</b>	<b>27,852.21</b>
<b>25 Other Financial Liabilities</b>			
Current maturities of Long Term Borrowings (Refer note 19)	904.37	1,430.12	1,307.62
Interest Accrued but not due on borrowings and others	113.57	246.39	917.55
Unpaid Dividend Accounts	4.15	4.28	4.76
Other Payables			
Payable on purchase of Fixed Assets	-	9.59	20.42
Interest Accrued on Trade Payables	1.48	0.68	0.60
Advance Sale consideration received (Refer note 26.1)	326.76	326.76	326.76
Other Liabilities	1,693.84	2,006.22	1,650.64
<b>Total</b>	<b>3,044.17</b>	<b>4,024.04</b>	<b>4,228.35</b>
<b>26 Provisions</b>			
Provision for Employee Benefits			
Compensated absences	45.66	41.17	48.58
Gratuity (Refer note 55)	24.42	18.43	23.28
Obligation on sale of Investment (Refer note 26.1)	159.57	159.57	159.57
Provision for contractual obligations (Refer note 26.2)	262.73	577.54	220.00
Provision for impairment losses in Subsidiaries	25.71	348.00	-
<b>Total</b>	<b>518.09</b>	<b>1,144.71</b>	<b>451.43</b>

**26.1** Represents amount received for and provision made towards sale of investment in Himachal Sorang Power Limited by NCC Infrastructure Holdings Limited (Refer note 45.1).

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

(₹ in million)

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year*	577.54	454.23
Additions	340.10	285.00
Incurred during the year	352.08	161.69
Deletion during the year	302.83	-
Balance at the end of the year	262.73	577.54

\* Includes ₹ Nil (31.03.2016: ₹ Nil and 01.04.2015: ₹ 234.23 million) Long Term Provision (Refer note 21)

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>27 Current Tax Liabilities (Net)</b>			
Provision for Tax	31.30	31.30	13.81
<b>28 Other Current Liabilities</b>			
Statutory remittances	563.52	750.55	681.56
Mobilisation Advance	7,059.26	8,451.32	12,732.99
Advances from Customers and others	2,898.41	6,073.02	7,355.29
	<b>10,521.19</b>	<b>15,274.89</b>	<b>20,769.84</b>

(₹ in million)

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>29 Revenue from Operations</b>		
Income from Contracts and Services	89,311.15	93,146.35
Other Divisions	565.56	1,401.63
Other Operating Income	128.99	724.48
<b>Total</b>	<b>90,005.70</b>	<b>95,272.46</b>
<b>30 Other Income</b>		
Interest Income		
Deposits and Others	159.37	659.66
Loans and Advances	290.23	438.37
Income Tax refund	443.99	9.97
Others	0.56	3.45
Profit on Sale of Investment (Net)	881.48	26.80
Gain on remeasuring investment at FVTPL (Net)	30.99	34.14
Net Gain / (loss) on foreign currency transactions	(22.53)	(47.70)
Other Non-Operating Income		
Rental Income from operating lease on investment property	34.53	23.17
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)	-	37.23
Miscellaneous Income	220.41	137.51
<b>Total</b>	<b>2,039.03</b>	<b>1,322.60</b>
<b>31 Cost of Materials Consumed</b>		
Construction Materials, Stores and Spares		
Opening Stock	4,321.84	5,343.95
Add : Purchases	32,744.74	40,477.81
	<b>37,066.58</b>	<b>45,821.76</b>
Less : Closing Stock	4,265.34	4,321.84
<b>Total Consumption</b>	<b>32,801.24</b>	<b>41,499.92</b>

# Notes forming part of the consolidated financial statements

(₹ in million)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
<b>32 Construction Expenses</b>				
Transport Charges		520.05		576.57
Indirect Taxes				
Value Added Tax	2,924.33		2,323.97	
Service Tax	385.89		652.02	
		3,310.22		2,975.99
Repairs and Maintenance				
Machinery	1,455.81		1,273.42	
Others	311.88		396.97	
		1,767.69		1,670.39
Hire Charges for Machinery and others	1,818.85		1,954.69	
Power and Fuel	254.03		220.94	
Technical Consultation	559.88		307.99	
Royalties, Seigniorage and Cess	634.34		348.72	
Property Development Cost	111.58		8.88	
Other Expenses	3,060.47		2,658.21	
		6,439.15		5,499.43
<b>Total</b>		12,037.11		10,722.38
<b>33 Changes in Inventories of Work in Progress</b>				
Opening Balance		21,270.58		19,249.82
Closing Balance		19,944.96		21,270.58
		1,325.62		(2,020.76)
Add / Less: Translation Difference / Fair value changes		132.32		3.06
<b>Total</b>		1,457.94		(2,017.70)
<b>34 Employee Benefits Expense</b>				
Salaries and Other Benefits		3,981.37		4,118.90
Contribution to Provident Fund and Other Funds		342.12		323.46
Staff Welfare Expenses		268.70		262.30
<b>Total</b>		4,592.19		4,704.66
<b>35 Finance Costs</b>				
Interest Expense on				
Borrowings				
Debentures	281.32		341.97	
Term Loans	389.01		989.73	
Working Capital Demand Loans and Cash Credit	2,505.33		2,634.98	
Mobilisation Advance	321.23		568.00	
Others	602.10		846.77	
		4,098.99		5,381.45
<b>Other Borrowing Costs</b>				
Commission on - Bank Guarantees	765.38		729.02	
- Letters of Credit	176.97		184.84	
		942.35		913.86
Bank and Other Financial Charges		92.05		130.47
<b>Total</b>		5,133.39		6,425.78

# Notes forming part of the consolidated financial statements

(₹ in million)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
<b>36 Other Expenses</b>				
Rent (Refer note 60)		597.25		562.55
Travelling and Conveyance		329.09		399.95
Office Maintenance		208.27		219.87
Electricity Charges		146.80		103.34
Rates and Taxes		109.63		128.73
Consultation Charges		186.30		207.13
Postage, Telegrams and Telephones		64.86		76.04
Insurance		147.80		137.65
Printing and Stationery		44.90		48.95
Legal and Professional Charges		262.63		180.40
Auditors' Remuneration		23.58		23.76
Directors' Sitting Fees		3.21		2.95
Trade Receivables / Advances Written off		46.75		254.26
Loss on Sale of Property, Plant and Equipment / Investment Property (Net)		52.68		-
Provision for Doubtful Trade Receivables / Advances		509.19		286.00
Fair value adjustment - Carriageway		398.18		398.18
Miscellaneous Expenses		239.44		205.16
<b>Total</b>		<b>3,370.56</b>		<b>3,234.92</b>
<b>37 Tax Expense</b>				
Current Tax (including earlier year taxation)		949.79		1118.80
Deferred Tax		(570.54)		(261.47)
<b>Total</b>		<b>379.25</b>		<b>857.33</b>
<b>37.1 Reconciliation of tax expense to the accounting profit is as follows:</b>				
Accounting profit before tax		463.29		1673.38
Tax expense at statutory tax rate of 34.61%		160.34		579.12
Adjustments:				
Effect of income that is exempt from taxation	-		(78.24)	
Adjustments recognised in the current year in relation to the current tax of prior years	(435.04)		40.81	
Effect of expenses that are not deductible in determining taxable profit	23.21		10.58	
Effect of capital gains set off with unused capital losses	(116.65)		(318.13)	
Losses and tax offsets not considered for deferred tax asset	716.21		579.31	
Others	31.18		43.88	
		218.91		278.21
Tax expense reported in the Statement of Profit and Loss		379.25		857.33
<b>37.2 Income tax credit / (expense) recognized in Other Comprehensive Income:</b>				
Tax effect on actuarial gains/losses on defined benefit obligations		6.10		1.52
Tax effect on foreign currency translation differences		(20.23)		(75.11)
<b>Total</b>		<b>(14.13)</b>		<b>(73.59)</b>

# Notes forming part of the consolidated financial statements

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

### (i) Contingent Liability

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Matters under litigation			
Claims against the Group not acknowledged as debt			
- Disputed sales tax / entry tax liability for which the Company preferred appeal	1528.66	1,193.00	1,195.22
- Disputed central excise duty relating to clearance of goods of LED division in favour of Developers of SEZ, for which the Company has filed an appeal to CESTAT, Bangalore	4.55	5.73	5.73
- Disputed service tax liability for which the Company preferred appeal	963.14	1,706.12	1,953.57
- Disputed income tax liability for which the Company preferred appeal	36.08	86.83	120.50
(Net off Tax Deduction at Source and interest thereon submitted to the Tax Authorities)			
- Others	146.18	49.61	43.21
(Includes claim by National Highway Authority of India (NHAI) towards certain operating non-compliances by a subsidiary. NHAI has written to the company's Escrow Agent M/s. IDBI Bank Limited to hold ₹ 30.68 million (31.03.2016: ₹ 30.68 million and 01.04.2015: ₹ 30.68 million) in Escrow account pending recovery. The company has represented to NHAI for releasing the amount kept on hold and is confident of a favourable decision by the NHAI).			
(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.			
- 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	Amount not ascertainable
- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	Amount not ascertainable	Amount not ascertainable	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 51).	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
- In respect of NCC Infrastructure Holdings Limited (NCCIHL), a subsidiary, the process of sale of its investment in Himachal Sorang Power Limited was not completed as NCCIHL could not achieve wet commissioning due to certain force majeure events and the matter was referred to arbitration under Singapore International Arbitration Council.(Refer Note 45.1)	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable

# Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
- In respect of Savitra Agri Industrial Park Private Limited (formerly known as NCC Power Projects (sompeta) Private Limited) Certain cases were filed by the petitioners in Hon'ble High Court of Andhra Pradesh for setting aside alienation of land at Sompeta by Andhra Pradesh Industrial Infrastructure Corporation, setting aside Environmental Clearance for the project and certain other matters. The Company is a respondent to in all the cases. Besides these, certain individuals have filed cases in Civil Court for permanent injunctions restraining the Company 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.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
- NCC International Convention Centre Limited, a subsidiary, filed a law suit filed for recovery of Project Development fees alongwith interest thereon from Infrastructure Corporation of Andhra Pradesh.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
- Himalayan Green Energy Private Limited, an associate, filed a petition against the Government of Sikkim for cancellation of the Implementation Agreement of the project and the Honourable High Court's direction to appoint an arbitrator.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
- Jubilee Hills Landmark Projects Private Limited, an associate, filed a Petition against a notice of demand from Greater Hyderabad Municipal Corporation (GHMC) for which stay was granted after making payment of one-fourth of the demand.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
- In respect of Jubilee Hills Landmark Projects Private Limited, an associate, the rate and repayment of interest on Series A CCD's shall become payable only upon the determination by the board of associate company at the end of every financial year.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
- The customs authorities issued show cause notice to an associate, Paschal Form Work (India) Limited, to explain the reasons for non-declaration of goods as well as the discounts given by the supplier.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
- Owing to litigations and encumbrances attached to the land and unsuitability of land for construction, an associate, Tellapur Technocity Private Limited which had entered into a development agreement with Hyderabad Metropolitan Development Authority (HMDA) for the development of a township on 400 acres of land situated in Tellapur was precluded from developing 300 acres of such land.	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
(c) Guarantees			
Counter Guarantees given to the Bankers *	39.48	39.48	584.31
Corporate Guarantees given to Banks and financial institutions.	4,632.60	16,612.65	35,784.74
*Excludes Guarantees given against Group's liabilities, in terms of Guidance Note issued by the Institute of Chartered Accountants of India.			
(d) Share of group in contingent liabilities of Associates	1.02	47.11	28.47
<b>(ii) Commitments</b>			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible	101.34	8.73	4.69
(b) Other commitments			
Commitment towards investment in companies	4.72	292.68	304.41
Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	470.35	517.90	517.90
(c) Share of group in commitments of Associates	3,287.70	3,287.70	8,897.11

# Notes forming part of the consolidated financial statements

## 39 Related Party Transactions

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

S.No	Particulars	S.No	Particulars
<b>A)</b>	<b>Subsidiaries(Refer Note 40)</b>	42	Smt. A.Shyama
1	NCC Urban Lanka (Private) Limited	43	Smt. A.Suguna
2	Naftagaz Engineering Private Limited	44	Sri. A. Harsha Varma
		45	Sri. SK. S.S.K. Raju
<b>B)</b>	<b>Associates</b>	46	Sri. A. Vishnu Varma
3	Paschal Form Work (India) Private Limited	47	Ms. A. Nikitha
4	Nagarjuna Facilities Management Services LLC		
5	Himalayan Green Energy Private Limited		
6	Jubilee Hills Landmark Projects Private Limited		
7	Tellapur Technocity (Mauritius)	<b>E)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives and other related parties</b>
8	Tellapur Technocity Private Limited	48	NCC Blue Water Products Limited
9	Apollonius Coal and Energy Pte. Limited	49	Swetha Estates
10	Ekana Sportz City Private Limited	50	NCC Finance Limited
11	Brindavan Infrastructure Company Limited	51	Sirisha Memorial Charitable Trust
12	Bangalore Elevated Tollway Limited *	52	Shyamala Agro Farms Private Limited
13	Pondicherry Tindivanam Tollway Limited	53	Ranga Agri Impex Private Limited
14	Varaprada Real Estates Private Limited	54	NCC Foundation
15	NCCL ECIECCL ARPL JV	55	Sirisha Projects Private Limited
16	Aster Teleservices & MCML Services JV	56	Ruthvik Estates Private Limited
17	Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited)#	57	Narasimha Developers Private Limited
		58	Mihika Agro Farms Private Limited
<b>C)</b>	<b>Key Management Personnel</b>	59	Lalit Agro Farms Private Limited
18	Sri. A.A.V. Ranga Raju	60	Bhuvanesh Realtors Private Limited
19	Sri. A.S.N. Raju	61	Arnesh Ventures Private Limited
20	Sri. A.G.K. Raju	62	Suguna Estates Private Limited
21	Sri. A.V.N. Raju	63	AVSR Holdings Private Limited
22	Sri. N.R. Alluri	64	Kolleru Industries Private Limited
23	Sri. J.V. Ranga Raju	65	Godavari Holiday Resorts Private Limited
24	Sri. R.S. Raju	66	Sridevi Properties
25	Sri. M.V. Srinivasa Murthy	67	Kaveri Properties
26	Smt. A. Bharathi	68	Avathesh Property Developers Private Limited
27	Sri. J.S.R.Raju	69	Jyothi Greenlands Private Limited
28	Sri. D.V.Ravi Kumar	70	Arundhathi Greenlands Private Ltd
29	Sri.V.Radha Krishna	71	Sirisha Mining Private Limited
30	Sri. G. Srinivasa Rao	72	Nirathi Mining Private Limited
31	Sri. U. Ravi Kumar	73	Jyothirmayi Minerals Private Limited
<b>D)</b>	<b>Relatives of Key Management Personnel</b>	74	Prakrithi Realty Private Limited
32	Dr. A.V.S. Raju	75	Natural Buildtech Private Limited
33	Smt. B. Kausalya	76	Prakrithi Promoters Private Limited
34	Smt. A. Satyanarayanamma	77	NCC Urban Infrastructure Company Limited Dubai - U.A.E
35	Smt. J. Sridevi	78	KMC Infratech Limited
36	Smt. J. Sowjanya	79	Gayatri Infra Ventures Limited
37	Smt. A.Arundhati	80	Gayatri Projects Limited
38	Sri. A. Srinivasa Rama Raju	81	Soma Enterprise Limited
39	Smt. A.Swetha	82	Terra Projects Limited
40	Sri. J. Krishna Chaitanya	83	IL & FS Engineering and Construction Company Limited
41	Smt. A. Subhadra Jyotirmayi		

\* Ceased to be an Associate w.e.f October 18, 2016

# Ceased to be an Associate w.e.f March 15, 2016

# Notes forming part of the consolidated financial statements

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

(₹ in million)

S. No	Particulars	Associates		Key management personnel and relatives		Enterprises owned and significantly influenced by key management personnels or their relatives	
		2016 - 17	2015 - 16	2016 - 17	2015 - 16	2016 - 17	2015 - 16
1	Share Application Money pending allotment	1.95	1.99	-	-	-	-
2	Share Application Money refund	-	4.76	-	-	-	-
3	Investment made in equity shares	30.00	-	-	-	-	-
4	Loans and Advances given	114.30	1.00	-	-	-	0.64
5	Loans and Advances refund	114.20	-	-	-	-	-
6	Advances granted @	202.55	6.33	-	-	-	-
7	Advances received@	-	100.00	-	-	-	-
8	Mobilisation Advance received	160.23	100.00	-	-	-	-
9	Mobilisation Advance recovered / adjusted	-	1,740.75	-	-	-	-
10	Retention Money recovered	149.92	1,229.99	-	-	-	-
11	Accounts receivable - receipts	620.73	399.25	-	-	-	-
12	Revenue from Operations	724.77	11,217.35	-	-	-	-
13	Material Purchases	16.28	9.23	-	-	-	-
14	Interest Income on loans given @	22.09	11.14	-	-	277.70	-
15	Interest Expense@	-	406.96	-	-	-	39.31
16	Reimbursement of Expenses@	-	7.05	-	-	-	-
17	Remuneration (Including commission)						
a)	Short-term employee benefits	-	-	194.69	176.06	-	-
b)	Post employee benefits	-	-	10.31	9.73	-	-
18	Rent Expenses	-	-	-	-	104.48	113.01
19	Management fees@	3.13	9.60	-	-	-	-
20	Upfront fee paid	1.74	-	-	-	-	-
21	Remuneration to CEO and CS	-	-	2.38	2.07	-	-
22	Lease charges paid	-	-	-	-	0.32	0.32
23	Dividend paid	-	-	38.91	27.89	27.92	17.79
24	Counter Guarantees revoked / expired	-	514.53	-	-	-	-

@ Closing Balances and Transactions with Bangalore Elevated Tollway Limited, Brindavan Infrastructure Company Limited, Pondicherry Tindivanam Tollway Limited, Varaprada Real Estates Private Ltd, NCCL ECIECCL ARPL JV and Aster Teleservices & MCML Services JV which were classified as 'Joint Ventures' till previous year and have been classified as 'Associates' as per Ind AS.



# Notes forming part of the consolidated financial statements

(iii) Related Party balances outstanding are as follows:

(₹ in million)

S No	Particulars	Associates			Key management personnel and relatives			Enterprises owned and significantly influenced by key management personnels or their relatives		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>1</b>	<b>Debit Balances outstanding</b>									
	Himalayan Green Energy Private Limited	-	28.73	24.84	-	-	-	-	-	-
	Jubilee Hills Landmark Projects Private Limited	0.74	0.74	154.78	-	-	-	-	-	-
	Bangalore Elevated Tollway Limited *\$	-	404.78	2.74	-	-	-	-	-	-
	Pondicherry Tindivanam Tollway Limited *	406.49	-	-	-	-	-	-	-	-
	Brindavan Infrastructure Company Limited *	6.58	6.58	6.58	-	-	-	-	-	-
	Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited) #	-	5,916.93	6,487.48	-	-	-	-	-	-
	Tellapur Technocity Private Limited	32.11	31.75	31.75	-	-	-	-	-	-
	NCC Urban Infrastructure Company Limited Dubai	-	-	-	-	-	-	2,928.36	5,138.06	4,339.03
	Varaprada Real Estates Private Ltd *	247.90	48.17	-	-	-	-	-	-	-
	Paschal Form Work (India) Private Limited	4.17	2.47	0.12	-	-	-	-	-	-
	NCCL ECIECCL ARPL JV *	10.77	14.57	17.00	-	-	-	-	-	-
	Aster Teleservices & MCML Services JV *	6.86	6.86	8.36	-	-	-	-	-	-
	NCC Blue water Products limited	-	-	-	-	-	-	-	70.23	69.61
	Ekana Sportz City Private Limited	304.38	336.96	-	-	-	-	-	-	-
	Counter Guarantees	-	36.98	749.15	-	-	-	-	-	-
<b>2</b>	<b>Credit Balances outstanding</b>									
	Nagarjuna Facilities Management Services LLC	2.51	31.81	11.11	-	-	-	-	-	-
	Brindavan Infrastructure Company Limited	3.50	3.50	3.50	-	-	-	-	-	-
	Ekana Sportz City Private Limited	89.77	250.00	150.00	-	-	-	-	-	-
	KMC Constructions Limited	-	-	-	-	-	-	-	5.16	4.97
	Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited) #	-	2,223.70	4,615.78	-	-	-	-	-	-
	Gayatri Projects Limited	-	-	-	-	-	-	-	368.19	332.81

# Notes forming part of the consolidated financial statements

(₹ in million)

S No	Particulars	Associates			Key management personnel and relatives			Enterprises owned and significantly influenced by key management personnels or their relatives		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Gayatri Infra Ventures Limited	-	-	-	-	-	-	-	378.79	378.79
	NCC Blue Water Products Limited	-	-	-	-	-	-	3.07	1.54	1.25
	Sri. A.A.V. Ranga Raju	-	-	-	27.67	25.15	22.10	-	-	-
	Sri. A.S.N. Raju	-	-	-	13.82	12.53	9.41	-	-	-
	Sri. A.G.K. Raju	-	-	-	13.78	12.63	4.69	-	-	-
	Sri. A.V.N. Raju	-	-	-	13.74	12.34	4.47	-	-	-
	Sri. A.K.H.S. Rama Raju	-	-	-	-	0.72	1.34	-	-	-
	Sri. J.V. Ranga Raju	-	-	-	2.09	2.54	2.49	-	-	-
	Sri. R.S. Raju	-	-	-	1.08	0.76	-	-	-	-
	Sri. M.V. Srinivasa Murthy	-	-	-	0.80	0.52	-	-	-	-
	Sri. S.K. SSK Raju	-	-	-	0.49	0.13	-	-	-	-
	Sri. A. Vishnu Varma	-	-	-	0.25	-	-	-	-	-
	Ms. A. Nikhita	-	-	-	0.16	-	-	-	-	-
	Sirisha Projects Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Ruthvik Estates Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Narasimha Developers Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Mihika Agro Farms Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Lalit Agro Farms Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Bhuvanesh Realtors Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Arnesh Ventures Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Suguna Estates Private Limited	-	-	-	-	-	-	-	0.46	0.37
	Shyamala Agro Farms Private Limited	-	-	-	-	-	-	2.17	0.46	0.37
	Ranga Agri Impex Private Limited	-	-	-	-	-	-	0.34	-	-

\* Closing Balances and Transactions with Bangalore Elevated Tollway Limited, Brindavan Infrastructure Company Limited, Pondicherry Tindivanam Tollway Limited, Varaprada Real Estates Private Limited, NCCL ECIECCL ARPL JV and Aster Teleservices & MCML Services JV which were classified as 'Joint Ventures' till previous year and have been classified as 'Associates' as per Ind AS.

# Ceased to be an Associate w.e.f. March 15, 2016.

\$ Ceased to be an Associate w.e.f. October 18, 2016.

# 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 million)

Particulars	2016-17	2015-16
Share Application Money Pending allotment		
- Apollonius Coal & Energy Pte Limited	1.95	1.99
Share Application Money refund		
- Tellapur Technocity Private Limited	-	4.76
Investments in Equity shares - made		
- Ekana Sports City Private Limited	30.00	-
Loans & Advances given		
- Bangalore Elevated Tollway Limited\$	114.20	-
- Himalayan Green Energy Private Limited *	-	1.00
- NCC Blue Water Projects Limited	-	0.64
Loans & Advances repaid		
- Bangalore Elevated Tollway Limited\$	114.20	-
Advances granted		
- Varaprada Real Estates Private Limited	184.53	6.33
Advances received		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited )@	-	100.00
Mobilisation Advance received		
- Ekana Sports City Private Limited	160.23	100.00
Mobilisation Advance recovered/ adjusted		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited )@	-	1,740.75
Retention money recovered		
- Ekana Sports City Private Limited	149.92	-
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited )@	-	1,229.99
Accounts receivable - receipts		
- Ekana Sports City Private Limited	620.73	399.25
Revenue from Operations		
- Ekana Sports City Private Limited #	720.32	-
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited )@	-	10,407.41
Material Purchases		
- Paschal Form Work (India) Private Limited	16.28	9.23
Interest Income on loans given		
- NCC Blue Water Projects Limited	277.70	-
- Himalayan Green Energy Private Limited *	-	3.21
- Varaprada Real estates Private Limited *	-	7.93
Interest Expense		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited )@	-	406.96

# Notes forming part of the consolidated financial statements

( ₹ in million)

Particulars	2016-17	2015-16
Reimbursement Expense		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited )@	-	6.84
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	60.03	56.82
- Sri. A.S.N. Raju	30.84	28.93
- Sri. A.G.K. Raju	30.95	28.86
- Sri. A.V.N. Raju	30.33	28.26
- Sri. J.V. Ranga Raju *	-	18.23
Rent Expenses		
- Sirisha Projects Private Limited	10.77	11.80
- Ruthvik Estates Private Limited	10.77	11.80
- Narasimha Developers Private Limited	10.77	11.80
- Mihika Agro Farms Private Limited	10.77	11.80
- Lalit Agro Farms Private Limited	10.77	11.80
- Bhuvanesh Realtors Private Limited	10.77	11.80
- Arnesh Ventures Private Limited	10.77	11.80
- Suguna Estates Private Limited	10.77	11.80
- Shyamala Agro Farms Private Limited	13.89	14.63
Management Fees		
- Bangalore Elevated Tollway Limited \$	2.73	4.80
- Western UP Tollway Limited	0.40	4.80
Upfront fee paid		
- Bangalore Elevated Tollway Limited \$	1.74	-
Remuneration to KMP		
- G. Srinivasa Rao	1.67	1.62
- U. Ravi Kumar	0.71	0.45
Lease Charges paid		
- Samashti Gas Energy	0.32	0.32
Dividend paid		
- AVSR Holdings Private Limited	21.81	13.62
- Sri. A.A.V. Ranga Raju	8.14	5.43
Counter Guarantees Revoked / Expired		
- Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited )@	-	514.53

@ Ceased to be an Associate w.e.f March 15, 2016

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

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

\$ Ceased to be an Associate w.e.f October 18, 2016

# Notes forming part of the consolidated financial statements

## 40 The Subsidiaries and Associate Companies are considered for consolidated financial statements are:

Name of Subsidiary	Place of incorporation and operation	Proportion of Ownership Interest and voting power held by the Group		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NCC Urban Infrastructure Limited	India	80%	80%	80%
NCC Infrastructure Holdings Limited	India	55%	67.71%	67.71%
NCC Vizag Urban Infrastructure Limited	India	95%	95%	95%
OB Infrastructure Limited	India	-	-	64.02%
Patnitop Ropeway & Resorts Limited	India	100%	100%	100%
NCC International Convention Centre Limited.	India	100%	100%	100%
NCC Oil & Gas Limited	India	80%	80%	80%
Vaidehi Avenues Limited	India	100%	100%	100%
Aster Rail Private Limited	India	100%	100%	100%
Savitra Agri Industrial Park Private Limited (formerly known NCC Power projects (Sompeta )Private Limited)	India	-	100%	100%
Pachhwara Coal Mining Private Limited	India	51%	-	-
Nagarjuna Construction Co.Ltd & Partners L.L.C.	Sultanate of Oman	100%	100%	100%
Nagarjuna Construction Company International L.L.C.	Sultanate of Oman	100%	100%	100%
NCC Infrastructure Holdings Mauritius Pte.Limited	Mauritius	100%	100%	100%
Nagarjuna Contracting Co. L.L.C.	Dubai	100%	100%	100%
Nagarjuna Construction Company (Kenya) Limited	Kenya	65%	65%	65%
<b>Subsidiaries of NCC Urban Infrastructure Limited</b>				
Dhatri Developers & Projects Private Limited	India	100%	100%	100%
Sushanti Avenues Private Limited	India	100%	100%	100%
Sushruta Real Estates Private Limited	India	100%	100%	100%
PRG Estates Private Limited	India	100%	100%	100%
Thrilekya Real Estates Private Limited.	India	100%	100%	100%
Varma Infrastructure Private Limited	India	100%	100%	100%
Nandyala Real Estates Private Limited	India	100%	100%	100%
Kedarnath Real Estates Private Limited	India	100%	100%	100%
AKHS Homes Private Limited	India	100%	100%	100%
JIC Homes Private Limited	India	100%	100%	100%
Sushanthi Housing Private Limited	India	100%	100%	100%
CSVs Property Developers Private Limited	India	100%	100%	100%
Vera Avenues Private Limited	India	100%	100%	100%
Sri Raga Nivas Property Developers Private Limited	India	100%	100%	100%
VSN Property Developers Private Limited	India	100%	100%	100%
M A Property Developers Private Limited	India	100%	100%	100%
Vara Infrastructure Private Limited	India	100%	100%	100%
Sri Raga Nivas Ventures Private Limited	India	100%	100%	100%
Mallelavanam Property Developers Private Limited	India	100%	100%	100%
Sradha Real Estates Private Limited	India	100%	100%	100%
Siripada Homes Private Limited	India	100%	100%	100%
NJC Avenues Private Limited	India	100%	100%	100%

# Notes forming part of the consolidated financial statements

Name of Subsidiary	Place of incorporation and operation	Proportion of Ownership Interest and voting power held by the Group		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Nagarjuna Suites Private Limited	India	100%	100%	100%
NCC Urban Homes Private Limited	India	100%	100%	100%
NCC Urban Ventures Private Limited	India	100%	100%	100%
NCC Urban Meadows Private Limited	India	100%	100%	100%
NCC Urban Villas Private Limited	India	100%	100%	100%
<b>Subsidiary of NCC Infrastructure Holdings Limited</b>				
Western UP Tollway Limited (Ceased to be Subsidiary w.e.f May 11, 2016)	India	-	51%	51%
OB Infrastructure Limited	India	64.02%	64.02%	-
NCC Infra Limited	India	100%	100%	100%
Samashti Gas Energy Limited	India	100%	100%	100%
Savitra Agri Industrial Park Private Limited (formerly known NCC Power projects (Sompeta )Private Limited) *	India	100%	-	-
<b>Subsidiary of NCC Infrastructure Holdings Mauritius Pte. Limited</b>				
Liquidity Limited	Mauritius	100%	100%	100%
Al Mubarakia Contracting Co.L.L.C.	Dubai	100%	100%	100%
<b>Subsidiary of Nagarjuna Construction Company International L.L.C.</b>				
NCCA International Kuwait General Contracts Company LLC	Kuwait	100%	100%	100%
NCC WLL	Qatar	100%	100%	100%
<b>Partnership Firm</b>				
NR Avenues	India	100%	100%	100%
<b>Associates of the Group</b>				
Brindavan Infrastructure Company Limited	India	33.33%	33.33%	33.33%
Bangalore Elevated Tollway Limited (Ceased to be an Associate w.e.f October 18, 2016)	India	-	25.85%	25.85%
Pondicherry Tindivanam Tollway Limited	India	26.29%	40.46%	40.46%
Jubilee Hills Landmark Projects Private Limited	India	25.00%	25.00%	25.00%
Tellapur Technocity Private Limited	India	25.92%	25.92%	25.92%
Paschal Form Work (India) Private Limited	India	26.00%	26.00%	26.00%
Himalayan Green Energy Private Limited	India	50.00%	50.00%	50.00%
Sembcorp Gayatri Power Limited (formerly NCC Power Projects Limited - Ceased to be an Associate w.e.f March 15, 2016)	India	0.00%	35.00%	55.00%
Varaprada Real Estates Private Limited	India	40.00%	40.00%	40.00%
Ekana Sportz City Private Limited	India	26.00%	26.00%	26.00%
Tellapur Technocity (Mauritius)	Mauritius	25.59%	25.59%	25.59%
Apollonius Coal and Energy Pte. Limited	Singapore	43.96%	43.96%	43.96%
Nagarjuna Facilities Management Services L.L.C.	Dubai	49.00%	49.00%	49.00%

\* 42% of share holding is held by Vaidehi Avenues Limited.

# Notes forming part of the consolidated financial statements

## 40.1 List of entities not considered for consolidation

In respect of a step subsidiary company, NCC Urban Lanka (Private) Limited, there are no transactions since incorporation, hence not considered for consolidation.

In respect of a subsidiary company, Naftogaz Engineering Private Limited, which is in the process of dissolution have not been considered for consolidation.

## 40.2 Change in the Group's ownership interest

- During the year, the Group disposed of 12.71% of share holding in NCC Infrastructure Holdings Limited, as a result the Group holding was reduced to 55% from 67.71%.
- During the year, 58% of share holding in Savitra Agri Industrial Park Private Limited is transferred to NCC Infrastructure Holdings Limited by NCC Limited.
- During the year, 25% of share holding in Pondicherry Tindivanam Tollway Limited is transferred to NCC Infrastructure Holdings Limited by NCC Limited. As a result the Group holding in Pondicherry Tindivanam Tollway Limited has reduced to 26.29% from 40.46%.

## 40.3 During the year, Investment in Western UP Tollway Limited was disposed and loss on disposal is as below.

Loss on disposal of a subsidiary	(₹ in million)
Non-current Assets	5850.41
Current Assets	205.79
Non-current liabilities	4679.34
Current Liabilities	757.17
Net assets of the company	<b>619.69</b>
Less: Share of Non-controlling interests	303.65
Net assets disposed off	<b>316.04</b>
Consideration received	158.39
Effect on consolidated profit on disposal of Western UP Tollway Limited	157.65

## 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	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)
<b>Parent: NCCL</b>	48.57	18,340.59	2,548.66	2,141.89	(145.67)	(38.85)	1,899.59	2,103.04
<b>Subsidiaries</b>								
<b>Indian</b>								
Standalone NCC Urban Infrastructure Limited	10.01	3,780.96	551.90	463.82	(6.40)	(1.71)	417.41	462.11
NCC Infrastructure Holdings Limited	2.61	983.72	199.68	167.81	-	-	151.58	167.81
Western UP Tollway Limited	-	-	-	-	-	-	-	-
Samashti Gas Energy Limited	(0.04)	(15.20)	(0.26)	(0.22)	-	-	(0.20)	(0.22)
NCC Infra Limited	0.35	130.38	(0.01)	(0.01)	-	-	(0.01)	(0.01)

# Notes forming part of the consolidated financial statements

Name of the Entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)
NCC Vizag Urban Infrastructure Limited	5.76	2,173.52	(282.27)	(237.22)	-	-	(214.27)	(237.22)
OB Infrastructure Limited	2.81	1,059.39	(105.38)	(88.56)	-	-	(79.99)	(88.56)
Patnitop Ropeway and Resorts Limited	0.03	12.95	5.22	4.39	-	-	3.97	4.39
NCC International Convention Centre Limited	0.03	10.02	(59.52)	(50.02)	-	-	(45.18)	(50.02)
NCC Oil & Gas Limited	0.00	0.24	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Vaidehi Avenues Limited	0.13	50.22	(0.04)	(0.03)	-	-	(0.03)	(0.03)
Aster Rail Private Limited	0.03	11.61	12.38	10.40	-	-	9.39	10.40
Pachhvara Coal Mining Private Limited	(0.00)	(0.01)	-	-	-	-	-	-
Savitra Agri Industrial Park Private Limited (formerly NCC Power Projects (Sompeta) Private Limited)	1.53	576.75	(30.58)	(25.70)	-	-	(23.21)	(25.70)
Dhatri Developers & Projects Private Limited	(0.00)	(0.21)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Sushanti Avenues Private Limited	(0.00)	(0.07)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Sushruta Real Estates Private Limited	(0.00)	(0.17)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
PRG Estates Private Limited	(0.00)	(0.02)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Thrilekya Real Estates Private Limited.	(0.00)	(0.17)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Varma Infrastructure Private Limited	0.00	1.39	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Nandyala Real Estates Private Limited	(0.00)	(0.33)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Kedarnath Real Estates Private Limited	(0.00)	(0.21)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
AKHS Homes Private Limited	(0.00)	(0.04)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
JIC Homes Private Limited	(0.00)	(0.01)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Sushanthi Housing Private Limited	(0.00)	(0.01)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
CSVs Property Developers Private Limited	(0.00)	(0.01)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Vera Avenues Private Limited	(0.00)	(0.03)	(0.01)	(0.01)	-	-	(0.01)	(0.01)



# Notes forming part of the consolidated financial statements

Name of the Entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)
Sri Raga Nivas Property Developers Private Limited	(0.01)	(1.89)	-	-	-	-	-	-
VSN Property Developers Private Limited	(0.00)	(0.06)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
M A Property Developers Private Limited	(0.00)	(0.01)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Vara Infrastructure Private Limited	(0.00)	(0.12)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Sri Raga Nivas Ventures Private Limited	(0.00)	(0.06)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Mallelavanam Property Developers Private Limited	(0.00)	(0.05)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Sradha Real Estates Private Limited	(0.00)	(0.12)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Siripada Homes Private Limited	(0.00)	(0.12)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
NJC Avenues Private Limited	(0.00)	(0.90)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Nagarjuna Suites Private Limited	(0.00)	(0.04)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
NCC Urban Homes Private Limited	(0.00)	(0.07)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
NCC Urban Ventures Private Limited	(0.00)	(0.07)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
NCC Urban Meadows Private Limited	(0.00)	(0.07)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
NCC Urban Villas Private Limited	(0.00)	(0.07)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
<b>Foreign</b>								
Nagarjuna Construction Co.Ltd and Partners L.L.C.	0.02	7.96	(3.52)	(2.96)	20.51	5.47	2.27	2.51
Nagarjuna Construction Company International L.L.C.	0.11	41.30	(1,357.47)	(1,140.82)	265.20	70.73	(966.58)	(1070.10)
NCC Infrastructure Holdings Mauritius Pte Limited	(0.14)	(51.20)	(209.67)	(176.21)	(21.12)	(5.63)	(164.25)	(181.84)
Liquidity Limited	(0.04)	(15.61)	(0.83)	(0.70)	-	-	(0.63)	(0.70)
Al Mubarakia Contracting Co. L.L.C.	3.60	1,357.83	(74.62)	(62.71)	-	-	(56.64)	(62.71)
Nagarjuna Contracting Co. L.L.C.	7.26	2,743.32	(444.07)	(373.20)	(16.12)	(4.30)	(340.98)	(377.50)

# Notes forming part of the consolidated financial statements

Name of the Entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ million)	As % of Consolidated profit or loss	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)	As % of Consolidated other comprehensive income	Amount (₹ million)
Nagarjuna Construction Company (Kenya) Limited	-	-	0.08	0.07	-	-	0.06	0.07
NCCA International Kuwait General Contracts Company L.L.C.	0.08	29.50	(0.14)	(0.12)	4.72	1.26	1.03	1.14
NCC WLL	0.00	0.12	(1.09)	(0.92)	0.71	0.19	(0.65)	(0.72)
<b>Partnership Firm</b>								
N R Avenues	-	(0.04)	-	-	-	-	-	-
<b>Non Controlling Interest</b>	8.70	3,285.44	(277.01)	(232.80)	(1.65)	(0.44)	(210.68)	(233.24)
<b>Associates</b>								
(Investment as per equity method)								
<b>Indian</b>								
Jubilee Hills Landmark Projects Private Limited	1.44	545.09	(101.61)	(85.39)	-	-	(77.13)	(85.39)
Himalayan Green Energy Private Limited	-	-	(69.03)	(58.01)	-	-	(52.40)	(58.01)
Paschal Form Work (I) Private Limited	0.07	26.08	0.95	0.80	(0.19)	(0.05)	0.67	0.74
Tellapur Technocity Private Limited	1.31	495.95	(3.18)	(2.67)	-	-	(2.41)	(2.67)
Ekana Sportz city Private Limited	0.34	130.23	0.07	0.06	-	-	0.05	0.06
Brindavan Infrastructure Company Limited	0.33	125.81	0.10	0.08	-	-	0.07	0.08
Bangalore Elevated Tollway Limited	-	-	(82.57)	(69.39)	-	-	(62.68)	(69.39)
Pondicherry Tindivanam Tollway Limited	0.91	345.51	(125.39)	(105.38)	-	-	(95.18)	(105.37)
Varapradha Real Estates Private Limited	1.97	745.56	16.14	13.56	-	-	12.25	13.56
<b>Foreign</b>								
Nagarjuna Facilities Management Services L.L.C.	-	-	(6.34)	(5.33)	-	-	(4.81)	(5.33)
Tellapur Technocity (Mauritius)	1.90	719.26	(0.24)	(0.20)	-	-	(0.18)	(0.20)
Apollonius Coal and Energy Pte. Limited	0.31	118.34	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>37,762.06</b>	<b>100.00</b>	<b>84.04</b>	<b>100.00</b>	<b>26.67</b>	<b>100.00</b>	<b>110.71</b>

# 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, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Group:

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity</b>	<b>37,762.06</b>	37,167.45	36,353.03
Short-term borrowings and current portion of long-term debt	<b>21,069.31</b>	21,910.12	20,443.63
Long-term debt	<b>4,649.90</b>	10,169.94	9,816.96
Cash and cash equivalents	<b>(1,320.30)</b>	(2,607.21)	(2,238.69)
<b>Net debt</b>	<b>24,398.91</b>	29,472.85	28,021.90
<b>Total capital (equity + net debt)</b>	<b>62,160.97</b>	66,640.30	64,374.93

### 42.2 Categories of financial instruments

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
Mandatorily measured:			
Equity investments in other entities	<b>4,035.62</b>	6,246.72	1,139.72
<b>Measured at amortised cost</b>			
Cash and bank balances	<b>1,769.98</b>	3,468.65	3,510.67
Other financial assets at amortised cost	<b>48,329.90</b>	44,196.81	41,510.49
<b>Measured at cost</b>			
Investments in equity instruments in associates and others	<b>2,246.65</b>	3,076.71	10,858.49
Investments in Debentures in associates	<b>1,005.18</b>	1,007.84	1,015.25
<b>Financial liabilities</b>			
Measured at amortised cost	<b>60,029.25</b>	67,828.62	61,911.28

### 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.

### 42.4 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. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

# Notes forming part of the consolidated financial statements

- **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. 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.

- **Foreign currency risk**

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

We summarize below the financial instruments which have the foreign currency risks as at March 31, 2017, March 31, 2016 and April 1, 2015.

**(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, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD (millions)	0.28	0.89	-	-	-	-
INR (₹ in millions)	17.94	58.93	-	-	-	-
Euro (millions)	1.42	-	-	-	-	-
INR (₹ in millions)	98.74	-	-	-	-	-

**(b) Unhedged foreign currency exposures outstanding as at the Balance Sheet date:**

Currency	Liabilities			Assets		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD (millions)	0.28	0.89	-	-	-	-
INR (₹ in millions)	17.94	58.93	-	-	-	-
Euro (millions)	1.42	-	-	-	-	-
INR (₹ in millions)	98.74	-	-	-	-	-

**(c) 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 company.

(₹ in million)

Currency USD impact on:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(0.28)	(0.89)	-
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	0.28	0.89	-
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(0.28)	(0.89)	-
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	0.28	0.89	-

# Notes forming part of the consolidated financial statements

(₹ in million)

Currency Euro impact on:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Impact of ₹1 strengthening against Euro on profit or (loss) for the year	(1.42)	-	-
Impact of ₹1 weakening against Euro on profit or (loss) for the year	1.42	-	-
Impact of ₹1 strengthening against Euro on Equity as at the end of the reporting period	(1.42)	-	-
Impact of ₹1 weakening against Euro on Equity as at the end of the reporting period	1.42	-	-

## Equity risks

The Group is exposed only to non-listed equity investments and as a policy matter the company bringing down the equity investment exposure to the various companies. The Group continuously in the process of disinvestment of its investments in the foreign companies. As the exposure has come down significantly and does not have any equity investment in the listed entities, the impact of change in equity price on profit or loss is not significant.

## 42.5 Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables from group companies.

Credit risk on trade receivables, work in progress is limited as the customers of the Group mainly consists of the Government promoted entities having a strong credit worthiness. For doubtful receivables the Group uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers. The Group has made a provision of ₹ 418.41 million and ₹ 245.74 million towards amounts doubtful to receive during the year ended March 31, 2017 and March 31, 2016 respectively.

## 42.6 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 42.7 sets out details of additional undrawn facilities that the Group has at its disposal to reduce liquidity risk.

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

(₹ in million)

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	32,170.24	31,398.67	341.83	429.74	32,170.24
Borrowings and interest thereon*	25,832.78	21,182.89	2,851.57	1,798.32	25,832.78
Other financial liabilities	2,026.23	2,026.23	-	-	2,026.23
<b>Total</b>	<b>60,029.25</b>	<b>54,607.79</b>	<b>3,193.40</b>	<b>2,228.06</b>	<b>60,029.25</b>

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

(₹ in million)

	Carrying amount
Trade receivables	42,870.79
Loans	961.68
Other financial assets	13,554.86
<b>Total</b>	<b>57,387.33</b>

# Notes forming part of the consolidated financial statements

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2016:

(₹ in million)

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	33,154.64	32,545.45	354.03	255.16	33,154.64
Borrowings and interest thereon*	32,326.45	22,156.52	4,777.77	5,392.16	32,326.45
Other financial liabilities	2,347.53	2,347.53	-	-	2,347.53
<b>Total</b>	<b>67,828.62</b>	<b>57,049.50</b>	<b>5,131.80</b>	<b>5,647.32</b>	<b>67,828.62</b>

The table below provides details of financial assets as at March 31, 2016:

(₹ in million)

	Carrying amount
Trade receivables	37,971.69
Loans	1,148.43
Other financial assets	18,876.60
<b>Total</b>	<b>57,996.72</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2015:

(₹ in million)

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	28,729.96	27,859.73	650.99	219.24	28,729.96
Borrowings and interest thereon*	31,178.14	21,361.18	4,663.87	5,153.09	31,178.14
Other financial liabilities	2,003.18	2,003.18	-	-	2,003.18
<b>Total</b>	<b>61,911.28</b>	<b>51,224.09</b>	<b>5,314.86</b>	<b>5,372.33</b>	<b>61,911.28</b>

The table below provides details of financial assets as at April 1, 2015:

(₹ in million)

	Carrying amount
Trade receivables	34,162.40
Loans	1,157.39
Other financial assets	22,714.83
<b>Total</b>	<b>58,034.62</b>

\*Included in Borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates, the actual interest rates may differ based on the changes in the benchmark interest rates.

## 42.7 Financing facilities

The Group has access to financing facilities of which ₹ 7,021.21 million (31.03.2016: ₹ 4,488.84 million and 01.04.2015: ₹ 4,475.57 million) were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets

# Notes forming part of the consolidated financial statements

## 42.8 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):

Financial assets / financial liabilities	Fair Value as at*			Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015		
Investments in quoted Debt instruments at FVTPL	720.50	770.15	580.71	Level 1	Refer Note 2
Investments in unquoted equity instruments at FVTPL	151.22	151.73	156.49	Level 2	Refer Note 3(a)
Investments in unquoted equity instruments at FVTPL	3,163.90	5,324.84	402.52	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)

	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>							
<b>Financial assets at amortised cost:</b>							
- Trade receivables	Level 2	42,870.79	42,870.79	37,971.69	37,971.69	34,162.40	34,162.40
- Investments	Level 2	3,251.83	3,251.83	4,084.55	4,084.55	11,873.74	11,873.74
- Cash and cash equivalents	Level 2	1,320.30	1,320.30	2,607.21	2,607.21	2,238.69	2,238.69
- Bank balances other than cash and cash equivalents	Level 2	449.68	449.68	861.44	861.44	1,271.98	1,271.98
- Loans	Level 2	961.68	961.68	1,148.43	1,148.43	1,157.39	1,157.39
- Other financial assets	Level 2	4,497.43	4,497.43	5,076.68	5,076.68	6,190.70	6,190.70
<b>Financial liabilities</b>							
<b>Financial liabilities at amortised cost:</b>							
- Borrowings	Level 2	24,814.84	24,814.84	30,649.94	30,649.94	28,952.97	28,952.97
- Trade payables	Level 2	32,170.24	32,170.24	33,154.64	33,154.64	28,729.96	28,729.96
- Other financial liabilities	Level 2	3,044.17	3,044.17	4,024.04	4,024.04	4,228.35	4,228.35

- (1) In case of Investments in equity instruments, the company adopted fair value as deemed cost for certain investments as on transition date i.e. April 1, 2015.
- (2) In case of certain loans and other receivables, the company has provided expected credit loss allowance as on transition date i.e. April 1, 2015.
- (3) 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. Accordingly, the subsidiary has transferred an appropriate amount to the legal reserve.

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

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

As the development of the said project entailed an estimated investment of ₹ 10,640.00 million, to avail financial assistance from Bank (s), the Consortium addressed several letters to INCAP requesting them to provide documents relating to title deeds. But, the title documents relating to the project land were not furnished by INCAP.

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

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

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

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

In addition to the above appeal the subsidiary has filed a Civil Suit against M/s Infrastructure Corporation of Andhra Pradesh (INCAP) before the City Civil Court, Hyderabad for recovery of ₹ 135.00 million, which includes interest @12% per annum, calculated up to the date of filing the suit.

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

During the year under review, the company, after reviewing and reassessing the status of litigation, has made a provision for advances. However, the company continues to defend the litigation for recovery of the expenses incurred along with other damages etc.

## 45 In respect of a subsidiary NCC Infrastructure Holdings Limited (NCCIHL), Sale of investments

### 45.1 Himachal Sorang Power Limited:

NCC Infrastructure Holdings Limited (NCCIHL), the subsidiary of the Company has, during the year 2012-13, entered into a Share Purchase Agreement (SPA) with TAQA Jyothi Energy Ventures Private Ltd (TAQA) for sale of 41,44,300 equity shares of ₹ 10/- each and 78,58,900 Zero Coupon Irredeemable Fully Convertible Debentures held by it in Himachal Soarang Power Limited (HSPL).

In terms of SPA, the sale of shares to be effected in two tranches viz initial sale and subsequent sale.

Initial Sale (on the date of the SPA) envisaged transfer of:

- i) 1,52,810 Equity Shares of ₹ 10/- each of HSPL held by NCCIHL and
- ii) 78,58,900 Zero Coupon Irredeemable Fully Convertible Debentures of ₹ 10/- each of HSPL held by NCCIHL

The transfer of shares as envisaged was completed and NCCIHL has realized the proceeds for said transfer.

In respect of Subsequent Sale in which transfer of 39,91,490 Equity Shares of ₹ 10/- each of HSPL held by NCCIHL is to the effected, NCCIHL received an amount of ₹ 499.52 million from



# Notes forming part of the consolidated financial statements

TAQA towards gross consideration of ₹ 589.52 million. The amount received (net of estimated related costs to be incurred aggregating to ₹ 172.76 million) is treated as "Advance Sales Consideration received". As at the year end, the transfer could not be effected due to various reasons as detailed below.

In terms of SPA, NCCIHL should achieve wet commissioning by March ,2014 within agreed cost of ₹ 8900.00 million. In case these conditions are not met NCCIHL shall be obliged to bear all the costs above estimated cost of the project of ₹ 8900.00 million, till wet commissioning, from the gross consideration.

NCCIHL could not achieve wet commissioning due to force-majeure events such as floods, etc and TAQA has taken control of operations of HSPL effective from March, 2013 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 November 2013.

During the year 2014-15, TAQA has invoked arbitration proceedings under the SPA, in Singapore International arbitration centre, detailing various disputes / claims aggregating to ₹ 4,098.98 million. NCCIHL denied all the disputes / claims in its entirety and raised Counter Claims aggregating to ₹ 2,103.35 million and admitted that it will nominate it's arbitrator for resolving the matter. Response to Notice of Arbitration was also sent to TAQA and HSPL.

During the year 2012-13, NCCIHL has estimated and made a provision of ₹ 519.57 million towards its obligation to meet cost over runs, contingencies, etc. TAQA has during 2014-15 invoked bank guarantee. The net amount of ₹ 159.57 million (net of amount of bank guarantee invoked ₹ 360.00 million, submitted by NCCIHL as security) is presented under 'Short-term provisions – Obligation on sale of investments in HSPL.

The Management is expecting that the said arbitration proceedings will commence during December, 2017.

Since the matter, at present, is sub-judice, the impact of the same, if any, on the financial statements of the subsidiary is not ascertainable. Further, the management based on legal advice is confident that there may not be any significant impact on the financial statements as a result of outcome of arbitration proceedings.

The Management, at this juncture, does not foresee any adjustments to be made in the financial statements of NCCIHL. The adjustments, if any, required will be made on completion of said arbitration proceedings.

## 45.2 Sembcorp Gayatri Power Ltd(Formerly NCC Power Projects Ltd):

NCC Infrastructure Holdings Limited ('NCCIHL'), a subsidiary, on February 1, 2014 entered into an agreement for sale of a portion of it's investment in Sembcorp Gayatri Power Ltd (SGPL) (formerly NCC Power Project Ltd). Pursuant to the said agreement the company during the current reporting period sold 216,094,909 shares held in SGPL and realised the entire

sale proceeds. Resultant profit on sale of the shares has been recognised in Statement of Profit and Loss.

## 45.3 Western UP Tollway Limited:

During the year, NCC Infrastructure Holdings Limited ('NCCIHL'), a subsidiary, entered into an agreement for selling its entire investment in Western UP Tollways Ltd. (WUPTL). Pursuant to the said agreement the subsidiary company during the period sold 4,913,354 equity shares held in WUPTL and resultant loss net of provision made in earlier years has been charged to Statement of Profit and Loss.

## 45.4 Bangalore Elevated Tollway Limited:

During the year, NCC Infrastructure Holdings Limited ('NCCIHL'), a subsidiary, entered into an agreement for selling its entire investment in Bangalore Elevated Tollway Private Limited (BETPL). Pursuant to the said agreement the company during the period sold 8,124,286 equity shares, 5,250,000 Preference Shares and 4,016,792 NCD's held in BETPL and resultant loss has been charged to Statement of Profit and Loss.

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

(i) Pondicherry Tindivanam Tollway Limited (ii) OB Infrastructure Limited (iii) Savitra Agri Industrial Park Private Limited

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

47 During the year under report NCC Infrastructure Holdings Limited, made a provision of ₹ 150.00 million to meet certain commitments resulting from certain divestment.

48 In respect of a subsidiary NCC Infrastructure Holdings Limited (NCCIHL), NCCIHL is not in compliance with the applicable prudent norms issued by Reserve Bank of India for Non-Banking Financial Companies. This non compliance relate to "Net Owned Funds" and "Capital to Risk Weighted Assets Ratio". Management has already initiated actions for improving for both ratios.

49 In respect of step subsidiary Savitra Agri Industrial Park Private Limited (previously known as NCC Power Projects (Sompeta)) 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

# Notes forming part of the consolidated financial statements

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.

- 50** In respect of subsidiary Nagarjuna Construction Co. Ltd. & Partners L.L.C. as at March 31, 2017 the Company had accumulated losses of ₹ 250.63 million (31.03.2016: ₹ 253.69 million and 01.04.2015: ₹ 236.80 million) and Net Liabilities of ₹ 233.00 million (31.03.2016 : ₹ 244.05 million and 01.04.2015: ₹ 232.61 million). These factors, amongst others, indicate that the Company shall require continued financial support from its Members. The financial statements have been prepared on the going concern basis on the assumption that the Members of the subsidiary will continue to provide the necessary financial support.

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

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

- 51** In respect of a subsidiary, NCC Vizag Urban Infrastructure Limited (the Subsidiary) entered into a Development Agreement (Agreement) with Andhra Pradesh Housing Board ['APHB'] in the year 2006-07 design, plan, finance and market, develop necessary infrastructure, provide necessary services, operate and maintain the infrastructure, administer and manage the project. In terms of the Agreement, the Subsidiary has to develop about 97.30 acres residential and residential properties. The Subsidiary has submitted its detailed project report to APHB in November, 2007. However, the Subsidiary realized that the land is earmarked as 'partly residential use, partly hill and partly agriculture land' thus necessitating Subsidiary to apply for change of land use pursuant to applicable laws. The Government of Andhra Pradesh has vide Memo dated 20.11.2008, granted conversion / change of land use to an extent of about 47 Acres to residential. However, the application for the conversion of the land to the extent of 49.50 acres is still pending with the Government Authorities and the management is pursuing for the requisite conversion. The Subsidiary could not commence its project with a smaller extent of land, as it would have adversely affected the viability of the project.

In terms of said agreement, APHB has executed unregistered Power of Attorney (POA) in favour of the Company on 04.02.2010 and the project was to be completed by within

30 months from the date of signing the POA. Though the Company has completed preliminary works such as forest clearance, feasibility certificates for supply of power, water etc, the construction activity could not be commenced due to change of land use and pending approvals from various authorities. During the year 2013-14, the Company received notice of termination of the Agreement as the project has not been commenced, seeking re-possession of the entire land immediately and revoking the POA. The Company has filed a writ petition before the Hon'ble High Court of Judicature at Hyderabad for the state of Telangana and state of Andhra Pradesh (Hon'able High Court). The Hon'ble High court has issued an Order for maintenance of status quo and the matter is sub-judice, at present.

Considering that the project is delayed due to factors beyond the control of the Subsidiary, the management of the Subsidiary is confident of resolving the issues and also for obtaining all the requisite sanctions, permissions and clearances including conversion of land. Also, considering the substantial appreciation in value of properties in the vicinity of the land, the Subsidiary is confident that project is commercially viable. Accordingly, the costs incurred in relation to the project aggregating to ₹ 2,185.92 million (31.03.2016: ₹ 2,185.92 million) and 01.04.2015: ₹ 1,968.53 million) including ₹ 1,183.68 million (31.03.2016: ₹ 1,183.68 million and 01.04.2015: ₹ 966.30 million) towards borrowing cost, have been presented under 'Property Development'.

- 52** In respect of subsidiary Al Mubarakia Contracting Co. L.L.C., as at March 31, 2017 the Company had accumulated losses of ₹ 715.47 million (31.03.2016: ₹ 654.21 million and 01.04.2015: ₹ 627.97million) and Net Liabilities of ₹ 1,863.51 million (31.03.2016: ₹ 1,954.85 million and 01.04.2015: ₹ 1,818.87 million). These factors, amongst others, indicate that the Company shall require continued financial support from its Members. The financial statements have been prepared on the going concern basis on the assumption that the Members of the subsidiary will continue to provide the necessary financial support.

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

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

- 53** In respect of subsidiary Nagarjuna Contracting Co. L.L.C., as at March 31, 2017 the Company had accumulated losses of ₹ 14.92 million (31.03.2016: ₹ 217.47 million and 01.04.2015: ₹ 137.74 million and Net Liabilities of ₹ 3,928.46 million (31.03.2016: ₹ 6,060.19 million and 01.04.2015 :

# Notes forming part of the consolidated financial statements

₹ 6,208.75 million). These factors, amongst others, indicate that the Company shall require continued financial support from its Members. The financial statements have been prepared on the going concern basis on the assumption that the Members of the subsidiary will continue to provide the necessary financial support.

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

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

**54** In respect of associate Nagarjuna Facilities Management Services L.L.C., as at March 31, 2017 the Company had accumulated losses of ₹ 5.35 million and Net Liabilities of ₹ 0.06 million. These factors, amongst others, indicate that the Company shall require continued financial support from its Members. The financial statements have been prepared on the going concern basis on the assumption that the Members of the associate will continue to provide the necessary financial support.

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

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

## 55 Employee Benefits

Liability for gratuity as on March 31, 2017 is ₹ 143.18 million (31.03.2016: ₹ 123.17 million and 01.04.2015: ₹ 113.32 million) of which ₹ 31.90 million (31.03.2016: ₹ 41.15 million and 01.04.2015: ₹ 24.86 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 111.29 million (31.03.2016: ₹ 82.02 million and 01.04.2015: ₹ 88.46 million) is included in Provision for Gratuity.

The liability for retiring gratuity as on March 31, 2017 in respect of subsidiary companies NCC Infrastructure Holdings Limited is ₹ 0.14 million (31.03.2016: ₹ 0.03 million and 01.04.15: ₹ 1.42 million), NCC Urban Infrastructure Limited is ₹ 13.87 million (31.03.2016: ₹ 16.40 million and 01.04.2015: ₹ 12.82 million), OB Infrastructure Limited is ₹ 0.51 million (31.03.2016: ₹ 0.71 million and 01.04.2015: ₹ 0.64 million), Western UP Tollway Limited ₹ Nil (31.03.2016: ₹ 0.04 million and 01.04.2015: ₹ 0.30 million), Aster Rail Private Limited ₹ 1.42 million (31.03.2016: ₹ 1.41 million and 01.04.2015: ₹ 1.12 million), Nagarjuna Construction Co. International L.L.C. ₹ 178.21 million (31.03.2016: ₹ 191.90 million and 01.04.2015: ₹ 153.99 million), Nagarjuna Contracting Company L.L.C. ₹ 2.04 million (31.03.2016: ₹ 10.55 million and 01.04.2015: ₹ 19.20 million) and Al Mubarakia Contracting Co. L.L.C. ₹ Nil (31.03.2016: ₹ 2.45 million and 01.04.2015: ₹ 2.99 million).

## 56 Segment Reporting

- Business segment: The Group has considered business segment as primary segment for disclosure. The Group's operations predominantly consist of construction / project activities, which in the context of Ind AS 108 "Operating Segments" is considered the only business segment.
- Geographical segment: The Group has operations within India and outside India and the disclosures in respect of the geographical segment are given below:

(₹ in million)

Geographical Segment	Revenue for the year ended	Segment assets As at	Capital expenditure for the year ended
Within India			
<b>March 31,2017</b>	<b>82,657.33</b>	<b>94,062.60</b>	<b>1,480.98</b>
March 31,2016	88,229.54	100,966.84	1,080.28
April 1, 2015	-	101,612.54	1,279.71
Outside India			
<b>March 31,2017</b>	<b>9,387.40</b>	<b>16,750.33</b>	<b>102.19</b>
March 31,2016	8,365.52	22,257.66	1,699.47
April 1, 2015	-	19,829.00	56.27

# Notes forming part of the consolidated financial statements

## 57 Earnings per share

(₹ in million)

	Year Ended March 31, 2017	Year Ended March 31, 2016
Net Profit after tax available for equity shareholders	<b>316.84</b>	1,204.25
Weighted Average number of equity shares for Basic EPS (Nos)	<b>555,931,588</b>	555,931,588
Weighted Average number of equity shares for Diluted EPS (Nos)	<b>555,931,588</b>	555,931,588
Face value per share (₹)	<b>0.57</b>	2.17
Basic & Diluted EPS * (₹)	<b>0.57</b>	2.17

\*The Company has no dilutive instruments during the year ended March 31, 2017. As such Dilutive Earnings per share equals to Basic Earnings per share

- 58** In respect of an associate Himalayan Green Energy Private Limited, a special purpose vehicle incorporated for setting up of a hydro power project with an envisaged installed capacity of 280 MW - 300 MW at Teesta - I. No private land is to be acquired for setting up of this project.

Initial site clearance for survey and investigation was obtained from Ministry of Environment and Forest (MOEF) vide their letter dated 05.10.2005. Implementation Agreement (IA) between Government of Sikkim (GOS) and the Company was signed on 05.12.2005. The survey and investigation parties were deputed by the Company during September 2006 for conducting survey, investigation and hydrological studies. Due to certain local issues and resistance, survey and investigation works could not be completed.

Meanwhile, MOEF, has vide their letter dated, October 08, 2008 has ordered that the large scale developments should not be constructed at the project site area. Subsequently, the associate has taken up the matter through GOS. Certain studies were conducted by specialists with regard to environmental studies on behalf of the associate and the reports were submitted to MOEF through GOS. These were forwarded by MOEF to Environment Appraisal Committee (EAC). EAC in its meeting held on January 19, 2010 considered the report and advised the GOS to prioritize the projects under consideration.

Associate sought the support and cooperation of GoS for conducting the geological investigation and hydrological studies. Meanwhile, GoS vide letter dated 05.12.2011 has issued a show cause notice regarding termination of IA. In response, to the said show cause notice, the associate has represented to the GoS that all necessary steps were initiated by Company to fulfill the obligations under IA. Associate further requested the GoS not to terminate the IA and allow further time lines to fulfill the obligations under IA. However, GoS has cancelled the IA on 22.06.2012 without citing any reasons. Since, NCC Limited is very keen to pursue development of this Project, it has represented to the GoS to re-consider the cancellation of the IA and allow the company to develop this Project. Company filed Writ

Petition (WP (C) No.43 of 2012) on 01.11.2012 before the Hon'ble High Court of Sikkim. Honourable High Court in its Order 21.11.2012 directed that GoS shall not, in the mean time, create any third party right in respect of the said project and that GoS shall ensure the protection of the property of the Company, if any, lying at the project site. Upon hearing, the Writ Petition was disposed of by the Honourable High Court of Sikkim on 12.08.2013 and directed that the parties shall appoint Arbitrator (s) in terms of Clause 9.1 of the Supplementary IA dated 18.01.2008 entered into between the Associate and GoS. The Company has suggested the name of the Arbitrator and waiting for the response from the GoS. Further company is planning to proceed to file case against GoS for dishonouring the Order of Honourable High Court of Sikkim dated August 12, 2013 or any other action / remedy as appropriate under the law.

Management is confident about settling the issue amicably and regarding the technical and financial viability of the project; obtaining all the requisite permissions, clearances; achieving the financial closure and successful execution of the project. Accordingly financial statements for the year have been drawn on going concern basis. Pre operative expenditure and other project related costs upto March 31, 2012 are grouped under capital work in progress. Interest on unsecured loans and other revenue expenses incurred after April 01, 2012 have been charged off to statement of profit and loss.

During the year under review, Himalayan Green Energy Private Limited after reviewing and reassessing the status of litigation, has made a provision for Capital work in progress. However, Himalayan Green Energy Private Limited continues to defend the litigation for recovery of the expenses incurred along with other damages etc.

- 59** In respect of a subsidiary Western UP Tollway Limited Capital Reserve includes group share of ₹ Nil (31.03.16: ₹ 287.54 million 01.04.2015: ₹ 287.54 million) towards equity support received from National Highways Authority of India during the construction period.

# Notes forming part of the consolidated financial statements

## 60 Leases

- (i) Rental expenses of ₹ 466.32 million (31.03.2016: ₹ 431.62 million) has been charged to Statement of Consolidated Profit and Loss in respect of cancellable operating lease.
- (ii) The Group has entered into Operating Lease arrangement for certain equipments. The lease is non-cancellable for a period of 5 years from March 28, 2013 to March 27, 2018.

(₹ in million)

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Future Minimum Lease Payments</b>		
Not later than one year	<b>130.93</b>	130.93
Later than one year and not later than five years	-	130.93
Later than five years	-	-
<b>Total</b>	<b>130.93</b>	261.86
Lease payments recognised in the statement of Profit and Loss	<b>130.93</b>	130.93

- 61** Expenses incurred on Corporate Social Responsibility (CSR) programs under Section 135 of the Companies Act, 2013 are charged to the Statement of Profit and Loss under 'Other Expenses' (Note 36) - ₹ 23.73 million (31.03.2016: ₹ 12.94 million).

- 62** The exceptional items for the year ended March 31, 2017 is ₹ 802.11 million after netting off interest earned ₹ 277.70 million and profit on sale of investments ₹ 84.19 million with provision made for warranties / claims ₹ 500.00 million and provision made on investments, loans, advances ₹ 664.00 million.

The exceptional items for the year ended March 31, 2016 is ₹ 401.72 million after netting off profit on sale of investments ₹ 42.49 million, with provision made on investments ₹ 444.21 million.

- 63** During the current year, a customer of NCC Limited (the Company) had raised claims for an amount of ₹ 2,882.50 million and of US\$ 9.04 million on February 23, 2017 towards liquidated damages towards the delays in execution of the project. As against this, on March 14, 2017 the Company has issued a notice of disputes under the contracts and amongst other things, had counter claimed payment of additional costs of ₹ 6,847.80 million, with interest. The Company filed petitions under Section 9 of the Arbitration and Conciliation Act, 1996, before the Hon'ble Court of the XXIV Additional Chief Judge cum Commercial Court, City Civil Courts, Hyderabad ("Commercial Court"), seeking injunction restraining the Company from invoking the Performance Bank Guarantees issued in favour of the Company, pursuant to the terms of the EPC Contracts. On April 18, 2017, the Commercial Court dismissed the petition filed by the Company. The Company has filed an appeal before the High Court to set aside the Order passed by Commercial Court until the disputes are adjudicated and settled between the parties through arbitration as per the terms of the contract and restraining the Company from invoking or encashing the bank guarantee(s). In the interim, the demand notices for the bank guarantees had already been presented to the respective banks by the Customer and the bank guarantee for ₹ 516.00 million issued by the Syndicate Bank was honoured. The matter is pending disposal as of date and as per the Management estimates, no additional provision required for this project.

# Notes forming part of the consolidated financial statements

## 64 Deferred tax assets (Net)

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2017

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax (liabilities) / assets in relation to:			
Property, plant and equipment	(181.67)	(250.62)	(326.36)
Provision for doubtful trade receivables, advances and others	772.55	335.35	76.14
Provision for employee benefits	140.89	130.19	111.89
Deemed cost of Investments	97.41	97.41	97.41
Effect of measuring Investments at fair value	(18.73)	(18.73)	(18.73)
Loss allowance on Financial Instruments	793.59	793.59	793.59
Others	(166.29)	(280.17)	(114.28)
<b>Total</b>	<b>1,437.75</b>	<b>807.02</b>	<b>619.66</b>

## 64.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

(₹ in million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
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	6,557.38	7,658.36	6,788.34
-Unused tax credits	2,349.51	1,233.94	661.71
<b>Total</b>	<b>8,906.89</b>	<b>8,892.30</b>	<b>7,450.05</b>

## 65 First-time adoption of Ind-AS

- (i) These consolidated financial statements, for the year ended March 31, 2017 have been prepared in accordance with the Ind AS. For the purpose of transition to Ind AS, the Group has complied with Ind AS 101 – “First time adoption of Indian Accounting Standard” for exemptions and exceptions, on transition date (i.e. April 1, 2015) and Indian GAAP is the previous GAAP followed by the Group.

The transition to Ind AS has resulted in changes in the presentation of financial statements, disclosures in the notes and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017 and the comparative information.

### (ii) Deemed cost for investments in Subsidiaries, associates and Other entities:

The Group has elected to continue with the carrying value for all its investments in subsidiaries and associates as of April 1, 2015 measured under Indian GAAP as deemed cost as of April 1, 2015 (transition date) except certain investments where fair value has been considered as deemed cost.

### (iii) Cumulative translation differences on foreign operations:

The Group has elected to transfer the cumulative foreign currency translation reserve existed as of April 1, 2015 (transition date) to retained earnings.

# Notes forming part of the consolidated financial statements

## (iv) Derecognition of Financial Assets (i.e., Loans, Accrued Interest etc.):

The Group has applied the derecognition of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (transition date).

The effect of the Group's transition to Ind AS is summarised as reconciliations of Equity, Profit and Total comprehensive income with Indian GAAP as explained below:

- Reconciliation of equity as previously reported under Indian GAAP to Ind AS.
- Reconciliation of profit or loss and Total Comprehensive income as previously reported under Indian GAAP to Ind AS.
- Adjustments to the statement of cash flows.

## (a) Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(₹ in million)

	Notes	As at March 31, 2016	As at April 1, 2015
Equity as per IGAAP		35,130.50	34,018.60
Deemed cost of Investments	(i)	(422.20)	(422.20)
Effect of measuring Investments at fair value	(ii)	131.08	96.92
Loss allowance on Financial Instruments	(iii)	(2,020.60)	(2,098.60)
Proposed dividend and related distribution tax	(iv)	401.46	267.64
Others	(v, vi & vii)	121.49	105.20
Deferred tax Adjustments	(viii)	578.40	749.60
Equity reportable under Ind AS		33,920.13	32,717.16

## (b) Reconciliation of Statement of Profit and Loss and Other Comprehensive Income

(₹ in million)

	Notes	Year ended March 31, 2016
Net profit under previous IGAAP		1,105.52
Effect of measuring guarantees issued at fair value	(v)	28.36
Remeasurement of the defined benefit plans	(vi)	2.73
Effect of application of effective rate of interest for borrowings	(vii)	159.47
Deferred tax adjustments	(viii)	(91.83)
Net profit under Ind AS		1,204.25
Other Comprehensive Income attributable to shareholders of the Company (Net of tax)		139.09
Total Comprehensive Income as per Ind AS		1,343.34

- Under Indian GAAP, the Group accounted for investments in subsidiaries and associates (unquoted) measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, as of April 1, 2015 (transition date) the company opted the deemed cost of investments in subsidiaries and associates as the carrying value as per Indian GAAP except certain investments where fair value has been considered as deemed cost.
- Under Indian GAAP, the Group measured investments in other entities / mutual funds at lower of cost and fair value. Under Ind AS, the Group has designated such investments as FVTPL.
- Under Indian GAAP, the Group measured financial assets at cost. As at the transition date, the Group recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101.
- Under Indian GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends along with the dividend distribution tax thereon are recognised as a liability when approved by the members in a general meeting.

# Notes forming part of the consolidated financial statements

- (v) Under Ind AS, the Group has recognised interest income on financial guarantees given on behalf of its group companies, interest free loans given to associate and other entity and joint development deposits given to various land owners.
- (vi) The Group recognises costs related to its post-employment defined benefit plan on an actuarial basis both under Indian GAAP and Ind AS. Under Indian GAAP, the entire cost including actuarial gains and losses and return on planned assets are charged to profit or loss. Under Ind AS, actuarial gains and losses and return on planned assets recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI.
- (vii) Under Indian GAAP, transaction costs incurred in connection with borrowings are charged in statement of profit or loss in respective year. Under Ind AS, such costs are included in the initial recognition amount of financial liability are charged to statement of profit or loss using the effective interest method.
- (viii) Consequential deferred tax on above applicable adjustments
- (ix) Under the Indian GAAP, interest in joint ventures are consolidated using proportionate consolidation method, while under Ind AS, it is accounted under equity method. The affect of this change has no impact on total equity, profit before tax and total profit for the year ended March 31, 2016.
- (x) Effect of adoption of Ind AS on the Statement of cash flows for the year ended March 31, 2016:

Following is the impact on cash flows on transition from Indian GAAP to Ind-AS. Cash flows relating to interest are classified in a consistent manner as operating, investing or financing each period.

	Indian GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	4,365.29	410.66	3,954.63
Net cash flows from investing activities	1,819.48	(105.66)	1,925.14
Net cash flows from financing activities	(5,838.85)	(327.60)	(5,511.25)
Net increase (decrease) in cash and cash equivalents	345.92	(22.60)	368.52
Cash and cash equivalents at the beginning of the period	2,261.39	22.70	2,238.69
Cash and cash equivalents at the end of the period	2,607.31	0.10	2,607.21

## 66 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 23, 2017.

### R.S. RAJU

Associate Director (F&A)

### M.V. SRINIVASA MURTHY

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

Hyderabad, May 23, 2017

For and on behalf of the Board

### A.A.V. RANGA RAJU

Managing Director  
(DIN No: 00019161)

### A.G.K. RAJU

Executive Director  
(DIN No: 00019100)



(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/joint ventures

**PART A : Subsidiaries**

(₹ in million)

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency/ Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Extent of shareholding (In %)
1	NCC Infrastructure Holdings Limited	27-05-2005	INR	6,960.50	(988.18)	6,889.36	917.03	5,406.84	927.46	(328.18)	-	(328.18)	67.71%
2	NCC Urban Infrastructure Limited	08-12-2006	INR	1,500.00	63.28	8,315.83	6,752.54	1,320.92	923.10	(160.38)	(50.42)	(109.97)	80.00%
3	OB Infrastructure Limited	31-03-2006	INR	147.57	1,195.52	4,029.80	2,686.71	720.50	987.56	(93.85)	-	(93.85)	64%
4	NCC Infra Limited	28-11-2011	INR	0.50	129.88	130.39	0.01	130.00	-	(0.02)	-	(0.02)	100%
5	Samashti Gas Energy Limited	29-09-2010	INR	0.50	(1.87)	0.48	1.85	-	0.03	(0.32)	-	(0.32)	100%
6	Savitra Agri Industrial Park Private Limited	17-02-2017	INR	1.20	(262.38)	631.36	892.55	-	0.49	(26.61)	0.91	(25.71)	58%
7	NCC International Convention Centre Limited	05-12-2008	INR	10.00	(9.98)	0.04	0.02	-	-	(50.02)	-	(50.02)	100%
8	Nagarjuna Construction Co. Ltd & Partners LLC	20-04-2005	OMR	25.28	(250.64)	7.64	233.01	-	0.68	(2.28)	-	(2.28)	100%
9	Nagarjuna Construction Company International LLC	17-01-2007	OMR	1,401.26	560.52	13,203.73	11,241.96	38.01	9,330.28	(1,127.34)	(14.16)	(1,141.50)	100%
10	NCC Infrastructure Holdings Mauritius Pte. Limited	27-04-2006	USD	3,076.33	(1,626.89)	2,896.19	1,446.75	1,041.30	-	(1.21)	-	(1.21)	100%
11	Nagarjuna Contracting Co LLC	20-06-2005	AED	5.30	14.93	3,948.69	3,928.46	-	41.00	(198.20)	-	(198.20)	100%
12	Liquidity Limited	03-05-2006	USD	8.23	(8.06)	7.85	7.67	-	-	(0.70)	-	(0.70)	100%
13	NC WILL	10-07-2013	QAR	17.82	(8.41)	9.50	0.09	-	-	(0.92)	-	(0.92)	100%
14	Al Mubarakia Contracting Co LLC	07-07-1997	AED	17.66	(715.47)	1,165.70	1,863.51	-	16.01	(62.71)	-	(62.71)	100%
15	NCCA International Kuwait General Contracts Co LLC	10.01.2007	KWD	53.20	(40.01)	29.51	16.32	-	-	(0.12)	-	(0.12)	100%
16	AKHS Homes Private Limited	12-02-2007	INR	31.22	(0.04)	31.23	31.23	-	-	(0.01)	-	(0.01)	100%
17	CSVS Property Developers Private Limited	13-02-2007	INR	18.44	(0.01)	18.45	18.45	-	-	(0.01)	-	(0.01)	100%
18	Dhatni Developers Private Limited	13-02-2006	INR	64.10	(0.21)	64.11	64.11	-	-	(0.01)	-	(0.01)	100%
19	JIC Homes Private Limited	12-02-2007	INR	18.39	(0.01)	18.40	18.40	-	-	(0.01)	-	(0.01)	100%
20	M A Property Developers Private Limited	17-02-2007	INR	17.50	(0.01)	17.51	17.51	-	-	(0.01)	-	(0.01)	100%

**PART A : Subsidiaries**

(₹ in million)

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency/ Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Extent of shareholding (In %)
21	Malleavanam Property Developers Private Limited	15-03-2007	INR	9.96	(0.05)	9.97	9.97	-	-	(0.01)	-	(0.01)	100%
22	Sri Raga Nivas Property Developers Private Limited	17-02-2007	INR	33.66	(0.06)	33.66	33.66	-	-	(0.01)	-	(0.01)	100%
23	Sushanti Housing Private Limited	12-02-2007	INR	17.50	(0.01)	17.51	17.51	-	-	(0.01)	-	(0.01)	100%
24	Sradha Real Estates Private Limited	16-03-2007	INR	0.59	(0.12)	0.60	0.60	-	-	(0.01)	-	(0.01)	100%
25	Sushrutha Real Estate Private Limited	13-02-2006	INR	17.89	(0.17)	17.90	17.90	-	-	(0.01)	-	(0.01)	100%
26	Sri Raga Nivas Ventures Private Limited	07-03-2007	INR	0.80	(1.89)	2.58	2.58	-	-	(0.00)	-	(0.00)	100%
27	Sushanti Avenues Private Limited	13-02-2006	INR	46.81	(0.07)	46.82	46.82	-	-	(0.01)	-	(0.01)	100%
28	Vera Avenues Private Limited	13-02-2007	INR	14.16	(0.03)	14.17	14.17	-	-	(0.01)	-	(0.01)	100%
29	VSN Property Developers Private Limited	17-02-2007	INR	33.70	(0.06)	33.71	33.71	-	-	(0.01)	-	(0.01)	100%
30	Vara Infrastructure Private Limited	09-03-2007	INR	0.59	(0.12)	0.60	0.60	-	-	(0.01)	-	(0.01)	100%
31	Kedarnath Real Estates Private Limited	08-07-2002	INR	49.08	(0.21)	49.24	49.24	-	-	(0.01)	-	(0.01)	100%
32	Nandyala Real Estates Private Limited	03-07-2002	INR	57.48	(0.33)	57.58	57.58	-	-	(0.01)	-	(0.01)	100%
33	PRG Estates Private Limited	22-10-2003	INR	59.08	(0.02)	55.06	55.06	-	-	(0.01)	-	(0.01)	100%
34	Thirilekya Real Estates Private Limited	03-07-2002	INR	44.73	(0.17)	44.77	44.77	-	-	(0.01)	-	(0.01)	100%
35	Varna Infrastructure Private Limited	15-07-1997	INR	68.41	1.39	67.33	67.33	-	-	(0.01)	-	(0.01)	100%
36	NJC Avenues Private Limited	09-04-2007	INR	1,318.87	(0.90)	1,320.00	1,320.00	-	-	(0.01)	-	(0.01)	100%
37	Siripada Homes Private Limited	03-04-2007	INR	0.59	(0.12)	0.59	0.59	-	-	(0.01)	-	(0.01)	100%
38	Nagarjuna Suites Private Limited	14-09-2011	INR	0.14	(0.04)	0.14	0.14	-	-	(0.01)	-	(0.01)	100%
39	NCC Urban Ventures Pvt Limited	11-09-2012	INR	0.16	(0.07)	0.17	0.17	-	-	(0.01)	-	(0.01)	100%
40	NCC Urban Homes Pvt Limited	11-09-2012	INR	0.16	(0.07)	0.17	0.17	-	-	(0.01)	-	(0.01)	100%

**PART A : Subsidiaries**

PART A : Subsidiaries														(₹ in million)
Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency/ Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Extent of shareholding (In %)	
41	NCC Urban Meadows Pvt Limited	11-09-2012	INR	0.16	(0.07)	0.17	0.17	-	-	(0.01)	-	(0.01)	100%	
42	NCC Urban Villas Pvt Limited	11-09-2012	INR	0.16	(0.07)	0.17	0.17	-	-	(0.01)	-	(0.01)	100%	
43	Patnitop Ropeway & Resorts Limited	13-02-2007	INR	22.55	(9.60)	13.10	0.15	-	-	4.39	-	4.39	100%	
44	NCC Vizag Urban Infrastructure Limited	25-01-2006	INR	526.25	(256.62)	2,191.91	2,191.91	-	-	(249.70)	-	(249.70)	95%	
45	Aster Rail Private Ltd	30-07-2013	INR	30.99	(70.45)	75.46	114.93	-	95.00	5.03	(0.09)	5.12	100%	
46	Vaidehi Avenues Ltd	01-04-2011	INR	51.63	(0.92)	50.77	0.06	-	-	(0.03)	-	(0.03)	100%	
47	Naftogaz Engineering Private Ltd	28-08-2007	INR	-	-	-	-	-	-	-	-	-	100%	
48	NCC Deserve Urban Construction Private Limited	28-05-2015	INR	0.10	-	-	-	-	-	-	-	-	51%	
49	NCC Oil & Gas Ltd	06-10-2010	INR	0.50	(0.18)	0.33	0.01	-	-	(0.01)	-	(0.01)	80%	
50	Nagarjuna Construction Company(Kenya) Limited	10-08-2011	KES	0.01	(0.01)	-	-	-	0.12	0.11	-	0.11	65%	
51	Pachhwara Coal Mining Private Limited	01-06-2016	INR	2.00	-	2.15	0.15	-	-	-	-	-	51%	

Note:

- (1) Exchange rate as on 31.03.2017: Rial Omani = ₹ 168.502, AED = ₹ 17.66, US\$ = ₹ 64.88, KWD = ₹ 212.78, QAR = ₹ 17.82, KES = ₹ 0.63
- (2) Naftogaz Engineering Private Ltd., appearing under Sl.No.47 of the table has not prepared Financial Statements as the Company is under process for striking off its name and notice was served by Ministry of Corporate Affairs on July 15, 2011 under Section 560(3) of the Companies Act, 1956 and dissolution of the Company is under process.
- (3) Reporting period for all the subsidiaries is same as of holding company i.e., 1st April to 31st March.
- (4) Proposed Dividend from any of the subsidiaries is NIL.

Names of subsidiaries which are yet to commence operations

Sl. No	Names
52	NCC Urban Lanka Private Limited (Based in SriLanka)

Name of the Subsidiary which has been sold during the year

Sl.No	Name of the Subsidiary
1	Western UP Tollway Limited

**PART B : Associates**

('₹ in million)

S. No.	Name of associates	Latest audited Balance Sheet Date	Date on becoming Associate	Shares of Associate by the company on the year end			Description of significant influence	Reason for non-consolidation	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year Considered in consolidation
				No.	Amount of Investment	%				
1	Paschal Form Work (India) Private Limited	31-03-2017	02-05-2008	6549892	69.14	26.00	Significant influence due to % of Share Capital	NA	24.88	0.72
2	Nagarjuna Facilities Management Services LLC	31-03-2017	11-07-2007	147	1.72	49.00	Significant influence due to % of Share Capital	NA	(0.03)	(3.43)
3	Himalayan Green Energy Private Limited	31-03-2017	19-06-2006	1000000	45.25	50.00	Significant influence due to % of Share Capital	NA	(71.80)	(58.01)
4	Jubilee Hills Landmark Projects Private Limited#	31-03-2017	15-05-2006	Equity 2500000 Preference 4274999	- 152.50	25.00	Significant influence due to % of Share Capital	NA	164.07	(85.39)
5	Tellapur Technocity (Mauritius)#	31-12-2016	21-08-2007	706349321	849.47	25.59	Significant influence due to % of Share Capital	NA	589.35	(0.24)
6	Tellapur Technocity Private Limited#	31-03-2017	23-04-2007	14702600	147.03	25.92	Significant influence due to % of Share Capital	NA	(240.08)	(2.67)
7	Apollonius Coal and Energy Pte.Ltd.#	31-03-2017	20-02-2012	3778757	119.18	43.96	Significant influence due to % of Share Capital	NA	243.55	-
8	Ekana Sportz City Private Limited	31-03-2017	22-05-2014	1300000	130.00	26.00	Significant influence due to % of Share Capital	NA	130.16	0.06

**PART B : Associates**

(₹ in million)

S. No.	Name of associates	Latest audited Balance Sheet Date	Date on becoming Associate	Shares of Associate by the company on the year end			Description of significant influence	Reason for non-consolidation	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year Considered in consolidation
				No.	Amount of Investment	%				
9	Varapradha Real Estates Pvt Ltd	31-03-2007	16-03-2007	13,344,973	745.56	40.00	Significant influence due to % of Share Capital	NA	745.56	13.56
10	Brindavan Infrastructure Company Limited	31-03-2017	05-11-2003	8643036	34.58	33.33	Significant influence due to % of Share Capital	NA	125.78	0.08
11	Pondicherry Tindivanam Tollway Limited	31-03-2017	27-03-2007	3388040	650.32	47.78	Associate	NA	288.48	(105.26)

Notes :

1. Considered Management Accounts. #

Names of associates or joint ventures which are yet to commence operations: NIL

Names of associates or joint ventures which have been liquidated or sold during the year

Sl. No	Name of associates/Joint Ventures
1	Bangalore Elevated Tollway Limited

## Regional Offices

### 1. Ahmedabad

211-212, Sarthik - II, Opp: Rajpath Club  
Sarkhej - Gandhinagar Highway  
Ahmedabad - 380 054  
Tel: +91 79 26871478/69  
Email: ro.ahmd@nccltd.in

### 2. Bengaluru

301, Batavia Chambers  
8, Kumara Krupa Road, Kumara Park East  
Bangalore-560 001  
Tel: +91 80 22258991 / 3309  
Email: ro.blr@nccltd.in

### 3. Bhubaneswar

3rd Floor, 98, Keshari Complex,  
Kharavela Nagar, Bhubaneswar - 751001  
Tel: 91 674 2393059  
Email: ro.bbnr@nccltd.in

### 4. Chennai

5B, Kences Towers, No. 1,  
Ramakrishna Street, Off. North Usman Road,  
Landmark Croma Electronics, T Nagar,  
Chennai - 600 017.  
Tel: +91 44 28143051/52  
Email: ro.chennai@nccltd.in

### 5. Kochi

Sherwali, CC 44/1725-A, Perandoor Road  
Opp Masthan Tower, Kaloor  
Cochin - 682017  
Tel: +91 484 2530160

### 6. Lucknow

House No. : C-2-183, Ansal Golf City  
Saheed Path, Near S J International School  
Lucknow - 226030.  
Email: ro.lucknow@nccltd.in

### 7. Mumbai

B-402, Dipti Classic, Off M V Road  
Suren Lane, Andheri (E), Mumbai - 400 093  
Tel: +91 22 26826790  
Email: ro.mumbai@nccltd.in

### 8. Kolkata

ECO Space Business Park, Block No-4A,  
5th Floor, New Town Action Area -II,  
Kolkata - 700156 (W.B)  
Tel: +91 33 40298888  
Email: ro.kolkatta@nccltd.in

### Overseas Offices

Muscat | Doha | Dubai

