

**NCC LIMITED.**

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

**Notice**

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of **NCC LIMITED** will be held on Wednesday, the 26<sup>th</sup> September, 2012, at 3.30 P.M. at KLN Prasad Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad - 500004, Andhra Pradesh to transact the following business:

**I. ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012, the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on the Equity Shares for the financial year 2011-2012.
3. To appoint a Director in place of Sri P C Laha, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri J V Ranga Raju, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Sri N R Alluri, who retires by rotation and being eligible, offers himself for reappointment.
6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** M/s. M Bhaskara Rao & Co., Chartered Accountants (Registration No. 000459S) and M/s.Deloitte Haskins and Sells, Chartered Accountants, (Registration No.008072S) the retiring Joint Statutory Auditors of the Company, be and are hereby re-appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company”.

**II. SPECIAL BUSINESS:**

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

**“RESOLVED THAT** notice of intention to propose Sri AKHS Rama Raju for appointment as a Director having been received from a member under Section 257 of the Companies Act, 1956, Sri AKHS Rama Raju, who was appointed as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

8. **Appointment of Sri A K H S Rama Raju as a Wholtime Director:**

To consider and, if thought fit, to pass with or without modifications,

the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in pursuance of the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (hereinafter referred to as the “Act”), read with Schedule XIII to the Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the appointment of Sri A K H S Rama Raju, as a Wholtime Director of the Company for a period of 5 (five) years with effect from November 04, 2011, on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the HR & Compensation Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto”.

**“RESOLVED FURTHER THAT** in pursuance of the provisions of Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals / consents as may be required including that of the Central Government if need be, Sri A K H S Rama Raju Wholtime Director, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Wholtime Director, in accordance with the provisions of Schedule XIII to the Companies Act, 1956”.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

9. **Reappointment of Sri A A V Ranga Raju as Managing Director:**

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

**“RESOLVED THAT** in pursuance of the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof, for the time being in force) (hereinafter referred to as the “Act”), read with Schedule XIII to the Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Sri A A V Ranga Raju as the Managing Director of the Company for a period of 5

(five) years with effect from April 01, 2012, on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the HR & Compensation Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto".

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals / consents as may be required including that of the Central Government if need be, Sri A A V Ranga Raju as Managing Director, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Managing Director, in accordance with the provisions of Schedule XIII to the Companies Act, 1956".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 10. Reappointment of Sri AGK Raju as Executive Director:

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

**"RESOLVED THAT** in pursuance of the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof, for the time being in force) (hereinafter referred to as the "Act"), read with Schedule XIII to the Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Sri A G K Raju as the Executive Director of the Company for a period of 5 (five) years with effect from April 01, 2012, on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the HR & Compensation Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto".

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals / consents as may be required including that of the Central Government if need be, Sri A G K Raju as Executive Director, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Executive Director, in accordance with the

provisions of Schedule XIII to the Companies Act, 1956".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 11. Reappointment of Sri J V Ranga Raju as Wholetime Director:

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

**"RESOLVED THAT** in pursuance of the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (hereinafter referred to as the "Act"), read with Schedule XIII to the Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Sri J V Ranga Raju, as a Wholetime Director of the Company for a period of 5 (five) years with effect from April 01, 2012, on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the HR & Compensation Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto".

**"RESOLVED FURTHER THAT** in pursuance of the provisions of Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals / consents as may be required including that of the Central Government if need be, Sri J V Ranga Raju, as Wholetime Director of the Company, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Wholetime Director, in accordance with the provisions of Schedule XIII to the Companies Act, 1956".

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to Section 163(1) and other applicable provisions, if any, of the Companies Act, 1956, the register of members, index of members, the register and index of debenture holders, if any, and copies of all annual returns prepared under Section 159 and 160 of the Companies Act, 1956, together with copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the Companies Act, 1956, be kept at the office of the Registrar and Transfer Agent of the Company viz., Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 and at such other places where the Registrar and Transfer Agent as

appointed by the Company from time to time may have its office, instead of at the Registered Office of the Company.

**“RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and are hereby severally authorised, to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.”

## BY ORDER OF THE BOARD For NCC Limited.

Place: Hyderabad  
Date :May 29,2012

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

### NOTES:

1. **Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under item No(s).7 to 12 set out above is annexed hereto.**
2. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m upto the date of the Annual General Meeting.
3. **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting.**
4. **Corporate members intending to send their authorized representative (s) to attend the Meeting are requested to send to the Registered Office of the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.**
5. The Register of Members and the Share Transfer Books of the Company will be closed from 17<sup>th</sup> September, 2012 (Monday) to 21<sup>st</sup> September, 2012 (Friday) (both days inclusive).
6. Members are requested to notify immediately any change of address or bank mandates to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the Company i.e. Karvy Computershare Private Ltd , Vittal Rao Nagar, Madhapur, Hyderabad-500081 in respect of their physical share folios, if any.
7. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue.
8. **A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query in writing to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.**
9. In order to service the shareholders effectively and for administrative convenience, members are requested to notify multiple folios standing in their name for consolidation, if any, to the

Secretarial Department at the Registered Office of the Company immediately.

10. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form 2B as prescribed under the Companies Act, 1956 to the Registrars of the Company.
11. The dividend for the year ended March 31, 2012 as recommended by the Board, if approved at the Meeting, will be payable to those members whose names appear on the Company's Register of Members on 21<sup>st</sup> September, 2012.
12. **Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remains unpaid or unclaimed for a period of 7(seven) years will be transferred to the Investor Education and Protection Fund. Shareholders / Investors who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio No./ DP ID and Client ID to the Secretarial Department of the Company at NCC House, Madhapur, Hyderabad – 500 081. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie in respect thereof.**
13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or M/s. Karvy Computershare Private Ltd for assistance in this regard.
14. **Appointment/Re-appointment of Directors**  
At the ensuing Annual General Meeting, Sri P C Laha, Sri J V Ranga Raju and Sri N R Alluri, Directors retire by rotation and being eligible offer themselves for re-appointment. Sri A K H S Rama Raju, Additional Director, is being appointed as a Director of the Company liable to retire by rotation and as a Whole Time Director of the company. Sri A A V Ranga Raju Sri A G K Raju and Sri J V Ranga Raju are being reappointed as Managing Director, Executive Director and Wholetime Director of the Company respectively. The relevant information as required under clause 49 of the Listing Agreement concerning Corporate Governance Code in respect of appointment/re-appointment of Directors is given below for the information of the Members:
  - a. **Sri P. C. Laha, B.M.E, FIE, MIIM, MAISE (USA)** has been associated with the Company as a Non-Executive/ Independent Director of the Company since 1991. He has held several important positions in the Central Government / Government of India Undertakings and retired as Chairman cum Managing Director of MECON Limited (a Govt. of India Undertaking). He has rich experience spanning over 42 years in Engineering and allied fields. Currently he is a Director on the Board of the Company (NCCL) only and also a Member of the Audit Committee, Investors' Grievances Committee and Member & Chairman of the HR & Compensation Committee. He is not holding any equity shares of the Company.
  - b. **Sri J.V.Ranga Raju** is one of the Promoter Directors and has been associated with the Company since inception. He holds a Masters



Degree in Commerce and has over 27 years of experience in the construction and education fields. He is also a Director on the Board of Brindavan Infrastructure Company Ltd. Sri J.V. Ranga Raju holds 15,53,500 equity shares of the Company, constituting 0.61% of the paid up share capital of the Company. He is related to the other Promoter Directors on the Board of the Company.

- c. **Sri N.R.Alluri** is one of the Promoter Directors and has been associated with the Company since 1995. He holds a Bachelors Degree in Engineering and has over 22 years of experience in the Construction Industry, Real Estate and allied fields. Currently he is the Managing Director of NCC Urban Infrastructure Limited and serves as a director on the Board of Western UP Tollway Ltd., NCC Vizag Urban Infrastructure Ltd, Patnitop Ropeway & Resorts Ltd, NCC Oil&Gas Ltd, Nextgreen Infrastructure Private Ltd and Tellapur Technocity Pvt Ltd. He also serves as director on the Boards of Nagarjuna Construction Company Ltd & Partners LLC, Nagarjuna Contracting Co. LLC, Nagarjuna Facility Management Services LLC and Nagarjuna Construction Company International LLC, AL Mubarika Contracting Company LLC, Dubai and Nagarjuna Construction Company (Kenya) Limited Sri N.R.Alluri holds 40,88,680 equity shares of the Company, constituting 1.59% of the paid up share capital of the Company. He is related to the other Promoter Directors on the Board of the Company.
- d. **Sri AKHS Rama Raju** is one of the Promoters of the Company. He is an under graduate and has around 20 years of rich experience in the field of construction - basically in the Buildings & Roads Divisions. Some of the projects wherein he had played an active role include Ah'bad Vadodara Expressway, Delhi - Samalkha Road Project, Chennai CMDA, NIOT. He is also Director on the Board of Ranga Agri Impex Private Ltd, Nirathi Agro Farms Private Ltd, Aparajita Fashions Private Ltd, Samarjith Hotels and Resorts Private Ltd, Abhinav Technology Solutions Private Ltd, Sri A K H S Greenlands Private Limited, Mobilium Infosystems Private Ltd Greenex Energy India Private Ltd and Indian Heritage Resorts Private Ltd. He is not holding any equity shares of the Company. He is related to the other Promoter Directors on the Board of the Company.
- e. **Sri A A V Ranga Raju** is one of the Chief Promoters of the Company and has been the Managing Director of the Company right from the inception. He is an Under Graduate and has over 38 years of rich experience in the construction industry. He has been playing a significant role in the progress achieved by the Company. He is a Director on the Boards of NCC Urban Infrastructure Ltd, NCC Infrastructure Holdings Ltd, NCC Infra Ltd, NCC Power Projects Ltd, Vaidehi Avenues Ltd and Tellapur Technocity Private Ltd. Sri A A V Ranga Raju holds 59,31,740 equity shares of the company, constituting 2.31% of the paid up share capital of the Company. He is related to the other Promoter Directors on the Board of the Company.

- f. **Sri A G K Raju** is one of the Chief Promoters of the Company and has been associated with the Company since inception as Executive Director. He holds a Masters Degree in Business Administration and has over 29 years of rich experience in the construction industry. He is a Director on the Boards NCC Finance Ltd, NCC Infrastructure Holdings Ltd, NCC Urban Infrastructure Ltd and Vaidehi Avenues Ltd. Sri A G K Raju holds 39,30,080 equity shares of the Company, constituting 1.53% of the paid up share capital of the Company. He is related to the other Promoter Directors on the Board of the Company.

## ANNEXURE TO NOTICE:

### Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956.

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business specified in item no(s) 7 to 12 of the Notice of the Meeting.

#### Item no.7

Sri A K H S Rama Raju who has been appointed by the Board of Directors as an Additional Director on the Board of the Company with effect from 4<sup>th</sup> November, 2011 in terms of section 260 of the Companies Act, 1956 and holds office upto the date of 22<sup>nd</sup> Annual General Meeting. As stipulated under Section 257 of the Companies Act, 1956 the Company has received a Notice of intention proposing Sri AKHS Rama Raju as a Director of the Company together with the requisite deposit. Profile of Sri A K H S Rama Raju is given as a part of the requirements of Clause 49 under Sl.No.14 (d) forming part of the notes to the Notice convening the 22<sup>nd</sup> Annual General Meeting of the Company.

Sri A K H S Rama Raju is proposed to be appointed as a Director of the Company liable to retire by rotation.

None of the directors other than Sri AKHS Rama Raju Sri A A V Ranga Raju, Sri A G K Raju, Sri J V Ranga Raju, Sri. A S N Raju, Sri A V N Raju, and Sri.N R Alluri Directors may be deemed to be concerned or interested in the afore said resolution.

The Board recommends the resolution for your approval.

#### Item No.8

The Board of Directors of the Company ("the Board") at its meeting held on 4<sup>th</sup> November 2011, on the recommendation of the HR & Compensation Committee and subject to the approval of the members, accorded their approval for Appointment of Sri A K H S Rama Raju, as a Wholetime Director of the Company for a period of 5 (five) years with effect from 4<sup>th</sup> November, 2011 on the remuneration as detailed hereunder.

The terms of appointment of the Sri A K H S Rama Raju as a Wholetime Director and payment of remuneration to him with effect from 4<sup>TH</sup> November, 2011 and the Memorandum of interest are set out herein below

Name and Designation	Salary (Per month)	Perquisites and Allowances	Exgratia
Sri A K H S Rama Raju Wholetime Director	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs.10.00 lakhs	75% of the monthly salary	As per the rules of the Company

The perquisites and allowances payable to the aforesaid Wholetime Director shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical allowance / reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of leave and such other perquisites and / or allowances, upto the amounts specified above and in addition he shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

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

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

The terms and conditions set out for appointment and payment of remuneration to Sri A K H S Rama Raju as a Wholetime Director, specified herein may be altered and varied from time to time by the Board of Directors "the Board" which term shall be deemed to include

the HR & Compensation Committee constituted by the Board of the Company, as it may, at its discretion deem fit. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Wholetime Director of the Company provided the same do not exceed the limits specified under Section 309 read with Schedule XIII of the Companies Act, 1956. (including any statutory modification (s) or re-enactment thereof for the time being force) or any amendment made thereto.

**None of the directors other than Sri AKHS Rama Raju, Sri A A V Ranga Raju, Sri A G K Raju, Sri J V Ranga Raju, Sri. AS N Raju, Sri AV N Raju, and Sri.NR Alluri Directors may be deemed to be concerned or interested in the aforesaid resolution.**

The Board of Directors recommend the resolutions set out at item No.8, of the Notice for your approval.

## Item No.9,10&11

The Board of Directors of the Company vide Circular Resolution dated.23.03.2012 subject to the approval of the Members of the Company, approved the reappointment of Sri AA V Ranga Raju as the Managing Director, Sri A G K Raju as the Executive Director and Sri J V Ranga Raju as a Wholetime Director of the Company for a period of 5 (Five) years each with effect from 1st April, 2012 and payment of remuneration to them. The payment of remuneration to the aforesaid working Directors has also been approved by the HR & Remuneration Committee of the Company.

The terms of appointment of the aforesaid working Directors and payment of remuneration to the aforesaid directors to them with effect from 1st April, 2012 and the Memorandum of interest are set out

Name and Designation	Salary (Per month)	Perquisites and allowances	Exgratia	Commission
Sri AA V Ranga Raju Managing Director	Rs.8.00 lakhs per month in the scale of Rs.8.00 lakhs to Rs.15.00 lakhs	75% of the monthly salary	As per the rules of the Company	1% (One percent) of the net profits of the company computed in accordance with Section 349 & 350 of the Companies Act, 1956.
Sri A G K Raju Executive Director	Rs.4.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs	75% of the monthly salary	As per the rules of the Company	0.5% (Half percent) of the net profits of the company computed in accordance with Section 349 & 350 of the Companies Act, 1956.
Sri J V Ranga Raju Wholetime Director	Rs.7.00 lakhs per month in the scale of Rs.4.00 lakhs to Rs. 10.00 lakhs	75% of the monthly salary	As per the rules of the Company	—

herein below;

The perquisites and allowances payable to the aforesaid Managing Director, Executive Director and Wholetime Director shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, medical allowance / reimbursement; leave travel concession for self and family including dependents; club fees, accident / medical insurance, encashment of

leave and such other perquisites and / or allowances, upto the amounts specified above and in addition they shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity, water, furnishing and repairs subject however to the condition that the overall remuneration paid is within the overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

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

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

The terms and conditions set out above for re-appointment and payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors "the Board" which term shall be deemed to include the HR & Compensation Committee constituted by the Board of the Company, as it may, at its discretion deem fit. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Managing Director, Executive Director and Wholetime Director of the Company provided the same do not exceed the limits specified under Section 309 read with Schedule XIII of the Companies Act, 1956. (including any statutory modification (s) or re-enactment thereof for the time being force) or any amendment made thereto.

**None of the directors other than Sri A A V Ranga Raju, Sri A G K Raju, Sri J V Ranga Raju, Sri. A S N Raju, Sri A V N Raju, Sri A K H S Rama Raju, and Sri.N R Alluri Directors may be deemed to be concerned or interested in the afore said resolutions.**

The Board of Directors recommend the resolutions set out at item Nos.9 to 11, of the Notice for your approval.

#### **Item No. 12**

As required under the provisions of section 163 the Companies Act, 1956, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office of the Company is situated, with the approval of the members to be accorded by a special resolution.

The shares transfer agents registered under the SEBI (Registrar to an Issue and Share Transfer Agent) Regulation, 1993, as amended, provides the depository related services for the shares held in dematerialised form and also acts as the Share Transfer Agent for the shares held in the physical form. Hence, the approval of the members is sought in terms of Section 163(1) of the Companies Act, 1956, for keeping the aforementioned registers and documents at the office(s) of the registrar and transfer agents ('RTA') as may be appointed from time to time.

Currently, M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 are acting as the RTA for the Company.

None of the Directors is concerned or interested in the said resolution.

The Board recommends the said resolution for the approval of members.

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

Place: Hyderabad  
Date :May 29,2012

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

### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Registrar and Share Transfer Agent (RTA) M/s. Karvy Computershare Pvt. Ltd. Unit: NCC Limited, Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad- 500081. E-mail id : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

## NCC LIMITED.

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

### ATTENDANCE SLIP

(To be presented at the entrance)

**22ND ANNUAL GENERAL MEETING of the Company on Wednesday, the 26th day of September, 2012, at 3.30p.m at, KLN Prasad Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004.**

Folio No .....	DP ID No.....	Client No: .....
Name of the Shareholder / Proxy : .....		
Signature of the Shareholder / Proxy : .....		
(only shareholders/proxies are allowed to attend the meeting)		

### PROXY FORM

I / We ..... of ..... in the district of, ..... being a member/ members of NCC Limited hereby appoint ..... of ..... in the district of ..... or failing him/her, ..... of ..... in the district of ..... as my / our proxy to attend and vote for me/us on my / our behalf at the 22nd Annual General Meeting of the Company to be held on Wednesday, the 26th day of September, 2012, at 3.30 p.m at KLN Prasad Auditorium, Federation House, The Federation of Andhra Pradesh Chambers of Commerce and Industry , 11-6-841, Red Hills, Hyderabad-500004 and at any adjournment thereof.

Folio No .....	DP ID No .....	Client A/c No :.....
No. of shares held .....		
Signed this .....day of .....2012		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Affix ₹1/- Revenue Stamp </div>
		Signature across Revenue Stamp

#### Notes:

- The Proxy form duly completed must be deposited with the Secretarial Department at the Registered Office of the Company at NCC House, Madhapur, Hyderabad-500081, not less than 48 hours before the time for holding the meeting. Proxy need not be a Member.
- Corporate members intending to attend the meeting through their authorised representative(s) are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

### BANK ACCOUNT PARTICULARS / ECS MANDATE FORM

I/We.....do hereby authorize NCC Limited

\* To Print the following details on my / our dividend warrant

\* To Credit my dividend amount directly to my Bank account by ECS / Direct Credit in.....Bank A/c (if any).

(\* Strike out whichever is not applicable)

My / Our Folio No: .....

Particulars of Bank Account:	DP ID No.....	Client A/c No.....
A. Bank Name	:	
B. Branch Name & Address (for Mandate only)	:	
C. 9 Digit Code number of the bank & branch as appearing on the MICR cheque (Please attach cancelled cheque)	:	
D. Account Type (Saving/Current)	:	
E. Account No. as appearing on the cheque book	:	
F. STD Code & Telephone No.	:	

I/ we shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

Please send the BANK ACCOUNT particulars/ ECS MANDATE FORM to: M/s. Karvy Computershare Pvt. Ltd. Unit: NCC Limited. Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad- 500081 or to your Depository Participant if you hold shares in electronic form.

Date :

Place:

Signature of the Shareholder





# TOUGH TIMES TOUGHER RESOLVE

NCC LIMITED | ANNUAL REPORT 2011-12



**NCC**

## Disclaimer

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

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

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

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## CORPORATE INFORMATION

Padma Shri Awardee

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

### Board of Directors

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

Director

**Sri P. C. Laha**

Director

**Sri S. Venkatachalam**

Director

**Sri Rakesh R Jhunjunwala**

Director

**Sri R. V. Shastri**

Director

**Sri Akhil Gupta**

Nominee Director

M/s. Blackstone Group

**Sri Amit Dixit**

Alternate Director

to Sri Akhil Gupta

**Sri Utpal Sheth**

Alternate Director to

Sri Rakesh R. Jhunjunwala

**\*Sri A. J. Jaganathan**

Director

\*Resigned from the Board  
effective 31st May, 2012

**Sri N. R. Alluri**

Director

**Sri J. V. Ranga Raju**

Wholetime Director

**Sri A. V. N. Raju**

Wholetime Director

**Sri A. S. N. Raju**

Wholetime Director

**Sri A. K. H. S. Rama Raju**

Wholetime Director

**Sri A. G. K. Raju**

Executive Director

**Sri A. A. V. Ranga Raju**

Managing Director

### Chief Financial Officer

**Sri R. S. Raju**

Sr. Vice President (F&A)

### Company Secretary & Sr.Vice President (Legal)

**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

State Bank of Hyderabad

Syndicate Bank

Indian Overseas Bank

Allahabad Bank

ICICI Bank

Standard Chartered Bank

### Registered office

NCC House

Madhapur

Hyderabad – 500 081

Tel: +91 40 23268888

Fax: +91 40 23125555

www.ncclimited.com

E-mail: ho.secr@nccltd.in

### Registrar and Share Transfer Agents

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

Plot No. 17-24, Vittal Rao Nagar

Madhapur, Hyderabad – 500 081

Phone : 040 – 23420815 - 28

Fax : 040 – 23420859

E-mail : einward.ris@karvy.com

### 22nd Annual General Meeting

on Wednesday the 26th September, 2012,

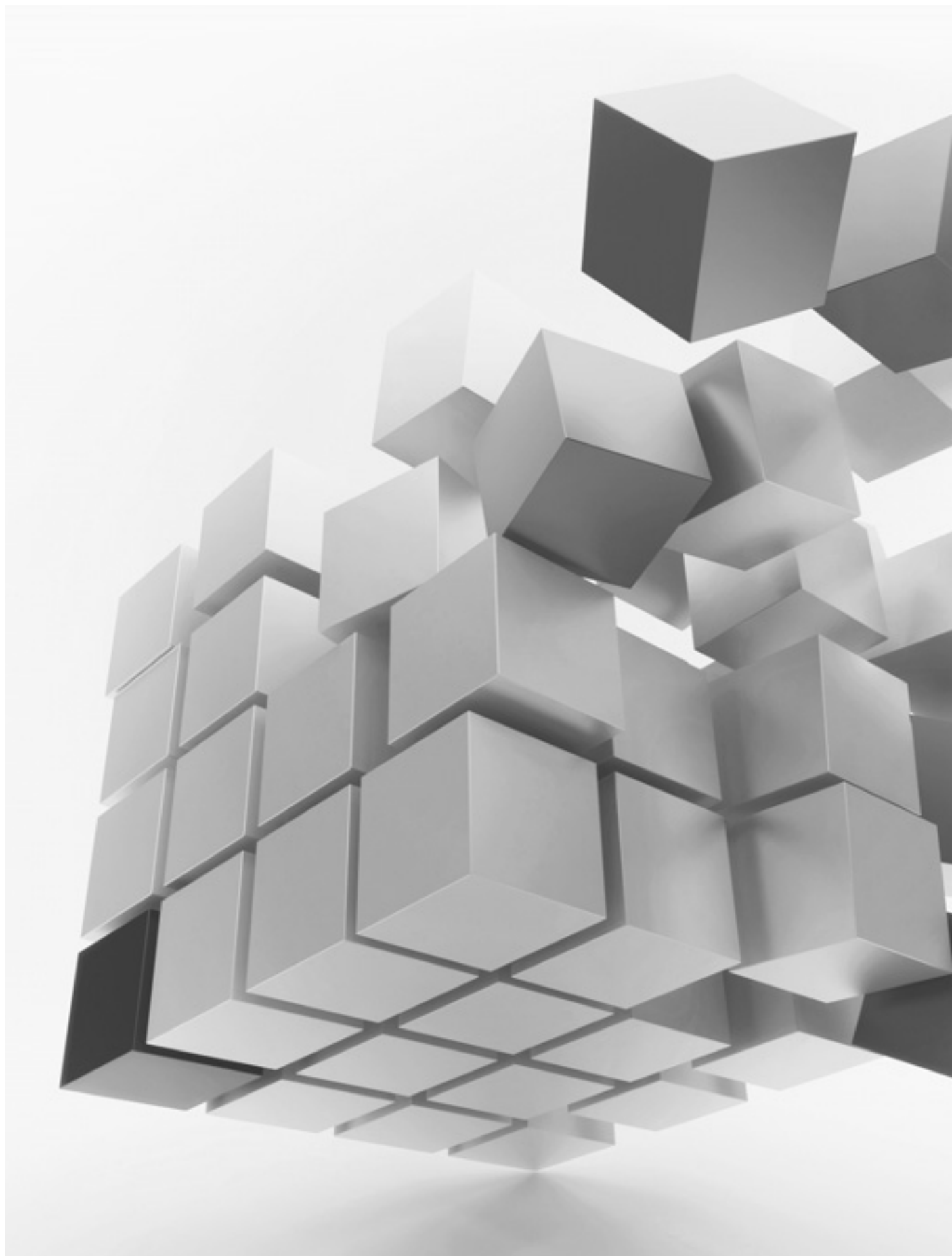
at 3.30 p.m. at K L N Prasad Auditorium,

Federation House, The Federation of

Andhra Pradesh Chambers of Commerce and

Industry, FAPCCI Marg, 11-6-841, Red Hills,

Hyderabad - 500 004





A series of overlapping, three-dimensional geometric shapes, primarily cubes and rectangular prisms, in various shades of gray, arranged in a vertical column on the left side of the page.

# TOUGH TIMES

- High inflation ■ High interest rates ■ Policy paralysis
- Depreciating Rupee ■ Tightening liquidity ■ Rising resource costs ■ Declining industrial output
- Slowing consumption ■ Land acquisition bottlenecks
- Environmental clearance delays

# TOUGHER RESOLVE

- Rapid project execution ■ Aggressive bagging of new projects ■ Strong order book accretion (₹ 20,195 cr in 2011-12) ■ Maximised resource utilisation ■ Administrative consolidation ■ Enhanced scientific project bidding ■ Minimised exposure to unviable projects

# WHEN THE GOING GETS TOUGH, THE TOUGH GET GOING

## PILLARS OF OUR PHILOSOPHY

### VISION

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

### MISSION

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

### VALUES

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

### QUALITY POLICY

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

### QUALITY OBJECTIVES

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

## IDENTITY

Robust track record of over three decades in asset and nation building

Diversified business portfolio; present in 11 industry sectors comprising buildings and housing, roads, water and environment, irrigation, electrical, oil and gas, metals, power, railways, mining and international business

Possesses a strong, experienced and dedicated management team backed by a skilled workforce

## GRASSROOTS PRESENCE

Headquartered in Hyderabad, Andhra Pradesh

Extensive regional presence through offices in Delhi, Ahmedabad, Bhubaneswar, Kochi, Mumbai, Bhopal, Lucknow, Chennai and Bengaluru

International footprint through offices in Dubai (United Arab Emirates) and Muscat (Sultanate of Oman), Qatar and Saudi Arabia

## LISTING

The Company's stocks are listed on the National Stock Exchange (NSE) and BSE Limited

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

## CLIENT PORTFOLIO

- National Highways Authority of India (NHAI)
- State Public Works Departments (across various Indian states)
- Karnataka Road Development Corporation
- Irrigation and CAD departments (various states of India)
- Hyderabad Metropolitan Water Supply and Sewerage Board
- Gujarat Water Supply and Sewerage Board
- Chennai Metropolitan Water Supply and Sewerage Board
- State Electricity Board (across various states in India)
- Maharashtra Airport Development Company, Mumbai
- Government of West Bengal, PHE Office, Kolkata
- Sahara India Commercial Corporation Limited, Pune
- Hindustan Aeronautics Limited
- Bharat Heavy Electricals Limited
- National Thermal Power Corporation
- Reliance Industries Limited
- Karnataka Housing Board
- Andhra Pradesh Housing Board
- Sports Authority of Andhra Pradesh
- Zuari Cements
- Bennett, Coleman and Company Limited
- Patni Computers
- Mahindra Satyam
- Delhi Metro Rail Corporation Limited
- Sriram Properties Private Limited
- Reserve Bank of India
- Muscat Municipality, Sultanate of Oman
- Steel Authority of India Limited
- National Institute of Technology
- Employee State Insurance Corporation
- National Mineral Development Corporation

FROM THE DESK OF THE CHAIRMAN EMERITUS

**THE YEAR 2011-12 WAS  
ONE OF THE MOST  
CHALLENGING IN OUR  
EXISTENCE. WE LOOKED  
INWARDS TO EMERGE  
STRONGER.**





*Dear fellow stakeholders,*

A LARGE NUMBER OF EXTERNAL DEVELOPMENTS - REFORMS DELAY, TIGHTENING INTEREST RATES, HIGH INFLATION AND DEARTH OF FUNDS - KNOCKED THE WIND OUT OF INDIA'S INFRASTRUCTURE INDUSTRY IN 2011-12 EVEN AS A LARGE NUMBER OF INDIA'S INFRASTRUCTURE SECTORS REMAINED UNDER-PENETRATED.

At NCC Limited, we resolved to adjust our sails and row harder, convinced that calmer waters are closer than where most people think.

Our optimism is rooted in strong fundamentals. There is a tectonic shift from advanced economies towards the developing nations of Asia, Latin America and Commonwealth of Independent States (CIS). This is of particular relevance for countries like India and China, which are reporting sustainable economic growth. India's economic growth of 6.5 percent for 2011-12 was catalysed by a growing domestic market and demand coming out of the country's 'bottom-of-the-pyramid'.

India's construction and infrastructure industry benefited from these developments. Years of infrastructure under-investment began to slowly correct with the government's Twelfth Plan paper indicating infrastructural investments of a massive USD 1 trillion. The industry is optimistic that

surging growth will urbanise India faster - from 290 mn in 2001 to a projected 590 mn of urban population by 2030.

This urbanisation presents unprecedented opportunities. As per a report released by the McKinsey Global Institute, India will need to spend USD 2.2 trillion (₹ 97.35 lakh cr at current exchange rates) in its cities by 2030. Nearly USD 1.2 trillion (₹ 53.1 lakh cr) will need to be invested in water, sewage, transport and housing infrastructure as 40 percent of India's estimated 1.47 bn population will be urban by 2030. As a percentage of the gross domestic product (GDP), urban infrastructure spending will need to rise from 0.5 percent to 2 percent. Going ahead, the majority populations of at least five states - Tamil Nadu, Gujarat, Maharashtra, Punjab and Karnataka - will be urban and 70 percent of the net new jobs created in India will be in cities by 2030.

Guided by this vision, NCC strengthened its business investments: expansion of existing capacity, enriching products and service offerings, securing resources and implementing high governance. The result is that NCC Limited was engaged in nation-building at more than 200 project sites across India in 2011-12. The Company also

demonstrated India's construction prowess by working on 11 projects in Dubai and the GIC.

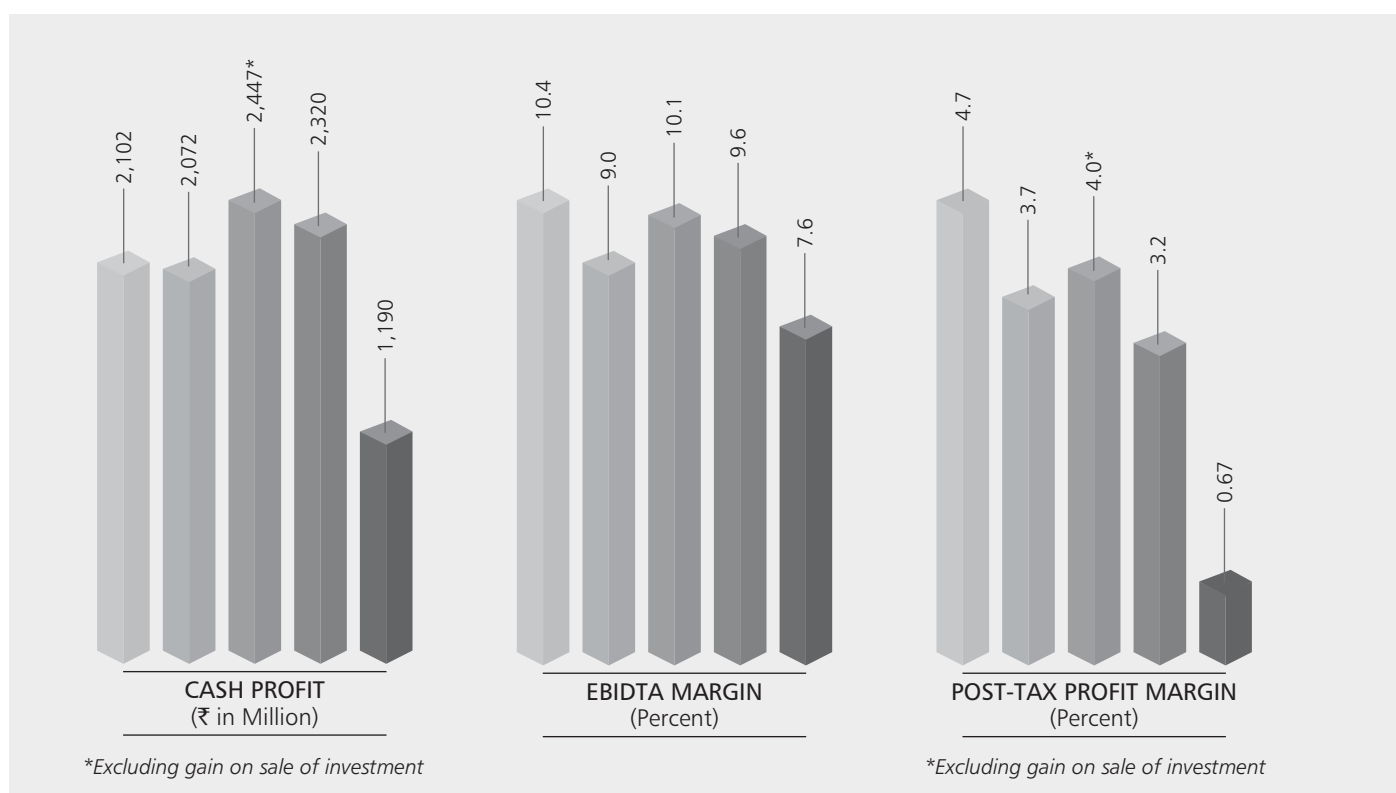
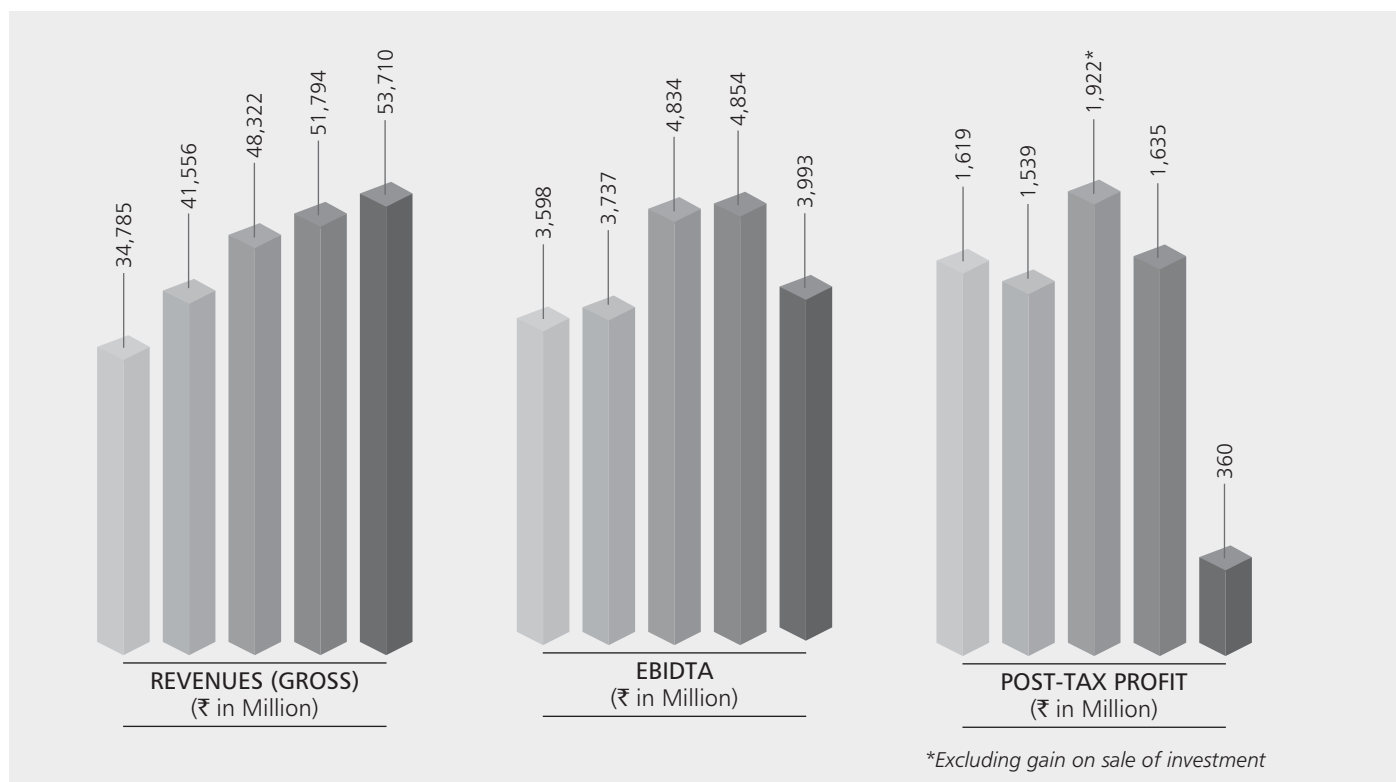
Infrastructure creation and economic development go hand-in-hand and this reality will continue to strengthen our relevance across market cycles. NCC, along with its subsidiaries, is in the right sectors, present at the right time with the right talent to emerge as a creator of next-generation assets. The Company possesses advanced technologies, efficient cost structure, focus on innovation, consistent investments to forge ahead in these tough times.

As we move ahead to the next frontier of growth and integrated excellence, I seek the support and encouragement of all our stakeholders, who have made our journey smooth and rewarding. To conclude, I am optimistic that we will generate a topline growth of atleast 10% in 2012-13 and will ride over the rough patches with speed and certainty.

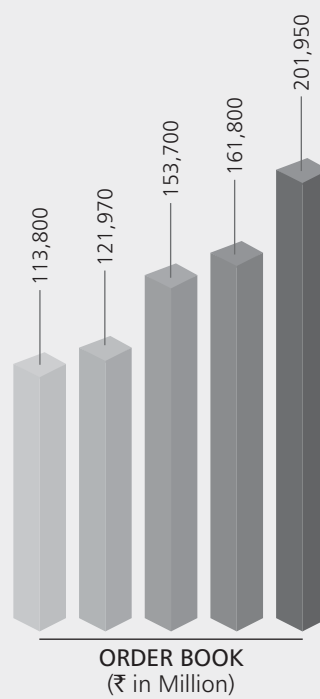
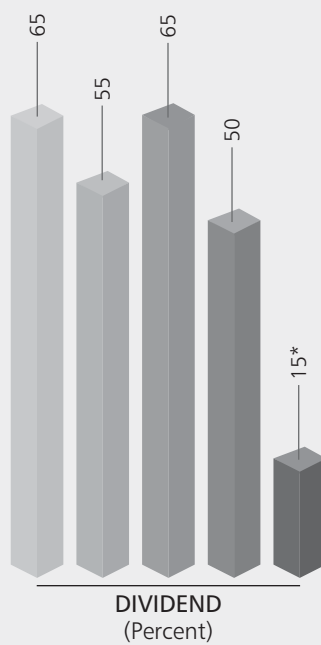
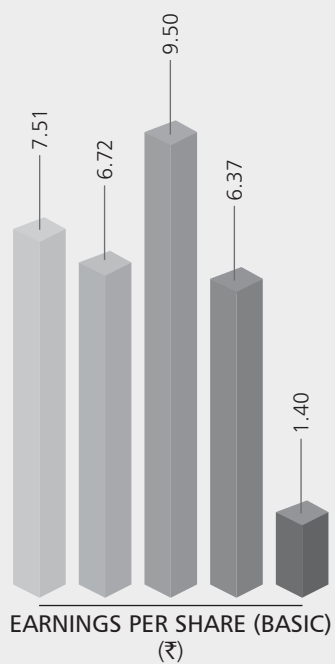
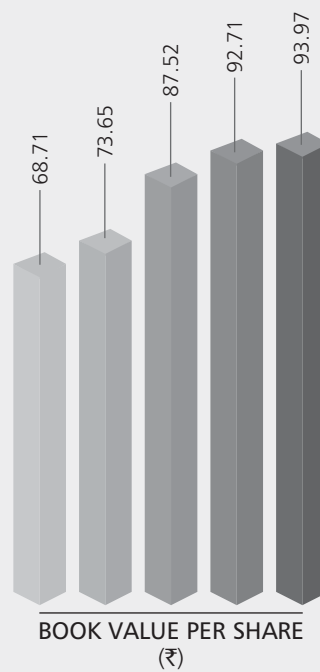
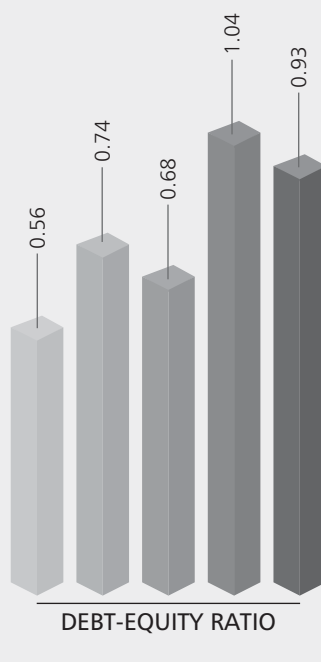
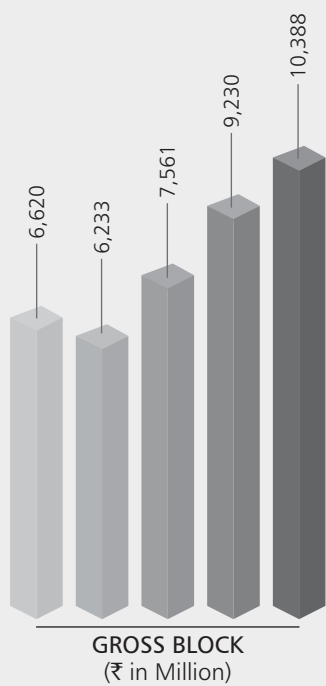
My very best wishes,

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

# TOWARDS EMERGING STRONGER



■ 2007-08 ■ 2008-09 ■ 2009-10 ■ 2010-11 ■ 2011-12



\*Proposed



Q&A WITH THE MANAGING DIRECTOR

**"THE YEAR 2011-12 WAS A TOUGH YEAR FOR THE INFRASTRUCTURE SECTOR. HOWEVER, WE BAGGED ₹ 10,117 CR WORTH OF FRESH ORDERS, STRENGTHENING OUR REVENUE VISIBILITY FOR THE NEXT 30 MONTHS."**

QUESTION-AND-ANSWER SESSION WITH  
A.A.V. RANGA RAJU, MANAGING DIRECTOR,  
NCC LIMITED



**Q** What were some of the positives that emerged out of a tough 2011-12?

**A** Our conservative approach to not bid for all kinds of projects in the best of times turned out to a big positive in 2011-12 when a large number of projects with aggressive forecasts turned unviable.

At NCC, we protected our order book growth during this challenging period. We reinforced our order book with new orders worth more than ₹ 10,000 cr during the year under review. This gives me confidence that even as 2012-13 appears to be challenging, we will remain busy while executing existing projects and entering into profitable contracts.

**Q** What is the single-most important challenge facing the Company?

**A** The Indian infrastructure sector is a microcosm of what is happening in the country. The construction industry is capital-intensive; liquidity is oxygen. With customers unable to release funds, even for works completed and handed over, our average receivables increased to a substantial 120 days (as on 30th September 2011), stretching our working capital cycle and forcing us to borrow additional high-cost funds. This resulted in an interest bill of ₹ 383 cr for 2011-12 which decreased our net profit margin to less than one percent.

At NCC, we took several measures to shrink our receivables cycle by

interacting with our clients at various levels and forming task forces at large sites for collection purposes. The debt collection period came down to 91 days by 31st March 2012. These measures will enhance our liquidity and strengthen our balance sheet.

**Q** Were there any developments in 2011-12 that have made you happy?

**A** We shifted to a new office building in Madhapur (outskirts of Hyderabad) in November 2011. From around eight dispersed locations in the city of Hyderabad, we have consolidated our operations under one roof. The building accommodates over 1,200 people.

I am also happy to state that despite going through one of the most trying times, we proposed a ₹ 0.30 dividend per equity share for 2011-12 to reward our shareholders for their loyalty. The rest of the surplus will help us to strengthen our net worth.

**Q** What does the future hold for the Company?

**A** The year 2012-13 appears difficult, given the instability that exists in the Indian economy. The Euro zone crisis and the fragile situation of the global economy threaten to pull the Rupee down and widen the current account deficit. Fund mobilisation will continue to remain a challenge, especially since the rupee depreciation has eroded all the gains of cheap international debt.

With a projected economic growth of around 6-7 percent for 2012-13, India continues to remain one of the fastest growing economies. A growing need for world-class infrastructure will translate into higher spending on this account (USD 1 trillion has been envisaged for investments in the Twelfth Plan) that will accelerate order flow in the long-term, strengthening the sector's prospects.

**Q** Any new initiatives towards reining in cost and streamlining operations?

**A** Due to issues such as delayed payment from clients leading to higher debt collection period, we are now focusing on improving and strengthening our execution capabilities. This will increase asset efficiency and economies-of-scale. Moreover, to some extent we can cover up for delayed payment from the client side by increasing our topline through better execution capabilities.

We also implemented a ERP system in our organisation. The pilot launch has already been done and we are in the process of migrating our projects onto this system. This will help us in better tracking, quick information gathering and improving our MIS. This ERP will also help us streamline our operations by reducing paperwork and making information available online at the click of a button.

# Directors' Report

To the Members,

Your Directors take pleasure in presenting the 22nd Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2012,

## Financial results (on standalone basis)

(₹ in millions)

	2011-12	2010-11
Turnover	52504.70	50737.32
Profit before finance cost, depreciation and tax	5199.00	5910.15
Less: Finance cost	3839.99	2569.00
Profit before depreciation and tax	1359.01	3341.15
Less: Depreciation	829.83	685.31
Profit before tax	529.18	2655.84
Provision for tax	169.36	1021.34
Profit after tax	359.82	1634.50
Profit brought forward	2719.20	2552.91
Profit available for appropriation	3079.02	4187.41
Appropriations		
Proposed Dividend at ₹ 0.30 per share (15%)	76.97	256.58
Dividend tax on proposed dividend	12.49	41.63
Transfer to General Reserve	50.00	750.00
Transfer to Debenture Redemption Reserve	190.00	400.00
Transfer to Contingency Reserve	—	20.00
Balance carried forward	2749.56	2719.20
Paid up Capital	513.17	513.17
Reserves and Surplus	23597.45	23,273.64

## Operational performance

### A. Standalone

You will note that your Company posted a turnover of ₹ 52504.70 million for the year ended 31st March, 2012 as against ₹ 50737.32 million in 2010-11. Gross Profit reduced from ₹ 5910.15 million in 2010-2011 to 5199.00 million in 2011-12. After deducting interest of ₹ 3839.99 million, providing a sum of ₹ 829.83 million towards depreciation and income tax provision of ₹ 169.36 million, the operations resulted in a net profit of ₹ 359.82 Million as against ₹ 1634.50 million in 2010 - 11. The increase in interest costs, increase in the cost of major items of raw material increase in administration costs and other over heads were the main reasons for the decline in the profits.

### B. Consolidated

During the year under the review your Company achieved a consolidated turnover of ₹ 66651.57 Million as against ₹ 62298.66 Million in the previous fiscal. Your Company has earned a consolidated gross profit of ₹ 9192.13 Million before interest and depreciation as against ₹ 7318.57 Million in the previous year. After deducting interest of ₹ 5648.68 Million,

providing for depreciation of ₹ 2644.51 Million and provision for tax of ₹ 218.81 Million, the operations resulted in a net profit of ₹ 680.13 Million as against ₹ 2217.79 Million in the previous year.

During the year the Company, on consolidated basis, bagged new orders valued around ₹ 101166 Million and executed projects worth ₹ 61003 Million, The order book position as on March 31, 2012 stood at ₹ 201964 Million.

### Proposed Dividend

Your Directors take pleasure in recommending equity dividend of ₹ 0.30 per share of ₹ 2 face value (15%) on the paid-up equity share capital for the approval of the members for the financial year 2011-12.

The dividend, if approved, at the 22nd Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the Register of Members as on 21st September, 2012 and also to the members whose names as beneficial owners, are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited.

## Share Capital

The Paid up Capital of the Company as of 31st March, 2012 stood at ₹ 51,31,67,620 divided into 25,65,83,810 Equity Shares of ₹ 2 each.

## Change in the Registered Office of the Company

During the year under review the Registered Office has been shifted from 41, Nagarjuna Hills, Punjagutta, Hyderabad – 500082 to the new Corporate office at NCC House, Madhapur, Hyderabad – 500081

## Directors' responsibility statement

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

- in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state

of affairs of the Company as at March 31, 2012 and of the profit for the year ended on that date;

■ we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and

■ the accounts for the year ended March 31, 2012 have been prepared on a going concern basis.

## Disclosures

### Deposits

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

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

### A. Conservation of energy

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

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

Not applicable

### C. Foreign exchange earnings and outgo

Foreign exchange earnings - Nil

## Foreign exchange outgo

- Towards travel – ₹ 2.88 million
- Towards import of capital goods - ₹ 66.49 million
- Towards material purchases - ₹ 41.82 million
- Others ₹ 0.56 million

## Particulars of Employees

Details in respect of remuneration paid to employees as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended forms part of this report. However in pursuance of the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, this Report is being sent to all the members of the Company excluding the aforesaid information. The members interested in obtaining such details may please write to the Company Secretary at the registered office of the Company.

## Directors

Sri P C Laha, Sri J V Ranga Raju and Sri N R Alluri Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offered themselves for reappointment. Sri A K H S Rama Raju, was appointed as an additional director on 04.11.2011 and subject to approval of the members at the ensuing Annual General Meeting, he was also appointed as a Wholetime Director of the Company for a period of five years with effect from 04.11.2011.

Subject to the approval of the Members, the Board had also approved the reappointment of Sri A A V Ranga Raju, as Managing Director, Sri A G K Raju, as Executive Director and Sri J V Ranga Raju, as Wholetime Director for a further period of five years w.e.f. 1st April, 2012 and the remuneration payable to the said Directors. Brief profiles of the proposed appointees together with other disclosures in terms of Clause 49 of the Listing Agreement are part of the Annexure to the Notice of the Annual General Meeting. Sri A J Jaganathan, Independent Director, who has been associated with the Company for nearly three years, resigned from the Board effective 31st May, 2012 due to pre-occupation with other activities. Your Board places on record its sincere appreciation of the valuable contribution made by Sri A J Jaganathan during his association with the Company.

## Joint Statutory Auditors and their report

The Joint Statutory Auditors of the Company viz., M/s. M Bhaskara Rao & Co., Chartered Accountants, and M/s. Deloitte Haskins and Sells, Chartered Accountants retire at the conclusion of the 22nd Annual General Meeting and have confirmed their eligibility and willingness to accept the office of Joint Statutory Auditors, if reappointed. Your Board of Directors have recommended their



reappointment, based on the recommendation of the Audit Committee to the members for their approval at the forthcoming Annual General Meeting of the Company, to hold office from the conclusion of the 22nd Annual General Meeting up to the conclusion of the 23rd Annual General Meeting.

The Joint Statutory Auditors' report to the shareholders of the Company does not contain any qualification(s) or adverse observations.

## Subsidiary Companies

The Company has 45 (forty five) subsidiaries (including step down subsidiaries) as on March 31, 2012. There was no material change in the nature of the business of the subsidiaries. A statement pursuant to Section 212 of the Companies Act, 1956, containing the details of the subsidiaries of the Company, is appended as Annexure - A to this Report.

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

## NCC Infrastructure Holdings Limited (NCCIHL)

NCCIHL is an infrastructure development

company promoted by your Company as a wholly owned subsidiary for undertaking investments in infrastructure projects and also for development of Infrastructure Projects independently and through Government concessions, largely focusing on long term infrastructure projects with stable revenue streams. NCCIHL has made investments in the Energy and Transportation sectors. Currently NCCIHL has five road projects, two Hydro Power Projects and one Thermal Power project under its fold. The execution of all the five road projects were completed and the commercial operations have commenced. During the year NCCIHL has participated in the bids for new Road Projects and Transmission Lines Projects under BOT /BOOT / BOOM basis.

NCCIHL reported a turnover of ₹ 46.37 million and which has resulted in a Net Loss of ₹ 102.29 million for the year ended 31st March, 2012.

## NCC Urban Infrastructure Limited (NCC Urban)

NCC Urban is a Subsidiary of your Company primarily focusing on Urban Infrastructure Projects such as development of Residential & Commercial complexes, SEZs, Integrated Townships. The Company has been certified for: ISO 9001 : 2000, ISO 14001 : 2004 & OHSAS 18001 : 1999.

NCC Urban has developed / is developing various real estate projects in Hyderabad, Bangalore, Mysore, Chennai, Ranchi, Kochi, Visakhapatnam, Guntur, etc.,

NCC Urban has reported a consolidated turnover of ₹ 1853.47 million and earned a Net Profit of ₹ 44.59 million for the year ended 31st March, 2012.

## NCC Power Projects Limited (NCCPPL)

As the Members are aware Nelcast Energy Corporation Ltd., (NECL) which is executing the 2X660 MW Thermal Power Project at Krishnapatnam near Nellore was acquired by NCC PPL. The said NEL was merged with NCCPPL during the year. The Project achieved financial closure on 4th June, 2011. The total project cost is estimated to be ₹ 7047 crores and is to be funded with an equity of ₹ 1762 crores and debt of ₹ 5285 crores. NCC and its Wholly Owned Subsidiary i.e. NCCIHL together hold 55% of the equity in the project company and the balance 45% is held by the Gayatri Group of companies. The project company had awarded the EPC contract to NCC and the Civil Construction works have commenced recently.

The 2X 660 MW Thermal Power Project being developed by NCCPPL at Sompeta has suffered a setback on account of local issues. The environmental clearance granted for the project was

suspended and the Company had filed an appeal before the National Green Tribunal (NGT). NGT vide its order passed on 23.05.2012 among others had directed holding of a fresh Public Hearing. The Company is examining the implications arising out of the orders passed by the NGT and after obtaining professional opinion will initiate appropriate action. In pursuance of the Memorandum of Understanding between the Shareholders the project assets including the approvals relating to the power project at Sompeta have been demerged into a separate Partnership firm viz. NCC Power Project (Sompeta).

### **Himachal Sorang Power Limited**

Himachal Sorang Power is a subsidiary of the Company and is engaged in the implementation of the 100 MW run of the River Hydro electric Project by utilizing the waters of the river Sorang, a tributary of the river Sutlej. The project is under execution and the commercial operations are expected to commence by the end of December, 2012.

### **International Presence**

Your Company has been operating in the GCC area through its subsidiaries in the Sultanate of Oman and UAE. The Subsidiaries have garnered major construction contracts in the Transportation, Water Pipelines and Buildings sectors aggregating over ₹ 6,000 crores within a short period.

The international business is carried on through two flagship entities viz., Nagarjuna Construction Company International LLC in Oman and Nagarjuna Contracting Company LLC., in Dubai. During the year the Company has established a subsidiary in Kenya and a step down entity in Kuwait through Nagarjuna Construction Company International LLC.

The major projects executed / being executed by the above subsidiaries of your Company include DEWA Water Pipeline Projects in Dubai, Al Salmat Villas at Al Ain, Abu Dhabi, Batina Coastal Road, Al Amerat Quriyat Road, Wadi Adai Amerat Road and Quriyat City Villa Projects in Oman.

### **Subsidiary Financials**

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Annual Accounts of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will be kept open for inspection by any member at the Registered office of the Company and that of the respective subsidiary companies.

### **Consolidated financial statements**

In compliance with Clause 32 of the Listing Agreement entered into with the Stock Exchanges by the Company and in compliance with the Accounting Standards AS-21 and AS-27 on consolidated financial statements, read with the Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2012, which form a part of this Annual Report.

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

### **Secretarial Audit Report**

As a measure of good corporate governance practice, the Company has appointed M/s. BS & Co Practising Company Secretaries to conduct Secretarial Audit of the records and documents of the Company. The Secretarial Audit Report for the Financial Year ended 31st March, 2012 forms part of this Annual Report.

### **Corporate Governance**

In pursuance of Clause 49 of the Listing Agreement entered into with the stock exchanges, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders. A

certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the said Clause 49 also forms a part of this Annual Report.

### **Corporate Social Responsibility**

You will be glad to note that your Company has established a public charitable trust, "NCC Foundation" as part of its Corporate Social

Responsibility. During the year under review NCC Foundation has initiated steps for construction of 36 houses at Antervedipalem, East Godavari District, Andhra Pradesh for the poor and the needy. The construction of these dwelling units will be completed and handed over during the Financial Year 2012-13.

### **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, JV partners, clients, consultants, suppliers, and Members of the Company and look forward for the same in greater measure in the coming years.

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For and on behalf of the Board

Place: Hyderabad  
Date: 29th May, 2012

**P. Abraham**  
*Director*

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

# Management Discussion and Analysis

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## Economy

India's gross national product (GDP) grew at a slower pace of 6.5 per cent in 2011-12, against the earlier projected 6.9 per cent, pulled down by lower growth in the manufacturing, service and communication sectors.

The downward revision in the GDP growth rate has been mainly on account of lax performance by sectors like manufacturing and trade, hotels, transport and communication.

This slowdown has been due mainly to the tight money policy that pushed up interest costs for businesses and the weak global sentiment that affected growth in domestic private investment. The domestic investment sentiments have also in turn been affected by the environmental policy bottlenecks in the mining sector

The decline in overall growth was despite an upward revision in agricultural production which has shown a growth rate of 2.8 per cent, against the advance estimates of 2.5 per cent.

## Gross national income

Gross national income (GNI) of the country (at factor cost at 2004-05 prices) is now estimated at ₹ 51, 50,686 crore up from ₹ 48, 33,178 crore in 2010-11. In terms of growth rates, gross national income of the country is estimated to have risen by 6.6 per cent during 2011-12 compared to the growth rate of 7.9 per cent in 2010-11. Gross national income at factor cost at current prices is now estimated at ₹ 81,48,952 crore for 2011-12, against ₹ 70,78,512 crore during 2010-11, showing a rise of 15.1 per cent.

## Per capita net national income

The per capita net national income in real terms (at 2004-05 prices) during 2011-12 is estimated to have reached ₹ 37,851 against ₹ 35,993 crore in 2010-11.

The growth rate in per capita income is estimated at 5.2 per cent during 2011-12 against 6.4 per cent during 2010-11.

The per capita net national income at current prices during 2011-12 is estimated to have reached ₹ 60,603, up 13.6 per cent from the quick estimates of ₹ 53,331 for the year 2010-11.

## Construction & Infrastructure

At the constant prices (2004-05), the construction sector showed a growth of 5.3 percent in 2011-12 compared to 8.0 percent growth in 2010-11. It contributed 7.8 percent to the GDP at constant prices as compared to 7.9 percent in 2010-11.

Opportunities for the construction sector arise from investments in the infrastructure sector comprising transportation (development of roads, airports, ports and railways), energy (thermal and hydroelectric power), irrigation, telecom, urban infrastructure and industrial capex (from sectors such as autos/auto-ancillaries, textiles, steel, cement and hydrocarbon).

Based on current announcements, infrastructure spending in the XIIth five-year plan (April 2012-17) is expected to be to the tune of USD 1 trillion. Assuming a construction intensity of 50-55%, this theoretically translates into an opportunity of USD 500 billion for the construction industry over 2012-17.

The large planned investment in infrastructure would require significant capital mobilization and banks, the dominant source of debt funding for infrastructure projects, would not be able to meet the sector's increasing requirements given their limitations related to sector/group exposure norms and asset-liability mismatches. Recent policy initiatives such as creation of Infrastructure Debt Funds (IDFs) and the role of India Infrastructure Finance Company Limited (IIFCL) are steps in the right direction to channelise long-term debt funds to the infrastructure sector.

Companies have suffered increased

working capital cycles due to delays in realizing payments from clients; piling work-in-progress due to delayed certification by clients. Labour shortages and government welfare schemes such as the National Rural Employment Guarantee Scheme have resulted in higher labour costs. Slower pace of execution and higher input and labour costs affected the operating profits of construction companies while high interest costs clubbed with higher debt eroded their net profits.

Due to the intense competition and pressure on margins in the core construction business coupled with focus towards executing infrastructure development projects on a PPP mode, most construction companies have undertaken forward integration into the infrastructure asset ownership space by bidding for projects such as toll roads, power projects, etc. on a Build-Operate-Transfer (BOT) basis. Many construction companies have actively sought to dilute stakes in SPVs to private equity participants in order to fund equity commitments in their under-construction projects. However, given the current macroeconomic environment, companies may find it challenging to attract external investments into their projects at mutually agreeable terms.

Despite their healthy unexecuted order books, almost all construction companies are plagued by a number of slow-moving orders due to issues related to land acquisition; securing requisite clearances; labour shortage and other sector specific issues such as payment issues plaguing irrigation projects in Andhra Pradesh and issues faced by power projects. The slowdown in the pace of execution can be gauged by the quantum of stalled projects, which has been steadily increasing since September 2010.

## **A. INDUSTRY OVERVIEW**

### **Roads**

In 2011-12, 7,957 Kms of new road projects have been awarded, which is 54% growth over 5,166kms of road projects awarded in 2010-11.

The ministry managed to award 7957kms of road projects in 62 projects. This comprises of 6491km by NHAI (49 projects) and 1466kms (13 projects) through state agencies. The project costs for these entire projects total to a whopping ₹ 68,000 crores which is the highest ever.

The effect of these projects on the economy will be felt in the coming years and this will give tremendous boost to the economy.

A very significant aspect of the success story of FY 2011-12 has been the state agencies (PWDs and State Road Development Corporations) making a giant leap in awarding projects under public private partnership (PPP) under NHDP and Ministry of Finance's VGF scheme. The capacity building of the states in this field augurs well for the road sector.

For FY13, MoRTH is targeting to award 8,800 kms of road projects out of which bids of 1,500 kms of road project are already under evaluation or due.

NHAI has now completely switched to e-tendering. All the concession documents, the CVs of the supervision consultants, engineers have been placed on the web site. This will bring complete transparency and objectivity in the tendering process.

This year for ensuring smooth traffic flow on the tolled roads, ministry has taken an important initiative of implementing electronic toll collection.

## **Buildings and housing & Real Estate**

The real estate sector in India is being recognised as an infrastructure service that is driving the economic growth of the country.

Foreign direct investment (FDI) in the sector is expected to increase to US\$ 25 billion in the next 10 years, from present US\$ 4 billion, according to a latest industry body report.

As per a report released by the McKinsey Global Institute (MGI) – on April 2010, the country's urban population will soar to 590 million by 2030, from 340

million in 2008. India's cities could generate 70 percent of the net new jobs created by 2030, produce more than 70 percent of the country's gross domestic product (GDP), and stimulate a near four-fold increase in per capita income. It also says that India needs to invest US\$ 1.2 trillion over next 20 years to modernise urban infrastructure and keep pace with the growing urbanisation.

FDI flows into housing and real estate in April-March 2011-12 stood at US\$ 731 million, according to the Department of Industrial Policy and Promotion (DIPP).

Housing and real estate sector including cineplex, multiplex, integrated townships and commercial complexes etc, attracted a cumulative foreign direct investment (FDI) worth US\$ 11,168 million from April 2000 to April 2012

## **Water & Environment**

The growth in population, increasing urbanization and rising standards of living have contributed to an increase in the quantity of Municipal Solid Waste (MSW) generation in the country.

■ India produces around 70 Million tons of MSW annually, of which at present less than 5% is processed scientifically.

■ Given the scarcity of urban land for scientific waste disposal there is the common prevailing practice of open dumping with most of the dumpsites overflowing in our cities. Due to this practice waste continues to be one of the biggest public health, environmental, and land use challenges in urban India.

The XIth Five Year Plan of India (2007-2012), estimated total fund requirement for implementation of the Plan target in respect to urban water supply, sewerage and sanitation, drainage and solid waste management at ₹ 1.29 lakh crores.

Till date forty (40) SWM projects have been sanctioned under JNNURM with a total outlay of ₹ 2,186 crores. Most of these resources have gone towards creating capital assets with insufficient emphasis on Operations and Management (O&M).

A study by the CII estimates that between 2011 and 2020 India will need 990 billion USD for urban services of which 170 billion USD are for water supply (30), sewerage & Sanitation (40) and Transport (100). In Indian rupees this amounts to 1, 35,000 crores for water; 1, 80,000 crore for sewerage and sanitation and 4, 50,000 crores for transport.

A similar study by McKinsey Global Institute puts the requirement for urban infrastructure at ₹ 53 lakh Crores over next 20 years.

## **Irrigation**

MMI and CAD projects form the backbone of the country's water and agricultural economy. Their contribution to national food security is vital and hence sustainable improvement in their utilization and management is critical for national water security.

There is a growing gap between irrigation potential created (IPC) and irrigation potential utilized (IPU), which is a major area of national concern

## Physical and Financial Performance of MMI Sector during XI Plan

Year	Physical (in Mha)		Financial (₹ Crore)	
	Potential Created	Potential Utilized	Revised Outlay	Expenditure
2007-08	0.818	0.439		29390.64
2008-09	1.276	0.367		32341.8
2009-10	0.686	0.213		34882.26
2010-11*	1.294	0.194		
2011-12#	0.53	0.147		68735.3*
<b>Total</b>	<b>4.604</b>	<b>1.360</b>	<b>165350</b>	

\*Anticipated #Targeted

To close this gap, during the 12th plan specific targets has been identified like:

- Reducing the gap between IPC and IPU by 10 million hectare (mha) through CAD etc.
- Increasing the MMI irrigated area served by volumetric water delivery and irrigation service contracts to 1 million ha.
- Creation of additional irrigation potential of about 7.9 mha
- Improving water use efficiency from

current level of about 30% to about 36%, etc

Therefore, during the 12th plan, a outlay of ₹ 341, 900 Crores is recommended for the MMI sector of which ₹ 208, 600 Crores would be in the state sector and ₹ 133, 300 Crores would be in the central sector.

An Irrigation Management Fund of ₹ 10,000 Crores has also been proposed.

## Electrical

The Power Sector staged a turnaround of sorts during FY 2011-12 with exceeding the capacity addition targets set by Power Ministry by nearly 17%.

This is a welcome reversal of trend in the power sector. It witnessed only 60% target achievement during FY 2010-11.

During the 11th five year plan, a total capacity of 54,964 MW, or 260% of the capacity added during the entire 10th plan, has been achieved in the country which is a very welcome change

## Capacity addition in 2011-12 (in MW)

Particulars	Target 2011-12	Achieved 2011-12	Target for 2012-13
Central	5725	4770	6668.3
State	4266	3671.2	4038
Private	7610	11970.5	7250
<b>Total</b>	<b>17601</b>	<b>20501.7</b>	<b>17956.3</b>

This over achievement of target in 2011-12 has only been due to the contribution of the private sector towards the power infrastructure building.

## B. OPPORTUNITIES AND STRENGTHS

The company at present has eleven divisions comprising the following:

1. Buildings and Housing

2. Roads
3. Water and Environment
4. Electrical
5. Irrigation
6. Oil & Gas

7. Metals
8. Power
9. International
10. Mining
11. Railways



We have one of the most diversified business portfolios which will help us in mitigating the risk of slowdown in any one particular division. With the starting of the four new divisions comprising of Oil and Gas, Metals, Railways and Mining, the business mix of the company has undergone a substantial modification. During the last 32 years, we executed various construction projects all over the country. The client list of the Company includes reputed organizations in public and private sectors. The Company has developed excellent engineering, planning and project execution skills during this period along with a pool of talented and skilled employees with our continued emphasis on training and adopting new technology at the earliest. It is well recognized for quality consciousness and timely completion of the projects without cost over-run. The track record of the Company and proven skills of its employees at various levels will be useful in further improving the performance of the Company in the years to come.

During the year under review, the company has bagged new orders valued at ₹ 101 billion and executed projects worth ₹ 61 billion. The order book of the company as on 31st March 2011 stood at ₹ 201.95 billion.

## C. RISK AND CONCERNS

### Overview

NCC has put in place the Enterprise Risk Management (ERM) Process which is a holistic, integrated and structured approach to manage risks with the objective of maximizing shareholders'

value. It aligns strategy, processes, people & culture, technology and governance with the purpose of evaluating and managing the uncertainties faced by the organization while creating value.

### **Effective Risk Management allows NCC to:**

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

NCC realizes the need to better understand, anticipate and mitigate business risks in order to minimize the frequency of occurrence of risks and impact thereof. The Company is looking for greater assurance that there is a system in place which provides relevant information for decision making to the appropriate people in a timely and effective manner.

### **Risk Management Process**

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

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

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

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

## **D. INTERNAL CONTROL SYSTEM**

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

## **E. FINANCIAL PERFORMANCE (NCCL STAND ALONE)**

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

**2) Reserves and surplus:** The Reserves and surplus of the Company has gone up from ₹ 23.27 billion to ₹ 23.60 billion in 2011-12 and the entire increase is on account of profits made in 2011-12.

**3) Net worth:** The Company's net worth increased from ₹ 23.79 billion to

₹ 24.11 billion on account of internal generation of profits.

**4) Borrowings (Long-Term & Short-Term):** There was a decrease in loans from ₹ 24.84 billion to ₹ 22.34 billion, due to repayment of ₹ 2.50 billion loans during the year.

**5) Assets :**

**a) Fixed assets:** The Company's fixed assets (gross block and Capital WIP) increased by ₹ 1.05 billion in 2011-12 from ₹ 9.69 billion to ₹ 10.74 billion. The net block including Capital WIP stands at ₹ 7.61 billion as of 31.03.2012 as against ₹ 7.20 billion in the previous year

**b) Investments:** The investments increased by ₹ 0.39 billion, from ₹ 12.01 billion to ₹ 12.40 billion during the year 2011.-12

**c) Inventories:** The Company's inventories stand at ₹ 12.34 billion as against ₹ 8.96 billion of previous year

**d) Trade Receivables:** The company's Trade Receivables decreased by ₹ 1.47 billion in 2011-12 from ₹ 14.54 billion to ₹ 13.07 billion.

**e) Loans and advances (Long-Term & Short-Term):** Loans and advances increased from ₹ 17.54 billion to ₹ 25.37 billion during the year under review. The increase represents the advances made to subsidiaries & Suppliers besides increase in advance taxes.

**f) Other Non-Current & Other Current Assets :** Other Non-Current & Other Current Assets increased from ₹ 7.21 billion to ₹ 9.10 billion during the year under review mainly due to increase in retention money.

## **F. OPERATIONAL PERFORMANCE**

**a) Revenue from Operations:** There has been an increase in the Revenue from operations of the Company from ₹ 50.74 billion to ₹ 52.50 billion, registering a growth of 3.5% over the previous year.

**b) Other Income:** The other income of the company increased from ₹ 1.06 billion to ₹ 1.21 billion. Other income comprises of Interest on advances, interest on bank deposits and miscellaneous income.

**c) Direct cost:** The direct cost for the year under review works out to 84.27% of the turnover as against 83.25 % last year.

**d) Overheads:** Overheads, comprising salaries and administrative expenses, work out to ₹ 4.27 billion for the year under review as against ₹ 3.64 billion in the previous year.

**e) Interest cost:** The interest cost is stated before adjusting interest income. During the year under review, there was an increase in the interest cost by ₹ 1.27 billion from ₹ 2.57 billion to ₹ 3.84

billion. The interest cost has gone up from 5.07% to 7.31% on total revenue and the increase was mainly on account of increase in the rate of interest.

**f) Depreciation:** The Company's depreciation for the year has increased from ₹ 0.69 billion to ₹ 0.83 billion.

**g) Provision for tax:** The Company has provided for a sum of ₹ 0.22 billion as current tax as against ₹ 0.97 billion in the previous year.

**h) Net profit:** The Company's operations during the year under review have resulted in a net profit of ₹ 0.36 billion as against ₹ 1.63 billion in the previous year.

**i) Dividend:** The Board of Directors have recommended a dividend of ₹ 0.30 per share (15%) and the total payout works out to ₹ 76.97 million as against ₹ 256.58 million in the previous year.

## **G. HUMAN RESOURCES & INDUSTRIAL RELATIONS**

Human resources continued to be one of the biggest assets of the Company. The Management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Relations with the employees remained cordial throughout the year. The total employee strength as of 31st March, 2012 stood at 5,337.

# Corporate Governance Report

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

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

The Company aims at maintaining transparency, accountability and equity in all facets of its operations on a continuous basis and in all interactions with the stakeholders, including the shareholders, employees, government, lenders and other constituents while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to sustain the high standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of transparent corporate cultures which aim at true Corporate Governance. The Corporate Governance process and systems have gradually strengthened over the years.

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

## 2. Board of Directors

As on March 31, 2012 the Company's Board of Directors comprised a judicious mix of Sixteen Directors, consisting of Six Executive Directors, Five Non-Executive Directors (including two Alternate Directors) and Five Independent Directors. The below table gives the composition of the Company's Board, category, number of Board Meetings held during the year, attendance of each Director at the Board Meeting and at the last Annual General Meeting and other Directorships and memberships and chairmanships of Committees held by each of the Director during the financial year.

Name	Category	Designation	No. of Board meetings held during the financial year	No. of Board meetings attended	Other Directorships#	Committee Members##	Chairmanship in Committees##	Attendance of each Director at last AGM
Sri P. Abraham	Non-Executive and Independent Director	Director	4	1	11	4	-	No
Sri S. Venkatachalam	Non-Executive and Independent Director	Director	4	4	1	2	1	Yes
Sri P. C. Laha	Non-Executive and Independent Director	Director	4	4	-	2	-	Yes
Sri Rakesh R. Jhunjunwala	Non-Executive and Non-Independent Director	Director	4	-	7	-	-	No
Sri A. S. N. Raju	Promoter/ Executive Director	Wholetime Director	4	4	4	2	1	No
Sri N. R. Alluri	Promoter/ Non-Executive Director	Director	4	3	5	2	-	No
Sri J. V. Ranga Raju	Promoter/ Executive Director	Wholetime Director	4	-	1	-	-	No
Sri A. V. N. Raju	Promoter/ Executive Director	Wholetime Director	4	-	1	1	-	No
Sri A. G. K. Raju	Promoter/ Executive Director	Executive Director	4	4	4	5	1	Yes
Sri A. A. V. Ranga Raju	Promoter/ Executive Director	Managing Director	4	4	5	2	1	Yes
Sri R. V. Shastri	Non-Executive and Independent Director	Director	4	4	2	6	1	Yes
Sri Akhil Gupta\$	Non-Executive /Non Independent Director	Nominee Director\$	4	1	4	2	-	No
Sri A J Jaganathan	Non-Executive and Independent Director	Director	4	3	-	-	-	No
Sri Amit Dixit \$\$	Non-Executive /Non Independent Director	Alternate Director\$\$	4	3	5	-	-	Yes
Sri Utpal Sheth \$\$\$	Non-Executive /Non Independent Director	Alternate Director\$\$\$	4	2	10	-	-	No
Sri A K H S Rama Raju **	Promoter/ Executive Director	Wholetime Director	4	1	-	-	-	NA

\*\* Sri A K H S Rama Raju was appointed as a Wholetime Director w.e.f. 4th November, 2011.

\$ Nominee of Blackstone Group

\$\$ Alternate Director to Sri Akhil Gupta

\$\$\$ Alternate Director to Sri. Rakesh R Jhunjunwala

# Other Directorships (directorships other than NCC) are those on the Boards of public limited companies in terms of Section(s) 275 of the Companies Act, 1956.

## Membership/ Chairmanship in Audit and Investors' / Shareholders' Grievance Committees of public limited companies (including NCC) only

The Company's Board met four times with the maximum time gap of four months between any two Board Meetings on May 30, 2011, August 12, 2011, November 4, 2011 and February 6, 2012. The Company convened one Board Meeting in each quarter as required under the Companies Act, 1956 and the Listing Agreement.

As mandated by the Clause 49, the Independent Directors on the Company's Board

- Apart from receiving sitting fee for attending meetings, did not have any material pecuniary relationships or transactions with the Company, its promoters, Directors, senior management or its subsidiaries and associates which may affect the independence of the Director.

- Are not related to the promoters or persons occupying management positions at the Board level or at one level below the Board.

- Have not been executives of the Company in the immediate preceding three financial years

- Are not partners or executives or were not so during the preceding three years of

Statutory audit firm or the internal audit firm associated with the Company.

Legal firm (s) and consulting firm (s) having material association with the Company

- Are not material suppliers, service providers or customers or lessors or lessees of the Company, affecting their independence

- Are not substantial shareholders of the

Company i.e. do not own 2% or more of the block of voting shares.

- Independent Directors are not related to each other and to the other Directors of the Company in terms of Section 6 read with Schedule IA of the Companies Act, 1956

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

### Board Procedure

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

The meetings were held at the Company's office at 41, Nagarjuna Hills, Punjaguta, Hyderabad-500082 up to 4th November 2011 and thereafter at the new Registered Office NCC House, Madhapur, Hyderabad – 500 081

All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/approval/decision at the Board/Board Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/Committee meetings.

Notices convening the Board and Committee Meetings are issued to the Board of Directors and members of the committee by the Secretary of the Company in consultation with the Managing Director and the detailed agenda along with the notes being pre circulated to facilitate the Board of Directors informed of the business to be transacted at such meetings.

The Board is given presentations covering business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly/annual financial results of the Company.

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

## Information supplied to the Board

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

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

■ Details of any joint venture/collaboration agreement.

■ Non-compliance with any regulatory, statutory or listing requirement and shareholders service such as non payment of dividend, delay in share transfer, among others.

## Code of Conduct

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. The Code of Conduct is posted on the Company's web-site [www.ncclimited.com](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 furnished by Sri A A V Ranga Raju, Managing Director is annexed to this report.

## Board Committees

The Company has six Board level Committees, namely the Audit Committee, the HR & Compensation Committee, the Shareholders/Investors' Grievance Committee, the Executive Committee, the Allotment Committee and the Corporate Governance Committee.

## 3. Audit Committee of the Board

The Audit Committee presently comprises Five Non-Executive Directors, of which four are Independent Directors viz., Sri R.V. Shastri, (Chairman of the Committee), Sri P. Abraham, Sri S Venkatachalam, Sri P C Laha and a Non-Executive and Non-independent Director Sri Akhil Gupta. The members of the Committee are financially literate and bring in expertise in the fields of

finance, strategy, banking, energy and management. Sri R. V. Shastri, Chairman has accounting and related financial management expertise.

The Audit Committee met four times during the year on May 30, 2011, August 12, 2011, November 4, 2011 and February 6, 2012. The Company is in compliance with the requirements of Clause 49 in terms of time gap between any two Audit Committee Meetings. Sri R.V. Shastri, Chairman of the Committee, was present at the last Annual General Meeting of the Company held on August 12, 2011.

Sri R. V. Shastri and Sri S Venkatachalam were present during all the meetings held on May 30, 2011, August 12, 2011, November 4, 2011 and February 6, 2012. Sri P. Abraham and Sri Akhil Gupta were present during the meeting held on May 30, 2011, Sri P C Laha was present during the meeting held on February 6, 2012.

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

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with the management, the annual financial statements before submission to the Board, focusing primarily on-

■ Any changes in accounting policies and practices

- Major accounting entries based on exercise on judgment by management
  - Qualifications in the draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Disclosure of any related party transactions
- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems
  - e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
  - f. Discussion with internal auditors regarding any significant findings and follow up there on
  - g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board
  - h. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
  - i. Carrying out any other function as mentioned in the terms of reference of the Audit Committee

The Company Secretary is the Secretary to the Audit Committee.

#### 4. HR and Compensation Committee

The HR and Compensation Committee of the Board comprises of four Non-Executive Directors, of which three are Independent Directors Viz., Sri P. C. Laha (Chairman of the Committee), Sri S. Venkatachalam, Sri P. Abraham and Sri Akhil Gupta, Nominee Director. The Committee met on May 30, 2011 and November 4, 2011, Sri P C Laha and Sri S Venkatachalam were present for both the meetings held on May 30, 2011 and November 4, 2011. Sri P Abraham and Sri Akhil Gupta were present for the meeting held on May 30, 2011.

The HR and Compensation Committee reviews the remuneration of the managerial personnel like Managing Director, Executive Director and Wholetime Directors apart from administering and implementing the stock option plans to the Company's employees, The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is to be in consonance with the existing industry practices. The Committee also considers and approves issues relating to manpower planning, attrition, training and review of appraisal norms in relation to the employees, among others.

#### 5. Shareholders'/Investors' Grievance Committee

The constitution of the Shareholders' / Investors' Grievance Committee of the Board comprises five Directors viz., Sri S. Venkatachalam, (Chairman of the Committee), Sri P. C. Laha, Sri R. V. Shastri, Sri Akhil Gupta and Sri A. G. K. Raju as its members.

The Committee primarily focuses on shareholder grievances, inter-alia, redressal of investor complaints, attending investor requests, approves the issue of duplicate share certificates and oversees and reviews all matters connected with servicing of investors. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall quality improvement of investor services. The Chairman of the Committee is an Independent Director and the Company Secretary is the Secretary of the Committee, Sri M.V. Srinivasa Murthy, Company Secretary and Sr. Vice-President (legal) was designated as the Compliance Officer.

The Committee met four times during the year i.e. on May 30, 2011, August 12, 2011, November 4, 2011 and February 6, 2012. Sri S. Venkatachalam, Sri P C Laha, Sri R. V. Shastri and Sri A G K, Raju were present for all the meetings held on May 30, 2011, August 12, 2011, November 4, 2011 and February 6, 2012, Sri Akhil Gupta was present for the meeting held on May 30, 2011 The Company received 13 complaints from the shareholders/



investors during 2011-12. All the complaints were promptly attended to and outstanding complaints as on March 31, 2012 were nil. The Company received 47 requests for share transfers comprising of 106940 Shares and 51 requests for shares' dematerialization comprising of 147685 Shares during the year. All valid requests were approved and dealt with and there were no pending requests as on March 31, 2012. The Company designated a separate email id for investor grievances viz: ho.secr@nccltd.in.

## 6. Corporate Governance Committee.

The Company constituted "Corporate Governance Committee" to review and recommend the best practices of Board processes, disclosure practices, policies on the code of conduct and business ethics. The constitution of the Committee consists of Sri Akhil Gupta (Chairman), Sri P Abraham, Sri A J Jaganathan, Sri A A V Ranga Raju and Sri A G K Raju. The Committee met on May 30, 2011 and all the members

of the committee were present for the meeting.

### 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, 2012 to the Managing Director, Executive Director and the Wholetime Directors of the Company and the details of the sitting fee paid to the Non-Executive Directors are as follows

(Amount in ₹)

Name of the Director	Salary	Other benefits (including perquisites, allowances)	Sitting fee	Total
Sri A. A. V. Ranga Raju	96,00,000	1,14,30,051	-	2,10,30,051
Sri A. G. K. Raju	48,00,000	59,55,163	-	1,07,55,163
Sri A. S. N. Raju	48,00,000	59,99,967	-	1,07,99,967
Sri J. V. Ranga Raju	84,00,000	98,42,439	-	1,82,42,439
Sri A. V. N. Raju	48,00,000	50,96,000	-	98,96,000
Sri A K H S Rama Raju *	19,60,000	19,99,200	-	39,59,200
Sri P. C. Laha	-	-	1,10,000	1,10,000
Sri S. Venkatachalam	-	-	1,40,000	1,40,000
Sri P. Abraham	-	-	40,000	40,000
Sri R. V. Shastri	-	-	1,20,000	1,20,000
Sri A J Jaganathan	-	-	40,000	40,000
Sri Akhil Gupta / Sri Amit Dixit	-	-	80,000	80,000
Sri Utpal Sheth	-	-	20,000	20,000

\* appointed as a Wholetime Director w.e.f. 4th November, 2011.

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

The Independent and Non-Executive Directors of the Company receive sitting fee for attending the Board and Committee Meetings at the rate of ₹ 10, 000 per Board and Committee Meeting attended.

## Shares held by Non-Executive Directors as on March 31, 2012

Name of the Director	Number of shares held	% of paid-up capital of the company
Sri Rakesh R. Jhunjhunwala	50,00,000	1.95
Sri N R Alluri	40,88,680	1.594

### 7. Initiatives on prevention of insider trading practices

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

### 8. Subsidiary Companies

All the subsidiary companies of the Company are Board managed with their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders. There are no material non-listed Indian subsidiary companies under the Company to nominate its Directors on such subsidiaries.

As a majority shareholder, the Company has its representatives on the Boards of the subsidiary companies and monitors the performance of such companies, inter-alia, by the following means

- Financial statements and particulars of

investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company

- Minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board regularly

- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

### 9. General Body Meetings

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

Year	Type of meeting	Location	Date	Time	Special resolutions passed
2008-09	AGM	Bharatiya Vidya Bhavan, 5-9-1105, Basheerbagh, KingKoti, Hyderabad 500029	July 30 2009	3.00 p.m	<ul style="list-style-type: none"> <li>■ Reappointment of Sri A S N Raju as Wholetime Director.</li> <li>■ Reappointment of Sri R N Raju as Wholetime Director</li> <li>■ Issue of Equity Shares/Securities to the Qualified Institutional Buyers</li> </ul>
2009-10	AGM	Bharatiya Vidya Bhavan, 5-9-1105, Basheerbagh, KingKoti, Hyderabad 500029	August 10 2010	3.00 p.m	<ul style="list-style-type: none"> <li>■ No special resolution was passed</li> </ul>
2010-11	AGM	Bharatiya Vidya Bhavan, 5-9-1105, Basheerbagh, KingKoti, Hyderabad 500029	August 12 2011	3.30 p.m	<ul style="list-style-type: none"> <li>■ Reappointment of Sri A V N Raju as Wholetime Director.</li> <li>■ Commencement of Business covered under the "Other Objects" clause</li> </ul>

## 10. Disclosures

During 2011-12 certain transactions were entered into with related parties. The details thereof are given under note number 31 forming a part of the Financial Statements.

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

■ The Company has no written whistle blower policy.

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

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

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

■ The information on appointment/ re-appointment of Directors and their brief profiles are disclosed in the Notice of the ensuing Annual General Meeting for the information of shareholders.

## 11. Means of communication

The Company has 61,810 shareholders as on March 31, 2012. The main channel of communication to the shareholders is through the annual report which inter alia includes the statement of Chairman Emeritus, the

Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report, the Standalone and Consolidated financial statements along with the Auditor's Report, Social Initiatives and Shareholders Information.

The Annual General Meeting (AGM) is the principal forum for interaction with the shareholders, where the board answers specific queries raised by the shareholders. The Board acknowledges its responsibility towards its shareholders and encourages open and active dialogue with all its shareholders viz., individuals, domestic institutional investors or foreign investors.

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

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

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

### Quarterly results

The quarterly and annual financial results of the Company are published in leading newspapers such as The Economic Times / Business Line / Saakshi/ Andhra Prabha (regional language), along with the official press releases. Dates of publication of quarterly results of the

1st quarter ended June 30, 2011 : August 13, 2011

2nd quarter ended September 30, 2011: November 05, 2011

3rd quarter ended December 31, 2011: February 7, 2012

4th quarter ended March 31, 2012 : May 30, 2012

## 12. General shareholders' information

### 22nd Annual General Meeting

Day, date and time: 26th day of September, 2012 at 3.30 pm Venue at K L N Prasad Auditorium, FAPCCI, Redhills, Hyderabad-500004

### Financial calendar for the Financial Year 2012-13

Results for quarter ending June 30, 2012 : latest by August 14, 2012

Results for quarter ending September 30, 2012 : latest by November 15, 2012

Results for quarter ending December 31, 2012 : latest by February 14, 2013

Results for year ending March 31, 2013: latest by May 30, 2013

**Book closure date:** 17-09-2012 to 21-09-2012 (both days inclusive) for payment of dividend.

**Dividend payment date:** 1st to 13th October 2012 (subject to approval of shareholders at AGM)

**Listing on stock exchanges and stock codes**

### Equity shares

BSE Limited (BSE):500294

The National Stock Exchange of India Limited (NSE): NCC

Listing fee for the financial year(s) 2011-12 and 2012-13 has been paid to the stock exchanges.

#### Global depositary receipts (GDR)

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

#### Debt Securities

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

#### Debenture Trustee

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

#### International Securities Identification Number (ISIN)

The Company's ISIN for equity shares is INE868B01028 (to be quoted on all transactions related to dematerialized equity shares of the Company).

ISIN for 1000 rated taxable secured redeemable non-convertible debentures of face value of ₹ 10 lakh each aggregating to ₹ 100 Crore issued to Life Insurance Corporation of India is INE868B07017. During the year these Debentures were partly redeemed as per issue terms and consequently the face value of each Debenture was reduced to ₹ 7.50 Lakh.

ISIN for 1000 Secured, Redeemable Non-Convertible Debentures having the face value of ₹ 10.00 lakh in the form

of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹ 1.00 lakh each aggregating to ₹ 100 crores issued by the Company to various investors are as follows; INE868B07025, INE 868B07033 and INE868B07041.

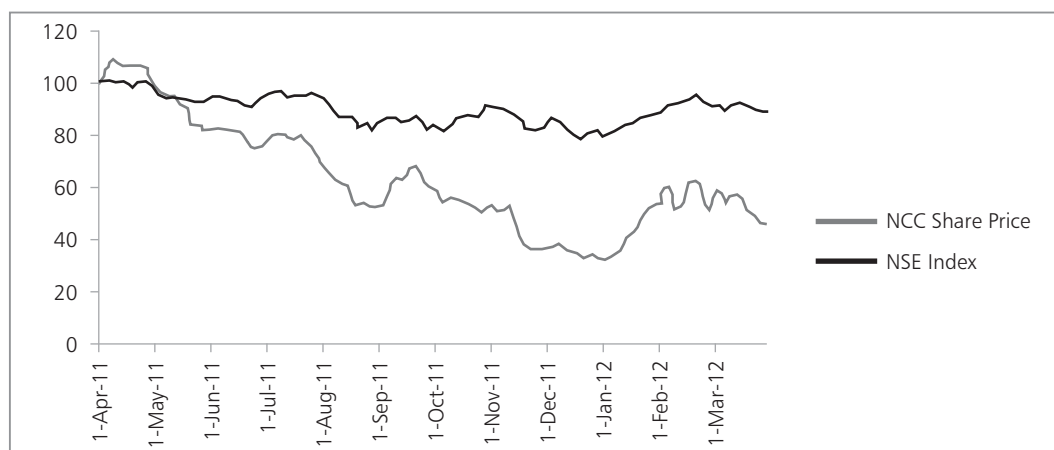
ISIN for 500 Unsecured, Redeemable Non-Convertible Debentures having the face value of ₹ 40.00 lakh in the form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹ 10.00 lakh each aggregating to ₹ 200 crores issued to ICICI Bank Limited are INE868B09013, INE868B09021, INE868B09039 and INE868B09047

#### Market price data

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

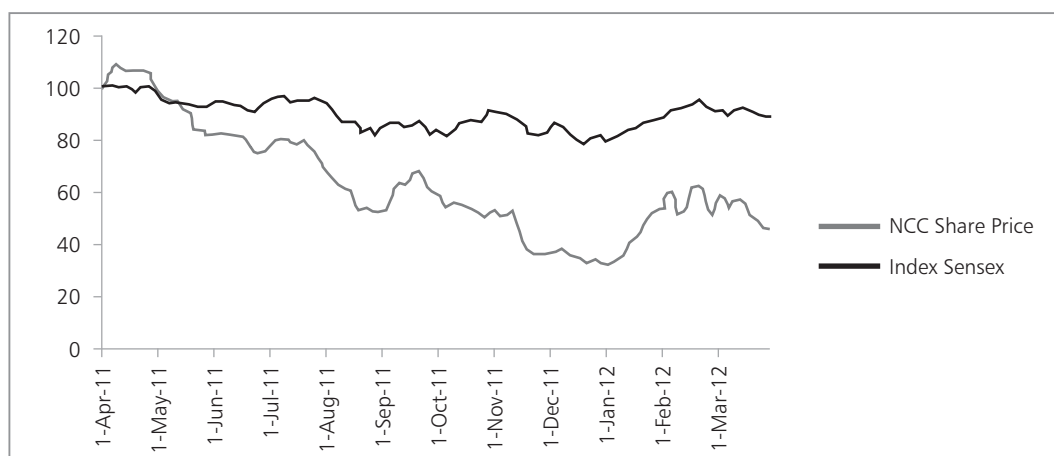
Month	BSE			NSE		
	High price ₹	Low price ₹	No. of shares traded	High price ₹	Low price ₹	No. of shares traded
Apr 2011	117.95	99.35	1195173	117.45	99.30	13289242
May 2011	103.80	80.00	6554644	104.50	79.30	31812255
Jun 2011	89.85	75.00	1226116	88.50	74.60	11720476
Jul 2011	86.60	70.20	1407122	85.80	70.25	12017092
Aug 2011	74.05	51.75	2340065	73.80	51.50	24594599
Sept 2011	73.70	54.50	3740712	73.75	54.20	22001567
Oct 2011	60.20	50.80	2326846	64.70	50.65	10223026
Nov 2011	56.75	35.45	3382794	56.60	35.50	14865786
Dec 2011	43.30	32.15	2603773	43.20	31.15	14692164
Jan 2012	57.60	33.00	6286039	57.90	33.15	25764801
Feb 2012	66.70	50.80	5453340	66.65	50.05	45485895
Mar 2012	61.80	46.00	3470652	68.10	46.05	36954775

Performance in comparison to broad based indices such as Index Nifty (NSE) and Index Sensex (BSE)  
Movement of NCC share price in 2011-12 on NSE



- Notes: 1. All values are indexed to 100 as on April 1, 2011  
2. S&P CNX Nifty is a well diversified 50 Stock Index accounting 24 sectors of the economy

Movement of NCC share price in 2011-12 on BSE



- Notes: 1. All values are indexed to 100 as on April 1, 2011  
2. Sensex involves dividing the free-float market capitalization of 30 Companies in the Index by the Index Divisor.

**Share transfer system**

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being found valid and complete in all respects. The Company appointed M/s. Karvy Computershare Pvt. Ltd. w.e.f. December 1, 2011 in place of

M/s. Sathguru Management Consultants Pvt. Ltd who have discontinued their operations on the same terms and conditions as the Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the share transactions of the Company.

**Registrar and Transfer Agents**

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

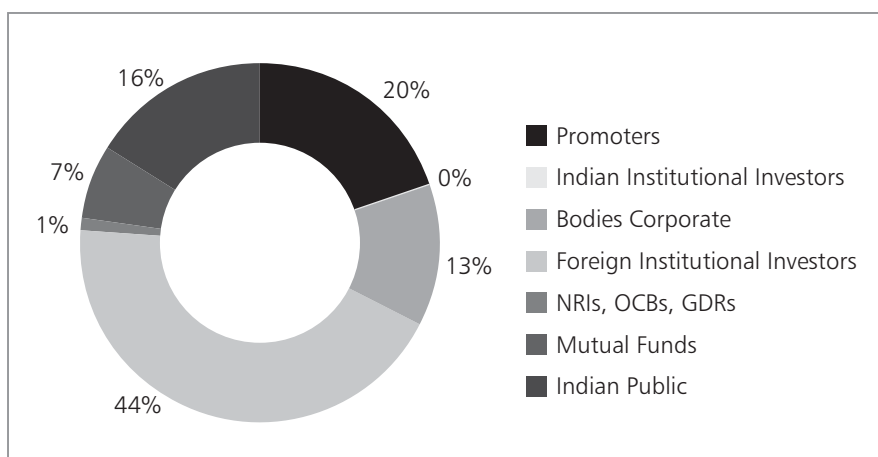
### Distribution of shareholding as on March 31, 2012

No. of shares held	Number of shareholders		Details of shareholding	
	No.	%	No. of shares	%
1 - 5000	60096	97.23	14000866	5.46
5001 - 10000	895	1.45	3197947	1.25
10001 - 20000	391	0.63	2897836	1.13
20001 - 30000	101	0.16	1295200	0.50
30001 - 40000	59	0.10	1071067	0.42
40001 - 50000	32	0.05	728725	0.28
50001 - 100000	76	0.12	2892536	1.13
100001 and above	160	0.26	230499633	89.83
<b>Total</b>	<b>61810</b>	<b>100.00</b>	<b>256583810</b>	<b>100.00</b>

### Shareholding pattern as on March 31, 2012

Category	No of Shares of ₹ 2/- each	%
Promoters	50178787	19.56
Indian Institutional Investors	491474	0.19
Bodies Corporate	32667983	12.73
Foreign Institutional Investors	113869275	44.38
NRIs, OCBs, GDRs	1214596	0.47
Mutual Funds	17792165	6.94
Indian Public	40369530	15.73
	<b>256583810</b>	<b>100.00</b>

### Shareholding Pattern of NCC as on 31st March 2012



## Equity History

Date	Particulars	No. of Equity Shares	
		Issued	Cumulative
23.03.1990	Subscription to the Memorandum	81	81
27.06.1990	Issued to promoters	999919	1000000
09.09.1992	Public Issue	2311200	3311200
01.06.1996	Rights Issue	4139000	7450200
01.03.2002	Warrants issued to Promoters on preferential basis which were converted into equity shares of ₹ 10 each	2000000	9450200
21.02.2004	Equity shares issued to select investors on preferential basis	2000000	11450200
01.12.2004	Equity shares issued to select investors on preferential basis	2950000	14400200
29.03.2005	Warrants issued to select investors on preferential basis which were converted into equity shares of ₹ 10 each	700000	15100200
31.03.2005	Warrants issued to Promoters on preferential basis which were converted into equity shares of ₹ 10 each	800000	15900200
31.08.2005	Splitting of shares of ₹ 10 each into shares of ₹ 2 each	79501000	79501000
19.09.2005	Issue of shares under NCC-ESOP plan-2004	7150	79508150
19.12.2005	Issue of 20,547,940 equity shares underlying GDR's	20547940	100056090
05.01.2006	Issue of 2,935,420 equity shares underlying GDRs under Green Shoe Option	2935420	102991510
11.02.2006	Issue of shares under NCC – ESOP Plan – 2004	320150	103311660
11.04.2006	Issue of shares under NCC – ESOP Plan – 2004	48350	103360010
22.08.2006	Issue of shares under NCC – ESOP Plan – 2004	8520	103368530
23.09.2006	Issue of bonus shares in the ratio of 1:1	103368530	206737060
14.02.2007	Issue of shares under NCC – ESOP Plan – 2004 .	709800	207446860
30.03.2007	Issue of shares under NCC – ESOP Plan – 2004 .	1064040	208510900
23.07.2007	Issue of shares under NCC – ESOP Plan – 2004	11380	208522280
03.10.2007	Equity shares issued preferential basis to M/s. Blackstone Group	20246900	228769180
07.01.2008	Issue of shares under NCC – ESOP Plan – 2004	4740	228773920
13.02.2008	Issue of shares under NCC – ESOP Plan – 2004	64800	228838720
01.08.2008	Issue of shares under NCC – ESOP Plan – 2004	7530	228846250
02.03.2009	Issue of shares under NCC – ESOP Plan – 2004	4660	228850910
03-09-2009	Issue of shares to QIB's under QIP	27732900	256583810

## Dematerialization of shares and liquidity

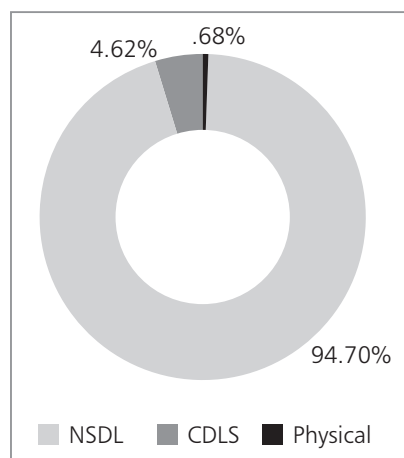
Over 99.32% of the outstanding shares were dematerialized up to March 31,

2012. Trading in equity shares of the Company is permitted only in dematerialized form as per the notification issued by the Securities and Exchange Board of India (SEBI). The

Company's shares are liquid and actively traded. The monthly volume of the Company's shares traded on the Indian stock exchanges is a part of this report.



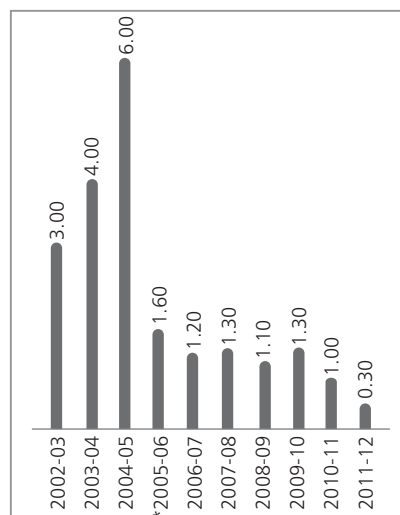
## Demat Status as on 31st March 2012



## GDR & their impact on equity shares

As on March 31, 2012, there were 75750 GDRs pending for conversion. The overseas depository is Deutsche Bank Trust Company Americas at 60 Wall Street New York NY 10005, USA and the custodian is ICICI Bank Ltd, Securities Processing Division, North Tower, II floor, ICICI towers, Bandra Kurla Complex, Mumbai - 400051, India.

## Dividends history since 2002-03



31.08.2005: Split of shares from ₹ 10 per share to ₹ 2 per share( \*2005-06)

23.09.2006: Issue of bonus shares in the ratio 1:1 Dividend for 2011-12 is subject to shareholders' approval

## ECS Facility

The Company is providing facility of "Electronic Clearing Service" (ECS) for payment of dividend to shareholders who are requested to provide details of their bank account for availing ECS facility. Further, ECS facility is also available to the beneficial owners of

shares held in electronic form. Those desirous of availing the ECS facility may provide their mandate to the Company in writing, in the form which is annexed to the notice convening the annual general meeting of the Company or can be obtained from the Company's Registrar and Transfer Agents M/s. Karvy Computershare Private Limited.

## Unclaimed dividend

In terms of Sections 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unclaimed dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund. In compliance with Sections 205A(6) & 205A(7) of the Companies Act, 1956, the Company transferred on 22-11-2011 the unclaimed dividend amounting to ₹ 3,55,207 pertaining to the year 2003-2004 to the Investor Education and Protection Fund.

## Due dates for transfer of dividend unclaimed to IEPF

Financial year	Type of dividend	Date of declaration	Amount of unclaimed dividend outstanding as on 31.3.2012 (₹)	Due date for transfer to IEPF
2004-2005	Final	30.07.2005	3,39,370.00	04.10.2012
2005-2006	Final	31.08.2006	5,41,930.00	05.11.2013
2006-2007	Interim	21.03.2007	6,76,444.00	26.05.2014
2006-2007	Final	30.07.2007	3,73,926.80	04.10.2014
2007-2008	Final	31.07.2008	9,54,767.40	05.10.2015
2008-2009	Final	30.07.2009	9,42,280.40	04.10.2016
2009-2010	Final	10.08.2010	9,91,205.80	15.10.2017
2010-2011	Final	12.08.2011	9,28,550.00	17.10.2018

## Top ten shareholders of the Company as on March 31, 2012

Sl. No.	Name of the shareholder	Number of shares	% of shareholding
1	Blackstone GPV Capital Partners Mauritius V-A Ltd	25399699	9.90
2	Warhol Limited	25384700	9.89
3	A V S R Holdings Private Limited	17967167	7.00
4	Government Pension Fund Global	14321067	5.58
5	City Group Global Markets Mauritius Private Limited	11950265	4.66
6	Beacon India Private Equity Fund	9818207	3.83
7	Reliance Life Insurance Company Limited	8172678	3.19
8	A A V Ranga Raju	5931740	2.31
9	Jhunhunwala Rekha Rakesh	5767000	2.25
10	Rakesh R. Jhunhunwala	5000000	1.95

### Corporate benefits to investors

Bonus issue of fully paid-up equity shares in the 2006-07 in the ratio of 1:1

### Investor's correspondence

#### Physical/Electronic mode

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

### Shareholders general correspondence

Secretarial Department,  
NCC House, 9th Floor, Madhapur,  
Hyderabad-500 081  
Phone : 040-23268888  
Fax : 040- 23125555  
E-Mail : [ho.secr@ncccltd.in](mailto:ho.secr@ncccltd.in)

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

As per Clause 5A (II) of the Listing Agreement, the Company has transferred 97265 Shares of 159 members to whom three reminders were already issued to 'Unclaimed Suspense Account' opened with Oriental Bank of Commerce (OBC), Ameerpet Branch, Hyderabad bearing Client ID No. 11706219. These shares will be issued upon receipt of request from original shareholder after following due procedure for issue.

### Compliance with Clause 49 Mandatory requirements

The Company complied with all the applicable mandatory requirements of Clause 49 of the listing agreement and is also submitting a quarterly

compliance report duly signed by compliance officer of the Company to the stock exchanges within the time prescribed under the listing agreement.

### Non-mandatory requirements

- The Company constituted the HR and Compensation Committee of the Board of Directors. Necessary details are provided under the section "HR and Compensation Committee of the Board."
- As a measure of good corporate governance practice, the Company has appointed M/s.BS &Co, Company Secretaries to conduct Secretarial Audit of records and documents of the Company.
- The Company did not adopt other non-mandatory requirements.

## 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, 2012.

For NCC Limited

Place: Hyderabad  
Date: 29th May, 2012

A. A. V. Ranga Raju  
Managing Director

## CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

In relation to the Audited Financial Accounts of the Company as at March 31, 2012, we hereby certify that

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

Place: Hyderabad  
Date: 29th May , 2012

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

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

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

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

To the Members of  
NCC Limited

We have examined the compliance of conditions of Corporate Governance by NCC Limited ("The Company"), for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

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

M. V Ramana Murthy  
*Partner*  
Membership No. 206439  
Place: Hyderabad  
Date: 29th May, 2012

Ganesh Balakrishnan  
*Partner*  
Membership No. 201193

# SECRETARIAL AUDIT REPORT

The Board of Directors  
NCC Limited  
NCC House, Madhapur,  
Hyderabad – 500 081

I have examined the registers, records and documents of NCC Limited ("the Company") for the financial year ended on 31st March, 2012 according to the provisions of –

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and GDR Listing Agreement with Luxembourg Stock Exchange.

1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members/ Debenture holders
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) service of documents by the Company on its Members, Debenture Holders, Debenture Trustees, Auditors and Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 21st Annual General meeting held on 12th August, 2011;
- (h) minutes of proceedings of General meetings and of Board and its Committee meetings;
- (i) approvals of the members, the Board of Directors, the Committees of the Directors and government authorities, wherever required;
- (j) constitution of the Board of Directors/ Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to the Directors including the Managing Director and Whole-time Directors;
- (l) appointment and remuneration of Auditors;
- (m) transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificate of shares and debentures;
- (n) declaration and payment of dividends;
- (o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;

- (p) borrowings and registration, modification and satisfaction of charges;
  - (q) investment of the Company's funds including inter corporate loans and investments and loans to others;
  - (r) giving guarantees in connection with loans taken by subsidiaries and associate companies;
  - (s) form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit and Loss Accounts as per Part II of the said Schedule;
  - (t) Board's report;
  - (u) contracts, common seal, registered office and publication of name of the Company; and
  - (v) generally, all other applicable provisions of the Act and the Rules made under that Act.
2. I further report that:
- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ debenture holdings and directorships in other companies and interests in other entities;
  - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being Independent and compliance with the Company's Code of Conduct and Code of Conduct for Prevention of Insider Trading.
  - (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
  - (d) there was no prosecution initiated and no fines and penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialisation/ rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
4. I further report that:
- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and GDR Listing Agreement with Luxembourg Stock Exchange and Debt Listing Agreement with National Stock Exchange Limited;
  - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
  - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

For BS & Co.

**B Pavan Kumar**

*Practising Company Secretaries*

Certificate of Practice No. 4774

Dated : 29th May, 2012

# Auditors' Report

The members of  
NCC LIMITED

1. We have audited the attached Balance Sheet of NCC Limited ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, in which are incorporated the returns from Oman, and Nepal branches and certain Joint Ventures ("the Branches") audited by other auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches not visited by us. The Branch Auditors Reports have been forwarded to us and appropriately dealt with;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the Branches;
- d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
  - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.

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

M V Ramana Murthy  
*Partner*  
Membership No. 206439  
Hyderabad, May 29, 2012

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

Ganesh Balakrishnan  
*Partner*  
Membership No. 201193



# Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
  - (a) According to the information and explanations given to us, the Management has physically verified the inventories during the year. In our opinion, having regard to the nature of business and location of stocks, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has granted secured or unsecured loans repayable as per the terms, aggregating ₹ 134.14 million to three parties during the year covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 5,970.81 million (Four parties) and the year end balance of the loans granted to such parties was ₹ 5,970.81 million (Four parties).
- (b) In our opinion and according to the information given to us, the terms and conditions of such loans are prima facie not prejudicial to the interests of the Company.
- (c) The receipts of principal amounts and interest have been regular during the year.
- (d) There is no overdue amount in respect of the aforesaid loans.
- (e) According to the information and explanations given to us, the Company has not taken loans, secured or unsecured from Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 and accordingly, paragraphs (iii) (e) (f) and (g) of CARO are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956 to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered in to the register maintained under the said section have been so entered.
  - (b) In our opinion, the transactions (excluding loans reported under paragraph (iii) above) exceeding the value of ₹ 5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the provisions of para 4(vi) of CARO are not applicable to the Company.
- (vii) In our opinion, the internal audit function carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

## Annexure to the Auditors' Report (Contd.)

(viii) In our opinion and according to the information and explanations given to us, the Management is in the process of compiling and maintaining the cost records of the company pursuant to the rules made by the Central Government under Section 209(1)(d) of the Companies Act, 1956.

(ix) In respect of statutory dues:

(a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess

and any other material statutory dues applicable to it with the appropriate authorities during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, service tax, excise duty and cess which have not been deposited as on March 31, 2012 on account of any dispute are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Million)
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	Hon'ble High Court of Andhra Pradesh	1994-95	1.67
	Sales Tax	Sales Tax Appellate Tribunal	1999-00	1.23
	Sales Tax	Sales Tax Appellate Tribunal	2000-01	5.93
	Sales Tax	Sales Tax Appellate Tribunal	2002-03	1.27
	Sales Tax	Sales Tax Appellate Tribunal	2003-04	14.27
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	Appellate Deputy Commissioner Appeal 1	2007-08	10.78
	Sales Tax	Additional Commissioner of Sales tax (Appeals)	2008-09	72.07
Assam Value added tax act, 2003	Sales Tax	Deputy Commissioner of Sales tax (Appeals)	2005-06	144.41
	Sales tax	Deputy Commissioner of Sales tax (Appeals)	2006-07	39.69
Jharkand Value Added Tax Act, 2005	Sales Tax	Commissioner of Commercial taxes	2007-08	30.54
	Sales tax	Commissioner of Commercial taxes	2008-09	57.02
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Hon'ble High Court of Tamil Nadu.	2006-07	4.36
Haryana Value Added Tax Act, 2003	Sales Tax	Appellate Deputy Commissioner	2007-08	64.35
West Bengal Value Added Tax Act, 2005	Sales Tax	Sr.Joint Commissioner (Appeals)	2008-09	185.13
Kerala Value Added Tax Act, 2005	Sales tax	Assessing Officer	2007-08	7.04
	Sales tax	Appellate Deputy Commissioner	2008-09	16.95
The Central Excise Act, 1944 Finance Act, 1994	Excise Duty	CESTAT, Bangalore	2008-09	1.17
	Service Tax	CESTAT, Bangalore	2005-06	24.05
	Service Tax	CESTAT, Bangalore	2005-09	161.03
	Service Tax	CESTAT, Bangalore	2007-08	207.90
Customs Act, 1964	Customs	CESTAT, Mumbai	2010-11	10.29

## Annexure to the Auditors' Report (Contd.)

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(x) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.</p> <p>(xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and debentures and other securities. Accordingly, the provisions of para 4(xii) of the CARO are not applicable to the Company.</p> <p>(xiii) In our opinion, the Company is not a Chit Fund or a Nidhi or Mutual Benefit Fund/Society. Accordingly, the provisions of clause 4(xiii) of CARO are not applicable to the Company.</p> <p>(xiv) In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the provisions of para 4(xiv) of the CARO are not applicable to the Company.</p> <p>(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others</p> | <p>from banks and financial institutions are not prima facie prejudicial to the interests of the Company.</p> <p>(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.</p> <p>(xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used for long-term investment.</p> <p>(xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.</p> <p>(xix) According to the information and explanations given to us and records examined by us, securities/charges have been created in respect of debentures issued.</p> <p>(xx) During the year covered by our audit report, the company has not raised any money by public issues.</p> <p>(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

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

Hyderabad, May 29, 2012

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

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

# Balance Sheet as at March 31, 2012

(₹ in million)

	Note	As at March 31, 2012		As at March 31, 2011	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	513.17		513.17	
Reserves and Surplus	4	23,597.45		23,273.64	
			24,110.62		23,786.81
Non-Current Liabilities					
Long-Term Borrowings	5	3,226.89		4,644.01	
Deferred Tax Liabilities (Net)	6	254.72		307.60	
Other Long Term Liabilities	7	393.40		767.61	
Long-Term Provisions	8	181.92		176.22	
			4,056.93		5,895.44
Current Liabilities					
Short-Term Borrowings	9	17,330.55		19,223.21	
Trade Payables	10	12,424.17		9,035.03	
Other Current Liabilities	11	22,306.77		10,201.44	
Short-Term Provisions	12	302.58		536.17	
			52,364.07		38,995.85
Total			80,531.62		68,678.10
ASSETS					
Non-Current Assets					
Fixed Assets	13				
Tangible Assets		7,185.34		6,737.06	
Intangible Assets		73.33		8.29	
Capital Work in Progress		351.47		456.85	
Non-Current Investments	14	12,401.90		12,007.98	
Long-Term Loans and Advances	15	3,602.78		995.79	
Other Non-Current Assets	16	1,338.87		2,552.71	
			24,953.69		22,758.68
Current Assets					
Inventories	17	12,335.25		8,960.28	
Trade Receivables	18	13,072.27		14,536.01	
Cash and Bank Balances	19	646.31		1,214.04	
Short-Term Loans and Advances	20	21,768.69		16,545.57	
Other Current Assets	21	7,755.41		4,663.52	
			55,577.93		45,919.42
Total			80,531.62		68,678.10
Corporate information and Significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.**  
Chartered Accountants

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**M. V. Ramana Murthy**  
Partner

**Ganesh Balakrishnan**  
Partner

**M. V. Srinivasa Murthy**  
Company Secretary &  
Sr. V.P (Legal)

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

Place: Hyderabad  
Date: May 29, 2012

**R. S. Raju**  
Sr. Vice President (F&A)

**A. G. K. Raju**  
Executive Director

# Statement of Profit and Loss for the year ended March 31, 2012

(₹ in million)

	Note	Year ended March 31, 2012		Year ended March 31, 2011	
REVENUE					
Revenue from Operations	22	52,504.70		50,737.32	
Other Income	23	1,205.72		1,056.39	
Total Revenue			53,710.42		51,793.71
EXPENSES					
Cost of Materials Consumed	24	22,007.37		18,701.53	
Other Construction Expenses	25	24,632.55		24,679.51	
Changes in Inventories of Work in Progress	26	(2,400.01)		(1,137.29)	
Employee Benefits Expense	27	2,401.87		2,438.43	
Finance Costs	28	3,839.99		2,569.00	
Depreciation and Amortization Expense	13	829.83		685.31	
Other Expenses	29	1,869.64		1,201.38	
Total Expenses			53,181.24		49,137.87
Profit Before Tax			529.18		2,655.84
Tax Expense					
- Current Tax		222.24		968.64	
- Deferred Tax		(52.88)		52.70	
			169.36		1,021.34
Profit for the year			359.82		1,634.50
Earnings per equity share of face value of ₹ 2/- each.					
Basic and Diluted - ₹	34		1.40		6.37
Corporate information and Significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.**  
Chartered Accountants

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**M. V. Ramana Murthy**  
Partner

**Ganesh Balakrishnan**  
Partner

**M. V. Srinivasa Murthy**  
Company Secretary &  
Sr. V.P (Legal)

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

Place: Hyderabad  
Date: May 29, 2012

**R. S. Raju**  
Sr. Vice President (F&A)

**A. G. K. Raju**  
Executive Director

## Cash Flow Statement for the year ended March 31, 2012

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	529.18	2,655.84
<u>Adjustments for:</u>		
Depreciation and amortisation expense	829.83	685.31
(Profit) / loss on sale / write off of assets	(5.95)	(25.54)
Finance costs	3,839.99	2,569.00
Interest income	(1,079.25)	(887.36)
Dividend income	(11.25)	(27.14)
Net (gain) / loss on sale of investments	(12.80)	(34.00)
Rental income from operating leases	(32.22)	(27.47)
Exchange difference on translation of foreign currency balances	54.30	0.83
	<b>3,582.65</b>	<b>2,253.63</b>
<b>Operating profit before working capital changes</b>	<b>4,111.83</b>	<b>4,909.47</b>
Changes in working capital:		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(3,374.97)	(1,420.83)
Trade receivables	1,463.74	(1,541.46)
Short-term loans and advances	(3,932.25)	(3,317.68)
Long-term loans and advances	187.59	(197.26)
Other current assets	(3,037.47)	(729.08)
Other non-current assets	1,213.84	(443.37)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	3,389.15	(649.31)
Other current liabilities	11,234.52	1,968.85
Other long-term liabilities	(374.21)	103.70
Short-term provisions	11.27	7.19
Long-term provisions	5.70	29.39
	<b>6,786.91</b>	<b>(6,189.86)</b>
Cash generated / (used) from operations	10,898.74	(1,280.39)
Net income tax (paid) / refunds	(1,135.26)	(1,233.45)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>9,763.48</b>	<b>(2,513.84)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(1,474.83)	(2,110.12)
Proceeds from sale of fixed assets	243.01	188.47
Bank balances not considered as Cash and cash equivalents	4.75	121.59
Purchase of long-term investments - Subsidiaries	(3,053.79)	(2,530.45)
Purchase of long-term investments - others	(77.01)	(78.88)
Proceeds from sale of long-term investments	28.80	109.00
Loans given to subsidiaries, associates and other body corporates	(729.69)	(903.47)
Loans realised from subsidiaries, associates and other body corporates	598.96	-
Interest received	667.97	335.08
Dividend received from Joint venture	11.25	27.14
Rental income from operating leases	32.22	27.47
<b>Net cash flow (used in) investing activities (B)</b>	<b>(3,748.36)</b>	<b>(4,814.17)</b>

## Cash Flow Statement (Contd.)

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of Debentures	-	1,992.99
Repayment of Debentures	(250.00)	-
Proceeds from long term borrowings	387.82	774.84
Repayments of long term borrowings	(744.49)	(688.03)
Net increase / (decrease) in working capital borrowings	(1,892.66)	7,452.02
Finance costs	(3,780.24)	(2,458.53)
Dividends & Tax on dividend	(297.68)	(388.69)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(6,577.25)</b>	<b>6,684.60</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(562.13)</b>	<b>(643.41)</b>
Cash and cash equivalents at the beginning of the year	1,089.36	1,732.63
Effect of exchange differences on translation of foreign currency Cash and cash equivalents	(0.85)	0.14
Cash and cash equivalents at the end of the year (Refer note 19)	526.38	1,089.36

**Note:** 1) The Cash Flow Statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

2) Figures in brackets represents cash outflows.

In terms of our report attached

For M. BHASKARA RAO & CO.  
Chartered Accountants

For DELOITTE HASKINS & SELLS  
Chartered Accountants

For and on behalf of the Board

M. V. Ramana Murthy  
Partner

Ganesh Balakrishnan  
Partner

M. V. Srinivasa Murthy  
Company Secretary &  
Sr. V.P (Legal)

A. A. V. Ranga Raju  
Managing Director

Place: Hyderabad  
Date: May 29, 2012

R. S. Raju  
Sr. Vice President (F&A)

A. G. K. Raju  
Executive Director

# Notes forming part of the financial statements

## 1 CORPORATE INFORMATION:

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

## 2 SIGNIFICANT ACCOUNTING POLICIES:

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

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless otherwise stated separately herein below.

### 2.2 Use of Estimates:

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

### 2.3 Fixed Assets and Depreciation:

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

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

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

	Description	Straight Line Method	Written Down Value Method
1)	Plant and Equipment	4.75%	15% - 25%
2)	Furniture and Fixtures	6.33%	10% - 20%
3)	Office Equipments	4.75%	15% - 25%
4)	Computers	16.21%	60%
5)	Tools and Equipments	4.75%	15% - 25%
6)	Construction Vehicles	—	15% - 25%
7)	Construction Accessories	20%	15% - 25%
8)	Office Vehicles	9.50%	15% - 25%

### 2.4 Impairment of Assets:

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

### 2.5 Borrowing Costs

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



## Notes forming part of the financial statements

### 2.6 Inventories

#### Raw Materials:

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

#### Work in Progress:

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

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

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

### 2.7 Investments

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

### 2.8 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 'Employee Benefits' notified by the Companies (Accounting Standards) Rules, 2006.

#### Defined Benefit Plan

##### i) Gratuity

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

Liability on account of gratuity is:

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

##### ii) Compensated Absences

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

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

#### Defined Contribution Plan

##### iii) Superannuation

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

##### iv) Provident Fund

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

### 2.9 Revenue Recognition

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

### 2.10 Joint Venture Projects:

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

## Notes forming part of the financial statements

- iii) Share of turnover attributable to the Company in respect of contracts executed by the other joint venture partners pursuant to Joint Venture Agreement, is accounted under Turnover in these financial statements.

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

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

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

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

### 2.12 Leases :

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

### 2.13 Taxes on Income:

- i) **Current Tax:** Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act, 1961.
- ii) **Deferred Taxes:** Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

### 2.14 Contingency Reserve :

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

### 2.15 Earnings Per Share :

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

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

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

### 2.17 Cash Flow Statement

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

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

## Notes forming part of the financial statements

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
<b>3 SHARE CAPITAL</b>				
<b>Authorised :</b>				
Equity Shares of ₹ 2/- each	300,000,000	600.00	300,000,000	600.00
<b>Issued :</b>				
Equity Shares of ₹ 2/- each	256,833,810	513.67	256,833,810	513.67
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹ 2/- each	256,583,810	513.17	256,583,810	513.17
<b>Total</b>		<b>513.17</b>		<b>513.17</b>

### 3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year *(₹ in million)*

	Year ended March 31, 2012		Year ended March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	256,583,810	513.17	256,583,810	513.17
Add: Allotted during the year	-	-	-	-
Balance at end of the year	256,583,810	513.17	256,583,810	513.17

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

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	% holding in that class of shares	Number of shares	% holding in that class of shares
Blackstone GPV Capital Partners Mauritius V-A Ltd.	25,399,699	9.90	25,399,699	9.90
Warhol Limited	25,384,700	9.89	-	-
HSBC Global Investment Funds	-	-	18,900,000	7.37
A V S R Holdings Private Limited	17,967,167	7.00	17,967,167	7.00
Government Pension Fund Global	14,321,067	5.58	17,518,719	6.83

### 3.3 Details of unsubscribed preferential issue

*(₹ in million)*

	Year ended March 31, 2012		Year ended March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 2/- each	250,000	0.50	250,000	0.50

### 3.4 Details of Allotment of bonus shares during 5 years immediately preceding the Balance Sheet

The Company has allotted 103,368,530 Equity Shares of ₹ 2/- each in 2006-07 as fully paid up bonus shares in the ratio of 1:1 by capitalising ₹ 206.74 million from General Reserve.

### 3.5 Unclaimed equity shares of 97,265 are held in "NCC Limited - Unclaimed suspense account " in trust.

### 3.6 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 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 1956, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.
- 75,750 (31.3.2011: 52,750) equity shares represents the shares underlying outstanding Global Depositary Receipts (GDRs). Each GDRs represents 1 underlying equity shares having par value of ₹ 2/-. The GDRs, rank pari passu in all respects with the equity shares issued by the Company except in respect of voting rights.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>4 RESERVES AND SURPLUS</b>				
Capital Reserve		54.33		54.33
Securities Premium				
Opening balance	14,649.35		14,656.36	
Less : Writing off Debenture Issue Expenses	-		7.01	
Closing balance		14,649.35		14,649.35
Debenture Redemption Reserve				
Opening balance	750.00		350.00	
Add : Transferred from Surplus in Statement of Profit and Loss	190.00		400.00	
Closing balance		940.00		750.00
Contingency Reserve				
Opening balance	220.00		200.00	
Add : Transferred from Surplus in Statement of Profit and Loss	-		20.00	
Closing balance		220.00		220.00
Foreign Currency Translation Reserve				
Opening balance	(83.83)		(84.80)	
Add : Effect of foreign exchange variations during the year	53.45		0.97	
Closing balance		(30.38)		(83.83)
General Reserve				
Opening balance	4,964.59		4,214.59	
Add : Transferred from Surplus in Statement of Profit and Loss	50.00		750.00	
Closing balance		5,014.59		4,964.59
Surplus in Statement of Profit and Loss				
Opening balance	2,719.20		2,552.91	
Add : Profit for the year	359.82		1,634.50	
	3,079.02		4,187.41	
Less : Appropriations				
Transferred to Debenture Redemption Reserve	190.00		400.00	
Dividend proposed to be distributed to equity share holders ₹ 0.30 per share (31.03.2011 : ₹ 1.00 per share)	76.97		256.58	
Tax on Dividend	12.49		41.63	
Transferred to General Reserve	50.00		750.00	
Transferred to Contingency Reserve	-		20.00	
	329.46		1,468.21	
Closing balance		2,749.56		2,719.20
<b>Total</b>		<b>23,597.45</b>		<b>23,273.64</b>

## Notes forming part of the financial statements

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
	Non Current	Current*	Non Current	Current*
<b>5 LONG TERM BORROWINGS</b>				
<b>Debentures</b>				
<b>Secured</b>				
11.95% Redeemable, Non-convertible Debentures (Refer note 5.1)	500.00	250.00	750.00	250.00
10.50% Redeemable, Non-convertible Debentures (Refer note 5.2)	700.00	300.00	1,000.00	-
<b>Unsecured</b>				
9.50% Redeemable, Non-convertible Debentures (Refer note 5.3)	1,500.00	500.00	2,000.00	-
<b>Term Loans</b>				
<b>Secured</b>				
From Banks (Refer note 5.4)	395.17	349.89	435.90	369.60
From Other Parties (Refer note 5.5)	106.42	355.50	431.39	331.92
<b>Vehicle Loans</b>				
<b>Secured</b>				
From Banks (Refer note 5.6)	25.30	28.58	26.72	21.92
<b>Total</b>	<b>3,226.89</b>	<b>1,783.97</b>	<b>4,644.01</b>	<b>973.44</b>

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

### 5.1 11.95% Redeemable Non Convertible Debentures

(i) Debentures numbering to 1,000 having a face value of ₹ 1 million each aggregating to ₹ 1,000 million privately placed with Life Insurance Corporation of India on February 4th, 2009. These are secured by first charge created in favour of IDBI Trusteeship Services Limited, trustees to the debenture holders:

- by way of hypothecation of the Company's movable properties specified in the Schedule-2 of Memorandum of Hypothecation dated April 25, 2009;
- first charge by way of equitable mortgage by deposit of title deeds of the Company's immovable property situated at Gujarat as specified in first schedule to the Debenture Trust Deed dated April 23, 2009;
- equitable mortgage by deposit of title deeds of Company's immovable properties situated at Hyderabad, Bangalore, Mumbai and New Delhi as specified in Schedule-A of Declaration and Undertaking dated April 25, 2009.
- These debentures are to be redeemed at par in 3 installments in the ratio of 25:25:50 commencing at the end of 3rd year from the date of allotment i.e., 4th February, 2012 onwards.

(ii) These debentures are to be redeemed at par in 3 installments in the ratio of 25:25:50 commencing at the end of 3rd year from the date of allotment i.e., February 4, 2012 onwards.

### 5.2 10.50% Redeemable Non Convertible Debentures

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

(ii) These debentures are to be redeemed at par in 3 installments in the ratio of 30:30:40 commencing at the end of 3rd year from the date of allotment i.e., July 24, 2012 onwards.

### 5.3 9.50 % Unsecured 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.

## Notes forming part of the financial statements

- (ii) These Debentures are to be redeemed at par in four equated installments commencing at the end of second year from the date of allotment i.e. August 11, 2012 onwards.

### 5.4 Term Loans from Banks

- (i) ICICI Bank
- Loan availed of ₹ 20 million (31.03.2011: ₹ 20 million), No. of Installments outstanding 104 (31.03.2011: 116)
  - Secured by hypothecation of asset purchased out of the loan i.e. building purchased with the loan.
  - Rate of Interest - 12% per annum, Repayable in 120 monthly installments, commencing from February 2011.
- (ii) HDFC Bank
- (a) Loan I
- Loan availed of ₹15.88 million (31.03.2011: ₹15.88 million)
  - Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery
  - Duration March 20, 2010 to January 20, 2014, No. of Installments outstanding 22 (31.03.2011: 34)
  - Rate of Interest 8.61% Per Annum. Repayable in 47 Monthly Installments
- (b) Loan II
- Loan availed of ₹ 185.61 million (31.03.2011: ₹ 185.61 million)
  - Secured by exclusive first charge on the machinery purchased out of term loan
  - Personal guarantee of Mr AGK Raju
  - Duration March 10, 2009 to December 10, 2011, No. of Installments outstanding Nil (31.03.2011: 3)
  - Rate of Interest 9.75% (Interest reset after every year)
  - Repayable in 12 equal quarterly installments starting from the end of 9 months from date of first disbursement
- (iii) IDBI Bank
- Two Loans availed by the company amounting to ₹ 499.53 million (31.03.2011: ₹ 499.53 million)
  - Secured by hypothecation of specific assets purchased out of loan, comprising Plant and machinery
  - Personal Guarantee of Mr.AAV Ranga Raju and Mr AGK Raju
  - Duration September 29,2007 to May 18, 2012
  - No. of Installments outstanding: Loan I - Nil (31.03.2011: 4), Loan 2 - 2 (31.03.2011: 14)
  - Rate of Interest 9.35% & 11.75% (Interest reset annually starting from date of disbursement)
  - Repayable in 48 equal monthly installments after initial moratorium period of one year from date of first disbursement.
- (iv) State Bank of India
- Loan availed of ₹ 200.00 Million
  - Secured by hypothecation of specific assets purchased out of the loan
  - Duration March 31, 2009 to June 30, 2011, No. of Installments outstanding Nil (31.03.2011: 1)
  - Rate of interest 12.25% per annum, Repayable in 10 equal quarterly monthly installments after initial moratorium period of one year from the date of first disbursement
- (v) Standard Chartered Bank
- Four loans availed by the Company aggregating to ₹ 352.04 million (31.03.2011: ₹ 352.04 million)
  - Secured by hypothecation of specific assets, comprising Plant and Machinery
  - Duration November 29,2010 to October 11, 2013, No. of Installments outstanding for all Loans 7 (31.03.2011: 11)
  - Rate of Interest ranges from 7.40% to 7.90 %, Repayable in 12 Quarterly installments.

## Notes forming part of the financial statements

(vi) Indus Ind Bank Ltd

- Seven loans (31.03.2011: Six loans) availed by the company aggregating to ₹ 640.89 million (31.03.2011: ₹ 350.00 million )
- Secured by hypothecation of specific assets purchased out of the loan comprising Plant and Machinery.
- Duration January 31, 2010 to January 31, 2016.
- No. of Installments outstanding: Loan 1 - No. of Installments Outstanding 15 (31.03.2011: 27), Loan 2 - No. of Installments Outstanding 25 (31.03.2011: 37), Loan 3 - No. of Installments Outstanding 30 (31.03.2011: 42), Loan 4 - No. of Installments Outstanding 40 (31.03.2011: Nil), Loan 5&6 - No. of Installments Outstanding 42 (31.03.2011: Nil), Loan 7 - No. of Installments Outstanding 1 (31.03.2011: Nil), Rate of Interest ranges from 9.50% to 12.00 %, Repayable in 42 Monthly installments.

### 5.5 Term Loans from Others Parties:-

(i) SREI Equipment Finance Private Limited

- Seven loans (31.03.2011: Six loans) by the Company aggregating to ₹ 1053.59 million (31.03.2011: ₹ 1021.35 million )
- Secured by hypothecation of specific assets purchased out of loan, comprising Plant and Machinery and Construction equipment
- Duration March 8, 2009 to October 22, 2013
- No. of Installments Outstanding: Loan 1 & 2 - No. of Installments Outstanding 10 (31.03.2011: 22), Loan 3 & 4 - No. of Installments Outstanding 15 (31.03.2011: 27), Loan 5 - No. of Installments Outstanding 26 (31.03.2011: 38), Loan 6 - No. of Installments Outstanding 27 (31.03.2011: 39), Loan 7 - No. of Installments Outstanding 34 (31.03.2011: Nil)
- Rate of Interest is based on SREI benchmark rate (SBR), the rate will be reset at the beginning of the succeeding calendar month of the date when change in the SBR takes place and accordingly, the installments falling due in the subsequent months will be reworked.

(ii) L&T Finance Limited

(a) Loan I

- Finance Amount ₹ 0.86 million (31.03.2011: ₹ 0.86 million )
- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery and Construction equipment.
- Duration June 21, 2009 to April 21, 2012, No. of Installments Outstanding 1 (31.03.2011: 13)
- Rate of interest 13.35% per annum.
- Repayable in 35 monthly installments after initial moratorium period of one month from date of first disbursement.

(b) Loan II

- Finance Amount ₹ 33.58 million (31.03.2011: ₹ 33.58 million)
- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery and Construction equipment.
- Duration May 16, 2009 to January 16, 2013, No. of Installments Outstanding 10 (31.03.2011: 22)
- Rate of interest 13.35% per annum. Repayable in 45 monthly installments after initial moratorium period of three months from the date of first disbursement.

### 5.6 Vehicle Loans

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 years and carry interest rate ranging between 7.68% to 11.52% per annum.

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>6 DEFERRED TAX LIABILITIES (NET)</b>				
(i) Deferred Tax Liability on timing difference due to:				
Depreciation	413.54		405.47	
Total		413.54		405.47
(ii) Deferred Tax Asset on timing differences due to:				
Provision for Gratuity and Leave Encashment	74.96		56.18	
Provision for Doubtful Debts/Advances	83.86		41.69	
Total		158.82		97.87
Net Deferred Tax Liability (i) - (ii)		254.72		307.60

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>7 OTHER LONG TERM LIABILITIES</b>				
Others:				
Retention Money payable		393.40		767.61
Total		393.40		767.61

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>8 LONG TERM PROVISIONS</b>				
Provision for Employee Benefits (Refer note 8.1 & 8.2)				
Compensated absences		147.42		132.33
Gratuity		34.50		43.89
Total		181.92		176.22

### 8.1 Defined benefit plans

- (i) Liability for retiring gratuity as on March 31, 2012 is ₹ 93.20 million (31.03.2011: ₹ 78.79 million) of which ₹ 41.77 million (31.03.2011: ₹ 28.04 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 51.43 million (31.03.2011: ₹ 50.75 million) is included in Provision for Gratuity. The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.
- (ii) Details of the company's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors.

Amount to be recognised in Balance Sheet

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Present Value of Funded Obligations	93.20	78.79
Fair Value of Plan Assets	(41.77)	(28.04)
Net Liability	51.43	50.75

- (iii) 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 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's 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.



## Notes forming part of the financial statements

(iv) Expenses to be recognized in statement of Profit and Loss.

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Current Service Cost	14.10	11.99
Past Service Cost	-	3.74
Interest on Defined Benefit Obligation	6.30	3.90
Expected Return on Plan assets	(2.54)	(2.70)
Net Actuarial Losses / (Gains) Recognised in Year	0.89	17.35
Total, included in "Employee Benefit Expenses"	18.75	34.28
Actual Return on Plan Assets	-	-

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

<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	78.79	48.72
Past Service Cost	-	3.74
Current Service Cost	14.10	11.99
Interest Cost	6.30	3.90
Actuarial Losses / (Gain)	0.88	17.35
Benefits Paid	(7.32)	(6.91)
Closing Defined Benefit Obligation	93.20	78.79
Opening Fair Value of Plan assets	28.04	18.45
Expected Return on Plan Assets	2.54	2.70
Actuarial Gain / (Losses)	-	-
Contributions by Employer	18.45	12.43
Benefits Paid	(7.26)	(5.54)
Closing Fair Value of Plan Assets	41.77	28.04
Expected Employer's Contribution Next Year	26.48	20.79

(vi) Summary of principal actuarial assumptions

Discount rate (p.a)	8%	8%
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.		
Expected Rate of Return on Assets (p.a)	9.25%	9.25%
This is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.		
Salary Escalation Rate (p.a)	8%	8%
The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.		
Attrition Rate	20%	20%

(vii) Asset information

<b>Category of Assets</b>		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount – ₹ in million	41.77	28.04

## Notes forming part of the financial statements

### (viii) Experience Adjustments

(₹ in million)

	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligations	93.20	78.79	48.72	37.82
Plan Assets	41.77	28.04	18.45	10.96
Surplus/(Deficit)	(51.43)	(50.75)	(30.27)	(26.86)
Experience Adjustments on Plan Liabilities	-	-	-	-
Experience Adjustments on Plan Assets	2.54	2.70	2.62	-

8.2 Long term gratuity in respect of employees working with branches outside India is ₹ 0.63 million (31.03.2011: ₹ 4.45 million)

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>9 SHORT TERM BORROWINGS</b>				
Loans repayable on demand				
Secured Loans - Banks				
Working Capital Demand Loan				
- Rupee Loan (Refer note 9.1)		8,233.65		7,349.64
- Foreign Currency Loan (Refer note 9.2)		-		1,250.22
Cash Credit (Refer note 9.1)		374.82		903.34
Unsecured Loans - Banks				
Short Term Loans (Refer note 9.3)		8,225.00		9,325.00
Commercial Paper (Refer note 9.4)	500.00		400.00	
Less: Unamortized Discount	2.92		4.99	
		497.08		395.01
<b>Total</b>		<b>17,330.55</b>		<b>19,223.21</b>

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

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

9.2 Working Capital Demand Loan in foreign currency is secured either/and or as:

- Exclusive First hypothecation charge of project assets pertaining to the Al Amerat Quriyat road project.

9.3 Short term loans from Banks:

The company availed short term loans from various banks during the year having a maturity of less than one year and carry interest rate ranging between 11% to 12.5% per annum.

9.4 Commercial paper represents ₹ 500.00 million (31.03.2011: ₹ 400.00 million) due within one year. The maximum amount of Commercial paper outstanding at any time during the year was ₹ 2,300.00 million (31.03.2011: ₹ 1,500.00 million).

## Notes forming part of the financial statements

*(₹ in million)*

	As at March 31, 2012	As at March 31, 2011
<b>10 TRADE PAYABLES</b>		
Acceptances	2,343.11	973.00
Other than Acceptances (Refer note 10.1)	10,081.06	8,062.03
<b>Total</b>	<b>12,424.17</b>	<b>9,035.03</b>
10.1 Trade payable other than acceptances include certain dues to Micro Enterprises 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	9.13	34.10
b) Interest due thereon	0.60	0.08
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) Interest accrued and remaining unpaid	0.60	0.08
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.	-	-

*(₹ in million)*

	As at March 31, 2012	As at March 31, 2011
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Borrowings (Refer note 5)	1,783.97	973.44
Interest Accrued but not due on borrowings and others	225.16	165.93
Liability towards Investor Education and Protection Fund (Refer note 11.1)	5.75	5.22
Other Payables		
Statutory remittances	692.20	550.84
Payable on purchase of Fixed Assets	32.43	25.32
Interest Accrued on Trade Payables (Refer note 10.1)	0.60	0.08
Retention Money Payable	2,261.84	1,361.36
Advances from Customers	8,803.67	1,655.56
Mobilisation Advance	8,501.15	5,463.69
<b>Total</b>	<b>22,306.77</b>	<b>10,201.44</b>

11.1 Liability towards Investor Education and Protection Fund represents unclaimed dividend required to be transferred to the said fund on completion of 7 years. No such amount is due on the Balance Sheet date.

*(₹ in million)*

	As at March 31, 2012	As at March 31, 2011
<b>12 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits (Refer note 8.1)		
Compensated absences	36.81	31.79
Gratuity	17.56	11.31
Provision for Tax (Net of Advance Taxes of ₹ 2,192.87 million (31.03.2011: ₹ 2,441.20 million))	158.75	194.86
Provision for proposed Equity Dividend	76.97	256.58
Provision for Tax on proposed Dividend	12.49	41.63
<b>Total</b>	<b>302.58</b>	<b>536.17</b>

## (₹ in million)

13.1 Joint Venture Assets included in Gross Block of ₹ 406.72 million (31.03.2011: ₹ 493.58 million) and Net Block of ₹ 156.23 million (31.03.2011: ₹ 219.35 million).

Particulars	Gross Block (At Cost)	Accumulated D
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## Notes forming part of the financial statements

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
<b>14 NON CURRENT INVESTMENTS</b>				
<b>14.1 Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity instruments</b>				
<b>a In Subsidiaries</b>				
In Shares of ₹ 10/- each, fully paid up				
NCC Infrastructure Holdings Limited	146,332,293	5,846.27	142,998,960	5,646.27
NCC Urban Infrastructure Limited (Refer note 14.3)	120,000,000	1,200.00	120,000,000	1,200.00
NCC Vizag Urban Infrastructure Limited	50,000,000	500.00	50,000,000	500.00
OB Infrastructure Limited (Refer note 14.4)	7,548,281	745.78	7,548,281	745.78
Patnitop Ropeway & Resorts Limited	2,255,300	22.56	2,255,300	22.56
Naftogaz Engineering Private Limited	50,000	0.50	50,000	0.50
Himachal Sorang Power Limited (Refer note 14.5)	3,400	0.03	3,400	0.03
NCC Power Projects Limited (Refer note 14.12)	-	-	150,000	10.50
NCC International Convention Centre Limited	1,000,000	10.00	1,000,000	10.00
NCC Oil & Gas Limited	40,000	0.40	40,000	0.40
Western UP Tollway Limited (Refer note 14.6)	225,000	2.25	225,000	2.25
Vaidehi Avenues Limited	4,010,000	40.10	-	-
<b>In Shares of Omani Rials one each, fully paid up</b>				
Nagarjuna Construction Company Limited and Partners LLC, Oman (Refer note 14.7)	-	-	150,000	17.01
Nagarjuna Construction Company International LLC, Oman	5,100,000	611.69	5,100,000	611.69
<b>In Shares of US \$ 10 each, fully paid up</b>				
NCC Infrastructure Holdings Mauritius Pte. Ltd.	2,446,508	1,089.43	2,191,508	969.25
<b>In Shares of 'AED' 1000 each, fully paid up</b>				
Nagarjuna Contracting Company Limited, LLC, Dubai (Refer note 14.8)	300	3.44	300	3.44
<b>In Shares of 'Shillings' 100, each fully paid up</b>				
Nagarjuna Construction Company (Kenya) Limited # (Valued at ₹ 3,250 )	65	- #	-	-
<b>b In Associates</b>				
In Shares of ₹ 10/- each, fully paid up				
Jubilee Hills Land Mark Projects Private Limited	2,500,000	25.00	2,500,000	25.00
Tellapur Techno City Private Limited	14,702,600	147.03	14,702,600	147.03
Tellapur Town Centre Private Limited (Refer note 14.16)	-	-	2,600	0.03
Tellapur Tech. Park Private Limited (Refer note 14.16)	-	-	2,600	0.03
Paschal Form Work (I) Private Limited (Refer note 14.14)	5,668,000	60.32	5,486,000	54.86
Paschal Technology (I) Private Limited (Refer note 14.14)	-	-	546,000	5.46
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte.Ltd.	1,498,757	79.97	-	-
In Shares of 'AED' 1000 each fully paid up				
Nagarjuna Facilities Management Services, LLC, Dubai	147	1.72	147	1.72

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
<b>c In Jointly controlled entities</b>				
<b>In Shares of ₹ 10/- each, fully paid up</b>				
Brindavan Infrastructure Company Limited (Refer note 14.9 and 14.15)	5,899,725	59.00	7,499,725	75.00
Bangalore Elevated Tollway Limited (Refer note 14.10)	80,400	0.80	80,400	0.80
Pondicherry Tindivanam Tollway Limited (Refer note 14.11)	1,775,250	168.53	1,775,250	168.53
<b>d In Other entities</b>				
<b>In Shares of ₹ 10/- each, fully paid up</b>				
SNP Real Estates Private Limited (Refer note 14.13)	-	-	396,875	3.97
SNP Infrastructures Private Limited (Refer note 14.13)	7,620,551	75.82	7,365,453	73.65
SNP Developers and Projects Private Limited (Refer note 14.13)	548,113	5.39	533,404	5.33
SNP Ventures Private Limited (Refer note 14.13)	3,368,231	33.20	4,066,284	40.66
SNP Property Developers Private Limited (Refer note 14.13)	1,700,275	19.47	1,303,400	13.03
NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00
<b>In Shares of ₹ 25/- each, fully paid up</b>				
Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10
<b>(ii) Investment in preference shares</b>				
<b>In Associates</b>				
<b>2% Redeemable Preference Shares of ₹ 100/- each fully paidup</b>				
Jubilee Hills Land Mark Projects Private Limited	4,274,999	427.50	4,274,999	427.50
<b>(iii) Investment in debentures</b>				
<b>In Associates</b>				
Jubilee Hills Land Mark Projects Private Limited (of ₹ 100/- each, fully paid up)	5,092,252	509.23	5,092,252	509.23
Tellapur Techno City Private Limited (of ₹ 1/- each, fully paid up)	701,368,092	701.37	701,368,092	701.37
<b>14.2 Trade (Quoted)</b>				
<b>Investment in equity instruments</b>				
<b>In Shares of ₹ 10/- each, fully paid up</b>				
NCC Finance Limited [* (Value ₹ 90) ]	9	_*	9	_*
<b>Total</b>		<b>12,401.90</b>		<b>12,007.98</b>
Aggregate amount of Unquoted Investments		12,401.90		12,007.98
Aggregate market value of Quoted Investments		_*		_*
* Market value of ₹15.03 (31.03.2011: ₹ 30.24)				

14.3 Of these 36,000,000 (31.03.2011: 36,600,000) equity shares aggregating ₹ 360.00 million (31.03.2011: ₹ 360.00 million) have been pledged to Bank of India for the term loan availed by NCC Urban Infrastructure Limited. Further shares to the extent of 83,400,000 (31.03.2011: 83,400,000) aggregating in value to ₹ 834.00 million (31.03.2011: ₹ 834 million) are subject to non-disposal undertaking furnished and under lien with the bank.

14.4 The shares are subject to non-disposal undertaking furnished in favour of consortium of bankers for term loans availed by OB Infrastructure Limited

14.5 Of these 2,652 (31.03.2011: 2,652) equity shares aggregating in value to ₹ 0.02 million (31.03.2011: ₹ 0.02 million) have been pledged with Axis Bank and 748 (31.03.2011: 748) equity shares aggregating in value to ₹ 0.01 million (31.03.2011: ₹ 0.01 million) have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited.

## Notes forming part of the financial statements

- 14.6 Of these 224,600 (31.03.2011: 224,600) equity shares aggregating in value to ₹ 2.25 million (31.03.2011: ₹ 2.25 million) have been pledged to the consortium of bankers for the term loan availed by Western UP Tollway Limited.
- 14.7 Of these 45,000 (31.03.2011: 45,000) equity shares are held by the joint venture partner under trust for NCC Limited.
- 14.8 Of these 153 (31.03.2011: 153) equity shares are held by the joint venture partner under trust for NCC Limited.
- 14.9 Of these 5,624,725 (31.03.2011: 7,499,725) equity shares aggregating ₹ 56.25 million (31.03.2011: ₹ 74.99 million) have been pledged in favor of Infrastructure Development Finance Company Limited for the term loan availed by Brindavan Infrastructure Company Limited
- 14.10 Of these 40,800 (31.03.2011: 40,800) equity shares aggregating in value to ₹ 0.4 million (31.03.2011: ₹ 0.4 million) have been pledged to the consortium of bankers for the term loan availed by Bangalore Elevated Tollway Limited.
- 14.11 Of these 535,823 (31.03.2011: 95,696) equity shares aggregating in value to ₹ 53.58 million (31.03.2011: ₹ 9.57 million) have been pledged to IDBI Trustee Ship Services Limited and 83,416 (31.03.2011: 83,416) equity shares aggregating to ₹ 5.73 million (31.03.2011: ₹ 5.73 million) have been pledged to Axis Bank for the term loan availed by Pondichery Tindivanam Tollway Limited.
- 14.12 During the current year, pursuant to the approval of the Board of Directors of the Company, the entire equity shares held by the Company in NCC Power Projects Limited is transferred to NCC Infrastructure Holdings Limited, as a part of group restructuring.
- 14.13 During the current year, pursuant to a Scheme of Arrangement and Amalgamation comprising of various SNP Group of companies, approved by the Hon'ble High Court of Andhra Pradesh, additional equity shares have been allotted in certain companies as consideration for transfer of the equity shares held in certain other companies of the SNP Group.
- 14.14 Pursuant to the Scheme of Amalgamation, approved by the Hon'ble High Court of Andhra Pradesh, the business of Paschal Technology (India) Private Limited has been transferred to Paschal Form Work (India) Private Limited. The Company was allotted 182,000 equity shares of ₹ 10 each in Paschal Form work (India) Private Limited, against the shareholding of the company in Paschal Technology (India) Private Limited during the year.
- 14.15 During the current year, pursuant to the Buy back scheme offering by Brindavan Infrastructure Company Limited, the Company has surrendered 1,600,000 equity shares, in consideration of ₹ 18 per share. The resultant gain on such surrender of the shares, has been recognised in the Statement of Profit and Loss.
- 14.16 During the current year, Tellapur Tech Park Private Limited and Tellapur Town Centre Private Limited, have opted for filing application under 'Easy Exit Scheme 2011' since there were no operations carried out in the respective companies and for dissolution of the company under the Companies Act, 1956. The investments made in such companies have been considered as Loss of Disposal of investments and charged to the Statement of Profit and Loss.

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>15 LONG TERM LOANS AND ADVANCES</b>				
Unsecured, Considered good				
Capital Advances		56.62		66.42
Deposits with Customers and Others		13.02		190.81
Loans and Advances to related parties				
Subsidiary (Refer note 20.1)		600.46		526.76
Share Application Money to subsidiaries and associate		2,932.68		211.80
<b>Total</b>		<b>3,602.78</b>		<b>995.79</b>

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>16 OTHER NON - CURRENT ASSETS</b>				
Unsecured, Considered good				
Retention Money		1,338.87		2,552.71
<b>Total</b>		<b>1,338.87</b>		<b>2,552.71</b>

## Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>17 INVENTORIES</b>				
Raw Materials - at cost or under	4,478.35		3,458.43	
Material in Transit - at cost or under	8.67		40.32	
Work-in-progress - contract rates less profit margin	7,525.23		5,125.22	
Property Development Cost (Refer note 17.1) - at cost or under	323.00		336.31	
<b>Total</b>		<b>12,335.25</b>		<b>8,960.28</b>

17.1 Property development cost ₹16.55 million (31.03.2011: ₹ 16.55 million) representing the cost of acquisition of land from a land owner, for which the Company holds General Power of Attorney to deal with such land including registration of the sale in the name of the Company.

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>18 TRADE RECEIVABLES</b>				
Unsecured				
Outstanding for a period exceeding six months from the date they were due for payment				
Considered Good	3,923.58		3,220.08	
Doubtful	75.00		65.00	
	3,998.58		3,285.08	
Less : Provision for doubtful debts	75.00		65.00	
	3,923.58		3,220.08	
Other Trade receivables				
Considered Good	9,148.69		11,315.93	
<b>Total</b>		<b>13,072.27</b>		<b>14,536.01</b>

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>19 CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents (Refer note 19.4)</b>				
Cash on hand (Refer note 19.1)	12.64		12.35	
Balances with Banks				
In Current Accounts (Refer note 19.2)	407.99		1,071.79	
Unpaid dividend accounts	5.75		5.22	
In Deposit Accounts with maturity less than 3 months	100.00		-	
		526.38		1,089.36
<b>Other Bank Balances</b>				
In Deposit Accounts				
Margin Money Deposits (Refer note 19.3)	101.42		94.68	
Long Term Deposits with maturity more than 3 months and less than 12 months	18.51		30.00	
		119.93		124.68
<b>Total</b>		<b>646.31</b>		<b>1,214.04</b>

19.1 Cash on hand includes ₹ 0.55 million (31.03.2011: ₹ 0.61 million) held in foreign currency.

19.2 Current account balance includes ₹ 6.08 million (31.03.2011: ₹ 10.16 million) remittance in transit

19.3 Margin Money Deposits have been lodged with Banks against Guarantees / letters of credit issued by them.

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



## Notes forming part of the financial statements

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
<b>20 SHORT TERM LOANS AND ADVANCES</b>				
Secured, considered good				
Loans to Related Parties (Refer note 20.1)				
Other Body Corporates (Refer note 20.2)		66.48		64.81
Unsecured, considered good				
Loans to Related Parties (Refer note 20.1)				
Subsidiaries	5,370.35		4,879.34	
Associates	70.76		70.58	
Other Body Corporates	196.00		274.96	
		5,637.11		5,224.88
Loans and Advances to Employees		63.32		72.37
Prepaid Expenses		126.57		122.35
Balances with Government Authorities				
Advance for Sales Tax / Value Added Tax credit receivable		2,258.43		1,782.75
Service Tax credit receivable		105.74		96.91
Advances to Suppliers, Sub-contractors and Others (Refer note 20.3)				
Considered Good	11,216.06		7,703.06	
Considered Doubtful	234.60		78.50	
	11,450.66		7,781.56	
Less : Provision for doubtful advances	234.60		78.50	
		11,216.06		7,703.06
Advances recoverable in cash or in kind or for value to be received		762.22		822.59
Advance Taxes and Tax Deducted at Source (Net of Provisions of ₹ 2,192.87 million (31.03.2011: ₹ 2,441.20 million))		1,532.76		655.85
<b>Total</b>		<b>21,768.69</b>		<b>16,545.57</b>

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

*(₹ in million)*

	Balance as at 31.03.2012	Maximum outstanding during the year	Balance as at 31.03.2011	Maximum outstanding during previous year
(i) Subsidiaries				
NCC Urban Infrastructure Limited	3,797.29	3,797.29	3,344.13	3,378.64
NCC Vizag Urban Infrastructure Limited	944.08	944.08	819.19	829.96
NCC Power Projects Limited	628.97	628.97	603.77	605.72
OB Infrastructure Limited	0.00	112.25	112.25	112.25
Nagarjuna Contracting Company LLC	600.46	600.46	526.76	549.36
(ii) Associates				
Jubilee Hills Landmark Projects Private Limited	0.76	0.76	0.58	0.58
Himalayan Green Energy Private Limited.	70.00	70.00	70.00	70.00
(iii) Advances in the nature of Loans where there is no repayment schedule	66.48	66.48	64.81	64.81

## Notes forming part of the financial statements

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

	Balance as at 31.03.2012	Maximum outstanding during the year	Balance as at 31.03.2011	Maximum outstanding during previous year
(iv) Advances in the nature of Loans where no interest is charged or interest is below section 372A of Companies Act, 1956				
NCC Blue Water Products Limited	66.48	66.48	64.81	64.81
Nagarjuna Contracting Company LLC	600.46	600.46	526.76	549.36
(v) Advances in the nature of Loans to firms / companies in which directors are interested:				
NCC Blue Water Products Limited	66.48	66.48	64.81	64.81

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

20.3 Advances to Suppliers, Sub-contractors and others, include ₹ 2,737.48 million (31.03.2011: ₹ 2,256.50 million) representing amounts withheld by contractees and includes advance to subsidiaries and associates ₹ 257.76 million (31.03.2011: ₹ 214.13 million); Jointly Controlled Entities ₹ 0.05 million (31.03.2011: ₹ 0.17 million)

(₹ in million)

	As at March 31, 2012	As at March 31, 2011
<b>21 OTHER CURRENT ASSETS</b>		
Retention Money	7,011.64	4,137.29
Deposits with Customers and Others	596.46	433.34
Interest Accrued on Deposits and others	147.31	92.89
<b>Total</b>	<b>7,755.41</b>	<b>4,663.52</b>

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>22 REVENUE FROM OPERATIONS</b>		
Income from Contracts and Services	52,484.51	50,651.69
Other Operating Income	20.19	85.63
<b>Total</b>	<b>52,504.70</b>	<b>50,737.32</b>

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>23 OTHER INCOME</b>		
<b>Interest Income</b>		
Interest from Banks on		
Deposits	14.93	12.10
Other Balances	9.03	0.49
Interest on Loans and Advances	753.76	633.65
Interest on Income Tax refund	15.25	12.64
Other Interest	286.28	223.27
Dividend from long term investment	11.25	27.14
Profit on Sale of Long Term Investment	12.80	34.00
Net Gain on foreign currency transactions	5.97	5.21
<b>Other Non-Operating Income</b>		
Rental Income from operating lease	32.22	27.47
Profit On Sale of Fixed Assets (Net)	5.95	25.54
Miscellaneous Income	58.28	54.88
<b>Total</b>	<b>1,205.72</b>	<b>1,056.39</b>

## Notes forming part of the financial statements

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
<b>24 COST OF MATERIALS CONSUMED</b>		
Construction Materials, Stores and Spares		
Opening Stock	3,497.62	3,225.56
Add : Purchases	22,996.11	18,973.59
Less : Closing Stock	4,486.36	3,497.62
<b>Total</b>	<b>22,007.37</b>	<b>18,701.53</b>

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
<b>25 OTHER CONSTRUCTION EXPENSES</b>		
Sub-contractors Work Bills	13,785.73	13,786.04
Job Work Charges	6,070.33	6,023.54
Transport Charges	655.38	756.72
Indirect Taxes		
Value Added Tax	1,112.44	1,011.35
Service Tax	354.29	232.95
	1,466.73	1,244.30
Repairs and Maintenance		
Machinery	589.76	679.60
Others	86.87	86.81
	676.63	766.41
Hire Charges for Machinery and others	853.78	1,030.33
Power and Fuel	77.06	65.22
Technical Consultation	242.07	166.71
Royalties, Seigniorage and Cess	232.34	239.06
Other Expenses	572.50	601.18
	1,977.75	2,102.50
<b>Total</b>	<b>24,632.55</b>	<b>24,679.51</b>

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
<b>26 CHANGES IN INVENTORIES OF WORK IN PROGRESS</b>		
Opening Balance	5,125.22	3,987.93
Closing Balance	7,525.23	5,125.22
<b>Total</b>	<b>(2,400.01)</b>	<b>(1,137.29)</b>

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
<b>27 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Other Benefits	2,191.37	2,216.96
Contribution to Provident Fund and Other Funds (Refer note 27.1)	191.30	184.36
Staff Welfare Expenses	19.20	37.11
<b>Total</b>	<b>2,401.87</b>	<b>2,438.43</b>

### 27.1 Defined contribution plans

The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹131.68 million (31.03.2011: ₹ 113.94 million) for Provident Fund contributions and ₹ 35.85 million (31.03.2011: ₹ 29.88 million) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

## Notes forming part of the financial statements

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>28 FINANCE COST</b>				
Interest Expense on				
Borrowings				
Debentures	410.97		345.79	
Term Loans	1374.45		727.77	
Working Capital Demand Loans and Cash Credit	1236.54		893.70	
Mobilisation Advance	381.43		294.60	
Others	200.57		62.68	
	3,603.96		2,324.54	
Less: Interest Capitalised	-		4.98	
		3,603.96		2,319.56
Other Borrowing Costs				
Commission on - Bank Guarantees	156.71		159.63	
- Letters of Credit	46.96		59.72	
		203.67		219.35
Bank and Other Financial Charges		32.36		30.09
<b>Total</b>		<b>3,839.99</b>		<b>2,569.00</b>

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>29 OTHER EXPENSES</b>				
Rent	439.72		265.90	
Travelling and Conveyance	327.19		300.58	
Office Maintenance	130.96		106.51	
Electricity Charges	56.55		41.91	
Rates and Taxes	36.79		27.72	
Consultation Charges	94.56		81.48	
Postage, Telegrams and Telephones	49.32		51.12	
Insurance	46.67		40.73	
Printing and Stationery	34.54		34.42	
Legal and Professional Charges	74.43		58.82	
Auditors' Remuneration (Refer note 29.1)	13.33		10.36	
Directors' Sitting Fees	0.55		0.58	
Bad Trade Receivables / Advances Written off	267.06		16.05	
Provision for Doubtful Trade Receivables / Advances	166.10		32.50	
Miscellaneous Expenses	131.87		132.70	
<b>Total</b>		<b>1869.64</b>		<b>1201.38</b>

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>29.1 Auditors' Remuneration</b>				
(Excluding service tax and education cess thereon)				
Statutory Audit fee		12.62		9.78
Tax Audit fee		0.59		0.53
Certification fee		0.12		0.05
<b>Total</b>		<b>13.33</b>		<b>10.36</b>

## Notes forming part of the financial statements

### 30 CONTINGENT LIABILITIES AND COMMITMENTS

#### (i) Contingent Liability

(₹ in million)

	As at March 31, 2012	As at March 31, 2011
(a) Claims against the company not acknowledged as debt		
- Disputed sales tax liability for which the Company preferred appeal	687.18	315.01
- Disputed central excise duty relating to cement plant, which was sold in earlier year, for which the Company has filed an appeal to CESTAT, Bangalore	-	29.73
- 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	1.17	1.17
- Disputed service tax liability for which the Company preferred appeal	405.77	318.22
- Disputed sole arbitrator award in case of counter claim by Bhartiya Reserve Bank Note Mudran Private Limited, against which the Company has filed appeal before City Civil Court, Bangalore	30.00	30.00
- Others	9.78	3.63
- Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	Amount not ascertainable	Amount not ascertainable
- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	Amount not ascertainable	Amount not ascertainable
(b) Guarantees		
Counter Guarantees given to the Bankers *	669.63	180.00
Performance guarantees, given on behalf of Subsidiaries *	349.09	341.69
Corporate Guarantees given to Banks and Financial institutions for financial assistance extended to Subsidiaries.	14,649.60	15,286.62
*Excludes Guarantees given against Company's liabilities, in terms of Guidance Note on Revised Schedule VI, issued by the Institute of Chartered Accountants of India.		

#### (ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances ₹ 56.62 million (31.03.2011: ₹ 66.42 million)]		
Tangible	132.53	67.30
Intangible	2.18	4.87
(b) Other commitments		
Commitment towards investment in companies [net of advances ₹ 21,646.45 million (31.03.2011: ₹ 17,909.87 million)]	3,420.66	12,206.87
Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	517.90	517.90

# Notes forming part of the financial statements

## 31. RELATED PARTY TRANSACTIONS

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

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

## Notes forming part of the financial statements

(i) Related Party transactions during the year ended March 31, 2012 are as follows:

(₹ in million)

Sl. no.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel and relatives	Enterprises owned or significantly Influenced by Key Management Personnel or their Relatives
1	Share Application Money pending allotment	2,926.16 202.62	- 4.76	-	-	-
2	Investments	160.28 2,337.76	79.97 304.49	- -	- -	- -
3	Loans granted	731.10 1,064.16	- 60.00	- -	- -	16.68 -
4	Loan Repayment Received	240.10 1.83	- -	- -	- -	- -
5	Advances granted / (received)	34.35 28.65	8.43 6.66	(0.12) 0.17	- -	- -
6	Redemption of Preference shares	- -	- -	- 50.00	- -	- -
7	Buy back of shares by JCE	-	-	16.00 25.00	-	-
8	Share of Profit/ (Loss)	-	-	38.67 83.97	-	-
9	Works Contract Receipt	407.10 186.53	- -	128.20 1,288.26	-	-
10	Other Operating Income	15.07 -	- -	- -	- -	- -
11	Interest Income	635.09 552.21	51.36 70.88	- 45.28	-	-
12	Profit on sale of Fixed Assets	11.24 -	- -	- -	- -	- -
13	Sub-Contractors work bills	34.47 159.11	- -	- -	-	199.40
14	Remuneration	-	-	-	74.68 160.24	- -
15	Rent paid/ (received)	(0.53) (0.53)	- -	- -	2.82 3.07	163.69 35.22
16	Hire charges paid	12.02 253.08	- -	- -	- -	- -
17	Dividend paid	- -	- -	- -	32.09 41.78	17.97 23.36
18	Other Expenses	- 559.85	- -	- -	- -	- -
19	Donations	- -	- -	- -	- -	14.61 1.10
20	Performance Guarantee	1,479.66 39.66	- -	- -	- -	- -
21	Corporate Guarantees	14,649.60 15,286.62	- -	- -	- -	- -

## Notes forming part of the financial statements

(i) Related Party transactions during the year ended March 31, 2012 are as follows (Contd.): (₹ in million)

Sl. no.	Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel and relatives	Enterprises owned or significantly Influenced by Key Management Personnel or their Relatives
22	Debit Balances outstanding as at March 31, 2012					
	NCC Urban Infrastructure Limited	3,797.29 <i>3,350.83</i>	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	944.08 <i>819.19</i>	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte.Limited	80.95 <i>71.00</i>	-	-	-	-
	Nagarjuna Contracting Company LLC	607.38 <i>526.76</i>	-	-	-	-
	Nagarjuna Construction Company & Partners LLC	2.67 <i>2.42</i>	-	-	-	-
	Nagarjuna Construction Company International LLC	88.98 <i>72.62</i>	-	-	-	-
	OB Infrastructure Limited	- <i>112.26</i>	-	-	-	-
	NCC International Convention Centre Limited	45.09 <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	Himalayan Green Energy Private Limited	- <i>-</i>	87.37 <i>74.30</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	NCC Power Projects Limited	628.97 <i>603.77</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	Himachal Sorang Power Limited	6.37 <i>6.37</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	Jubilee Hills Landmark Projects Private Limited	- <i>-</i>	0.76 <i>0.58</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	NCC Infrastructure Holdings Limited	2,927.92 <i>201.76</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	NCC Blue Water Products Limited	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	66.48 <i>64.81</i>
	Bangalore Elevated Tollway Limited	- <i>-</i>	- <i>-</i>	0.80 <i>2.04</i>	- <i>-</i>	- <i>-</i>
	Tellapur Technocity Private Limited	- <i>-</i>	31.76 <i>31.76</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	Western UP Tollway Limited	242.53 <i>212.43</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	Vaidehi Avenues Limited	1.02 <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
23	Credit Balances outstanding as at March 31, 2012					
	Nagarjuna Contracting Company LLC	- <i>14.98</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	Nagarjuna Facilities Management Services LLC	- <i>-</i>	2.04 <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
	Pondicherry Tindivanam Tollway Limited	- <i>-</i>	- <i>-</i>	115.55 <i>48.73</i>	- <i>-</i>	- <i>-</i>

Figures in italics represent previous year's figures



## Notes forming part of the financial statements

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

(₹ in million)

	2011-12	2010-11
<b>Share Application Money pending allotment</b>		
- NCC Infrastructure Holdings Limited	2,926.16	201.76
<b>Investments</b>		
- NCC Infrastructure Holdings Limited	120.18	2,324.80
- Vaidehi Avenues Limited	40.10	-
- Apollonius Coal and Energy Pte.Ltd.	79.97	-
- Jubilee Hills Landmark Projects Private Limited	-	292.91
<b>Loans Granted</b>		
- Nagarjuna Contracting Company LLC	-	179.36
- NCC Urban Infrastructure Limited	523.16	694.72
- NCC Vizag Urban Infrastructure Limited	124.90	-
- NCC Power Projects Limited	83.04	-
<b>Loan Repayment Received</b>		
- NCC Power Projects Limited	57.84	1.83
- NCC Urban Infrastructure Limited	70.00	-
- OB Infrastructure Limited	112.26	-
<b>Advances granted / (Received)</b>		
- Nagarjuna Contracting Company LLC	6.91	-
- NCC Infrastructure Holdings Mauritius Pte. Limited	9.96	24.93
- Himalayan Green Energy Private Limited	8.13	4.94
- NCC Power Projects Limited	-	8.56
- NCC Urban Infrastructure Limited	-	13.75
- NCC International LLC Oman	16.36	(19.19)
<b>Share of Profit / (Loss)</b>		
- MAYTAS-NCC JV	-	10.13
- NG-NCC JV	-	(125.40)
- NCC-VEE JV	38.67	30.16
<b>Work Contract Receipt</b>		
- NCC Urban Infrastructure Limited	-	83.58
- OB Infrastructure Limited	402.62	105.55
- Bangalore Elevated Tollway Limited	6.78	127.35
- Western UP Tollway Limited	4.48	269.26
- Pondicherry Tindivanam Tollway Limited	121.43	1,023.49
<b>Other Operating Income</b>		
- NCC International LLC Oman	15.07	-
<b>Interest Income</b>		
- NG-NCC JV	-	45.28
- Jubilee Hills Landmark Projects Private Limited	42.32	65.38
- Himalayan Green Energy Private Limited	9.04	-
- NCC Urban Infrastructure Limited	427.55	357.47
- NCC Vizag Urban Infrastructure Limited	123.77	107.77
- NCC Power Projects Limited	78.37	73.59
- OB Infrastructure Limited	5.40	-

## 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. (Contd.)

(₹ in million)

	2011-12	2010-11
<b>Profit on Sale of Assets</b>		
-Nagarjuna Construction Co. International LLC	11.24	-
<b>Sub Contract work bills</b>		
- NCC Urban Infrastructure Limited	34.47	159.12
<b>Rent paid/ (Received)</b>		
- Swetha Estates	3.66	5.89
- Smt. Sowjanya	-	1.53
- Sirisha Projects Private Limited	54.60	27.31
<b>Hire charges paid</b>		
- Nagarjuna Construction Company International LLC	12.02	253.08
<b>Other Expenses</b>		
- Nagarjuna Construction Company International LLC	-	559.85
<b>Donations</b>		
- NCC Foundation	14.61	1.10
<b>Performance Guarantee</b>		
- NCC Power Projects Limited	1,440.00	-
- Nagarjuna Contracting Co. LLC	39.66	39.66
<b>Corporate Guarantees</b>		
- Nagarjuna Construction Co. International LLC	8,751.20	8,301.92
- Nagarjuna Contracting Co. LLC	3,953.29	4,407.26
- NCC Infrastructure Holdings Mauritius Pte. Limited	1,704.81	1,495.10

32 The Company's interest in Jointly Controlled Entities as on March 31, 2012 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Jointly Controlled Entities as on March 31, 2012 are given below:

(₹ in million)

Name of the Company	NCCL %	Subsidiary Company %	Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure
Bangalore Elevated Tollway Ltd.	0.45%	37.55%	3,482.42	3,482.42	11.85	-	270.07	302.43
	<i>0.45%</i>	<i>34.99%</i>	<i>3,269.52</i>	<i>3,269.52</i>	<i>6.00</i>	-	<i>207.22</i>	<i>468.13</i>
Brindavan Infrastructure Co.Ltd.	33.33%	-	435.02	435.02	-	-	199.81	151.32
	<i>33.33%</i>	<i>-</i>	<i>524.61</i>	<i>524.61</i>	<i>-</i>	-	<i>200.09</i>	<i>158.44</i>
Pondicherry Tindivanam Tollway Ltd.	25.04%	22.76%	1,727.95	1,727.95	-	-	17.98	51.55
	<i>25.04%</i>	<i>22.76%</i>	<i>1,544.46</i>	<i>1,544.46</i>	<i>-</i>	<i>62.19</i>	<i>-</i>	<i>0.04</i>

Figures in italics represent previous year's figures

### 33 SEGMENT REPORTING

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

## Notes forming part of the financial statements

### 34 EARNING PER SHARE

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
Net Profit after tax available for equity shareholders (₹ in million)	359.82	1,634.50
Weighted Average number of equity shares for Basic EPS (Nos)	256,583,810	256,583,810
Add: Adjustment for outstanding share options (Nos)	-	-
Weighted Average number of equity shares for Diluted EPS (Nos)	256,583,810	256,583,810
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	1.40	6.37

\*The Company has no dilutive instruments during the year ended March 31, 2012. As such Dilutive Earnings per share equals to Basic Earnings per share

### 35 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD – 7 “CONSTRUCTION CONTRACTS”

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
Details of contract revenue and cost		
Contract revenue recognised as revenue in the year	52,371.12	50,571.02
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date	195,317.49	177,122.05
Amount of advances received for contracts in progress	15,909.84	6,359.87
Amount of retention money for contracts in progress	8,350.51	6,690.00
Gross amount due from customers for contract work	13,147.27	14,601.01

### 36 LEASES

Rental expenses of ₹ 439.73 million (31.03.2011: ₹ 265.90 million) has been charged to Statement of Profit and Loss in respect of cancellable operating lease.

### 37 EXPENDITURE / REMITTANCE IN FOREIGN CURRENCY

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
On account of Travel	2.88	5.04
Other Services	0.56	-
<b>Total</b>	<b>3.44</b>	<b>5.04</b>

### 38 REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDEND

The company has not remitted any amount in foreign currencies on account of dividends during the year and does not have any information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made to/on behalf of non resident share holders. The particulars of dividend paid to non resident shareholders during the year ended March 31, 2012 are as under:

*(₹ in million)*

	Year ended March 31, 2012	Year ended March 31, 2011
a) Number of non-resident shareholders	1,107	900
b) Number of equity shares held by them	1,341,365	901,202
c) i) Amount of dividend paid (Gross) (₹ in million)	1.34	1.17
ii) Tax deducted at source	-	-
iii) Year to which dividend relates	2010-11	2009-10

## Notes forming part of the financial statements

### 39 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Material Purchases	41.82	6.94
Capital Goods	66.49	157.54
<b>Total</b>	<b>108.31</b>	<b>164.48</b>

### 40 CONSUMPTION OF MATERIALS, STORES AND SPARES

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
	Qty. (Nos.)	Value	Qty. (Nos.)	Value
Value of Imported and Indigenous material consumed and % of each to total consumption				
Construction Materials				
Imported	0.19%	41.82	0.04%	6.94
Indigenous	99.81%	21,804.28	99.96%	18,528.99
Stores & Spares				
Imported	-	-	-	-
Indigenous	100%	161.27	100%	165.60
<b>Total</b>		<b>22,007.37</b>		<b>18,701.53</b>

### 41 DERIVATIVE INSTRUMENTS

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

(in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
	US Dollar Equivalent	INR Equivalent	US Dollar Equivalent	INR Equivalent
Amounts receivable in foreign currency on account of the following:				
Loans receivable	11.80	600.46	11.80	526.76
Advances receivable	3.53	179.51	3.27	145.96
Amounts payable in foreign currency on account of the following:				
Foreign Currency Loan	-	-	28.33	1,250.22
Trade payables	0.04	2.04	0.38	16.77

- 42 The revised Schedule VI has become effective from April 1, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

For M. BHASKARA RAO & CO.  
Chartered Accountants

For DELOITTE HASKINS & SELLS  
Chartered Accountants

For and on behalf of the Board

M. V. Ramana Murthy  
Partner

Ganesh Balakrishnan  
Partner

M. V. Srinivasa Murthy  
Company Secretary &  
Sr. V.P (Legal)

A. A. V. Ranga Raju  
Managing Director

Place: Hyderabad  
Date: May 29, 2012

R. S. Raju  
Sr. Vice President (F&A)

A. G. K. Raju  
Executive Director

# Auditors' Report

The Board of Directors of

**NCC LIMITED**

1. We have audited the attached Consolidated Balance Sheet of NCC Limited ('the Company'), its subsidiaries and jointly controlled entities (collectively referred as 'the Group') as at March 31, 2012 and the Statement of Consolidated Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date both annexed thereto in which are incorporated the returns from the Oman and Nepal branches and certain Joint Ventures, audited by other auditors. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard-23 (Accounting for Investments in Associates in Consolidated Financial Statements) and jointly controlled entities accounted in accordance with Accounting Standard-27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) As stated in Note 32.1, the financial statements of one subsidiary have not been considered in preparation of consolidated financial statements, for reasons stated therein.
- (b) We did not audit the financial statements of four subsidiaries and three jointly controlled entities, whose financial statements reflect Group's share of total assets of ₹ 25,767.48 million as at March 31, 2012, Group's share of total revenue of ₹ 9,445.61 million, Group's share of net cash flows of ₹ 536.16 million for the year ended on that date as considered in the Consolidated Financial Statements and two associates whose financial statements

reflect the Group's share of loss of ₹ 4.31 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and jointly controlled entities is based solely on the report of other auditors.

- (c) As stated in Note 32.2 and 32.3, the financial statements of three subsidiaries, one jointly controlled entity and a partnership firm, whose financial statements reflect Group's share of total assets of ₹ 769.08 million as at March 31, 2012, Group's share of total revenue of ₹ 33.31 million, Group's share of net cash flows of ₹ 72.18 million for the year ended on that date as considered in the Consolidated Financial statements on the basis of financial statements prepared by the management.
- (d) As stated in Note 32.3, the financial statements of two associates, whose financial statement reflect Group's share of loss of ₹ 109.66 million for the year then ended have been considered on the basis of financial statements prepared by the management.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard-21 (Consolidated Financial Statements), Accounting Standard-23 (Accounting for Investments in Associates in Consolidated Financial Statements), and Accounting Standard-27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and associates and to the best of our information and according to the explanations given to us, subject to paragraph 3 (a), 3(c) and 3(d) above, in our opinion the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
  - (ii) in the case of the Statement of Consolidated Profit and Loss, of the profit of the Group for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

M V Ramana Murthy  
Partner  
Membership No. 206439

Hyderabad, May 29, 2012

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

Ganesh Balakrishnan  
Partner  
Membership No. 201193

# Consolidated Balance Sheet as at March 31, 2012

(₹ in million)

	Note	As at March 31, 2012	As at March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	513.17	513.17
Reserves and Surplus	4	26,679.43	25,174.11
		27,192.60	25,687.28
<b>Minority Interest</b>		4,878.14	1,790.92
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	27,366.11	20,659.64
Deferred Tax Liabilities (Net)	6	256.10	311.34
Other Long Term Liabilities	7	502.76	1,488.80
Long-Term Provisions	8	321.42	269.26
		28,446.39	22,729.04
<b>Current Liabilities</b>			
Short-Term Borrowings	9	22,813.23	22,859.17
Trade Payables	10	16,242.18	12,516.03
Other Current Liabilities	11	20,842.99	19,276.40
Short-Term Provisions	12	403.27	603.48
		60,301.67	55,255.08
<b>Total</b>		<b>120,818.80</b>	<b>105,462.32</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
Tangible Assets		12,074.20	11,852.07
Intangible Assets		18,680.79	5,086.18
Capital Work in Progress		9,407.73	19,000.35
Goodwill on Consolidation		348.63	1,514.54
Non-Current Investments	14	3,412.17	2,633.35
Deferred Tax Assets (Net)	6	-	0.94
Long-Term Loans and Advances	15	2,359.33	2,186.61
Other Non-Current Assets	16	1,309.30	2,559.00
		47,592.15	44,833.04
<b>Current Assets</b>			
Current Investments	14	203.41	120.45
Inventories	17	20,570.76	17,070.02
Trade Receivables	18	16,940.88	17,487.29
Cash and Bank Balances	19	2,407.84	2,697.95
Short-Term Loans and Advances	20	22,663.47	16,259.00
Other Current Assets	21	10,440.29	6,994.57
		73,226.65	60,629.28
<b>Total</b>		<b>120,818.80</b>	<b>105,462.32</b>
Corporate information and Significant accounting policies	1 & 2		

Accompanying notes form an integral part of the financial statements  
In terms of our report attached

For **M. BHASKARA RAO & CO.**  
Chartered Accountants

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**M. V. Ramana Murthy**  
Partner

**Ganesh Balakrishnan**  
Partner

**M. V. Srinivasa Murthy**  
Company Secretary &  
Sr. V.P (Legal)

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

Place: Hyderabad  
Date: May 29, 2012

**R. S. Raju**  
Sr. Vice President (F&A)

**A. G. K. Raju**  
Executive Director

# Statement of Consolidated Profit and Loss for the year ended March 31, 2012

(₹ in million)

	Note	Year ended March 31, 2012		Year ended March 31, 2011	
REVENUE					
Revenue from Operations	22	66,651.57		62,298.66	
Other Income	23	216.13		205.78	
Total Revenue			66,867.70		62,504.44
EXPENSES					
Cost of Materials Consumed	24	24,858.54		21,503.43	
Other Construction Expenses	25	28,712.86		30,364.99	
Changes in Inventories of Work in Progress	26	(2,255.84)		(2,393.23)	
Employee Benefits Expense	27	3,736.70		3,834.31	
Finance Costs	28	5,648.68		2,710.60	
Depreciation and Amortization Expense	13	2,644.51		1,360.33	
Other Expenses	29	2,623.31		1,876.37	
Total Expenses			65,968.76		59,256.80
Profit Before Tax			898.94		3,247.64
Tax Expense					
- Current Tax		273.11		980.13	
- Deferred Tax		(54.30)		49.72	
			218.81		1,029.85
Profit After Tax Before Minority Interest			680.13		2,217.79
Share of Loss transferred to Minority Interest			(13.35)		(3.47)
Profit After Tax After Minority Interest			666.78		2,214.32
Share of Profit / (Loss) from Associate Companies			(117.64)		7.57
Consolidated Profit for the year			549.14		2,221.89
Earnings per equity share of face value of ₹ 2/- each.					
Basic and Diluted - ₹	42		2.14		8.66
Corporate information and Significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached

For **M. BHASKARA RAO & CO.**  
Chartered Accountants

**M. V. Ramana Murthy**  
Partner

Place: Hyderabad  
Date: May 29, 2012

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Ganesh Balakrishnan**  
Partner

**M. V. Srinivasa Murthy**  
Company Secretary &  
Sr. V.P (Legal)

**R. S. Raju**  
Sr. Vice President (F&A)

For and on behalf of the Board

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

**A. G. K. Raju**  
Executive Director

## Consolidated Cash Flow Statement for the year ended March 31, 2012

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	898.94	3,247.64
<u>Adjustments for:</u>		
Depreciation and amortisation expense	2,644.51	1,360.32
(Profit) / loss on sale / write off of assets	6.93	(16.66)
Finance costs	5,648.68	2,710.61
Interest income	(39.21)	(25.23)
Dividend income	(17.40)	(1.91)
Net (gain) / loss on sale of investments	-	(11.05)
Rental income from operating leases	(31.70)	(26.94)
Exchange difference on translation of foreign currency balances	54.30	0.83
	<b>8,266.11</b>	<b>3,989.97</b>
<b>Operating profit before working capital changes</b>	<b>9,165.05</b>	<b>7,237.61</b>
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(3,500.74)	(2,820.14)
Trade receivables	546.41	(1,580.92)
Short-term loans and advances	(5,565.27)	(2,367.25)
Long-term loans and advances	131.48	(1,494.97)
Other current assets	(3,445.72)	(1,576.46)
Other non-current assets	1,249.70	(405.28)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,726.15	25.95
Other current liabilities	890.31	2,706.44
Other long-term liabilities	(986.04)	824.89
Short-term provisions	23.85	14.57
Long-term provisions	52.16	11.57
	<b>(6,877.71)</b>	<b>(6,661.60)</b>
Cash generated from operations	2,287.34	576.01
Net income tax (paid) / refunds	(1,228.11)	(1,231.97)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>1,059.23</b>	<b>(655.96)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(7,480.59)	(12,401.62)
Proceeds from sale of fixed assets	2,141.01	401.28
Bank balances not considered as Cash and cash equivalents	422.27	(866.51)
Purchase of Current investments	(82.96)	(120.45)
Sale / (Purchase) of long-term investments	(882.85)	111.58
Loans given to Associates / Other Body Corporates	(293.21)	(193.82)
Loans realised from Associates / Other Body Corporates	75.88	(349.74)
Interest received	39.21	25.23
Dividend received	17.40	1.91
Rental income from operating leases	31.70	26.94
Foreign Exchange translation adjustment (arising on consolidation)	359.24	14.50
<b>Net cash flow (used in) investing activities (B)</b>	<b>(5,652.90)</b>	<b>(13,350.70)</b>



## Consolidated Cash Flow Statement (Contd.)

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>C. Cash flow from financing activities</b>		
Share Application Money received from Minority Shareholder	3,263.27	271.08
Debentures - (redeemed) / issued	(166.59)	2,487.99
Long term Borrowings - (repaid) / borrowed (net)	7,651.46	3,217.47
Short term Borrowings - (repaid) / borrowed (net)	(45.93)	8,012.98
Capital Grant received	-	245.89
Finance Cost	(5,676.26)	(2,397.98)
Dividend and Dividend Tax paid	(299.51)	(391.35)
<b>Net cash flow from financing activities (C)</b>	<b>4,726.44</b>	<b>11,446.08</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>132.77</b>	<b>(2,560.58)</b>
Cash and cash equivalents at the beginning of the year	1,525.41	4,085.19
Exchange difference on translation of foreign currency cash and cash equivalents	(0.60)	0.80
<b>Cash and cash equivalents at the end of the year (Refer note 19)</b>	<b>1,657.58</b>	<b>1,525.41</b>

**Note:** 1) The Consolidated Cash Flow Statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement and presents the Cash Flows by operating, investing and financing activities.

2) Figures in brackets represents cash outflows.

In terms of our report attached

For M. BHASKARA RAO & CO.  
Chartered Accountants

For DELOITTE HASKINS & SELLS  
Chartered Accountants

For and on behalf of the Board

M. V. Ramana Murthy  
Partner

Ganesh Balakrishnan  
Partner

M. V. Srinivasa Murthy  
Company Secretary &  
Sr. V.P (Legal)

A. A. V. Ranga Raju  
Managing Director

Place: Hyderabad  
Date: May 29, 2012

R. S. Raju  
Sr. Vice President (F&A)

A. G. K. Raju  
Executive Director

# Notes forming part of the Consolidated financial statements

## 1 CORPORATE INFORMATION:

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

## 2 SIGNIFICANT ACCOUNTING POLICIES:

### 2.1 Principles of Consolidation

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

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006.
- b) Interest in jointly controlled entities have been consolidated by using the 'proportionate consolidation' method as per Accounting Standard (AS) 27 - 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006.
- c) In case of associates where the Company directly or indirectly through its subsidiaries holds more than 20% of equity, Investments in associates are accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006.
- d) The financial statements of the subsidiaries, the jointly controlled entities and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2012 except one Associate.
- e) The excess of cost to the Company, of its investment in the subsidiaries and the jointly controlled entities over the Company's share of equity is recognised in the financial statements as Goodwill and tested for impairment annually.
- f) The excess of the Company's share of equity of the subsidiaries and jointly controlled entities on the acquisition date, over its cost of investment is treated as Capital Reserve.
- g) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the company.
- h) Minority Interest in the net assets of consolidated subsidiaries consists of:
  - i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - ii) The minorities' share of movements in the equity since the date the parent subsidiary relationship came into existence.
- i) Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- j) Intra-group balances and intra-group transactions and resulting unrealised profits/loss has been eliminated.
- k) In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in "Foreign Currency Translation Reserve".
- l) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

2.2 Investments in subsidiaries, jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard (AS) 13- "Accounting for Investments" notified by Companies (Accounting Standards) Rules, 2006.

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

The Consolidated Accounts have been prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India and accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 to the extent applicable.

### 2.4 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and

## Notes forming part of the Consolidated financial statements

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

### 2.5 Fixed Assets and Depreciation:

Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Depreciation is provided on straight line method / written down value method (in respect of one subsidiary) at the rates prescribed in Schedule XIV of the Companies Act, 1956 except for construction accessories which are depreciated at 20% p.a. based on useful life determined by the Management. Leasehold improvements are amortised over the period of lease. Intangible assets are amortised over a period of five years.

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

Sl.	Description	Straight Line Method	Written Down Value Method
1	Plant and Equipment	4.75%	15% - 25%
2	Furniture and Fixtures	6.33%	10% - 20%
3	Office Equipments	4.75%	15% - 25%
4	Computers	16.21%	60%
5	Tools and Equipments	4.75%	15% - 25%
6	Construction Vehicles	-	15% - 25%
7	Construction Accessories	20%	15% - 25%
8	Office Vehicles	9.50%	15% - 25%

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

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

### 2.6 Borrowing Costs:

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

### 2.7 Impairment of Assets:

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

### 2.8 Investments:

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

### 2.9 Inventories

#### Raw Materials:

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

#### Work in Progress:

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

## Notes forming part of the Consolidated financial statements

### 2.10 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 'Employee Benefits' notified by the Companies (Accounting Standards) Rules, 2006

#### Defined Benefit Plan

##### i) Gratuity

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

Liability on account of gratuity is:

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

##### ii) Compensated Absences

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

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

#### Defined Contribution Plan

##### iii) Superannuation

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

##### iv) Provident Fund

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

### 2.11 Revenue Recognition

- i) Project Division: Revenue from construction contracts is recognised by reference to the percentage of completion of the contract activity gross of applicable taxes. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure.
- ii) Annuity Income: Annuity is recognised on accrual basis in accordance with the provisions of the concession agreement.
- iii) Toll Income: Fee collection from the users of the facility is accounted for as and when the amount is due and recovery is certain. Revenue from sale of passes to local traffic is accounted for as and when such passes are sold.
- iv) Real Estate Project: Revenue from the sale of properties is recognised on transfer of all significant risks and rewards of ownership to the buyers, which coincides with the entering into a legally binding agreement and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on the basis of percentage completion method, measured on the basis of percentage of actual cost incurred including proportionate land cost bears to the total estimated cost of the project under execution. Revenue comprises the aggregate amount of sale price as per the terms of the agreement entered into with the customers. The recognition is subject to reaching 25% of physical progress measured in terms of estimated cost. The estimate of cost and saleable areas is reviewed periodically by the management and any effect of changes in estimates is recognised in the period of changes. Further, on periodical review if any project is expected to incur loss, the entire loss is recognised immediately. Cost in relation to the above includes cost of land, development cost, project 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.

### 2.12 Joint Venture Projects

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

# Notes forming part of the Consolidated financial statements

## 2.13 Foreign exchange translation and foreign currency transactions

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

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 Profit and Loss Account.

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

## 2.14 Leases

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

## 2.15 Taxes

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

## 2.16 Grants

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

## 2.17 Contingency Reserve

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

## 2.18 Earnings per Share

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

## 2.19 Provisions, Contingent Liabilities and Contingent Assets

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

## 2.20 Cash Flow Statement

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

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

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
<b>3 SHARE CAPITAL</b>				
<b>Authorised :</b>				
Equity Shares of ₹ 2/- each	300,000,000	600.00	300,000,000	600.00
<b>Issued :</b>				
Equity Shares of ₹ 2/- each	256,833,810	513.67	256,833,810	513.67
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹ 2/- each	256,583,810	513.17	256,583,810	513.17
<b>Total</b>		<b>513.17</b>		<b>513.17</b>

### 3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year (₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	256,583,810	513.17	256,583,810	513.17
Add: Allotted during the year	—	—	—	—
Balance at the end of the year	256,583,810	513.17	256,583,810	513.17

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

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	% holding in that class of shares	Number of shares	% holding in that class of shares
Blackstone GPV Capital Partners Mauritius V-A Ltd.	25,399,699	9.90	25,399,699	9.90
Warhol Limited	25,384,700	9.89	—	—
HSBC Global Investment Funds	—	—	18,900,000	7.37
A V S R Holdings Private Limited	17,967,167	7.00	17,967,167	7.00
Government Pension Fund Global	14,321,067	5.58	17,518,719	6.83

### 3.3 Details of unsubscribed preferential issue (₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 2/- each	250,000	0.50	250,000	0.50

### 3.4 Details of Allotment of bonus shares during 5 years immediately preceding the Balance Sheet

The Company has allotted 103,368,530 Equity Shares of ₹ 2/- each in 2006-07 as fully paid up bonus shares in the ratio of 1:1 by capitalising ₹ 206.74 million from General Reserve.

### 3.5 Unclaimed equity shares of 97,265 are held in "NCC Limited - Unclaimed suspense account " in trust.

### 3.6 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 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 1956, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.
- 75,750 (31.03.2011: 52,750) equity shares represent the shares underlying the outstanding Global Depository Receipts (GDRs). Each GDR represents one underlying equity share having par value of ₹ 2/-. The GDRs rank pari passu in all respects with the equity shares issued by the Company except in respect of voting rights.

# Notes forming part of the Consolidated financial statements

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
<b>4 RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
Opening balance	556.96		311.07	
Add : Grant received from National Highway Authority of India	–		138.34	
Add : Arising on account of Consolidation	559.45		–	
Add : Share from Jointly Controlled Entities	–		107.55	
Closing balance		1,116.41		556.96
<b>Securities Premium</b>				
Opening balance	15,094.85		14,656.36	
Add : Premium on Debentures issued during the year	75.07		445.50	
	15,169.92		15,101.86	
Less : Writing off Debenture Issue Expenses	–		7.01	
Closing balance		15,169.92		15,094.85
<b>Debenture Redemption Reserve</b>				
Opening balance	750.00		350.00	
Add : Transferred from Surplus in Statement of Profit and Loss	190.00		400.00	
Closing balance		940.00		750.00
<b>Legal / Statutory Reserve</b>				
Opening balance	82.68		39.85	
Add : Transferred from Surplus in Statement of Profit and Loss	32.75		43.09	
Add / (Less) : On account of Foreign Currency Fluctuation	11.59		(0.26)	
Closing balance (Refer note 34)		127.02		82.68
<b>Reserve Fund under Section 45 - IC of RBI Act, 1934</b>		2.39		2.39
<b>Contingency Reserve</b>				
Opening balance	220.00		200.00	
Add : Transferred from Surplus in Statement of Profit and Loss	–		20.00	
Closing balance		220.00		220.00
<b>Foreign Currency Translation Reserve</b>				
Opening balance	(105.74)		(122.13)	
Add / (Less) : Effect of foreign exchange variations during the year	401.35		16.39	
Closing balance		295.61		(105.74)
<b>General Reserve</b>				
Opening balance	4,971.43		4,221.43	
Add : Transferred from Surplus in Statement of Profit and Loss	50.00		750.00	
Closing balance		5,021.43		4,971.43
<b>Surplus in Statement of Profit and Loss</b>				
Opening balance	3,601.54		2,901.75	
Less : Adjustment for difference in opening balance (Refer note 40)	–		6.30	
Add : Profit for the year	549.14		2,221.89	
	4,150.68		5,117.34	
Less : Appropriations				
Transferred to Debenture Redemption Reserve	190.00		400.00	
Dividend proposed to be distributed to equity share holders ₹ 0.30 per share (31.03.2011 : ₹ 1.00 per share)	76.97		256.58	
Tax on Dividend	14.31		46.13	
Transferred to General Reserve	50.00		750.00	
Transferred to Legal Reserve	32.75		43.09	
Transferred to Contingency Reserve	–		20.00	
	364.03		1,515.80	
Closing balance		3,786.65		3,601.54
<b>Total</b>		<b>26,679.43</b>		<b>25,174.11</b>

# Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
	Non Current	Current*	Non Current	Current*
<b>5 LONG TERM BORROWINGS</b>				
<b>Debentures</b>				
<b>Secured</b>				
11.95% Redeemable, Non-convertible Debentures (Refer note 5.1)	500.00	250.00	750.00	250.00
10.50% Redeemable, Non-convertible Debentures (Refer note 5.2)	700.00	300.00	1,000.00	–
<b>Unsecured</b>				
9.50% Redeemable, Non-convertible Debentures (Refer note 5.3)	1,500.00	500.00	2,000.00	–
Zero coupon Irredeemable, Fully convertible Debentures (Refer note 5.4)	57.84	–	49.50	–
Loans and Advances from Related parties (Refer note 5.5)	378.79	–	45.04	–
<b>Term Loans :</b>				
<b>Secured</b>				
From Banks and Financial Institutions (Refer note 5.6)	16,254.90	1,431.97	10,890.20	1,615.36
From Other Parties (Refer note 5.7)	4,343.40	456.07	2,810.96	390.97
<b>Vehicle Loans</b>				
<b>Secured</b>				
From Banks (Refer note 5.8)	27.62	45.04	44.10	23.42
Share from Jointly Controlled Entities	3,603.56	–	3,069.84	–
<b>Total</b>	<b>27,366.11</b>	<b>2,983.08</b>	<b>20,659.64</b>	<b>2,279.75</b>

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

## 5.1 11.95% Redeemable Non Convertible Debentures

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

## 5.2 10.50% Redeemable Non Convertible Debentures

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



## Notes forming part of the Consolidated financial statements

### 5.3 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 numbering to 500 having a face value of ₹ 4 Million each comprising of four (4) STRPPS aggregating to ₹ 2,000 Million are to be redeemed at par in four equated installments commencing at the end of second year from the date of allotment i.e. August 11, 2012 onwards.

### 5.4 Debentures of Himachal Sorang Power Limited

#### Zero Coupon Unsecured Irredeemable Fully Convertible Debentures

- (i) Debentures numbering to 13,643,000 having face value of ₹ 10 each carry zero percentage interest and are convertible at the end of two years from the date of the commercial operation date (COD) in the fixed proportion of one debenture per one equity share of the company. These debentures are non transferable till conversion without prior consent of Project lenders.
- (ii) Pursuant to the Resolution passed by the allotment committee of Board of Directors of the Company at their meeting held on September 29, 2011 & on March 14, 2012 and in pursuant to the provisions of Section 292 and other applicable sections of the Companies Act, 1956, the Company has issued and allotted 20,52,041 no of Unsecured, Irredeemable, fully and compulsorily convertible debentures of ₹10 each at a premium of ₹ 90 per debenture. Of these 16,67,941 no of debentures were issued to M/s. NCC Infrastructure Holdings Ltd and 8,34,100 no of debentures to M/s. ILFS Energy Development Company Limited

### 5.5 Loans of Western Up Tollway Limited

In respect of Loans and Advances from Gayatri Infra Ventures Limited, pursuant to a resolution of the Board of Directors, at their meeting held on February 03, 2012 the share application money outstanding as on that date was converted into sub-debt subject to the approval of the lenders. The sub-debt is unsecured and carries zero percent interest and is repayable on demand after clearing the dues to the lenders in full and with their approval thereon in six equal installments. The company is in the process of entering into a sub-debt agreement for the said conversion of the share application money (31.03.2011: ₹ Nil).

### 5.6 Term Loans from Banks and Financial Institutions

- (i) ICICI Bank
  - Loan availed of ₹ 20 million (31.03.2011: ₹ 20 million), No. of Installments outstanding 104 (31.03.2011: 116)
  - Secured by hypothecation of asset purchased out of the loan i.e. building purchased with the loan.
  - Rate of Interest - 12% per annum, Repayable in 120 monthly installments, commencing from February 2011.
- (ii) HDFC Bank
  - (a) Loan I
    - Loan availed of ₹15.88 million (31.03.2011: ₹15.88 million)
    - Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery
    - Duration March 20, 2010 to January 20, 2014, No. of Installments outstanding 22 (31.03.2011: 34)
    - Rate of Interest 8.61% per annum, Repayable in 47 Monthly Installments
  - (b) Loan II
    - Loan availed of ₹ 185.61 million (31.03.2011: ₹ 185.61 million)
    - Secured by exclusive first charge on the machinery purchased out of term loan
    - Personal guarantee of Mr AGK Raju
    - Duration March 10, 2009 to December 10, 2011, No. of Installments outstanding Nil (31.03.2011: 3)
    - Rate of Interest 9.75% per annum (Interest reset after every year), Repayable in 12 equal quarterly installments starting from the end of 9 months from date of first disbursement
- (iii) IDBI Bank
  - Two Loans availed by the company amounting to ₹ 499.53 million (31.03.2011: ₹ 499.53 million)
  - Secured by hypothecation of specific assets purchased out of loan, comprising Plant and machinery
  - Personal Guarantee of Mr.AAV Ranga Raju and Mr AGK Raju
  - Duration September 29,2007 to May 18, 2012, No. of Installments outstanding:, Loan I - Nil (31.03.2011: 4), Loan I - 2 (31.03.2011: 14)

## Notes forming part of the Consolidated financial statements

- Rate of Interest 9.35% & 11.75% per annum (Interest reset annually starting from date of disbursement)
- Repayable in 48 equal monthly installments after initial moratorium period of one year from date of first disbursement.
- (iv) State Bank of India
  - Loan availed of ₹ 200.00 million
  - Secured by hypothecation of specific assets purchased out of the loan
  - Duration March 31, 2009 to June 30, 2011, No. of Installments outstanding Nil (31.03.2011: 1)
  - Rate of interest 12.25% per annum, Repayable in 10 equal quarterly monthly installments after initial moratorium period of one year from the date of first disbursement
- (v) Standard Chartered Bank
  - Four loans availed by the Company aggregating to ₹ 352.04 million (31.03.2011: ₹ 352.04 million)
  - Secured by hypothecation of specific assets, comprising Plant and Machinery
  - Duration November 29, 2010 to October 11, 2013, No. of Installments outstanding for all Loans 7 (31.03.2011: 11)
  - Rate of Interest ranges from 7.40% to 7.90 % per annum, Repayable in 12 Quarterly installments .
- (vi) Indus Ind Bank Ltd
  - Seven loans (31.03.2011: six loans) availed by the company aggregating to ₹ 640.89 million (31.03.2011: ₹ 350.00 million )
  - Secured by hypothecation of specific assets purchased out of the loan comprising Plant and Machinery.
  - Duration January 31, 2010 to January 31, 2016. No. of Installments outstanding: Loan 1 - No. of Installments Outstanding 15 (31.03.2011: 27), Loan 2 - No. of Installments Outstanding 25 (31.03.2011: 37), Loan 3 - No. of Installments Outstanding 30 (31.03.2011: 42), Loan 4 - No. of Installments Outstanding 40 (31.03.2011: Nil), Loan 5&6 - No. of Installments Outstanding 42 (31.03.2011: Nil), Loan 7 - No. of Installments Outstanding 1 (31.03.2011: Nil)
  - Rate of Interest ranges from 9.50% to 12.00 % per annum, Repayable in 42 Monthly installments.
- (vii) Loan of NCC Urban Infrastructure Limited
  - Term Loan from bank has been obtained for undertaking Development, Design, Engineering, Procurement, Construction of the project "National Games Housing Complex" (NGHC) for Ranchi.
  - As at March 31, 2012, the Term Loan carry an Interest of 14% per annum. Term Loans are secured by Hypothecation of construction material & other Movable Assets ; assignment of all project receivables ; assignment of all companies rights and interest under any Letter of Credit , Guarantee or Performance Bond provided by any party for any Project contract in favor of the Company. First Charge on Companies Bank accounts including but not limited to Escrow Account and Debt Service Reserve Account (relating to NGHC Ranchi Project).
  - The Term Loans are further Secured by irrevocable and Unconditional Corporate Guarantee of M/s NCC Limited, Holding Company. NCCL has also Pledged 3,99,50,000 shares and executed non-disposal Undertaking in respect of the remaining 8,00,50,000 shares held by it in the Company.
  - Final Term Loan installment amount of ₹ 224.30 million along with interest of ₹ 16.04 million payable as on March 31, 2012 is due for payment.
- (viii) Loan of OB Infrastructure Limited
  - Term loans from banks and financial institutions are secured by First charge by way of:
  - Mortgage of all immovable assets of the company, both present and future.
  - Hypothecation of movable assets of the company including plant and machinery, machinery spares, equipments, tools, accessories, furniture, fixtures, vehicles, consumable goods, present and future.
  - Hypothecation of intangible assets of the company including goodwill, rights, undertakings, uncalled capital, claims and consumables and other general stores, present and future.
  - Assignment of right, title, interest, benefits, claims and demands including project documents; clearances(including all contract, licenses, permits, approvals, consents in respect of or in connection with project); letters of credit / guarantees / performance bonds provided by any party in relation to the project .
  - First ranking pledge of equity shares held by promoters, aggregating to at least 51% of the total issued subscribed and paid up equity share capital of the company through the execution of a deed of pledge in favour of the security trustee acting for the benefit of the lenders.
  - Repayment of Term Loan commenced during November 2009. Till March 31, 2012, five installments were paid against the common rupee loan agreement without default. Last installment was paid in current year in November 2011 of ₹153.80 million.

## Notes forming part of the Consolidated financial statements

- Rupee Loan from Banks carries interest @ 11.25% per annum upto June, 2011 and from July 2011 to March, 2012 @ 12% per annum for all banks and Financial Institutions
- The Term Loans from Banks and financial institutions, as at March 31, 2012 carry 12% per annum interest and are repayable in 16 half yearly installments.
- (ix) Loan of NCC Infrastructure Holdings Mauritius Pte. Limited
  - Term Loan of USD 16.00 million taken from ICICI Bank Ltd., Bahrain branch at an interest rate of USD 3-month LIBOR + 500bpps and secured by Corporate Guarantee from NCC Ltd (India). This loan is repayable in 8 equal quarterly installments commencing from the end of 15th month from the drawdown date of December 28, 2010.
- (x) Loan of Nagarjuna Construction Company International LLC
  - a) Bank of Baroda borrowings are secured either / and - or as:
    - First exclusive charge on fixed assets value OMR 4.40 million only.
    - Assignment of project receivables.
    - Corporate guarantees from NCC Limited, India to the extent of OMR 16.707 million.
    - The loan is repayable in equal monthly installments of RO.0.56 million.
  - b) Bank Muscat borrowings are secured either / and - or as:
    - Counter Guarantee from ICICI Bank Ltd.
    - Corporate guarantees from NCC Limited, India to the extent of OMR 1.70 million.
    - Lien on fixed deposit of RO.4.1 million held with the Sohar branch of the bank.
  - c) Standard Chartered Bank borrowings are secured either / and - or as:
    - First exclusive charge on fixed assets value OMR 12.16 million.
    - Corporate guarantees from NCC Limited, India to the extent of OMR 15.50 million.
    - The loan is repayable in 4 monthly installments of RO.0.24 million and RO. 0.72 million in the quarter ended June and September.
  - d) State Bank of India borrowings are secured either / and - or as:
    - Assignment of project receivables.
    - Corporate guarantees from NCC Limited, India to the extent of OMR 16.959 million.
  - e) ICICI Bank Bahrain borrowings are secured either / and - or as:
    - Assignment of project receivables.
    - Corporate guarantees from NCC Limited, India to the extent of OMR 64.50 million.
- (xi) Loan of Himachal Sorang Power Ltd.
  - a) Senior term loans from banks, financial institutions and other institution lenders are secured by a first charge in favour of the Security Trustee by way of:
    - a first mortgage in a form satisfactory to the Security Trustee of all the company's immovable properties, present and future;
    - hypothecation in favour of the Security Trustee of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
    - a first charge on company's operating cash flows, book debts and receivables, commissions and any other revenues of whatsoever nature and wherever arising, present and future;
    - a first charge on all intangibles including but not limited to goodwill, uncalled capital, present and future;
    - assignment or creation of security interest in all the rights, title, interest, benefits, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
      - all the rights, title, interest, benefits, claims and demands whatsoever of the company in the clearances;
      - all the right, title, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents, and all insurance contracts/insurance proceeds;

## Notes forming part of the Consolidated financial statements

- a first charge on the letter of credit (if any)/escrow account, the Trust and Retention Account including all sub-accounts, Debt Service Reserve Account and other reserves, and all other bank accounts of the company wherever maintained; and
  - Pledge of shares held by the sponsors in the capital of the company, representing the entire paid up equity share capital of the company.
  - Company has executed a demand promissory note for the loan amount sanctioned by SREI Infrastructure Finance Ltd i.e., ₹1,100 million and will be renewed from time to time as advised by SREI Infrastructure Finance Ltd.
- b) Sub Ordinate term loans from banks and other institutional lenders are secured by a second charge in favour of the Security Trustee by way of:
- Second mortgage in a form satisfactory to the Security Trustee of all the company's immovable properties, present and future;
  - hypothecation in favour of the Security Trustee of all the company's movables, including movable machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
  - Second charge on company's operating cash flows, books debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future;
  - Second charge on all intangibles including but not limited to goodwill, uncalled capital, present and future;
  - assignment or creation of security interest in
    - all the right, title, interest, benefits, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
    - all the rights, title, interest, benefits, claims and demands whatsoever of the company in the clearances;
    - all the right, title, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the project documents, and
    - all insurance contracts / insurance proceeds;
  - Second charge on the Trust and Retention Account including all sub-accounts, Debt Service Reserve Account and other reserves, and all other bank accounts of the company wherever maintained; and
  - Pledge of shares held by the sponsors in the capital of the company, representing the entire paid up equity share capital of the company.
  - Rate of Interest ranges from 12.50% to 15.00% per annum for Term Loans taken from Banks and Financial Institutions
- c) Senior term loan from banks include buyers credit availed as sub facility of the term loan from Axis Bank Limited, utilisation of the same has been treated utilisation of Term Loan.

Details of buyers Credit	Due Date	Rate of interest (%)	Amount (\$ million)	Amount (₹) million
JP Morgan, Singapore#	May 15, 2012	2.58	0.28	15.47
Punjab National Bank, Hong Kong	December 20, 2012	4.25	0.60	30.64
Allahabad Bank, Hong Kong	August 14, 2012	2.56	0.56	28.63
			1.44	74.74

#Payment of buyers credit obligation is hedged with forward contract at ₹ 54.50 per dollar

## Notes forming part of the Consolidated financial statements

(xii) Loan of Western UP Tollway Ltd.

- a) 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:
- first mortgage and charge in a form satisfactory to all the company's immovable properties, present and future except project assets.
  - A first charge by way of hypothecation of all the company's movables, including movable plant and machinery, present and future except the project assets, machinery spares, tools and accessories, Furniture, Fixtures, Vehicles and all other movable assets,
  - A first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - A first charge of all intangibles including but not limited to goodwill, uncalled capital, present and future.
  - subject to the provisions of the Concession Agreement, a first charge on the Escrow Account, Debt service reserve, MMR and other reserves.
  - A first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum of 51% of the total paid up capital of the company held by the promoter during the currency of the Loan.
- b) As at March 31, 2012, term Loans from banks carry an interest of 10.50% to 15.00% per annum and term loans from financial institutions carry an interest of 9.95% to 12.83% per annum.
- c) The company has defaulted in repayment of loans and interest of the following:

Particulars	March 31, 2012		March 31, 2011	
	Period of Default	Amount (₹) million	Period of Default	Amount (₹) million
a) Term Loans from Banks				
Principal	March, 2012	9.88	-	-
Interest	March, 2012	24.60	February & March, 2011	39.04
b) Term Loans from financial institutions				
Principal	March, 2012	10.82	-	-
Interest	February & March, 2012	28.28	February & March, 2011	36.53

Amounts due towards principal to Banks and financial institutions as on March, 2012 has been paid in full on April 9, 2012 and April 17, 2012 respectively.

Amounts due towards interest to Bank as on March, 2012 has been paid to the extent of ₹ 11.83 million and to the financial institutions to the extent of ₹ 7.26 million till April 25, 2012.

## Notes forming part of the Consolidated financial statements

### (xiii) Loan of NCC Power Projects Limited

- a) Term loans from Banks and Financial Institutions are secured by First charge by way of:
  - Mortgage of all immovable assets both present and future.
  - Hypothecation of movable assets, including plant and machinery, machinery spares, equipments, tools, accessories, furniture, fixtures, vehicles, consumable goods, present and future.
  - Hypothecation of intangible assets including goodwill, rights, undertakings, uncalled capital, claims and consumables and other general stores, present and future.
  - Hypothecation of book debts, stocks, bills, receivables, commissions, revenues, monies, receipts, bank accounts and other reserves, present and future
  - Assignment of right, title, interest, benefits, claims and demands including project documents; clearances(including all contract, licenses, permits, approvals, consents in respect of or in connection with project); letters of credit/ guarantees/performance bonds provided by any party in relation to the project .
  - First ranking pledge of equity shares held by promoters, aggregating to at least 51% of the total issued subscribed and paid up equity share capital of the company through the execution of a deed of pledge in favour of the security trustee acting for the benefit of the lenders.
- b) The Loans have been guaranteed by the corporate guarantee from Gayatri Energy Ventures Private Limited, and NCC Infrastructure Holdings Limited (Holding company).
- c) All securities rank pari passu on first charge basis inter se amongst all the term loan lenders and created in favour of Rural Electrification Corporation Ltd, acting as security Trustee for Term Loan lenders
- d) Rupee Loan from ICICI Bank Limited (ICICI) & Power Finance Corporation Limited (PFC) carries interest @ 13.75% per annum and Rural Electrification Corporation Limited (REC) loan amount carries interest @ 13.5% per annum.
- e) Repayment of Term loans to each of the lender is in 48 equal quarterly installments amounting to ₹ 354.20 million to REC, ₹ 343.80 million to PFC, ₹ 403.10 million to ICICI. The First repayment installment shall be due on the completion of the project.
- f) Transfer of shares to third parties are subject to conditions specified in the Common Loan Agreement with lenders and share holders agreement dt 31.05.2011 entered between NCC Infrastructure holdings limited and Gayatri Energy Venture Private Limited.
- g) As per the common loan agreement entered with lenders declaration of dividend by the company is restricted till the committed equity for the project is subscribed and paid up in full, and till six months after the commercial operating date ( Moratorium Period). On expiry of the moratorium period , declaration of dividend is subject to approval of the lenders agent.
- h) As on March, 31 2012, 32,10,34,884 equity shares equivalent to 51% of issued and subscribed held by the promoters have been pledged in-favour of Rural Electrification Corporation Limited, the security trustee for the term loans sanctioned to the company.
- i) In terms of Common Loan Agreement entered with Lenders, if default is made in repayment of loan outstanding amounts, Lenders have a right to convert defaulted amount of principle and Interest at their option for entire amount of default or part their of into fully paid up Equity Shares of the company at Par value or Book value which ever is low. As on reporting date there is no default of principle and interest.

## Notes forming part of the Consolidated financial statements

### 5.7 Term Loans from Others:-

(i) SREI Equipment Finance Private Limited

- Seven loans (31.03.2011: six loans) by the Company aggregating to ₹ 1,053.59 million (31.03.2011: ₹ 1,021.35 million )
- Secured by hypothecation of specific assets purchased out of loan, comprising Plant and Machinery and Construction equipment
- Duration March 8, 2009 to October 22, 2013, No. of Installments Outstanding: Loan 1 & 2 -No. of Installments Outstanding 10 (31.03.2011: 22), Loan 3 & 4 -No. of Installments Outstanding 15 (31.03.2011: 27), Loan 5 -No. of Installments Outstanding 26 (31.03.2011: 38), Loan 6 -No. of Installments Outstanding 27 (31.03.2011: 39), Loan 7 - No. of Installments Outstanding 34 (31.03.2011: Nil)
- Rate of Interest is based on SREI benchmark rate (SBR), the rate will be reset at the beginning of the succeeding calendar month of the date when change in the SBR takes place and accordingly, the installments falling due in the subsequent months will be reworked.

(ii) L&T Finance Limited

(a) Loan I

- Finance Amount ₹ 0.86 million (31.03.2011: ₹ 0.86 million )
- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery and Construction equipment.
- Duration June 21, 2009 to April 21, 2012, No. of Installments outstanding 1 (31.03.2011: 13)
- Rate of interest 13.35% per annum. Repayable in 35 monthly installments after initial moratorium period of one month from date of first disbursement.

(b) Loan II

- Finance Amount ₹ 33.58 million (31.03.2011: ₹ 33.58 million)
- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery and Construction equipment.
- Duration May 16, 2009 to January 16, 2013, No. of Installments outstanding 10 (31.03.2011: 22)
- Rate of interest 13.35% per annum. Repayable in 45 monthly installments after initial moratorium period of three months from the date of first disbursement.

### 5.8 Vehicle Loans

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 years and carry interest rate ranging between 7.68% to 11.52% per annum.

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>6 DEFERRED TAX LIABILITIES (NET)</b>				
(i) Deferred Tax Liability on timing difference due to:				
Depreciation		419.03		412.11
(ii) Deferred Tax Asset on timing differences due to:				
Provision for Gratuity and Leave Encashment	79.07		60.02	
Provision for Doubtful Debts / Advances	83.86		41.69	
<b>Total</b>		<b>162.93</b>		<b>101.71</b>
<b>Net Deferred Tax Liability (i) - (ii)</b>		<b>256.10</b>		<b>310.40</b>
(iii) Disclosure				
Deferred Tax Liability (Net)		256.10		311.34
Deferred Tax Asset (Net)		—		0.94
		<b>256.10</b>		<b>310.40</b>

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>7 OTHER LONG TERM LIABILITIES</b>				
Trade Payables		15.60		39.44
Retention Money payable	467.98		837.13	
Advances from Related party	—		593.05	
		<b>467.98</b>		<b>1,430.18</b>
Share from Jointly Controlled Entities		19.18		19.18
<b>Total</b>		<b>502.76</b>		<b>1,488.80</b>

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>8 LONG TERM PROVISIONS</b>				
Provision for Employee Benefits (Refer note 39)				
Compensated absences		157.87		138.99
Gratuity		141.00		121.27
Share from Jointly Controlled Entities		22.55		9.00
<b>Total</b>		<b>321.42</b>		<b>269.26</b>

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>9 SHORT TERM BORROWINGS</b>				
Loans repayable on demand				
Secured Loans - Banks				
Working Capital Demand Loans				
- Rupee Loans (Refer note 9.1)		8,233.65		8,782.76
- Foreign Currency Loans (Refer note 9.2)		2,617.01		1,250.22
Cash Credit (Refer note 9.1)		2,321.24		2,108.76
Unsecured Loans - Banks				
Short Term Loans (Refer note 9.3)		8,225.00		9,325.00
Commercial Paper (Refer note 9.4)	500.00		400.00	
Less: Unamortized Discount	2.92		4.99	
		<b>497.08</b>		<b>395.01</b>
Loan from Other Parties		919.25		997.23
Share from Jointly Controlled Entities		—		0.19
<b>Total</b>		<b>22,813.23</b>		<b>22,859.17</b>



## Notes forming part of the Consolidated financial statements

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

- a) Hypothecation against first charge on stocks, book debts and other current assets of the Company,(excluding specific projects) both present and future, ranking parri passu with consortium banks
- b) Hypothecation against first charge on unencumbered fixed assets of the Project Division and Light Engineering Division(excluding Land & Buildings) of the Company ranking parri passu with consortium banks.
- c) Equitable mortgage of three properties (Land & Buildings).
- d) Loan of NCC Urban Infrastructure Limited  
Working Capital facilities of ₹ 60.00 million for Façade Division from Bank of India, Mid-corporate branch, Hyderabad , carrying an interest of 14% per annum is secured by
  - First charge on the Fixed and Current Assets of the Façade Division by way of hypothecation
  - Equitable Mortgage of Ac.8.30 and Ac.9.60 of lands of Dhatri Developers and Projects Pvt Ltd and Sushruta Real Estates Private Limited respectively.
  - The facilities are further secured by Corporate Guarantee provided by subsidiary companies namely Dhatri Developers and Projects Private Limited and Sushruta Real Estates Private Limited.
- e) Loan of NCC Infrastructure Holdings Mauritius Pte. Limited  
Term Loan of USD 15.00 million taken from RSB (The Royal Bank of Scotland) carrying an interest rate of USD 6-month LIBOR + 150 bpps was rolled over for a period of 12 months and maturing on July 29, 2012 is secured by Corporate Guarantee from NCC Limited.
- f) Loan of Nagarjuna Contracting Company LLC  
Above loans are secured by assignment of contract receivables and corporate guarantee from NCC Limited.

9.2 Working Capital Demand Loan in foreign currency is secured either/and or as:

- Exclusive First hypothecation charge of project assets pertaining to the Al Amerat Quriyat road project.

9.3 Short term loans from Banks:

The company availed short term loans from various banks during the year having a maturity of less than one year and carry interest rate ranging between 11% to 12.5% per annum.

9.4 Commercial paper represents ₹ 500.00 million (31.03.2011: ₹ 400.00 million) due within one year. The maximum amount of Commercial paper outstanding at any time during the year was ₹ 2,300.00 million (31.03.2011: ₹ 1,500.00 million).

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>10 TRADE PAYABLES</b>				
Acceptances		2,343.11		973.00
Other than Acceptances		13,885.90		11,537.36
		16,229.01		12,510.36
Share from Jointly Controlled Entities		13.17		5.67
<b>Total</b>		<b>16,242.18</b>		<b>12,516.03</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2012	As at March 31, 2011
<b>11 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Borrowings (Refer note 5)	2,983.08	2,279.75
Interest Accrued and due on borrowings	52.88	75.57
Interest Accrued but not due on borrowings and others	357.29	309.30
Liability towards Investor Education and Protection Fund (Refer note 11.1)	5.75	5.22
Other Payables		
Statutory remittances	720.25	573.97
Payable on purchase of Fixed Assets	32.43	25.32
Retention Money Payable	2,978.91	1,971.21
Advances from Customers and others	1,623.05	3,909.74
Other Liabilities	1,419.65	1,798.11
Mobilisation Advance	10,288.29	7,724.49
Share from Jointly Controlled Entities	381.41	603.72
<b>Total</b>	<b>20,842.99</b>	<b>19,276.40</b>

11.1 Liability towards Investor Education and Protection Fund represents unclaimed dividend required to be transferred to the said fund on completion of 7 years. No such amount is due on the Balance Sheet date.

(₹ in million)

	As at March 31, 2012	As at March 31, 2011
<b>12 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits (Refer note 39)		
Compensated absences	38.00	32.55
Gratuity	18.78	12.23
Provision for Tax (Net of Advance Taxes of ₹ 2,192.87 million (31.03.2011: ₹ 2,441.20 million))	230.78	246.09
Provision for proposed Equity Dividend	76.97	256.58
Provision for Tax on proposed Dividend	12.49	41.63
	377.02	589.08
Share from Jointly Controlled Entities	26.25	14.40
<b>Total</b>	<b>403.27</b>	<b>603.48</b>

# Notes forming part of the Consolidated financial statements

## 13 FIXED ASSETS

(₹ in million)

Particulars	GROSS BLOCK(AT COST)				DEPRECIATION/AMORTIZATION				NET BLOCK			
	As at March 31, 2011	Additions	Deductions/ Adjustments	Effect of Foreign Currency Exchange Differences	As at March 31, 2012	Up to March 31, 2011	For the year	Deductions/ Adjustments	Effect of Foreign Currency Exchange Differences	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets												
Land												
Freehold	1,938.98	449.20	964.17	-	1,424.01	-	-	-	-	-	1,424.01	1,938.98
Leasehold	19.02	0.74	-	-	19.76	-	-	-	-	-	19.76	19.02
Buildings												
Own	149.90	0.93	31.37	-	119.46	13.63	2.84	3.43	-	13.04	106.42	136.27
Given under operating lease	330.85	-	(31.37)	-	362.22	15.22	5.39	(3.43)	-	24.04	338.18	315.63
Plant and Machinery	6,659.99	613.30	189.80	283.15	7,366.64	1,097.03	337.22	67.42	39.20	1,406.03	5,960.61	5,562.96
Furniture and Fixtures	82.65	29.77	4.87	2.85	110.40	25.86	6.39	2.19	0.97	31.03	79.37	56.79
Construction Vehicles	2,136.13	143.00	68.07	119.79	2,330.85	559.46	244.74	31.96	39.51	811.75	1,519.10	1,576.67
Office Vehicles	651.00	156.74	155.79	29.85	681.80	194.76	63.77	62.37	6.82	202.98	478.82	456.24
Office Equipment	401.09	75.64	43.95	13.73	446.51	160.93	41.73	18.79	2.84	186.71	259.80	240.16
Lease Hold Improvements	25.73	397.20	8.12	-	414.81	23.50	17.19	8.06	-	32.63	382.18	2.23
Construction Accessories	2,724.33	430.21	35.38	78.40	3,197.56	1,214.55	496.78	22.97	36.54	1,724.90	1,472.66	1,509.78
Share from Jointly Controlled Entities	61.80	0.91	(3.56)	-	66.27	24.46	7.22	(1.30)	-	32.98	33.29	37.34
Total	15,181.47	2,297.64	1,466.59	527.77	16,540.29	3,329.40	1,223.27	212.46	125.88	4,466.09	12,074.20	11,852.07
Previous Year	7,004.48	8,844.13	692.12	24.98	15,181.47	2,247.53	1,364.39	292.26	9.74	3,329.40	11,852.07	4,756.95
Intangible Assets												
Computer Software	19.62	75.52	-	-	95.14	10.64	10.68	-	-	21.32	73.82	8.98
Carriage way	-	13,291.67	-	-	13,291.67	-	1,313.17	-	-	1,313.17	11,978.50	-
Goodwill (Refer note 36)	-	1,234.20	-	-	1,234.20	-	-	-	-	-	1,234.20	-
Share from Jointly Controlled Entities	5,770.07	1,730.14	1,274.14	-	6,226.07	692.87	117.38	(21.55)	-	831.80	5,394.27	5,077.20
Total	5,789.69	16,331.53	1,274.14	-	20,847.08	703.51	1,441.23	(21.55)	-	2,166.29	18,680.79	5,086.18
Previous Year	5,785.28	4.41	-	-	5,789.69	700.16	3.35	-	-	703.51	5,086.18	5,085.12
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	9,407.73	18,987.22
Share from Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	13.13
Total	-	-	-	-	-	-	-	-	-	-	9,407.73	19,000.35

13.1 Joint Venture Assets included in Gross Block of ₹ 406.72 million (31.03.2011: ₹ 493.58 million) and Net Block of ₹ 156.23 million (31.03.2011: ₹ 219.35 million).

13.2 Capital Work in Progress includes:

- interest on borrowings capitalized during the year ₹ Nil (31.03.2011: ₹ 1,438.04 million).
- preoperative expenses transferred during the year ₹ 1,713.43 million (31.03.2011: ₹ 1,740.80 million) (Refer note 33)

13.3 In respect of a subsidiary Himachal Sorang Power Limited the cost of Freehold Land includes Advances towards Land ₹ 11.95 million (31.03.2011: ₹ 11.65 million) and compensation towards damages ₹ 5.07 million (31.03.2011: ₹ 5.07 million), company is in possession of the said land.

## Notes forming part of the Consolidated financial statements

13.4 The project of the company is being constructed on freehold land aggregating to 4.8854 hectares and land taken on lease from Government of Himachal Pradesh. Such land taken on lease aggregate to 11.1178 hectares for a period of 40 years and 3.191 hectares for a period of 10 years. Pursuant to various lease deeds entered with Government of Himachal Pradesh, company paid an amount of ₹ 19.01 million towards onetime payment, ₹ 0.74 million towards registration charges & stamp duty and ₹ 2,760 towards token for the entire lease period.

13.5 Details of Assets acquired under hire purchase agreements (₹ in million)

Particulars	Gross Block (At Cost)		Accumulated Depreciation		Net Block	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Office Vehicles	93.52	101.61	12.10	13.50	81.42	88.11

	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation / amortization expense on		
Tangible Assets	1,223.27	1,364.39
Intangible Assets	1,441.23	3.35
Less: Depreciation on Tangible Assets Capitalised	(19.99)	(7.41)
<b>Total</b>	<b>2644.51</b>	<b>1360.33</b>

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
<b>14 INVESTMENTS</b>				
<b>A Non Current Investments</b>				
<b>14.1 Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity instruments</b>				
<b>a In Subsidiaries</b>				
<b>In Equity Shares of "LKR" 10/- each, fully paid up</b>				
NCC Urban Lanka Private Limited (Value in ₹ 7)	2	-	2	-
<b>b In Associates</b>				
<b>In Shares of ₹ 10/- each, fully paid up</b>				
Jubilee Hills Land Mark Projects Private Limited	2,500,000	-	2,500,000	24.40
Tellapur Techno City Private Limited	14,702,600	-	14,702,600	-
Tellapur Town Centre Private Limited (Refer note 14.7)	-	-	2,600	-
Tellapur Tech. Park Private Limited (Refer note 14.7)	-	-	2,600	-
Paschal Form Work (I) Private Limited (Refer note 14.8)	5,668,000	41.09	5,486,000	43.21
Paschal Technology (I) Private Limited (Refer note 14.8)	-	-	546,000	0.88
Himalayan Green Energy Private Limited	1,000,000	133.15	1,000,000	117.31
<b>In Shares of one USD each fully paid up</b>				
Apollonius Coal and Energy PTE Limited	1,498,757	176.66	-	-
<b>In Shares of 1000 Dirham each fully paid up</b>				
Nagarjuna Facilities Management Services,LLC, Dubai	147	3.80	147	3.89
<b>In Shares of US \$ one each fully paid up</b>				
Tellapur Technocity (Mauritius)	17,140,129	867.30	17,140,129	764.23

## Notes forming part of the Consolidated financial statements

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
<b>14 INVESTMENTS (contd...)</b>				
<b>A Non Current Investments</b>				
<b>14.1 Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity instruments</b>				
<b>c In Other entities</b>				
<b>In Shares of ₹ 10/- each, fully paid up</b>				
SNP Real Estates Private Limited (Refer note 14.9)	–	–	396,875	3.97
SNP Infrastructures Private Limited (Refer note 14.9)	7,620,551	75.83	7,365,453	73.65
SNP Developers and Projects Private Limited (Refer note 14.9)	548,113	5.39	533,404	5.33
SNP Ventures Private Limited (Refer note 14.9)	3,368,231	33.20	4,066,284	40.66
SNP Property Developers Private Limited (Refer note 14.9)	1,700,275	19.47	1,303,400	13.03
NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00
Machilipatnam Port Limited	1,000	0.01	1,000	0.01
Gulbarga Airport Developers Private Limited	–	–	3,700	0.04
Shimoga Airport Developers Private Limited	–	–	3,700	0.04
<b>In Shares of ₹ 25/- each, fully paid up</b>				
Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10
<b>(ii) Investment in preference shares</b>				
<b>In Associates</b>				
2% Redeemable Preference Shares of ₹ 100/- each fully paid up				
Jubilee Hills Land Mark Projects Private Limited	4,274,999	402.28	4,274,999	427.50
<b>(iii) Investment in debentures</b>				
<b>In Associates</b>				
Jubilee Hills Land Mark Projects Private Limited (of ₹ 100/- each, fully paid up)	5,092,252	509.23	5,092,252	509.23
Tellapur Techno City Private Limited (of ₹ 1/- each, fully paid up)	701,368,092	484.28	701,368,092	544.37
<b>14.2 Trade (Quoted)</b>				
<b>Investment in equity instruments</b>				
<b>In Shares of ₹ 10/- each, fully paid up</b>				
NCC Finance Limited [* (Value ₹ 90) ]	–	–*	–	–*
<b>14.3 Non - Trade Investments (Quoted)</b>				
<b>(i) In Equity Shares of ₹ 10/- each, fully paid up</b>				
IVRCL Assets and Holdings Limited (Book Value in ₹ 1,648)	10	–	10	–
Jaiprakash Power Ventures Limited (Book Value in ₹ 688)	10	–	10	–
JSW Energy Limited (Book Value in ₹ 1,053)	10	–	10	–
Reliance Industries Limited (Book Value in ₹ 4,949)	5	0.01	5	0.01
Reliance Infrastructure Limited (Book Value in ₹ 9,989)	10	0.01	10	0.01
Reliance Power Limited (Book Value in ₹ 697)	5	–	5	–

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
<b>14 INVESTMENTS (contd...)</b>				
<b>A Non Current Investments</b>				
<b>14.3 Non - Trade Investments (Quoted)</b>				
<b>(ii) In Equity Shares of ₹ 2/- each, fully paid up</b>				
Gammon India Limited (Book Value in ₹ 1,108)	5	—	5	—
Gammon Infrastructure Projects Limited (Book Value in ₹ 256)	10	—	10	—
IVRCL Infrastructure & Projects Limited (Book Value in ₹ 1,621)	10	—	10	—
Jaiprakash Associates Limited (Book Value in ₹ 1,353)	10	—	10	—
Larsen & Toubro Limited (Book Value in ₹ 7,936)	5	0.01	5	0.01
<b>(iii) In Equity Shares of ₹ 1/- each, fully paid up</b>				
GMR Infrastructure Limited (Book Value in ₹ 275)	5	—	5	—
GVK Power & Infrastructure Limited (Book Value in ₹ 444)	10	—	10	—
Hindustan Construction Company Limited (Book Value in ₹ 678)	5	—	5	—
Patel Engineering Limited (Book Value in ₹ 2,206)	5	—	5	—
<b>14.4 In Partnership Firm</b>				
NCC Power Project - Sompeta (Refer note 14.10)		596.29		—
<b>14.5 Share from Jointly Controlled Entities</b>		49.06		46.47
<b>Total</b>		<b>3,412.17</b>		<b>2,633.35</b>
<b>B Current Investments</b>				
<b>(i) In Mutual Funds</b>				
Axis Treasury Advantage Fund (Refer note 14.11)	200,020.849	200.04	100,433.782	100.44
<b>14.6 Share from Jointly Controlled Entities</b>		3.37		20.01
<b>Total</b>		<b>203.41</b>		<b>120.45</b>
Aggregate amount of Quoted Investments		0.03		0.03
Aggregate amount of Unquoted Investments		3,412.14		2,633.32
Aggregate market value of Quoted Investments		—*		—*
* Market value of ₹15.03 (31.03.2011: ₹ 30.24)				

14.7 During the current year, Tellapur Tech Park Private Limited and Tellapur Town Centre Private Limited, have opted for filing application under 'Easy Exit Scheme 2011' since there were no operations carried out in the respective companies and for dissolution of the company under the Companies Act, 1956. The investments made in such companies have been considered as Loss of Disposal of investments and charged to the Statement of Profit and Loss.

14.8 Pursuant to the Scheme of Amalgamation, approved by the Hon'ble High Court of Andhra Pradesh, the business of Paschal Technology (India) Private Limited has been transferred to Paschal Form Work (India) Private Limited. The Company was allotted 182,000 equity shares of ₹ 10 each in Paschal Form work (India) Private Limited, against the shareholding of the company in Paschal Technology (India) Private Limited during the year.

14.9 During the current year, pursuant to a Scheme of Arrangement and Amalgamation comprising of various SNP Group of companies, approved by the Hon'ble High Court of Andhra Pradesh, additional equity shares have been allotted in certain companies as consideration for transfer of the equity shares held in certain other companies of the SNP Group.

14.10 (i) M/s. NCC Power Projects Limited (NCCPPL) and Shri MVS Subba Raju - whole time director of NCCPPL are the partners of the firm. While NCCPPL holds 99.98%, the balance 0.02% is held by Shri MVS Subba Raju. As at 31.03.2012 balance in the capital account of Mr. MVS Subba Raju is to ₹ 0.10 million.

## Notes forming part of the Consolidated financial statements

- (ii) The Members of NCC Power Projects Limited in the Extraordinary General Meeting held on 04.04.2011 approved transfer of assets including advances and expenditure incurred for obtaining approvals and clearances relating to Sompeta Power Project to a Partnership Firm as company's initial investment in the firm. Accordingly the company has identified and transferred ₹ 586.80 million as initial investment and further an amount of ₹ 9.40 million has been invested during the year in the said Partnership Firm. NCCPPL intends to retire from the Firm. Management is confident of recovering its carrying value of investments, hence treated as current investments.

14.11 Investment made by a subsidiary in Axis Treasury Advantage Fund is under lien with M/s Axis Bank Limited towards Debt Service Reserve Account in respect of final disbursement of Term Loans by the lead lender.

(₹ in million)

	As at March 31, 2012	As at March 31, 2011
<b>15 LONG TERM LOANS AND ADVANCES</b>		
Un-Secured, Considered good		
Capital Advances	1,040.36	835.10
Loans and Advances to Related Parties		
Associates	136.65	201.83
Joint Venture Companies	364.82	159.90
Advance towards share application money		
Associates	4.76	–
Deposits with Customers and Others (Refer note 15.1 & 15.2)	784.26	928.57
Other Loans and Advances	28.48	48.08
Share from Jointly Controlled Entities	–	13.13
<b>Total</b>	<b>2,359.33</b>	<b>2,186.61</b>

15.1 Deposits-Joint Development ₹ 548.50 million (31.03.2011: ₹ 332.21 million) represents deposits with respective land owners against registered Joint Development Agreements (JDAs). The lands under respective development agreements are in the possession of the company. The company is assessing the present market scenario and accordingly execute the project/s at an appropriate time.

15.2 Advances for Purchase of Land ₹ 197.60 million (31.03.2011: ₹ 373.35 million) represent advances 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 the Company are pending due to non-fulfillment of certain obligations like obtaining necessary permissions, sanctions, clearances, approvals for conversions, etc from statutory authorities as per the agreement, either by the Company or by the vendor. Erosion, if any, is not ascertainable. Company is confident of negotiating with the respective vendors for extension of the agreements and/or registration as per mutually agreed terms.

(₹ in million)

	As at March 31, 2012	As at March 31, 2011
<b>16 OTHER NON - CURRENT ASSETS</b>		
Un-Secured, Considered good		
Interest accrued on loans	0.55	6.26
Retention Money	1,308.72	2,552.71
Share from Jointly Controlled Entities	0.03	0.03
<b>Total</b>	<b>1,309.30</b>	<b>2,559.00</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>17 INVENTORIES</b>				
Raw Materials - at cost or under	5,231.59		4,017.46	
Material in Transit - at cost or under	8.67		40.34	
Work-in-progress - contract rates less profit margin	11,794.96		9,547.27	
Property Development Cost (Refer note 17.1) - at cost or under	3,521.17		3,450.90	
Share from Jointly Controlled Entities	14.37		14.05	
<b>Total</b>		<b>20,570.76</b>		<b>17,070.02</b>

17.1 Property development cost ₹ 286.55 million (31.03.2011: ₹ 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.

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>18 TRADE RECEIVABLES</b>				
Unsecured				
Outstanding for a period exceeding six months from the date they were due for payment				
Considered Good	4,612.98		4,041.57	
Doubtful	87.09		84.93	
	4,700.07		4,126.50	
Less : Provision for doubtful debts	87.09		84.93	
	4,612.98		4,041.57	
Other Trade receivables				
Considered Good	12,176.48		13,294.49	
		16,789.46		17,336.06
Share from Jointly Controlled Entities		151.42		151.23
<b>Total</b>		<b>16,940.88</b>		<b>17,487.29</b>

(₹ in million)

	As at March 31, 2012		As at March 31, 2011	
<b>19 CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents (Refer note 19.1)</b>				
Cash on hand	18.05		16.37	
<b>Balances with Banks :</b>				
In Current Accounts	828.72		1,491.82	
Unpaid dividend accounts	5.75		5.22	
In Deposit Accounts with maturity less than 3 months (Includes ₹ 650.35 million in ICICI Prudential Liquid Plan)	805.06		12.00	
		1,657.58		1,525.41
<b>Other Bank Balances</b>				
<b>In Deposit Accounts</b>				
Margin Money Deposits (Refer note 19.2)	133.95		167.49	
Long Term Deposits with maturity more than 3 months	606.41		962.31	
		740.36		1,129.80
Share from Jointly Controlled Entities		9.90		42.74
<b>Total</b>		<b>2,407.84</b>		<b>2,697.95</b>

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

19.2 Margin Money Deposits have been lodged with Banks against Guarantees / letters of credit issued by them.



## Notes forming part of the Consolidated financial statements

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
<b>20 SHORT TERM LOANS AND ADVANCES</b>				
(Secured, considered good)				
Loans to Related Parties				
Other Body Corporates (Refer note 20.1)		66.48		64.81
Unsecured considered good				
Loans and Advances to Related Parties				
Associates	70.76		70.58	
Joint venture (Refer note 20.2)	28.92		33.92	
		99.68		104.50
Loans and Advances to Other Body Corporates		196.00		274.96
Loans and Advances to Employees		81.82		86.32
Prepaid Expenses		332.59		484.71
Advance for Sales Tax / Value Added Tax credit receivable		2,258.43		1,782.75
Service Tax credit receivable		105.74		96.91
Advances to Suppliers, Sub-contractors and Others (Refer note 20.3)				
Considered Good	16,448.28		11,567.45	
Considered Doubtful	234.60		78.50	
	16,682.88		11,645.95	
Less : Provision for doubtful advances	234.60		78.50	
		16,448.28		11,567.45
Advances recoverable in cash or in kind or for value to be received		1,283.39		971.76
Advance Taxes and Tax Deducted at Source (Net of provisions of ₹ 2,192.87 million (31.03.2011: ₹ 2,441.20 million))		1,651.12		711.43
Share from Jointly Controlled Entities		139.94		113.40
<b>Total</b>		<b>22,663.47</b>		<b>16,259.00</b>

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

20.2 Advances to Joint Venture ₹ 28.92 million (31.03.2011: ₹ 33.92 million) represents the amount paid by the Company towards development of villas project at Raipur jointly with Prayash Developers Pvt Limited ("Prayash") under the name "NCCUIL - Prayash Joint Venture - Mahavir Executive Enclave" ("the Project"). The Project has acquired 20.54 acres of land which was registered in joint names of the Company and Prayash. Keeping in view the present market scenario, the Company has decided to exit from joint development and executed an MOU to receive back the amount from JV Partner and to relinquish the share held by the Company. The amount outstanding as on date has been disclosed as Advance to Joint Venture and considered good for recovery.

20.3 Advances to Suppliers, Sub-contractors and others, includes ₹ 2,737.48 million (31.03.2011: ₹ 2,256.50 million) representing amounts withheld by contractees and includes advance to enterprises owned are significantly influenced by key management personnel or their relatives ₹ 3,677.59 million (31.03.2011: ₹ 3,313.03 million).

*(₹ in million)*

	As at March 31, 2012		As at March 31, 2011	
<b>21 OTHER CURRENT ASSETS</b>				
Retention Money		9,611.83		5,611.79
Deposits with Customers and Others (Refer note 35)		646.46		1,265.54
Interest Accrued on Deposits and Others		147.30		92.89
Share from Jointly Controlled Entities		34.70		24.35
<b>Total</b>		<b>10,440.29</b>		<b>6,994.57</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>22 REVENUE FROM OPERATIONS</b>				
Income from Contracts and Services	64,410.35		59,112.52	
Other Divisions	1,732.37		1,697.79	
Other Operating Revenue	22.90		1,083.19	
		66,165.62		61,893.50
Share from Jointly Controlled Entities		485.95		405.16
<b>Total</b>		<b>66,651.57</b>		<b>62,298.66</b>

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>23 OTHER INCOME</b>				
Interest Income				
Interest from Banks on				
Deposits	14.93		12.10	
Other Balances	9.03		0.49	
Interest on Income Tax refund	15.25		12.64	
Dividend Income from Investments	17.40		1.91	
Profit on Sale of Long Term Investment	–		11.05	
Rental Income	31.70		26.94	
Miscellaneous Income	122.60		128.95	
Share from Jointly Controlled Entities	5.22		11.70	
<b>Total</b>		<b>216.13</b>		<b>205.78</b>

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>24 COST OF MATERIALS CONSUMED</b>				
Construction Materials, Stores and Spares				
Opening Stock	4,057.80		3,788.25	
Add : Purchases	26,041.00		21,772.98	
Less : Closing Stock	5,240.26		4,057.80	
<b>Total</b>		<b>24,858.54</b>		<b>21,503.43</b>

## Notes forming part of the Consolidated financial statements

*(₹ in million)*

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>25 OTHER CONSTRUCTION EXPENSES</b>				
Sub-contractors Work Bills		15,400.00		17,518.84
Job Work Charges		6,953.24		6,230.85
Transport Charges		681.29		788.80
Indirect Taxes				
Value Added Tax	1,112.73		1,011.36	
Service Tax	354.29		232.94	
		1,467.02		1,244.30
Repairs and Maintenance				
Machinery	1,075.90		1,291.21	
Others	162.57		179.81	
		1,238.47		1,471.02
Hire Charges for Machinery and others	1,285.35		1,375.14	
Power and Fuel	94.12		79.78	
Technical Consultation	303.96		208.94	
Royalties, Seigniorage and Cess	259.52		258.65	
Property Development Cost	175.55		316.20	
Other Expenses	813.82		872.47	
Share from Jointly Controlled Entities	40.52		–	
		2,972.84		3,111.18
<b>Total</b>		<b>28,712.86</b>		<b>30,364.99</b>

*(₹ in million)*

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>26 CHANGES IN INVENTORIES OF WORK IN PROGRESS</b>				
Opening Balance	9,547.27		7,160.01	
Closing Balance	11,794.96		9,547.27	
	(2,247.69)		(2,387.26)	
Less: Translation Difference	8.15		5.97	
<b>Total</b>		<b>(2,255.84)</b>		<b>(2,393.23)</b>

*(₹ in million)*

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>27 EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and Other Benefits	3,230.58		3,358.92	
Contribution to Provident Fund and Other Funds	251.56		235.58	
Staff Welfare Expenses	238.28		239.81	
Share from Jointly Controlled Entities	16.28		–	
<b>Total</b>		<b>3,736.70</b>		<b>3,834.31</b>

## Notes forming part of the Consolidated financial statements

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>28 FINANCE COST</b>				
Interest Expense on Borrowings				
Debentures	410.97		345.79	
Term Loans	2,731.13		604.66	
Working Capital Demand Loans and Cash Credit	1,245.69		690.13	
Others				
Mobilisation Advance	381.43		294.60	
Others	132.44		99.30	
	4,901.66		2,034.48	
Add / (Less): Interest Capitalised	8.17		(4.92)	
		4,909.83		2,029.56
Other Borrowing Costs				
Commission on - Bank Guarantees	222.87		261.68	
- Letters of Credit	67.02		88.81	
		289.89		350.49
Bank and Other Financial Charges		148.53		97.70
Share from Jointly Controlled Entities		300.43		232.85
<b>Total</b>		<b>5,648.68</b>		<b>2,710.60</b>

(₹ in million)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>29 OTHER EXPENSES</b>				
Rent	516.11		427.40	
Travelling and Conveyance	414.31		387.46	
Office Maintenance	147.60		125.48	
Electricity Charges	81.00		55.24	
Rates and Taxes	62.38		50.01	
Consultation Charges	113.96		129.11	
Postage, Telegrams and Telephones	72.31		75.73	
Insurance	95.14		121.98	
Printing and Stationery	44.16		47.36	
Legal and Professional Charges	154.54		111.61	
Auditors' Remuneration	16.61		13.41	
Directors' Sitting Fees	0.55		0.58	
Bad Trade Receivables / Advances Written off	404.37		19.81	
Provision for Doubtful Trade Receivables / Advances	166.10		52.65	
Miscellaneous Expenses	322.05		257.85	
Share from Jointly Controlled Entities	12.12		0.69	
<b>Total</b>		<b>2,623.31</b>		<b>1,876.37</b>

## Notes forming part of the Consolidated financial statements

### 30 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

#### (i) Contingent Liability

(₹ in million)

	As at 31.03.2012	As at 31.03.2011
(a) Claims against the company not acknowledged as debt		
- Disputed income tax liability for which the Company preferred appeal	17.69	16.38
- Disputed sales tax liability for which the Company preferred appeal	687.18	315.01
- Disputed central excise duty relating to cement plant, which was sold in earlier year, for which the Company has filed an appeal to CESTAT, Bangalore	–	29.73
- 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	1.17	1.17
- Disputed service tax liability for which the Company preferred appeal	405.77	318.22
- Disputed sole arbitrator award in case of counter claim by Bhartiya Reserve Bank Note Mudran Private Limited, against which the Company has filed appeal before City Civil Court, Bangalore	30.00	30.00
- Claims against the Company not acknowledged as debts	143.59	93.43
- Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	Amount not ascertainable	Amount not ascertainable
- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	Amount not ascertainable	Amount not ascertainable
- Compensation payable to land owners, in respect of Joint Development Agreements where delays have occurred in executing the projects and handing over the same to the respective land owners.	Amount not ascertainable	Amount not ascertainable
(b) Guarantees		
Counter Guarantees given to the Bankers *	2704.47	1049.14
Performance guarantees, given on behalf of Subsidiaries *	349.09	341.69
*Excludes Guarantees given against Company's liabilities, in terms of Guidance Note on Revised Schedule VI, issued by the Institute of Chartered Accountants of India.	–	–

#### (ii) Commitments

(₹ in million)

	As at 31.03.2012	As at 31.03.2011
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible	46,374.08	1,799.53
Intangible	2.18	4.87
(b) Other commitments		
Commitment towards investment in companies	3,564.27	12,206.87
Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	517.90	517.90

# Notes forming part of the Consolidated financial statements

## 31 RELATED PARTY TRANSACTIONS

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

Sl. no.	Particulars	Sl. no.	Particulars
A)	<b>Subsidiaries</b>	36	Sri AVN Raju
1)	NCC Urban Lanka (Private) Limited	37	Sri NR Alluri
B)	<b>Jointly Controlled Entities / Joint Ventures</b>	38	Sri AKHS Ramaraju
2	Brindavan Infrastructure Company Limited	39	Sri JV Ranga Raju
3	Bangalore Elevated Tollway Limited	40	Sri KV Rao
4	Pondicherry Tindivanam Tollway Limited	41	Sri MVS Subba Raju
5	Varaprada Real Estates Private Limited	42	Sri SRK Surya Sri Krishna Raju
6	Premco – NCC	F)	<b>Relatives of Key Management Personnel</b>
7	SDB – NCC – NEC	43	Smt. A. Bharathi
8	NCC – PNC	44	Smt.B. Kausalya
9	NCC – SJRIPL	45	Smt.A.Satyanarayanamma
10	Himachal JV	46	Smt.J.Sridevi
11	NCC – KNR	47	Smt. J. Sowjanya
12	NCC – NEC – Maytas	48	Smt. A. Arundathi
13	NCC – VEE	49	Sri. A. Srinivasa Rama Raju
14	NCC – MSKEL	50	Smt. A.Swetha
15	KMC Constructions Limited	51	Smt.A. Sridevi
16	Gayatri Energy Ventures Private Limited	52	Sri. Jampanna Krishna Chaitanya Varma
17	Gayatri Infra Ventures Limited	53	Smt. A. Subhadra Jyothirmayi
18	Gayatri Projects Limited	54	Smt. A.Shyama
19	IL & FS Engineering and Construction Company Limited (formerly Maytas Infra Limited)	55	Smt. A.Suguna
C)	<b>Associates</b>	56	Sri. A. Harsha Varma
20	Paschal Form Work (I) Private Limited	G)	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>
21	Nagarjuna Facilities Management Services LLC	57	NCC Blue Water Products Limited
22	Himalayan Green Energy Private Limited	58	Swetha Estates
23	Jubilee Hills Landmark Projects Private Limited	59	NCC Finance Limited
24	Tellapur Technocity (Mauritius)	60	Sirisha Memorial Charitable Trust
25	Tellapur Technocity Private Limited	61	Shyamala Agro Farms Private Limited
26	Apollonius Coal and Energy Pte.Ltd.	62	Ranga Agri Impex Private Limited
27	IL&FS Financial Services Limited	63	NCC Foundation
28	IL&FS Limited	64	Sirisha Projects Private Limited
29	Maytas Investment Trust	65	Ruthvik Estates Private Limited
30	IL&FS Energy Development Company Limited	66	Narasimha Developers Private Limited
D)	<b>Partnership Firm</b>	67	Mihika Agro Farms Private Limited
31	NCC Power Project (Sompeta)	68	Lalit Agro Farms Private Limited
E)	<b>Key Management Personnel</b>	69	Bhuvanesh Realtors Private Limited
32	Dr AVS Raju	70	Arnesh Ventures Private Limited
33	Sri AAV Ranga Raju	71	Suguna Estates Private Limited
34	Sri ASN Raju	72	AVSR Holdings Private Limited
35	Sri AGK Raju		

## Notes forming part of the Consolidated financial statements

31 (ii) Related Party transactions during the year ended March 31, 2012 are as follows:

(₹ in million)

Sl. no.	Particulars	Associates	Joint Ventures	Key Management Personnel and relatives	Partnership Firm	Enterprises owned or significantly Influenced by Key Management Personnel or their Relatives
1	Share Application Money pending allotment	4.76 4.76	- -	- -	- -	- -
2	Share Application Money received	- -	3,307.38 -	- -	- -	- -
3	Investments	79.97 304.49	- -	- -	- -	- -
4	Loans granted / (received)	7.35 4.72	(551.10) (687.88)	- -	- -	16.68 -
5	Repayment of loan and Interest	- -	402.80 0.61	- -	- -	- -
6	Advances granted / (received)	8.43 6.66	356.92 197.06	- -	- -	- -
7	Debentures allotted including premium during the year	83.41 495.00	- -	- -	- -	- -
8	Retention Money refund	- -	17.52 -	- -	- -	- -
9	Redemption of Preference shares	- -	- 50.00	- -	- -	- -
10	Buy back of shares by JCE	- -	16.00 25.00	- -	- -	- -
11	Share of Profit/ (Loss)	- -	38.67 (83.97)	- -	- -	- -
12	Works Contract Receipt	- -	592.51 2,603.24	- -	- -	- -
13	Interest Income	51.36 70.88	10.29 54.33	- -	- -	0.50 3.10
14	Sub-Contractors work bills	- -	551.02 -	- -	- -	- 199.40
15	Remuneration	- -	- -	92.96 172.74	- -	- -
16	Rent paid/ (received)	- -	- -	7.09 3.07	- -	173.67 36.88
17	Management fees	- -	8.60 7.72	- -	- -	- -
18	Lease charges paid	- -	- -	- -	- -	0.32 0.11
19	Upfront fee paid	- 15.00	- -	- -	- -	- -
20	Utility shifting bills	- -	- 7.88	- -	- -	- -
21	Dividend paid	- -	- -	32.09 41.78	- -	17.97 23.36
22	Donations	- -	- -	- -	- -	14.61 1.10

## Notes forming part of the Consolidated financial statements

31 (ii) Related Party transactions during the year ended March 31, 2012 are as follows:

(₹ in million)

Sl. no.	Particulars	Associates	Joint Ventures	Key Management Personnel and relatives	Partnership Firm	Enterprises owned or significantly Influenced by Key Management Personnel or their Relatives
23	Debit Balances outstanding as at March 31, 2012					
	Himalayan Green Energy Private Limited	87.37	-	-	-	9.49
		<i>74.30</i>	-	-	-	<i>1.64</i>
	Jubilee Hills Landmark Projects Private Limited	0.76	-	-	-	-
		<i>0.58</i>	-	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	66.48
		-	-	-	-	<i>64.81</i>
	Bangalore Elevated Tollway Limited	-	245.63	-	-	-
		-	<i>165.71</i>	-	-	-
	Pondicherry Tindivanam Tollway Limited	-	122.92	-	-	-
		-	-	-	-	-
	Brindavan Infrastructure Company Limited	-	0.30	-	-	-
		-	-	-	-	-
	Gulbarga Airport Developers Private Limited	-	-	-	-	-
		-	<i>5.96</i>	-	-	-
	Shimoga Airport Developers Private Limited	-	-	-	-	-
		-	<i>6.05</i>	-	-	-
	NCC Power Project (Sompeta)	-	-	-	596.29	-
		-	-	-	-	-
	Tellapur Technocity Private Limited	31.76	-	-	-	-
		<i>31.76</i>	-	-	-	-
	Gayatri Projects Limited	-	549.05	-	-	-
		-	<i>696.68</i>	-	-	-
	NCC Urban Infrastructure Company Limited, Dubai	-	-	-	-	3,677.59
		-	-	-	-	<i>3,313.03</i>
24	Credit Balances outstanding as at March 31, 2012					
	Nagarjuna Facilities Management Services LLC	25.52	-	-	-	-
		<i>14.58</i>	-	-	-	-
	Pondicherry Tindivanam Tollway Limited	-	48.73	-	-	-
		-	<i>48.73</i>	-	-	-
	KMC Constructions Limited	-	68.00	-	-	-
		-	<i>51.17</i>	-	-	-
	Gayatri Infra Ventures Limited	-	378.79	-	-	-
		-	-	-	-	-
	Key Management Personnel & their relatives	-	-	1.78	-	-
		-	-	<i>1.57</i>	-	-
	IL & FS Engineering and Construction Company Limited	-	5.86	-	-	-
		-	<i>5.86</i>	-	-	-
	IL&FS Limited	-	-	-	-	-
		<i>0.61</i>	-	-	-	-
	IL&FS Energy Development Company Limited	1.29	-	-	-	-
		-	-	-	-	-
	Sirisha Projects Private Limited	-	-	-	-	1.23
		-	-	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	0.40
		-	-	-	-	<i>0.12</i>

Figures in italics represent previous year's figures



## Notes forming part of the Consolidated financial statements

31 (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	2011-12	2010-11
<b>Share Application Money Received</b>		
- Gayatri Energy Ventures Private Limited	3,307.38	-
<b>Investments</b>		
- Apollonius Coal and Energy Pte.Ltd.	79.97	-
- Jubilee Hills Landmark Projects Private Limited	-	292.91
<b>Loans Granted / (Received)</b>		
- IL&FS Financial Services Limited	(551.60)	(854.28)
- Himalayan Green Energy Private Limited	7.35	4.08
<b>Repayment of loan and Interest</b>		
- IL&FS Financial Services Limited	155.24	0.61
- KMC Constructions Limited	247.56	-
<b>Advances granted / (Received)</b>		
- Gayatri Projects Limited	330.00	-
- Himalayan Green Energy Private Limited	8.13	4.94
<b>Debentures allotted including premium during the year</b>		
- IL&FS Energy Development Company Limited	83.41	-
- Maytas Investment Trust	-	176.50
- IL&FS Limited	-	318.50
<b>Retention Money refund</b>		
- KMC Constructions Limited	17.52	-
<b>Redemption of Preference shares</b>		
- Brindavan Infrastructure Company Limited	50.00	-
<b>Buy back of shares by JCE</b>		
- Brindavan Infrastructure Company Limited	16.00	25.00
<b>Share of Profit / (Loss)</b>		
- MAYTAS-NCC JV	-	10.13
- NCC-VEE JV	38.67	30.16
- NEC-NCC-MAYTAS JV	-	0.89
<b>Work Contract Receipt</b>		
- KMC Constructions Limited	216.21	154.85
- Bangalore Elevated Tollway Limited	6.78	127.35
- Western UP Tollway Limited	4.48	269.26
- Pondicherry Tindivanam Tollway Limited	121.43	1,023.49
<b>Interest Income</b>		
- Jubilee Hills Landmark Projects Private Limited	42.32	65.38
- Himalayan Green Energy Private Limited	9.04	-
- KMC Constructions Limited	10.29	9.05
<b>Sub Contract Work Bills</b>		
- Gayatri Projects Limited	551.02	-
<b>Rent paid / (Received)</b>		
- Swetha Estates	3.66	5.89
- Smt. Sowjanya	-	1.53
- Sirisha Projects Private Limited	54.60	27.31
<b>Management fees</b>		
- IL&FS Energy Development Company Limited	8.60	7.72
<b>Lease charges paid</b>		
- NCC Blue Water Products Limited	0.32	0.11

## Notes forming part of the Consolidated 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	2011-12	2010-11
<b>Dividend paid</b>		
- AVSR Holdings Private Limited	17.97	23.36
- Sri AAV Ranga Raju	5.93	7.71
- Sri NR Alluri	4.09	5.32
- Sri ASN Raju	3.99	5.19
- Dr AVS Raju	3.96	5.15
- Sri AGK Raju	3.93	5.11
- Sri AVN Raju	3.69	4.79
<b>Donations</b>		
- NCC Foundation	14.61	1.10

### 32 THE SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES CONSIDERED FOR CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name of the Entity	Country of incorporation	Proportion of Ownership	
		Current year	Previous year
<b>Subsidiaries of the Company</b>			
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	100%	100%
NCC Vizag Urban Infrastructure Limited	India	95%	95%
OB Infrastructure Limited	India	64.02%	64.02%
Nagarjuna Construction Co.Ltd & Partners LLC	Sultanate of Oman	100%	100%
Nagarjuna Construction Co. International LLC	Sultanate of Oman	100%	100%
NCC Infrastructure Holdings Mauritius Pte.Limited	Mauritius	100%	100%
Patnitop Ropeway & Resorts Limited	India	100%	100%
Nagarjuna Contracting Company LLC	Dubai	100%	100%
NCC International Convention Centre Limited.	India	100%	100%
NCC Oil & Gas Limited	India	80%	80%
Nagarjuna Construction Company (Kenya) Limited	Kenya	65%	-
Vaidehi avenues Limited	India	100%	-
<b>Subsidiaries of NCC Urban Infrastructure Limited</b>			
Dhatri Developers & Projects Private Limited	India	100%	100%
Sushanti Avenues Private Limited	India	100%	100%
Sushruta Real Estates Private Limited	India	100%	100%
PRG Estates Private Limited	India	100%	100%
Thrilekya Real Estates Private Limited.	India	100%	100%
Varma Infrastructure Private Limited	India	100%	100%
Nandyala Real Estates Private Limited	India	100%	100%
Kedarnath Real Estates Private Limited	India	100%	100%
AKHS Homes Private Limited	India	100%	100%
JIC Homes Private Limited	India	100%	100%
Sushanthi Housing Private Limited	India	100%	100%
CSVS Property Developers Private Limited	India	100%	100%
Vera Avenues Private Limited	India	100%	100%
Sri Raga Nivas Property Developers Private Limited	India	100%	100%
VSN Property Developers Private Limited	India	100%	100%
M A Property Developers Private Limited	India	100%	100%
Vara Infrastructure Private Limited	India	100%	100%
Sri Raga Nivas Ventures Private Limited	India	100%	100%

## Notes forming part of the Consolidated financial statements

### 32 THE SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES CONSIDERED FOR CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name of the Entity	Country of incorporation	Proportion of Ownership	
		Current year	Previous year
Subsidiaries of NCC Urban Infrastructure Limited			
Mallelavanam Property Developers Private Limited	India	100%	100%
Sradha Real Estates Private Limited	India	100%	100%
Siripada Homes Private Limited	India	100%	100%
NCC Urban Lanka Private Limited	India	100%	100%
NJC Avenues Private Limited	India	100%	100%
Jointly Controlled Entity of NCC Urban Infrastructure Limited			
Varaprada Real Estates Private Limited	India	40%	40%
Partnership Firm			
NR Avenues	India	100%	100%
Subsidiary of NCC Infrastructure Holdings Limited			
Himachal Sorang Power Limited	India	94.92%	94.89%
NCC Power Projects Limited	India	55%	100%
Western UP Tollway Limited	India	51%	51%
NCC Infra Limited	India	100%	-
Samashti Gas Energy Limited	India	100%	100%
Partnership Firm			
NCC Power Project - Sompeta	India	99.98%	-
Subsidiary of NCC Infrastructure Holdings Mauritius Pte.Limited			
Liquidity Limited	Mauritius	100%	100%
Al Mubarakia Contracting Co.LLC	Dubai	100%	100%
Subsidiary of NCC International LLC			
NCCL International Kuwait General Contracting Company	Kuwait	100%	-
Jointly Controlled Entities of the Company			
Brindavan Infrastructure Company Limited	India	33.33%	33.33%
Bangalore Elevated Tollway Limited	India	38.00%	35.44%
Pondicherry Tindivanam Tollway Limited	India	47.80%	47.80%
Associates of the Company			
Jubilee Hills Landmark Projects Private Limited	India	25%	25%
Himalayan Green Energy Private Limited	India	50%	50%
Nagarjuna Facilities Management Services LLC	Dubai	49%	49%
Tellapur Technocity (Mauritius)	Mauritius	26%	26%
Tellapur Technocity Private Limited	India	26%	26%
Paschal Form Work (I) Private Limited	India	26%	26%
Apollonius Coal and Energy Pte. Ltd.	Singapore	45.96%	-

32.1 In respect of a subsidiary company, NCC Urban Lanka (Private) Limited, there are no transactions during the year, hence not considered for consolidation.

32.2 In respect of the following Jointly Controlled Entity and Partnership Firm, the consolidation has been made on the basis of accounts compiled by the management:

Varaprada Real Estates Private Limited

NR Avenues

## Notes forming part of the Consolidated financial statements

32.3 In respect of the following Subsidiary and Associate Companies, the consolidation has been made on the basis of accounts compiled by the management:

Nagarjuna Construction Company (Kenya) Limited

NCCL International Kuwait General Contracting Company

Naftogaz Engineering Private Limited, in the process of dissolution

Tellapur Technocity Private Limited

Jubilee Hills Landmark Projects Private Limited

33 DETAILS OF PRE-OPERATIVE EXPENDITURE INCURRED DURING THE YEAR BY SUBSIDIARIES AND TRANSFERRED TO CAPITAL WORK-IN-PROGRESS ARE AS GIVEN BELOW:

(₹ in million)

	Year ended 31.03.2012	Year ended 31.03.2011
<b>EMPLOYEE BENEFITS</b>		
Salaries, Wages & Other allowances	99.52	81.55
Contribution to Provident funds	3.85	2.91
Staff welfare expenses	0.31	0.99
<b>Total</b>	<b>103.68</b>	<b>85.45</b>
<b>FINANCE COST</b>		
Interest on Secured Loans	897.81	1,257.39
Interest on Unsecured Loans & other Interest	78.61	103.74
Upfront Fee & Other Finance charges	210.80	63.23
Commission on Bank Guarantee	10.42	8.55
Bank Charges	0.07	0.16
<b>Total</b>	<b>1,197.71</b>	<b>1,433.07</b>
<b>OTHER EXPENSES</b>		
Administration Expenses	4.49	6.29
Security Expenses	4.73	3.99
Social responsibility	3.21	0.86
Rent	13.53	20.51
Repairs and Maintenance	0.99	3.05
Insurance	95.28	12.68
Rates & Taxes	4.89	3.74
Printing and Stationery	1.30	1.01
Electricity Charges	7.50	3.59
Postage, Telegrams and Telephones	1.94	1.88
Advertisement	0.96	3.53
Project Clearances	3.99	0.01
Professional charges	176.06	107.43
Auditors Remuneration	0.36	0.13
Travelling Expenses	24.18	24.78
Business Promotion Expenses	-	19.00
Office Maintenance	6.39	7.22
Miscellaneous Expenses	62.24	2.58
<b>Total</b>	<b>412.04</b>	<b>222.28</b>
<b>Grand Total</b>	<b>1,713.43</b>	<b>1,740.80</b>

## Notes forming part of the Consolidated financial statements

### 34 LEGAL / STATUTORY RESERVE

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

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

In pursuance of the Letter of Award, the Consortium submitted Bank Guarantee for ₹ 50 million towards bid security. The Consortium also remitted an amount of ₹ 50 million towards Project Development Fee and requested for remittance of balance of Project Development Fee of ₹ 250 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 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. As the alleged grounds of cancellation are baseless, 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 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 million paid to INCAP.

The appeal and the petitions are to be listed for final hearing. Based on the Legal Counsel's opinion, that the company has fair chances success in the Writ Appeal, the management is confident of recovering the Project Development Fee of ₹ 50 million paid to INCAP.

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.

### 36 In respect of amalgamation of M/s. Nelcast Energy Corporation Ltd with a subsidiary NCC Power Projects Limited, the Honorable High Court of Madras on October 12, 2011, sanctioned a scheme of amalgamation of M/s. Nelcast Energy Corporation Ltd (Transferor Company / NECL) with NCC Power Projects Limited under Section 391 to 394 of the Companies Act, 1956. The said Scheme is effective from April 1, 2011. NECL was engaged in the business of development of power generation. NECL is a wholly owned subsidiary of the Company. Accordingly no shares were exchanged to effect the amalgamation.

In terms of the scheme sanctioned by Honorable Court:

- a) The company has accounted for the amalgamation under the pooling of interest method as prescribed in the Accounting Standard 14 "Accounting for Amalgamations" issued by Institute of Chartered Accountants of India
- b) The assets and liabilities of NECL were recorded at their respective book values in company's books of accounts
- c) The equity share held by the company in NECL were cancelled

## Notes forming part of the Consolidated financial statements

- d) Intercompany deposits, loans and advance between NECL and the company were cancelled
- e) The excess of net assets value (assets minus liabilities) of NECL and value of the shares held by the company is to be credited to the company's capital reserve to the extent available and balance to General Reserve. In the absence of capital reserve/general reserve the same has been shown as Goodwill. Goodwill resulting from this amalgamation aggregates to ₹ 1,234.20 million.
- 37 In respect of subsidiary Nagarjuna Construction Company Limited and Partners LLC as at March 31, 2012 the company had accumulated losses of R.O. 1.54 million equivalent to ₹ 173.11 million and net liabilities of R.O.1.36 million equivalent to ₹ 180.51 million. These factors, amongst others, indicate that the Company shall require continued financial support from its members. The financial statements have been prepared on the going concern basis on the assumption that the Members of the Company will continue to provide the necessary financial support.
- The Company's Members have confirmed that they shall continue to support and provide the necessary financial assistance to the Company and on the strength of this assurance, the financial statements have been prepared on the going concern basis.
- The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.
- 38 Provisional completion certificate received by a subsidiary OB Infrastructure Limited from Independent Consultant dated July 11, 2011 was effective from June 30, 2009. Hence the subsidiary company was entitled to receive the annuity income from the effective date.
- Accordingly, annuity income received by the company during the current financial year relating to the period July 1, 2009 to March 31, 2011 aggregating to ₹ 1,571.80 million has been recognized as income of the subsidiary company. Complying with the principle of matching concept of accounting, the following expenses have been charged off to the statement of profit and loss for the year ended March 31, 2012:
- a) The expenditure of revenue nature, incurred during July 1, 2009 to March 31, 2011 including borrowing cost aggregating to ₹ 808.88 million.
- b) Amortization charged off ₹ 780.62 million relating the period July 1, 2009 to March 31, 2011.
- 39 **EMPLOYEE BENEFITS**
- Liability for retiring gratuity as on March 31, 2012 is ₹ 93.20 million (31.03.2011: ₹ 78.79 million) of which ₹ 41.77 million (31.03.2011: ₹ 28.04 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 51.43 million (31.03.2011: ₹ 50.75 million) is included in Provision for Gratuity. The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.
- The liability for retiring gratuity as on March 31, 2012 in respect of employees working with branches outside India is ₹ 0.63 million (31.03.2011: ₹ 4.45 million).
- The liability for retiring gratuity as on March 31, 2012 in respect of subsidiary companies NCC Infrastructure Holdings Limited is ₹ 2.82 million (31.03.2011: ₹ 3.21 million), NCC Urban Infrastructure Limited is ₹ 6.61 million (31.03.2011: ₹ 3.74 million), Himachal Sorang Power Limited is ₹ 1.19 million (31.03.2011: ₹ 1.38 million), OB Infrastructure Limited is ₹ 0.10 million (31.03.2011: 0.14 million), NCC Power Projects Limited ₹ 1.42 million (31.03.2011 : ₹ 1.00 million), Western UP Tollway Limited ₹ 0.19 million (31.03.2011: ₹ 0.39 million), Nagarjuna Construction Co. Ltd. and Partners LLC ₹ Nil (31.03.2011: ₹ 0.12 million), Nagarjuna Construction Co. International LLC ₹ 85.21 million (31.03.2011: ₹ 57.82 million), Nagarjuna Contracting Company LLC ₹ 7.39 million (31.03.2011: ₹ 9.47 million) and Al Mubarakia Contracting Co. LLC ₹ 2.80 million (31.03.2011: ₹ 1.03 million).
- 40 Adjustment to Net Consolidated Profit for the previous year represents the difference in the net profit after tax between the management accounts and the audited accounts in respect of a JCE and an associate.
- 41 **SEGMENT REPORTING**
- The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Accounting Standard – 17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. The Company's operations outside India do not qualify as reportable segments as the operations are not material.

## Notes forming part of the Consolidated financial statements

### 42 EARNING PER SHARE

*(₹ in million)*

	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit after tax available for equity shareholders (₹ in million)	549.14	2,221.89
Weighted Average number of equity shares for Basic EPS (Nos)	256,583,810	256,583,810
Add: Adjustment for outstanding share options (Nos)	-	-
Weighted Average number of equity shares for Diluted EPS (Nos)	256,583,810	256,583,810
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	2.14	8.66

\*The Company has no dilutive instruments during the year ended March 31, 2012. As such Dilutive Earnings per share equals to Basic Earnings per share

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

Meanwhile, the Government of Sikkim vide letter dated December 5, 2011 has issued a show cause notice regarding termination of Implementation Agreement on account of non-compliance of various mandatory provisions of the Implementation Agreement. The company has applied to the Government of Sikkim for extending the Implementation Agreement.

Pending the studies and the extension of the implementation agreement by the Government of Sikkim, the accounts have been drawn up on a going concern basis.

- 44 The revised Schedule VI has become effective from April 01, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

For and on behalf of the Board

**M. V. Srinivasa Murthy**  
Company Secretary &  
Sr. V.P (Legal)

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

Place: Hyderabad  
Date: May 29, 2012

**R. S. Raju**  
Sr. Vice President (F&A)

**A. G. K. Raju**  
Executive Director

# Financial information of Subsidiary and Step down-Subsidiary Companies for the Financial Year ended 31st March 2012 pursuant to Section 212 of the Companies Act, 1956

(₹ in million)

S. No.	Name of the Subsidiary / Step down Subsidiary Company (1)	Issued and Subscribed Share Capital (2)	Reserves (3)	Total Assets (4)	Total Liabilities [Excluding (2) & (3)] (5)	Investments (6)	Turnover (7)	Profit/(Loss) before taxation (8)	Provision for taxation (9)	Profit (Loss) after taxation (10)	Proposed Dividend (11)
1	NCC Infrastructure Holdings Ltd	1463.32	4240.32	8648.66	2945.02	6736.96	45.88	(101.37)	0.92	(102.29)	-
2	NCC Urban Infrastructure Limited	1500.00	8.22	7038.09	5529.87	-	1847.32	49.51	7.58	41.93	-
3	NCC Vizag Urban Infrastructure Limited	526.25	(4.61)	1478.92	957.28	-	-	(2.18)	-	(2.18)	-
4	Nagarjuna Construction Company Limited & Partners – LLC	19.85	(200.36)	46.55	227.06	-	9.88	4.90	-	4.90	-
5	OB Infrastructure Ltd	147.57	1365.50	5351.20	3838.13	-	2463.88	68.29	14.00	54.29	-
6	NCC Infrastructure Holdings Mauritius PTE Ltd	1245.03	308.51	3227.33	1673.79	1097.12	171.93	77.82	2.49	75.33	-
7	Nagarjuna Construction Company International LLC,	674.90	1147.64	10966.95	9144.41	-	7880.65	284.08	5.66	278.42	-
8	Nagarjuna Contracting Co. LLC	4.16	862.82	5559.66	4692.68	-	906.01	13.74	-	13.74	-
9	Patnitop Ropeway & Resorts Limited	22.55	(1.90)	20.83	0.18	-	-	(0.03)	-	(0.03)	-
10	Western UP Tollway Ltd	100.75	1380.35	7364.64	5883.54	-	714.88	(17.32)	-	(17.32)	-
11	Vaidehi Avenues Ltd	40.10	(0.47)	40.68	1.05	-	-	(0.47)	-	(0.47)	-
12	NCC International Convention Centre Limited	10.00	(5.05)	50.05	45.10	-	-	(0.07)	-	(0.07)	-
13	NCC Oil & Gas Limited	0.50	(0.11)	0.43	0.04	-	-	(0.02)	-	(0.02)	-
14	Nagarjuna Construction Company (Kenya) Limited	0.01	-	0.01	-	-	-	-	-	-	-
15	Liquidity Limited	6.46	(3.31)	6.16	3.01	6.08	-	(0.63)	-	(0.63)	-
16	Dhatri Developers & Projects (P) Ltd.	1.00	(0.14)	63.90	63.04	-	-	(0.02)	-	(0.02)	-
17	Sushanti Avenues (P) Ltd.	1.00	(0.04)	46.69	45.73	-	-	0.03	-	0.03	-
18	Sushruta Real Estates (P) Ltd.	1.00	(0.11)	17.73	16.84	-	-	(0.02)	-	(0.02)	-
19	PRG Estates (P) Ltd.	0.10	33.99	54.98	20.89	-	-	0.03	-	0.03	-
20	Thirlekya Real Estates (P) Ltd.	1.15	26.25	44.53	17.13	-	-	0.03	-	0.03	-
21	Varma Infrastructure (P) Ltd.	0.10	49.62	67.26	17.54	-	-	0.03	-	0.03	-
22	Nandyala Real Estates (P) Ltd.	1.16	26.06	57.20	29.98	-	-	0.02	-	0.02	-
23	Kedarnath Real Estates (P) Ltd.	1.71	31.56	48.97	15.70	-	-	0.02	-	0.02	-
24	AKHS Homes (P) Ltd.	0.50	(0.03)	31.12	30.65	-	-	0.03	-	0.03	-
25	JIC Homes (P) Ltd.	0.50	-	18.32	17.82	-	-	0.04	-	0.04	-



(₹ in million)

S. No.	Name of the Subsidiary / Step down Subsidiary Company (1)	Issued and Subscribed Share Capital (2)	Reserves (3)	Total Assets (4)	Total Liabilities [Excluding (2) & (3)] (5)	Investments (6)	Turnover (7)	Profit/(Loss) before taxation (8)	Provision for taxation (9)	Profit (Loss) after taxation (10)	Proposed Dividend (11)
26	Sushanthi Housing (P) Ltd.	0.50	(0.01)	17.43	16.94	-	-	0.04	-	0.04	-
27	CSVs Property Developers (P) Ltd.	0.50	-	18.37	17.87	-	-	0.04	-	0.04	-
28	Vera Avenues (P) Ltd.	0.50	(0.02)	14.08	13.60	-	-	0.03	-	0.03	-
29	Sri Raga Nivas Property Developers (P) Ltd.	0.50	(0.04)	33.55	33.09	-	-	0.03	-	0.03	-
30	VSN Property Developers (P) Ltd.	0.50	(0.04)	33.59	33.13	-	-	0.03	-	0.03	-
31	M A Property Developers (P) Ltd.	0.50	(0.01)	17.43	16.94	-	-	0.04	-	0.04	-
32	Vara Infrastructure (P) Ltd.	0.50	(0.07)	0.48	0.05	-	-	(0.01)	-	(0.01)	-
33	Sri Raga Nivas Ventures (P) Ltd.	0.50	(0.95)	0.70	1.15	-	-	(0.63)	-	(0.63)	-
34	Malleavanam Property Developers (P) Ltd.	0.50	(0.03)	9.88	9.41	~	-	0.02	-	0.02	-
35	Sradha Real Estates (P) Ltd.	0.50	(0.07)	0.48	0.05	-	-	(0.01)	-	(0.01)	-
36	Sri Pada Homes Private Limited	0.50	(0.07)	0.48	0.05	-	-	(0.01)	-	(0.01)	-
37	NJC Avenues Pvt Ltd	0.50	(0.75)	1326.72	1326.97	-	-	(0.01)	-	(0.01)	-
38	NCC Urban Lanka Infrastructure Limited	0.000007	-	0.000007	-	-	-	-	-	-	-
39	Nagarjuna Suites Private Limited	1.00	-	1.00	-	-	-	-	-	-	-
40	NCC Power Projects Ltd	6294.80	932.96	15338.89	8111.13	-	-	(12.62)	1.00	(13.62)	-
41	Himachal Sorang Power Limited	43.66	1613.49	7252.02	5594.87	200.04	-	(2.00)	5.37	(7.37)	-
42	Al Mubarikia Contracting Co. LLC	13.85	6.85	1184.90	1164.20	-	57.39	(1.02)	-	(1.02)	-
43	NCCL International Kuwait General Contracting Company	45.81	-	45.81	-	-	-	-	-	-	-
44	Samashti Gas Energy Limited	0.50	(5.83)	0.82	6.15	-	-	(5.34)	-	(5.34)	-
45	NCC Infra Limited	0.50	(0.02)	0.49	0.01	-	-	(0.02)	-	(0.02)	-

Note:

1) Exchange rate as on 31.03.2012: Rial Omani = ₹ 132.333, AED = ₹ 13.85, US\$ = ₹ 50.89, KWD = ₹ 183.242, KES = ₹ 0.61



## REGIONAL OFFICES

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211-212, Sarthik - II  
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### Bhubaneswar

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Kharavela Nagar,  
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### Chennai

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DLF Qutub Enclave Phase - II,  
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Gurgaon - 122 022  
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Email: ro.delhi@nccltd.in

### Kochi

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Email: ro.mumbai@nccltd.in

## Overseas Offices

### Dubai

### Muscat

### Qatar

### Saudi Arabia



NCC Limited

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