



BUILDING AT ALL TIMES

Annual Report 2019-20

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Disclaimer:

In this Annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

BUILDING AT ALL TIMES

Good times or bad times, throughout its history, NCC has been building many engineering marvels backed by its strong financial, operational and execution capabilities.

With prudent risk management skills and strategic intents, the company during its 42 year history, has withstood many adversities and has emerged stronger every time. Many infrastructure landmarks built by NCC across the country and abroad are living testimonials of our ability to build at all times.

ABOUT US

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

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



ENVIRONMENT, HEALTH AND SAFETY POLICY

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

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



OUR PEOPLE

Experienced human capital of 5114 spread across head office, regional offices and various sites.

BUSINESS DIVISIONS



**Buildings
and Housing**



**Water &
Environment**



Roads



Electrical



Mining



Irrigation



Power



Railways



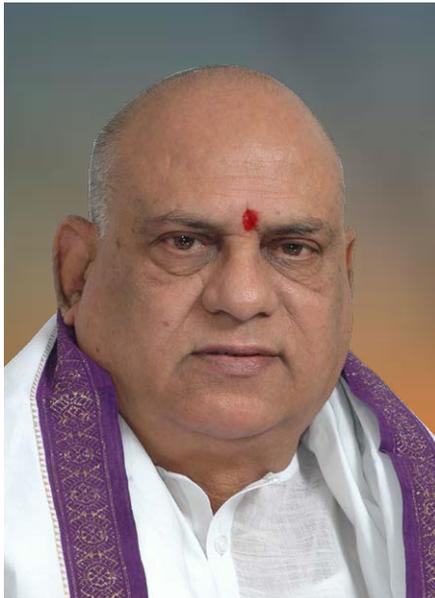
Metals

OUR MAJOR CLIENTS

Airports Authority of India, New Delhi
 Allahabad Development Authority Limited
 All India Institute of Medical Sciences
 Amaravathi Development Corporation Ltd.
 Andhra Pradesh Township Infrastructure Development
 Andhra Pradesh Housing Board
 Ansal Properties & Infrastructure Limited, Lucknow
 AP Capital Region Development Authority, Vijayawada
 Ballari City Corporation, Ballari
 Bangalore Electricity Supply Company Limited, Bangalore
 Bangalore Metro Rail Corporation, Bangalore
 Bennett Coleman and Company Limited
 Bharat Heavy Electricals Limited
 Bihar Agricultural University
 Bihar Medical Services & Infrastructure Corporation Limited
 Chennai Metro Rail Limited
 Chennai Metropolitan Water Supply and Sewerage Board
 Delhi Metro Rail Corporation Limited
 Dept. of Space, Govt. of India, Sriharikota
 Dept. of Sports, Govt. of Uttarakhhand
 Directorate of Arts & Culture, Meghalaya
 Employees State Insurance Corporation (ESIC)
 Engineers India Limited
 Government of West Bengal, PHE Office, Kolkata
 Greater Hyderabad Municipal Corporation, Hyderabad, Telangana
 Greater Visakha Municipal Corporation, Visakhapatnam, AP
 Gujarat Water Supply and Sewerage Board
 Guntur Municipal Corporation, Andhra Pradesh
 Hindustan Aeronautics Limited
 Hyderabad Growth Corridor Limited, Hyderabad
 Hyderabad Metropolitan Water Supply and Sewerage Board
 Indian Institute of Management, Raipur
 Indian Institute of Technology, Jodhpur
 Indian Navy
 Irrigation & CAD Department, Govt of Telangana
 Irrigation and CAD departments (of various States)
 Jharkhand Bijili Vitaran Nigam Limited
 Karnataka Housing Board
 Karnataka Residential Educational Institutional Society
 Karnataka Road Development Corporation

Madhya Pradesh Public Works Department, Bhopal, Madhya Pradesh
 Mahanadi Coal Fields Limited
 Maharashtra Airport Development Company, Mumbai
 Maharashtra Metro Rail Corporation Ltd.
 Maharashtra State Road Development Corporation Ltd
 Ministry of Defence
 Ministry of Transport & Communication - Govt. of Oman
 Mumbai Metropolitan Region Development Authority, Mumbai
 Muscat Municipality, Sultanate of Oman
 Nagpur Metro Rail Corporation Ltd. Nagpur
 Nalanda University, Rajgir, Bihar
 National Highways Authority of India (NHAI)
 National Mineral Development Corporation Limited
 National Thermal Power Corporation
 NBCC Limited
 National Institute of Technology
 Paccchimanchal Vidyut Vitran Nigam Limited
 Patni Computers
 Public Health Engineering Department (of various states)
 Purvanchal Vidyut Vyapar Nigam Limited
 Rajiv Gandhi Rural Housing Corporation Limited, Bangalore
 Rail Vikas Nigam Limited
 Rashtriya Madhyamika Shiksha, Karnataka
 Reliance Industries Limited
 Reserve Bank of India
 Road Development authority, Srilanka
 Rural water supply & Sanitation, Odisha
 Sahara India Commercial Corporation Limited, Pune
 Sardar Sarovar Narmada Nigam Limited
 Shriram Properties Private Limited
 Singareni Collieries Company Limited
 State Electricity Boards (of various States)
 State Public Works Departments (of various states)
 Steel Authority of India Limited
 Symbiosis University
 Tamil Nadu Generation and Distribution Corporation Limited, Chennai
 Tamil Nadu Housing Board
 The Project Seabird, New Delhi
 The West Bengal Power Development Corporation Limited
 UP Expressway Industrial Development Authority
 Uttar Pradesh Housing & Development Board, Lucknow

MESSAGE FROM THE FOUNDER & CHAIRMAN EMERITUS



Challenges and difficult times are not new to NCC. In our over 40 years of history we have gone through many challenges yet we emerged stronger year after year. We have proven risk mitigating capabilities as we adhere to continuous learning which is a core commitment in our vision.

Dear Shareholders,
FY20 has been a challenging year for NCC Ltd. The year ended with a global pandemic spreading the entire world and India is one of the most impacted.

Challenges and difficult times are not new to NCC. In our over 40 years of history we have gone through many challenges yet we emerged stronger year after year. We have proven risk mitigating capabilities as we adhere to continuous learning which is a core element in our vision. We will never deviate from our core values which encompass trust and integrity. We will continue to build the much needed infrastructure facilities for the holistic development of our nation.

I am delighted that during the year NCC Management honored Deendayal Research Institute with "NCC Samashti Seva Puraskar", for their pioneering work in the field of rural development. We also constructed a skill development centre at Antarvedipalem, East Godavari, Andhra Pradesh for empowering people in various skills from the nearby areas.

Going forward few more months are expected to be difficult. I am sure we all will exhibit the necessary survival skills to overcome these challenges.

Meanwhile please stay safe - protect yourself and your family.

Warm Regards

Padmashri Awardee Dr. AVS Raju
Founder & Chairman Emeritus

VISION

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

VALUES

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

MISSION

To build a strong future ensuring increased returns to shareholders and enhanced support to associates

To adopt the latest technologies in the field of engineering, construction, operation and maintenance of infrastructure projects

To encourage innovation, professional integrity, upgradation of knowledge and skills of employees and a safe working environment To be a responsible corporate citizen committed to the social cause

CORPORATE INFORMATION

Padma Shri Awardee

Dr. A V S Raju, Founder & Chairman Emeritus

Board of Directors

Sri Hemant M Nerurkar - Chairman
Independent Director

Dr. A S Durga Prasad
Independent Director

Smt Renu Challu
Independent Director

Sri S Ravi
Independent Director

Sri Utpal Sheth
Director

Sri A A V Ranga Raju
Managing Director

Sri A G K Raju
Executive Director

Sri A S N Raju
Wholetime Director

Sri J V Ranga Raju
Wholetime Director

Sri A V N Raju
Wholetime Director

Chief Financial Officer

Associate Director (F&A)
Sri R S Raju

Company Secretary & EVP (Legal)

Sri M V Srinivasa Murthy

Statutory Auditors

M/s. S R Batliboi & Associates LLP

Chartered Accountants
THE SKYVIEW 10
Survey No. 83/1, Raidurgam
Hyderabad - 500 032

Bankers

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

Registered Office

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

Registrar and Share Transfer Agents

M/s. KFin Technologies Private Limited
Selenium Tower B, Plot No.31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad -500 032
Tel: +91 40 67162222
Fax: +91 40 23001153
Toll Free No: 1800345400
Email: einward.ris@kfintech.com
www:kfintech.com

30th Annual General Meeting

Friday the 25th September, 2020
at 3.00 p.m. IST through Video
Conferencing (VC) / Other Audio
Visual Means (OAVM)

CHAIRMAN'S MESSAGE



Construction majors like NCC are key stakeholders in building the nation.

Dear Shareholders

This year my annual address on behalf of the board of directors of the company is at a very unusual time. Covid 19 has caused unforeseen damage to the lives of the people and the economies of most of the countries. With per capita income contracting after the pandemic, most countries are heading to an economic downturn in 2020. World Bank estimate in June 2020 points to a 7% contraction in advanced economies. That weakness is spilling over to the emerging markets and developing economies, where growth is expected to contract by 4-5% as they also cope with their own domestic outbreaks of the virus.

The economic impact of the COVID-19 in India has been substantial and broad-based. All indicators point to a sharp decline in economic activity, as reflected in the industrial production, business sentiment, consumer confidence and trade.

An analysis and data based prediction on the exact point of inflection for global economic recovery will not be possible at this juncture, since the spread of pandemic is not showing any signs of flattening. Many economists envisage a V-shaped recovery from Q3 of CY2020 with over \$10 Trillion fiscal and monetary stimulus which is likely to increase further. However this expected recovery, can be adversely impacted if further lockdowns are imposed.

India announced a ₹ 20 Lakh crore stimulus package for overcoming the covid impact. The stimulus package predominantly is a set of financial packages for lowering the Covid impact among businesses is a mix of fiscal and monetary support mostly routed through banks. This impetus to ease financial pressure on businesses and to sustain the liquidity position is a strategically appropriate step.

The government initiative to infuse investments in infrastructure is going

to play a key role in reviving the growth post lockdown. Honorable PM of India, Shri Narendra Modi, has already included Infrastructure as a crucial part of his '5i agenda for economic revival'. From transportation, logistics, agriculture, industry, telecommunications, to finance, healthcare, manufacturing, and education, all sectors rely on a strong infrastructure backbone. While in the initial stages of revival, infrastructure investments will help boost employment, generate income, in the long run it is set to boost the growth of the ancillary sectors, allowing stronger revival.

ON PERFORMANCE

FY2020 has been a subdued year for us with respect to topline and fresh inflow of orders. On Stand alone basis our revenue stands at ₹ 8370 Crores - down 31% YoY primarily due to general elections in the first quarter and the non performing orders in Andhra Pradesh. Order inflow also remained tepid in FY20 falling 68% YoY.

OPPORTUNITIES AND RISKS

India is at the verge of a construction infrastructure boom. It is important to make the infra growth go uninterrupted. Developments in the last decade are laudable as the country made progress in most of the sectors like roads, buildings, power, railways and water. However the pace at which the country is progressing falls short of the aspirations of a developing Country. As per a study by CRISIL India's infrastructure investments as a percentage of GDP may fall to a 15-year low between fiscals 2018 and 2022. Overall infrastructure spending over the past two fiscals amounted to 5.1% of GDP – the lowest since fiscal 2002 – because of funding challenges

for both private and public segments, and a lower-than-expected pick-up in new PPP models. This makes the journey towards the government's target of ₹ 100 lakh crore (or 7-8% of GDP) infrastructure spending by fiscal 2024 more challenging.

We continue to be a country where much of the decision-making on developmental issues are mired in petty politics, discouraging redtivism, and inter-ministerial issues. For the country's vision to be a reality, our political leadership, central and state governments should rise to the occasion. Recent high-level meeting convened by The Union Minister for road transport and highways with Railway Minister and Environment Minister to expedite pending infrastructure projects in the country, particularly those stuck due to inter-ministerial approvals, is indeed a welcome move.

Construction majors like NCC are key stakeholders in building the nation. During these hard times - post Covid 19 outbreak, many small and medium infrastructure and construction players are facing liquidity crunch. At NCC Ltd, we have a strong balance sheet and our business model is resilient. We have experience, prudent risk management systems and time tested executional skills to put the company on the growth trajectory.

At NCC, our Board or Directors and Senior Management is closely watching the current scenario for evaluating and containing risks.

DIVIDEND

We have a consistent track record of paying dividends. The Board of Directors of the Company at its meeting held on May 29, 2020, have recommended payment of Equity

Dividend of ₹ 0.20 per equity share subject to shareholders' approval at the forthcoming AGM.

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

Yours truly
Hemant M Nerurkar
Chairman

DISCUSSION WITH MANAGING DIRECTOR



THE NEED OF THE HOUR

At the outset let us all remind ourselves that the relaxation of lockdown is for getting on with our lives and businesses but we need to take the safety norms more seriously with the number of Covid-19 cases rising exponentially in our country. Let us all stay safe and take a pledge that we will do our best to break the Covid-19 transmission chain.

At our corporate office, regional offices and construction sites we have taken all necessary precautions to make our people and contract workers safe.

ON KEY DRIVERS OF THE BUSINESS

India's spend on infrastructure development as a percentage of GDP has been coming down since 2012. From a desirable level of 7-8% of the GDP for infra-construction it has come down to 5% in FY18 and FY19. As cited by our chairman in his letter to the shareholders, the slowdown in infra spend is due to

slowdown in economic growth, issues in land acquisition and delay in environmental and forest clearances. Despite this slowdown in spending, India continues to implement one of the largest infrastructure programmes in the world, with an estimated infrastructure investment of about \$140 billion in FY19, and occupies the second position in the developing world both by the number of PPP projects as well as the associated investments.

In a major pro-active initiative, the government drew up the NIP (National Infrastructure Pipeline) with an ambitious plan to invest ₹ 111 lakh Crores (about \$1.5 trillion) on infrastructure in the period up to FY25, roughly planning to double the annual infrastructure investment compared to what has been achieved in recent years. As per estimates in the NIP Task Force Report, about 80% of the required investment would come from the Centre and the state governments.

“

At NCC we have sufficient operational and financial capabilities to sustain. We are closely watching the turnout of events and will show the much needed strategic and operational agility during these difficult times.

There is no doubt that Infra-construction will be the frontrunner in driving India's economic growth since we build the foundations of growth for all sectors i.e. manufacturing, services and social infrastructure. The nation cannot progress without strengthening its rail and road networks, buildings, irrigation, water & power.

A BRIEF REVIEW OF PERFORMANCE

FY2020 was a challenging year for our company yet we are exhibiting the much needed operational resilience to overcome the challenges inherited from the previous year and Covid 19 related challenges in FY2021.

I am gratified to state that we are among those handful of construction infrastructure companies in India which always withstood the test of times and we continue to build our company.

FY20 revenue stood at ₹ 8,370 Crores, down 31% YoY, predominantly on account of slowdown in execution in the first quarter due to general elections and non-performing orders pertaining to those received from Government of Andhra Pradesh. Order inflow also remained tepid at ₹ 7,172 Crores in FY20 falling 68% YoY.

We were impacted during the initial lockdown days which resulted in slowing down our execution. During Q4 FY20 our operations were impacted for about a week and almost nil activities in April 2020. We restarted in May reaching an overall level of 50-60% with respect to resuming activities.

We continue to maintain a healthy order book of ₹ 26,572 Crores as on March 31, 2020. During the year we

received fresh orders worth ₹ 7172 Crores. The executable orderbook is at 3.2x book-to-sales. Sectoral expertise in the construction – infrastructure segment is our unique strength. Our order book is well diversified across buildings & housing, roads, water & environment, irrigation, electrical, metals and mining.

ON FINANCIAL PERFORMANCE

Despite our net sales registering a degrowth of 31%, our EBIDTA margins were up 75 bps YoY at 12.53% from 11.78% in the previous year. Our receivables reduced to ₹ 26 bn from ₹ 32 bn YoY. Debtors days increased from 95 to 117. Debt stood at ₹ 19 bn with D/E ratio of 0.37 which is comfortable.

GOING FORWARD

The consequences of COVID-19 unless controlled in time, is going to have an adverse impact on the performance of our sector. Covid has left an impact on revenue receipts of the central and state governments. In view of this, we are unable to provide any guidance for top line for FY21. Turmoil in the global economy will also impact the external borrowing capacity of central and state governments. State governments known for the maximum spend like UP, Maharashtra and Gujarat are among the most impacted states.

The bulk of the activities are going to resume in the second and third quarter of the year. At NCC we have sufficient operational and financial capabilities to sustain. We are closely watching the turnout of events and will demonstrate the much needed strategic and operational agility during these difficult times. While going

forward we will keep updating you on all the developments through the exchanges and during our concalls.

Stay safe and stay healthy

Warm Regards

A A V Ranga Raju,
Managing Director

Total Order Book

₹ **26,572** Crore
As on 31 March, 2020

Fresh Orders Received in FY20

₹ **7,172** Crore

KEY PERFORMANCE INDICATORS

TURNOVER (₹ in Crores)

FY17	8032
FY18	7675
FY19	12198
FY20	8370

EBIDTA (₹ in Crores)

FY17	685
FY18	855
FY19	1423
FY20	1030

PAT (₹ in Crores)

FY17	226
FY18	287
FY19	564
FY20	382

CASH PROFIT (₹ in Crores)

FY17	338
FY18	404
FY19	713
FY20	560

EBIDTA (%)

FY17	8.68
FY18	11.31
FY19	11.78
FY20	12.53

PAT (%)

FY17	2.81
FY18	3.74
FY19	4.62
FY20	4.56

GROSS BLOCK

(₹ in Crores)

FY17	1372
FY18	1573
FY19	1975
FY20	2042

ORDER BOOK

(₹ in Crores)

FY17	18089
FY18	32532
FY19	35121
FY20	26572

DEBT EQUITY - RATIO

FY17	0.46
FY18	0.31
FY19	0.42
FY20	0.37

BOOK VALUE PER SHARE

(₹)

FY17	61.92
FY18	70.62
FY19	78.74
FY20	83.72

EPS

(₹)

FY17	4.06
FY18	5.09
FY19	9.39
FY20	6.34

DIVIDEND

(%)

FY17	20
FY18	50
FY19	75
FY20	10

CORPORATE SOCIAL RESPONSIBILITY

At NCC, corporate social responsibility is etched in the organisational DNA. To ensure that CSR remains an ongoing activity and receives maximum attention, we set up the NCC Foundation, earmarking a portion of NCC Limited’s net profit every year for the social and philanthropic activities of NCC Foundation. With a wide range of socio-economic and educational initiatives, NCC Foundation touches the lives of the unheard and unserved.

SKILL DEVELOPMENT CENTRE

NCC constructed two bed room dwelling units in Antarvedipalem, East Godavari Dt, Andhra Pradesh and allotted the same to the deserving families.

In the same location, we have constructed a skill development centre of 17500 Square feet for residents of the colony. In this skill development centre the residents of the colony can improve their skills in the specified areas of their interest like tailoring, sweet meat preparations, cooking, preparing pickles, embroidery etc with the help of a trainer. After obtaining the required skills they can produce the finished goods, and sell in the nearby towns. At a time about two hundred persons can work on different activities.



NCC SAMASHTI SEVA PURASKAR

Deendayal Research Institute was awarded the “NCC Samashti Seva Puraskar” for Integrated Rural Development and for their pioneering work in this field.

COVID-19 RELIEF

NCC contributed to the Chief Ministers relief fund of the Governments of Telangana, Andhra Pradesh, Maharashtra and Gujarat to deal with the Corona crisis.



DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 30th Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2020.

Standalone Financial Results

(₹ in crores)

	2019-20	2018-19
Revenue from Operations	8218.80	12079.76
Other Income	151.27	118.25
Total Income	8370.07	12198.01
Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT)	1181.42	1541.25
Less: Finance Costs	517.87	451.26
Profit before Depreciation, Exceptional Items and Tax	663.55	1089.99
Less: Depreciation and Amortisation Expenses	177.52	149.37
Profit before exceptional item & tax	486.03	940.62
Exceptional item (Net)	(32.67)	(58.93)
Profit before tax	453.36	881.69
Provision for Tax	71.32	317.78
Profit after Tax	382.04	563.91
Other comprehensive income / (loss) for the year	(6.93)	(4.31)
Total comprehensive income for the year	375.11	559.60
Retained earnings- Opening Balance	1162.40	670.41
Add: Effect of adoption of Ind AS 115	-	0.50
Add: Profit for the Year	382.04	563.91
Less: Dividend paid during the year (Including Dividend Tax)	108.62	72.42
Retained earnings - Closing Balance	1435.82	1162.40
Paid up Capital	121.97	120.13

Operational performance

A. Standalone

Your Board takes pleasure in reporting that the Revenue from Operations of the Company for the Financial Year ended 31st March, 2020 amounted to ₹ 8218.80 crores as against ₹ 12079.76 crores in FY-2018-19 and earned a Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT) of ₹ 1181.42 crores for the F.Y 2019-20 as against ₹ 1541.25 crores in the previous year. After deducting financial charges of ₹ 517.87crores, providing a sum of ₹ 177.52 crores towards depreciation, ₹ 71.32 crores for income tax and after exceptional items of ₹ (32.67) crores, the operations of the Company resulted in a net profit of ₹ 382.04 crores for the F.Y 2019-20 as against ₹ 563.91 crores in F.Y 2018-19.

B. Consolidated

During the year under review, the Revenue from Operations of the Company on a consolidated basis amounted to ₹ 8901.07 crores as against ₹ 12895.64 crores in the previous fiscal. Your Company has earned a PBIDT of ₹ 1200.23 crores for the F.Y 2019-20

as against ₹ 1723.50 crores in the previous Financial year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ 336.53 crores as against ₹ 578.69 crores in the previous financial year.

During the year the Company, on consolidated basis, bagged new orders valued around ₹ 7172 crores and after deducting the Orders executed, orders cancelled and orders whose scope has been reduced the order Book of the company as on March 31, 2020 stood at ₹ 26,572 crores.

The operations of the Company during the F.Y were impacted due to the elections to the Lok Sabha and some of State Assemblies, extended rainfall in some of the States and the COVID-19 pandemic. Further, in view of the change in the priorities / plans of the new government in the State of Andhra Pradesh some of the contracts awarded to the various Construction Companies including our Company have been foreclosed / de-scoped.

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown initially for 21 days and which was subsequently extended in phases till 31st May, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The Company has taken necessary measures to contain the spread of virus in the project sites and in the various offices from where the employees are functioning.

Proposed Dividend

Your Board while taking note of the challenges faced on account of the COVID-19 pandemic and the need to conserve the resources recommends payment of Dividend of ₹ 0.20/- per Equity Share of ₹ 2/- each (10%) for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

Transfer to Reserves

The Directors have decided to retain the entire amount of ₹ 1435.82 crores in the retained earnings.

Management Discussion and Analysis

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

Change in nature of business

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

Material Changes and Commitments affecting the financial position of the Company

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

Merger

NCC Limited and two of its Wholly Owned Subsidiary Companies (WOSs) viz., M/s. Aster Rail Pvt Ltd., and M/s. Vaidehi Avenues Ltd., in their respective Board meetings held in December, 2019 subject to requisite approvals including that of NCLT, approved the merger of said WOSs with NCC Limited with the appointed date as 1st April, 2019 (Holding Company). The process of merger is slightly delayed due to the lockdown on account of COVID-19.

Share Capital

During the financial year under review, there has been no change in the Authorized Capital of the Company. However, the paid up equity share capital of the company increased by ₹ 1,84,00,000 during the year consequent to the allotment of 92,00,000 equity shares of ₹ 2/- each on exercise of Convertible Warrants issued to M/s. AVSR Holdings Private Limited one of the promoters of the company. The paid up share capital of the Company as on March 31, 2020 stood at ₹ 121,96,93,176 divided into 60,98,46,588 equity shares of ₹ 2/- each. The Company has not issued any debentures, bonds or any non-convertible securities during the financial year under review.

Particulars of Contracts or Arrangements with Related Parties

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

Members may refer Note 36 to the Standalone Financial Statement which sets out related party disclosures pursuant to Ind AS.

The policy on Related Party Transactions as approved by the Audit Committee and the Board of Directors is hosted on the website of the Company and the link for the same is: <http://ncclimited.com/Policies.html>.

Directors' responsibility statement

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the financial year ended 31st March, 2020;

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

Subsidiary Companies/ Joint venture Companies

The Company has 37 subsidiaries (including step down subsidiaries) as of March 31, 2020. During the year under review steps have been taken for closing down 7 (seven) step down subsidiaries (Wholly Owned Subsidiaries of NCC Urban Infrastructure Ltd) which are not in operation, under the "Strike off" mode, after due compliance with the provisions of the Companies Act, 2013 and the Rules framed there under. As the Ropeway Project at Patnitop awarded by the Govt of Jammu and Kashmir was cancelled, the SPV viz., Patnitop Ropeway & Resorts Ltd., (Wholly Owned Subsidiary of the Company) is being closed down under the Voluntary Winding Up process stipulated under the IBC Code, 2016 and the Rules framed there under. The Board of Directors of NCC Urban Infrastructure Ltd and the Board of Directors of 9 (nine) wholly owned subsidiaries under NCC Urban Infrastructure in their respective Board meetings held in December, 2019 subject to requisite approvals including that of NCLT, approved the merger of the said WOSs with NCC Urban Infrastructure Ltd. The Merger process is slightly delayed due to the lockdown on account of COVID-19. There was no material change in the nature of the business carried on by the subsidiaries.

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

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are being made available on the website of the Company and are not attached with the Annual Accounts of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same.

In compliance with Section 134 of the Companies Act, 2013 read with the rules framed there under and the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time the Financial Statements for the F.Y 2019-20 have been prepared in compliance with the applicable Indian Accounting Standards.

Consolidated financial statements

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2020, which forms part of the Annual Report.

Conversion of Preferential Warrants issued to M/s. AVSR Holdings Private Limited

During the year under review pursuant to the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 (SEBI ICDR Regulations) and the approval earlier accorded by the members of the Company vide resolution dated 10th August, 2018, the Company has allotted 92,00,000 Equity Shares of ₹ 2/- each at a premium of ₹ 117.37/- per Share upon conversion of 92,00,000 Convertible Warrants issued on Preferential basis to M/s. AVSR Holdings Private Limited one of the promoters of the Company. In compliance with the applicable SEBI Regulations these Shares are locked in up to 14th March, 2023.

Disclosures: Deposits

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

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

A. Conservation of energy

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

B. R&D and technology absorption:

Not applicable

C. Foreign exchange earnings and outgo during the F.Y 2019-20

Foreign exchange earnings - Nil

Foreign exchange outgo

i. Towards travel ₹ 0.39 crores

ii. Towards import of capital goods & material supplies ₹ 123.76 crores

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

Particulars of loans, guarantees or investments under Section 186;

Details of Loans, Guarantees, Investments under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as at 31st March, 2020 form part of the Notes to the financial statements provided in this Annual Report.

Directors:

During the Financial Year 2019-20, Sri R V Shastri an Independent Director and Chairman of the Audit Committee and Stakeholders Relationship Committee retired from the Board at the end

of his term on 24th September, 2019. Your Board places on record the valuable contribution of Sri R V Shastri, during his long association with the Company as an Independent Director and as Chairman of the Audit Committee and Stakeholders Relationship Committee.

In pursuance of Section 152 of the Companies Act, 2013 and the rules framed there under, Sri A S N Raju (DIN-00017416), and Sri J V Ranga Raju (DIN-00020547) Whole time Directors are liable to retire by rotation, at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Sri S Ravi, (Sri Ravi Sankararamaiah) (DIN-00180746) and Dr A S Durga Prasad (DIN-00911306) were appointed as Independent Directors on the Board of the Company at the Board Meetings held on 10-11-2015 and on 24-05-2016 respectively for a period of five years. The said appointments were approved by the members of the Company at the Twenty Sixth Annual General Meeting of the Company held on 24th August, 2016. Subject to the approval of the members it is proposed to re-appoint the aforesaid Independent Directors for another term of 5 (five) years. Under the provisions of the Companies Act, 2013 (as amended) re-appointment of Independent Directors for a second term requires prior approval of Members of the Company by way of Special Resolution. Accordingly the approval of the Members by way of Special Resolution(s) at the ensuing Annual General Meeting of the Company is being sought for re- appointment of Sri S Ravi, (Sri Ravi Sankararamaiah) (DIN- 00180746) and Dr. A S Durga Prasad (DIN-00911306) for a period of Five(5) years as Independent Directors of the Company from the end of their respective terms.

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

The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 read with sub rule (1) and (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended.

Key Managerial Personnel

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

Policy on Directors' Appointment and remuneration and other details

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

Meetings of Board of Directors

The Board Calendar is prepared and circulated in advance to the Directors. During the Financial Year under review the Board has met seven times i.e. on April 26, 2019, May 24, 2019, August 09, 2019, September 06, 2019, November 05, 2019, December 28, 2019 and February 07, 2020. The details with respect to Committee meetings and attendance there at required under the Secretarial Standard-1 issued by the Institute of Company Secretaries of India have been provided in the Corporate Governance Report forming part of Annual Report.

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

Audit Committee

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

Whistle Blower Policy/Vigil Mechanism

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

Risk Management

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

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

Internal Financial Controls and their adequacy

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

Compliance with Secretarial Standards

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

Extract of Annual Return

The extract of the Annual Return of the Company in Form MGT-9 for the Financial Year ended 31st March, 2020 is given in **Annexure-I** and forms part of the Directors' Report. The same is also available on www.ncclimited.com.

Statutory Auditors and their report

M/s. S R Batliboi & Associates LLP (Firm Registration No.101049W/E300004), Chartered Accountants who were appointed as Statutory Auditors of the Company for a term of Five years from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting conducted the Statutory Audit for the FY-2019-20. The Independent Auditors' Report(s) to the Members of the Company in respect of the Stand alone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2020 form part of this Annual Report and do not contain any qualification(s) or adverse observations.

Secretarial Audit Report

As per the provisions of Section 204(1) of the Companies Act, 2013, the Company has appointed M/s. BS & Company Company Secretaries LLP, Practicing Company Secretaries to conduct Secretarial Audit of the records and documents of the Company for the Financial Year 2019-20. The Secretarial Audit Report for the Financial Year ended 31st March, 2020 in Form MR-3 is annexed to the Directors Report - **Annexure - II** and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2020 does not contain any qualification(s) or adverse observations

Cost Audit

The Company has maintained the requisite Cost Records in respect of the applicable activities as stipulated under Section 148 of the Companies Act, 2013 and the Rules framed thereunder.

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on May 24, 2019 had appointed M/s.Vajralingam & Co., Cost Accountants (Firm Registration No.101059) as the Cost Auditors of the Company for the FY 2019-20. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for FY-2019-20.

Corporate Governance

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

Business Responsibility Report

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

Investor Education and Protection Fund (IEPF)

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

Reporting of Frauds

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

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-III** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company <http://ncclimited.com/Policies.html>. As per the provisions of the Companies Act, 2013 and the Rules framed thereunder during the F.Y 2019-20 the Company was required to spend an amount of ₹ 10.02 crores towards CSR activities. During the F.Y 2019-20 the Company had spent / incurred an amount of ₹ 8.38 Crores (including the contributions made to the CMs Relief Fund) towards CSR expenditure upto 31st March, 2020 as per details given in the said **Annexure-III**. The shortfall in the expenditure was mainly on account of inability of the Company to proceed with the activities in the on going projects for which the Board and the CSR Committee had accorded approval and due to COVID-19.

Particulars of Employees

Details in respect of remuneration paid to employees as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time forms part of this report and is available on the website of the Company. The Annual Report and accounts are being sent to the shareholders excluding the aforesaid exhibits. Shareholders interested in obtaining this information may access the same from the Company website. In accordance with Section 136 of the Companies Act, 2013, this exhibit is available for inspection by shareholders through electronic mode.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section

197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure –IV** and forms part of this Report.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder and SEBI (LODR) Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Protection of Women at Work Place

The Company has formulated a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. During the financial year ended 31st March, 2020, the Company has not received any complaints pertaining to Sexual Harassment.

Acknowledgements

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

For and on behalf of the Board

Hemant M Nerurkar
Chairman
(DIN No. 0265887)

Place: Hyderabad
Date: 29th May, 2020

ANNEXURE – I

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS :

I)	CIN	:	L72200TG1990PLC011146
II)	Registration Date	:	22 nd March, 1990
III)	Name of the Company	:	NCC Limited
IV)	Category/Sub-Category of the Company	:	Company having Share Capital
V)	Address of Registered Office And contact details	:	NCC House, Madhapur, Hyderabad – 500 081, Telangana; Ph. No.040-23268888, Fax:040-23125555 Email: ho.secr@nccltd.in www.ncclimited.com
vi)	Whether listed Company	:	YES BSE Limited National Stock Exchange of India Limited
Vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited, Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032, Telangana State Phone: +91 040 6716 2222 Fax : +91 040 2300 1153 Email Id : einward.ris@kfintech.com www.kfintech.com

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

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

II. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES -

S. No.	Name of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	NCC Urban Infrastructure Limited	U45200 TG2005PLC048375	Subsidiary Company	80.00	Section 2 (87)
2	NCC Infrastructure Holdings Limited	U67110AP2005PLC046367	Subsidiary Company	62.82	Section 2 (87)
3	NCC Vizag Urban Infrastructure Limited	U45200 TG2006PLC048891	Subsidiary Company	95.00	Section 2 (87)
4	OB Infrastructure Limited [#]	U45200 TG2006PLC049067	Subsidiary Company	64.02	Section 2 (87)
5	Nagarjuna Construction Company International LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
6	NCC Infrastructure Holdings Mauritius Pte. Limited	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
7	Patnitop Ropeway & Resorts Limited [@]	U45200 TG2007PLC052759	Subsidiary Company	100.00	Section 2 (87)
8	Nagarjuna Contracting Company LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
9	NCC International Convention Centre Limited.*	U74900 TG2008PLC062109	Subsidiary Company	100.00	Section 2 (87)
10	Talaipalli Coal Mining Private Limited	U10100TG2017PTC121116	Subsidiary Company	51.00	Section 2 (87)
11	Vaidehi Avenues Limited	U70109TG2011PLC073648	Subsidiary Company	100.00	Section 2 (87)
12	Aster Rail Private Limited	U72200TG2007PTC053398	Subsidiary Company	100.00	Section 2 (87)
13	Savitra Agri Industrial Park Private Limited [#]	U15100TG2014PTC092525	Subsidiary Company	100.00	Section 2 (87)
14	Pachhwara Coal Mining Private Limited	U10200TG2016PTC110024	Subsidiary Company	51.00	Section 2 (87)
15	Vara Infrastructure Private Limited* [#]	U45203TG2007PTC053076	Subsidiary Company	100.00	Section 2 (87)
16	Sradha Real Estates Private Limited* [#]	U70102TG2007PTC053160	Subsidiary Company	100.00	Section 2 (87)
17	Siripada Homes Private Limited* [#]	U45200TG2007PTC053442	Subsidiary Company	100.00	Section 2 (87)
18	NCC Urban Meadows Private Limited* [#]	U45400TG2012PTC083003	Subsidiary Company	100.00	Section 2 (87)
19	NCC Urban Villas Private Limited* [#]	U45400TG2012PTC083005	Subsidiary Company	100.00	Section 2 (87)
20	Dhatri Developers & Projects Private Limited [#]	U45200TG2006PTC049114	Subsidiary Company	100.00	Section 2 (87)
21	Sushanti Avenues Private Limited [#]	U72200TG2006PTC049115	Subsidiary Company	100.00	Section 2 (87)
22	Sushruta Real Estates Private Limited [#]	U45200TG2006PTC049116	Subsidiary Company	100.00	Section 2 (87)
23	JIC Homes Private Limited [#]	U45200TG2007PTC052709	Subsidiary Company	100.00	Section 2 (87)
24	Sushanti Housing Private Limited [#]	U45200TG2007PTC052710	Subsidiary Company	100.00	Section 2 (87)
25	CSVS Property Developers Private Limited [#]	U45200TG2007PTC052743	Subsidiary Company	100.00	Section 2 (87)
26	Vera Avenues Private Limited [#]	U45200TG2007PTC052745	Subsidiary Company	100.00	Section 2 (87)
27	M A Property Developers Private Limited [#]	U45200TG2007PTC052809	Subsidiary Company	100.00	Section 2 (87)
28	Sri Raga Nivas Ventures Private Limited [#]	U70102TG2007PTC053048	Subsidiary Company	100.00	Section 2 (87)
29	Mallelavanam Property Developers Private Limited [#]	U45200TG2007PTC053137	Subsidiary Company	100.00	Section 2 (87)
30	NJC Avenues Private Limited [#]	U45200TG2007PTC053484	Subsidiary Company	100.00	Section 2 (87)
31	Nagarjuna Suites Private Limited* [#]	U55101TG2011PTC076528	Subsidiary Company	100.00	Section 2 (87)
32	NCC Urban Homes Private Limited [#]	U45201TG2012PTC083002	Subsidiary Company	100.00	Section 2 (87)
33	NCC Urban Ventures Private Limited [#]	U45400TG2012PTC083004	Subsidiary Company	100.00	Section 2 (87)
34	NCC Infra Limited [#]	U45400TG2011PLC077680	Subsidiary Company	100.00	Section 2 (87)
35	Samashti Gas Energy Limited [#]	U40300TG2010PLC070627	Subsidiary Company	100.00	Section 2 (87)
36	Al Mubarakia Contracting Co.LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
37	NCCA International Kuwait General Contracts Company LLC	Not Applicable	Subsidiary Company	100.00	Section 2 (87)
38	Paschal Form Work (I) Private Limited	U74900AP2008FTC058963	Associate Company	23.35	Section 2 (6)
39	Himalayan Green Energy Private Limited	U40101DL2005PTC137235	Associate Company	50.00	Section 2 (6)
40	Nagarjuna Facilities Management Services LLC	Not Applicable	Associate Company	49.00	Section 2 (6)

S. No.	Name of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
41	Apollonius Coal and Energy Pte. Ltd.#	Not Applicable	Associate Company	44.22	Section 2 (6)
42	Ekana Sportz City Private Limited#	U45202UP2014PTC063932	Associate Company	26.00	Section 2 (6)
43	Brindavan Infrastructure Company Limited	U45203TG2003PLC042006	Associate Company	33.33	Section 2 (6)
44	Pondicherry Tindivanam Tollway Limited#	U45400TG2007PTC053321	Associate Company	47.80	Section 2 (6)
45	Varaprada Real Estates Private Limited#	U70102TG2007PTC053171	Associate Company	40.00	Section 2 (6)

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

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

@ *under Liquidation*

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

i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individuals / HUF	52129197	-	52129197	8.68	52556765	-	52556765	8.62	(0.06)
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	56650683	-	56650683	9.43	66780615	-	66780615	10.95	1.52
(e)	Banks/ FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
(2)	Sub - Total (A) (1):-	108779880	-	108779880	18.11	119337380	-	119337380	19.57	1.46
	Foreign	-	-	-	-	-	-	-	-	-
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/ FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub - Total (A) (2):-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	108779880	-	108779880	18.11	119337380	-	119337380	19.57	1.46
B.	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	169890197	1000	169891197	28.28	109589206	1000	109590206	17.97	(10.31)
(b)	Banks/ FI	1803734	1000	1804734	0.30	2726866	1000	2727866	0.45	0.15
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	119224911	-	119224911	19.85	89438095	-	89438095	14.67	(5.18)
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (Specify)	-	-	-	-	-	-	-	-	-
	Foreign bodies – DR	-	-	-	-	-	-	-	-	-
	Sub - Total (B) (1):-	290918842	2000	290920842	48.43	201754167	2000	201756167	33.09	(15.34)

i) Category-wise Shareholding (Contd.)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
2	Central Government/State Government/President of India	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	0	0	0	0	0	0	0	0
3	Non-Institutions								
a)	Bodies Corp.	-	-	-	-	-	-	-	-
i)	Indian	39109519	20512	39130031	6.51	45244464	20512	45264976	7.42
ii)	Overseas (OCB)	-	-	-	-	-	-	-	-
b)	Individuals								
i)	Individual Shareholders holding nominal share capital up to ₹ 2 lakh.	59858997	1130285	60989282	10.15	130750054	905020	131655074	21.59
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh.	83044440	-	83044440	13.83	85432090	-	85432090	14.01
iii)	NBFCs Registered with RBI	72470	-	72470	0.01	1300	-	1300	0.00
c)	Others (Specify)								
i.	Trusts	80184	-	80184	0.01	49950	-	49950	0.01
ii.	Alternative Investment Fund	9650008	-	9650008	1.61	551441	-	551441	0.09
iii.	Non Resident Individuals	2441419	-	2441419	0.41	6675290	-	6675290	1.09
iv.	Clearing Members	1890709	-	1890709	0.31	14776679	-	14776679	2.42
v.	Nonresident Indian Non Reparable	2857255	-	2857255	0.48	3029091	-	3029091	0.50
vi.	Qualified Institutional Buyer	173	-	173	0.00	876537	-	876537	0.14
vii.	IEPF	396242	-	396242	0.07	440613	-	440613	0.07
	Sub - Total (B) (3):-	199401416	1150797	200552213	33.39	287882509	925532	288808041	47.35
	Total B=B(1)+B(2)+B(3)	490320258	1152797	491473055	81.82	489636676	927532	490564208	80.44
	Total (A+B)	599100138	1152797	600252935	99.93	608919056	927532	609846588	100.00
C.	Shares held by Custodian for GDR & ADRs^(*)	393653	-	393653	0.07	-	-	-	-
	Grand Total (A+B+C)	599493791	1152797	600646588	100.00	608919056	927532	609846588	100.00

(*) During the year under review the Company after due discussion with Deutsche Bank Trust Company Americas, Depository to the GDR programme terminated the GDR programme of the company with effect from 30th October, 2019 after following the due procedure.

ii) Shareholding of Promoters/Promoters Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	
1	M/s. A V S R Holdings Private Limited	40453278	6.74	0.00	49653278	8.14	0.00	1.40
2	Mr. Alluri Ananta Venkata Ranga Raju	13563196	2.26	2.20	13563196	2.22	1.61	(0.04)
3	M/s. Sirisha Projects Private Limited	11214226	1.87	1.83	12144158	1.99	1.92	0.12
4	Mr. Alluri Narayana Raju	8858806	1.47	1.47	8858806	1.45	0.38	(0.02)
5	Mr. Alluri Venkata Narasimha Raju	7985791	1.33	0.00	7985791	1.31	0.61	(0.02)
6	Mr. Alluri Gopala Krishnam Raju	6359080	1.06	0.91	6109080	1.00	0.26	(0.06)
7	Mr. Alluri Srimannarayana Raju	6252215	1.04	0.23	5782985	0.95	0.74	(0.09)
8	M/s. Avathesh Property Developers Private Limited	3467000	0.58	0.57	3467000	0.57	0.51	(0.01)
9	Mr. Alluri Srinivasa Rama Raju	3219168	0.54	0.53	3076668	0.50	0.50	(0.04)
10	Mr. Jampana Venkata Ranga Raju	2265916	0.38	0.00	2465916	0.41	0.00	0.03
11	M/s. Narasimha Developers Private Limited	1516179	0.25	0.00	1516179	0.25	0.00	0.00
12	Mrs. Manthena Swetha	1225530	0.20	0.00	1225530	0.20	0.16	0.00
13	Mrs. Alluri Arundhathi	847222	0.14	0.00	847222	0.14	0.00	0.00
14	Mrs. J Sowjanya	409166	0.07	0.00	559166	0.09	0.00	0.02
15	Mrs. Alluri Subhadra Jyothirmayi	308091	0.05	0.00	308091	0.05	0.00	0.00
16	Mrs. J Sridevi	137859	0.02	0.00	287859	0.05	0.00	0.03
17	Mrs. Alluri Bharathi	124059	0.02	0.00	124059	0.02	0.00	0.00
18	Mrs. Alluri Sridevi	113884	0.02	0.00	113884	0.02	0.00	0.00
19	Mr. Jampana Krishna Chaitanya Varma	106121	0.02	0.00	306121	0.05	0.00	0.03
20	Mrs. Alluri Shyama	99902	0.02	0.00	374902	0.06	0.00	0.04
21	Mrs. Alluri Nilavathi Devi	73281	0.01	0.00	73281	0.01	0.00	0.00
22	Mrs. Alluri Suguna	68202	0.01	0.00	0	0.00	0.00	(0.01)
23	Mr. Sri Harsha Varma Alluri	41780	0.01	0.00	41780	0.01	0.00	0.00
24	Mrs. Alluri Sravani	36450	0.00	0.00	333450	0.06	0.00	0.06
25	Mr. Alluri Vishnu Varma	15100	0.00	0.00	15100	0.00	0.00	0.00
26	Mrs. Bhupathi Raju Kausalya	11090	0.00	0.00	41590	0.01	0.00	0.01
27	Mr. Alluri Venkata Satyanarayanamma	7288	0.00	0.00	7288	0.00	0.00	0.00
28	Mr. U Sunil	0	0.00	0.00	55000	0.01	0.00	0.01
	Total	108779880	18.11	7.74	119337380	19.57	6.69	1.46

Note: The change in percentage in the holding is basically on account of increase in the Paid-up Share Capital consequent to the allotment of shares to AVSR Holdings Private Limited, on conversion of warrants issued to them on preferential basis.

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

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	M/s. A V S R Holdings Private Limited	40453278	6.74	9200000	-	49653278	8.14
2	Mr. Alluri Ananta Venkata Ranga Raju	13563196	2.26	-	-	13563196	2.22
3	M/s. Sirisha Projects Private Limited	11214226	1.87	929932	-	12144158	1.99
4	Mr. Alluri Narayana Raju	8858806	1.47	-	-	8858806	1.45
5	Mr. Alluri Venkata Narasimha Raju	7985791	1.33	-	-	7985791	1.31
6	Mr. Alluri Gopala Krishnam Raju	6359080	1.06	-	250000	6109080	1.00
7	Mr. Alluri Srimannarayana Raju	6252215	1.04	-	469230	5782985	0.95
8	M/s. Avathesh Property Developers Private Limited	3467000	0.58	-	-	3467000	0.57
9	Mr. Alluri Srinivasa Rama Raju	3219168	0.54	-	142500	3076668	0.50
10	Mr. Jampana Venkata Ranga Raju	2265916	0.38	200000	-	2465916	0.41
11	M/s. Narasimha Developers Private Limited	1516179	0.25	-	-	1516179	0.25
12	Mrs. Manthana Swetha	1225530	0.20	-	-	1225530	0.20
13	Mrs. Alluri Arundhathi	847222	0.14	-	-	847222	0.14
14	Mrs. J Sowjanya	409166	0.07	150000	-	559166	0.09
15	Mrs. Alluri Subhadra Jyothirmayi	308091	0.05	-	-	308091	0.05
16	Mrs. J Sridevi	137859	0.02	150000	-	287859	0.05
17	Mrs. Alluri Bharathi	124059	0.02	-	-	124059	0.02
18	Mrs. Alluri Sridevi	113884	0.02	-	-	113884	0.02
19	Mr. Jampana Krishna Chaitanya Varma	106121	0.02	200000	-	306121	0.05
20	Mrs. Alluri Shyama	99902	0.02	275000	-	374902	0.06
21	Mrs. Alluri Nilavathi Devi	73281	0.01	-	-	73281	0.01
22	Mrs. Alluri Suguna	68202	0.01	-	68202	0	0.00
23	Mr. Sri Harsha Varma Alluri	41780	0.01	-	-	41780	0.01
24	Mrs. Alluri Sravani	36450	0.00	297000	-	333450	0.06
25	Mr. Alluri Vishnu Varma	15100	0.00	-	-	15100	0.00
26	Mrs. Bhupathi Raju Kausalya	11090	0.00	30500	-	41590	0.01
27	Mr. Alluri Venkata Satyanarayanamma	7288	0.00	-	-	7288	0.00
28	Mr. U Sunil	0	0.00	55000	-	55000	0.01
	Total	108779880	18.11	11487432	929932	119337380	19.57

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

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	Mrs. Jhunjhunwala Rekha Rakesh	45108266	7.51	5625000	-	50733266	8.32
2	Reliance Capital Trustee Company Limited	41490247	6.91	-	9005662	32484585	5.33
3	Aditya Birla Sun Life Trustee Private Limited	34461104	5.74	7495505	-	41956609	6.88
4	Sundaram Mutual Fund	25273673	4.21	-	25273673	0	0
5	U T I Fund	16627327	2.77	-	13462160	3165167	0.52
6	IDFC Infrastructure Fund	15377818	2.56	2956000	-	18333818	3.01
7	Mr. Rakesh Jhunjhunwala	11600000	1.93	-	-	11600000	1.90
8	K B C ECO Fund	11356660	1.89	10611685	-	21968345	3.60
9	Government Pension Fund Global	9046326	1.51	-	6769182	2277144	0.37
10	HDFC Life Insurance Company Limited	8728793	1.45	1271207	-	10000000	1.64

(v) Shareholding of Directors and Key managerial Personnel :

Sl. No	Name of the Director and KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
Directors							
1	Mr. R V Shastri [®]	216	0.00	-	-	216	0.00
2	Dr. A S Durga Prasad	-	-	-	-	-	-
3	Mr. Hemant M Nerurkar	-	-	-	-	-	-
4	Mr. Utpal Sheth	-	-	-	-	-	-
5	Smt. Renu Challu	-	-	-	-	-	-
6	Mr. S Ravi	-	-	-	-	-	-
7	Mr. A S N Raju	6252215	1.04	-	469230	5782985	0.95
8	Mr. J V Ranga Raju	2265916	0.38	-	200000	2465916	0.41
9	Mr. A V N Raju	7985791	1.33	-	-	7985791	1.31
10	Mr. A G K Raju	6359080	1.06	-	250000	6109080	1.00
11	Mr. A A V Ranga Raju	13563196	2.26	-	-	13563196	2.22
KMPs							
1	Mr. R S Raju	6000	0.00	3000	-	9000	0.00
2	Mr. M V Srinivasa Murthy	-	-	-	-	-	-

[®] Sri R V Shastri retired from the Board w.e.f September 24, 2019

V. Indebtedness

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
i) Principal Amount	1916.89	76.39	0	1993.28
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4.42	0.65	0	5.07
Total (i + ii + iii)	1921.31	77.04	0	1998.35
Change in indebtedness during the financial year				
Addition	215.30	0	0	215.30
Reduction	261.89	30.61	0	292.50
Net Change	(46.59)	(30.61)	0	(77.20)
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	1864.10	46.00	0	1910.10
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	10.62	0.43	0	11.05
Total (I + ii + iii)	1874.72	46.43	0	1921.15

VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

Sl. No	Particulars of Remuneration	Sri A A V Ranga Raju (MD & CEO)	Sri A G K Raju ED	Sri A S N Raju WTD	Sri A V N Raju WTD	Sri J V Ranga Raju WTD	Total Amount
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,77,60,000	88,80,000	88,80,000	88,80,000	1,55,40,000	5,99,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,90,173	18,99,966	19,19,820	12,13,222	16,80,000	98,03,181
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	As % of profit	4,12,80,000	2,06,40,000	2,06,40,000	2,06,40,000	-	10,32,00,000
	Others, specify	-	-	-	-	-	-
5	Others Company's contribution to PF	11,52,000	5,76,000	5,76,000	5,76,000	10,08,000	38,88,000
	Total (*)	6,32,82,173	3,19,95,966	3,20,15,820	3,13,09,222	1,82,28,000	17,68,31,181
6	Ceiling as per the Act @ 10% of profits calculated u/s 198 of the Companies Act, 2013						41.30 Crores

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

(Amount in ₹)

Sl. No	Particulars of Remuneration	Sri R Subba Raju CFO	Sri M V Srinivasa Murthy - CS	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	89,24,262	62,06,958	1,51,31,220
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,95,963	7,62,258	18,58,221
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % of profit	-	-	-
	Others, specify....	-	-	-
5	Others (Company's contribution to PF)	5,63,640	3,92,016	9,55,656
	Total	1,05,83,865	73,61,232	1,79,45,097

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Sri Hemant M Nerurkar	Sri R V Shastri	Smt Renu Challu	Sri S Ravi	Dr A S Durga Prasad	Sri Utpal Sheth	Total Amount
1	Independent Directors							
	Fees for attending Board / Committee Meetings	7,00,000	3,25,000	6,50,000	3,75,000	7,75,000	-	28,25,000
	Commission	10,00,000	-	5,00,000	5,00,000	10,00,000	-	30,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	17,00,000	3,25,000	11,50,000	8,75,000	17,75,000	-	58,25,000
2	Other Non – Executive Directors							
	Fees for attending board / committee meetings	-	-	-	-	-	4,75,000	4,75,000
	Commission	-	-	-	-	-	-	-
	Others, please specify (Fixed pay, pension, LTA, Bonus and medical)	-	-	-	-	-	-	-
	Others, specify....	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (1+2)	17,00,000	3,25,000	11,50,000	8,75,000	17,75,000	4,75,000	63,00,000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							4.13 crores

Note : 1. The Non-Executive Director(s) have been paid Sitting Fee and Commission (other than to Sri Utpal Sheth) during the F.Y. ended 31st March, 2020.

2. Sri R V Shastri – an Independent Director retired from the Board w.e.f. September 24, 2019.

VII. Penalties / Punishment / Compounding of Offences

There were no Penalties, Punishment or Compounding of Offences during the F.Y. ended 31st March, 2020.

For and on behalf of the Board

Hemant M Nerurkar
Chairman
(DIN No. 00265887)

Place: Hyderabad
Date: 29th May, 2020

ANNEXURE – II

Form No. MR-3

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To,
The Members,
NCC Limited
Hyderabad

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

Based on our verification of the **NCC Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **NCC Limited** (the Company) for the financial year ended **March 31, 2020**, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015;

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

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

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

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

We further report that:

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

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

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

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

The compliance by the Company of the applicable financial laws like direct and indirect tax laws and labour laws - general and specific laws as mentioned in the report above filing of periodical returns, maintenance of financial records and books of accounts have not been reviewed by us since the same have been subject to review by Statutory Auditors, Internal Auditors and other professionals.

We further report that during the audit period the Company has following major events:

- a. The Company has allotted 92,00,000 Equity Shares of ₹ 2/- each to M/s. AVSR Holdings Private Limited, one of the promoters of the Company, on conversion of warrants.
- b. The Board of Directors at its meeting held on 28.12.2019 has approved the Scheme of Arrangement for the Merger of M/s. Vaidehi Avenues Limited and M/s. Aster Rail Private Limited (Wholly Owned Subsidiaries) with NCC Limited (Holding Company).
- c. Through a Special Resolution passed at the AGM held on 06.09.2019 the Company re-appointed Mr. Hemant Nerurkar Madhusudan and Mrs. Renu Challu as Independent Directors for the second term w.e.f. from 25th September, 2019 upto 24th September, 2024.
- d. At the AGM held on 06.09.2019 the Company re-appointed Mr. A.S.N. Raju as a Whole-time Director for a period of 5 years w.e.f. 1st May, 2019.
- e. Mr. R.V. Shastri retired on completion of his tenure as the Independent Director of the Company w.e.f. 24.09.2019.

For BS & Company Company Secretaries LLP

Date: 26.05.2020
Place: Hyderabad

K.V.S. Subramanyam
FCS No.: 5400
C P No.: 4815
UDIN: F005400B000280521

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

ANNEXURE

To,
The Members,
NCC Limited
Hyderabad

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.
5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws and Data protection policy.
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.
9. Under the situation of COVID-19 pandemic prevailing during the period, the 4th quarter audit was conducted with the verification of all the documents, records and other information electronically as provided by the management.

For BS & Company Company Secretaries LLP

Date: 26.05.2020
Place: Hyderabad

K.V.S. Subramanyam
FCS No.: 5400
C P No.: 4815
UDIN: F005400B000280521

ANNEXURE – III

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

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
 - Promotion of education, including special education
 - Rural development projects
 - Disaster management, including relief, rehabilitation and reconstruction activities
 - Ensuring environmental sustainability, ecological balance
 - Measures for the benefit of armed forces veterans, War widows and their dependents
 - Safety traffic engineering
 - Animal Welfare
 - Promoting gender equality and empowering women
 - Eradicating extreme hunger
 - Other programmes as permitted under the CSR Policy read with Schedule VII of the Companies Act, 2013
 - Web link: www.ncclimited.com/policies
2. Composition of CSR Committee:

S No.	Name	Designation
a)	Sri A S N Raju	Chairman
b)	Sri Hemant M Nerurkar	Member
c)	Dr A S Durga Prasad	Member
d)	Sri A G K Raju	Member

Average Net profit for last three Financial Years for the purpose of computation of CSR spending: ₹ 500.93 crores

3. Prescribed CSR expenditure (2% of Average Net Profit) : ₹ 10.02 crores
4. Details of CSR spent for the financial year: ₹ 8.38 crores
5. Total amount spent during the financial year: ₹ 8.38 crores
6. Amount unspent, if any ₹ 1.64 crores

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S No	CSR Projects or activity indentified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Crores)	Amount spent on the projects Sub heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ In Crores)	Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency
1	Construction Of Rural Housing and Public Amenities	Health care and Sanitation	Andhra Pradesh		3.69	13.31	Direct
2	Donation made to CMs Relief Fund	Measures for relief and rehabilitation of COVID-19 affected people and for COVID-19 containment measures	1. Andhra Pradesh 2. Telangana 3. Gujarat 4. Maharashtra	One time contribution	3.00	3.00	Direct
3	Donation made toward construction of school(s) in the State of Maharashtra	Education	Maharashtra		0.39	0.39	Direct
4	Donations to Deen Dayal Research Institute	Rural Development Healthcare and Education	Madhya Pradesh, Maharashtra and New Delhi	One time contribution	1.00	1.00	Direct
5	Donation made to Dr. K V R Research Foundation.	Health Care	Andhra Pradesh	One time contribution	0.03	0.03	Direct
6	Provision of trollies and other items to Grama Panchayathi for lifting of waste	Swatch Bharat	Telangana	One time contribution	0.04	0.04	Direct
7	Donation made to Susheena Foundation	Child Health	Telangana	One time contribution	0.03	0.03	Direct
8	Donation to Education Institution	Education	Andhra Pradesh	One time contribution	0.20	0.20	Direct
	Total				₹ 8.38 Crores		

6. As against the amount of ₹ 10.02 crores to be incurred towards CSR expenditure during the F.Y. 2019-20, the Company has spent an amount of ₹ 8.38 crores. The shortfall in the expenditure was mainly on account of inability of the Company to proceed with the activities in the on going projects for which the Board and the CSR Committee had accorded approval and due to COVID 19.

7. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Corporate Social Responsibility Committee

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

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

ANNEXURE – IV

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20:

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Sri Hemant M Nerurkar	4:1
2	Sri R V Shastri (*)	1:1
3	Smt Renu Challu	2.5:1
4	Dr A S Durga Prasad	4:1
5	Sri.S.Ravi	2:1
6	Sri Utpal Sheth	1:1
7	Sri A A V Ranga Raju	136:1
8	Sri A G K Raju	69:1
9	Sri J V Ranga Raju	39:1
10	Sri A S N Raju	69:1
11	Sri A V N Raju	67:1

(*) Retired from the Board w.e.f September 24, 2019

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

S.No.	Name of the KMP	Percentage increase in the remuneration
1	(*) Directors	No Increase
2	Sri R S Raju, Associate Director (F&A) & CFO	9.20%
3	Sri M V Srinivasa Murthy, Company Secretary, & EVP(Legal)	9.30%

(*) There has been no increase in the salaries of the Working Directors during the F.Y 2019-20.

- (iii) The percentage increase in the median remuneration of employees in the financial year was 8.10%
- (iv) The number of permanent employees on the rolls of Company as on 31st March, 2020 stood at 5114 employees
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- Average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year was 8.46% and there has been no increase in the managerial remuneration during the last financial year.
- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Sd/-
Hemant M Nerurkar
Chairman
(DIN No. : 00265887)

Place: Hyderabad
Date: 29th May, 2020

MANAGEMENT DISCUSSION & ANALYSIS

Global Economy

The world has changed dramatically in the last three months due to COVID-19 pandemic. While there is no way to tell exactly what the economic damage from the global COVID-19 novel coronavirus pandemic will be, there is widespread agreement among economists that it will have severe negative impacts on the global economy. Tragically, many human lives are being lost and the virus continues to spread rapidly across the globe. We owe a huge debt of gratitude to the medical professionals and health care workers who are working tirelessly to save lives.

Early estimates predicated that, should the virus become a global pandemic, most major economies will lose at least 2.4 percent of the value of their gross domestic product (GDP) over 2020, leading economists already reduced their FY 2020 forecasts of global economic growth down from around 3.1 percent in the previous year to 2.4 percent.

The economic damage caused by the COVID-19 pandemic is largely driven by a fall in demand, meaning that there are not enough consumers to purchase the goods and services available in the global economy. This is mainly due to closure of various business establishments due to lock downs imposed by various governments across the globe, resulting in staggering job losses. This dynamic can be clearly seen in heavily affected industries such as travel, tourism and falling demand for oil etc. It is this dynamic that has economists contemplating whether the COVID-19 pandemic could lead to a global recession on the scale of the Great Depression.

Despite the clear danger that the global economy is in, there are also reasons to be hopeful that this worst-case scenario can be avoided. Governments have learned from previous crises that the effects of a demand-driven recession can be countered with government spending. Consequently, many governments are increasing their provision of monetary welfare to keep their economies move forward. But there are some reasons to think that, with the right mix of appropriate government responses and luck, some of the more apocalyptic predictions may not come to pass.

Indian Economy - The Lock Down

The Covid-19 outbreak came at a time when Indian economy was already slowing, due to persistent financial sector weaknesses and the coronavirus outbreak has severely disrupted the Indian economy, magnifying the pre-existing risks. The World Bank estimated the Indian economy to decelerate to 5 per cent in 2020 and projected a sharp growth deceleration in fiscal 2021 to 2.8 per cent in a baseline scenario, adding that the services sector will be particularly impacted.

"Growth is expected to rebound to 5.0 per cent in fiscal 2022 as the impact of Covid-19 dissipates, and fiscal and monetary policy support pays off with a lag," the report said.

The World Bank to mitigate the challenge posed by Covid-19, has approved USD 1 billion to India. The government is undertaking measures to contain the health and economic fallout, and the RBI has begun providing calibrated support in the form of policy rate cuts and regulatory forbearance.

Given significant uncertainties, there is a wide confidence interval around the baseline estimate. If a large-scale domestic contagion scenario is avoided, early policy measures may pay off, and restrictions to the mobility of goods and people can be lifted swiftly, an upside scenario could materialize in FY21, with growth of around four per cent.

"However, if domestic contagion is not contained, and the nationwide shutdown is extended, growth projections could be revised downwards to 1.5 per cent, and fiscal slippages would be larger," the World Bank said.

FDI equity inflows in India grew by 13% to a record \$ 49.97 billion in the 2019-20 financial year.

Indian Infrastructure sector - COVID-19 Impact & Measures

Construction halt, revocation of toll collection, labour crunch and severe working capital pressure – these nightmares for any infrastructure company have now become a reality. The infrastructure sector is one of the worst-hit on account of COVID-19.

The Infrastructure Sector recovery in FY21 will be slow and is expected to be visible from Q3 onwards. While calculating earnings, downgrade of COVID-19 remains challenging, but FY21 revenue estimates to (-)10 % year on year (YoY) revenue decline for all companies and a 100-150bps YoY fall in margins for all in FY21.

The more imminent challenge for the construction players remains working capital management. In the wake of COVID-19 pandemic, the focus of state and central Govt has shifted to the welfare of citizens and health care measures, hence infrastructure activity has taken a backseat.

Infrastructure players are facing a severe liquidity crunch and as bills and dues from Govt are not being honoured in time on one hand and on the other hand companies are striving to maintain steady salary flows to contract labour and employees. The same has resulted in a stark mismatch in fund inflow and outflow, putting pressure on balance sheets.

The banking system has come to support the corporate sector with COVID-19 loans upto 10% of the "Fund Based Limits" enjoyed by Corporates, as directed by RBI. This is a big relief for Corporates.

UNION BUDGET 2020-21

Infrastructure

- National Infrastructure Pipeline:
- Rs 103 lakh crore (US\$ 1.45 trillion) worth projects; launched on 31st December 2019 to be invested on infrastructure over the next 5 years.
- More than 6,500 projects across sectors, to be classified as per their size and stage of development.
- Rs 1.7 lakh crore (US\$ 24.06 billion) proposed for transport infrastructure in 2020-21.

Indian Railways

- 148 km long Bengaluru Suburban transport project at a cost of Rs 18,600 crore (US\$ 2.63 billion).

Airports

- 100 more airports to be developed by 2024 to support Udaan scheme.

National Infrastructure Pipeline (NIP) - A Brief:

Industrial sector performance is critical to achieving the ambitious goal of making India a five-trillion economy. The sector plays a decisive role in determining the overall growth of national output and employment through its backward and forward linkages with the other two sectors of the economy. It contributes close to 30 per cent of total gross value added (GVA). The sector is, however, vulnerable to several internal and external economic challenges which affect its overall performance.

Investment in Infrastructure is necessary for growth. To achieve the GDP of \$5 trillion by 2024-25, India needs to spend about \$1.4 trillion (` 100 lakh crore) over these years on infrastructure. The challenge is to step-up annual infrastructure investment so that lack of infrastructure does not become a binding constraint to the growth of the Indian economy. To implement an infrastructure program of this scale, it is important that projects are adequately prepared and launched.

NIP is expected to enable well-prepared infrastructure projects which will create jobs, improve ease of living, and provide equitable access to infrastructure for all, thereby making growth more inclusive. NIP also intends to facilitate supply side interventions in infrastructure development to boost short-term as well as the potential GDP growth. Improved infrastructure capacities will also drive competitiveness of the Indian economy.

The Finance Minister released the Report of the Task Force on National Infrastructure Pipeline (abridged version) on 31.12.2019. The NIP has projected total infrastructure investment of ` 102 lakh crore during the period FY 2020 to 2025 in India. Energy (24 per cent), Roads (19 per cent), Urban (16 per cent), and Railways (13 per cent) amount to over 70 per cent of the projected capital expenditure during the said period.

As per the NIP, Central Government (39 per cent) and State Government (39 per cent) are expected to have equal share in funding of the projects followed by the Private Sector (22 per cent).

Government of India has announced Atmanirbhar Bharat Abhiyan Economic Relief Package of 20 lakh crore to tide over the COVID-19 Crisis:

Key Highlights of the Atmanirbhar Bharat Abhiyan

- This special economic package, along with earlier announcements made during the COVID crisis and decisions taken by RBI, is to the tune of **Rs 20 lakh crore**, which is **equivalent to almost 10% of India's** Gross Domestic Product (USD 2.72 lakh crore(2018)).
- The package will also focus on land, labour, liquidity and laws.
- It will cater to various sections including cottage industry, MSMEs, labourers, middle class, Industries, among others.

The five important pillar of self-reliant India behind Atmanirbhar Bharat Abhiyan are:

1. **ECONOMY**, which brings in quantum jump and not incremental change;
2. **INFRASTRUCTURE**, which should become the identity of India;
3. **SYSTEM**, based on 21st century technology driven arrangements;
4. **VIBRANT DEMOGRAPHY**, which is our source of energy for a self-reliant India; and
5. **DEMAND**, whereby the strength of our demand and supply chain should be utilized to full capacity.

Opportunities and Strengths

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

FINANCIAL PERFORMANCE (NCCL Standalone)

Equity & Liabilities:

- a. **Equity Share capital:** During the year, the Company has issued and allotted 9,200,000 equity shares of ₹ 2 each at a premium of ₹ 117.37 per share against share warrants issued on preferential basis to the promoters of the Company resulting an increase in share capital by ₹ 1.84 crores from ₹ 120.13 crores to ₹ 121.97 crores
- b. **Other Equity:** The Other Equity of the Company has gone up from ₹ 4636.65 crores to ₹ 4983.66 crores in 2019-20 and increase primarily on account of receipt of balance premium of ₹ 80.52 crores on issue of Equity Shares and balance of ₹ 266.49 crores on account of profit earned in 2019-20.
- c. **Net worth:** The Company's net worth increased from ₹ 4756.78 crores to ₹ 5105.63 crores. The increase of ₹ 348.85 crores is primarily on account of internal generation of profits of ₹ 266.49 crores and ₹ 82.36 crores on account of issue of Equity Shares.
- d. **Borrowings (Long-Term & Short-Term):** During the year under review the borrowings decreased by ₹ 83.18 crores from ₹ 1993.28 crores to ₹ 1910.10 crores.

Assets:

- a. **Property, Plant & Equipment (PPE):** The Company's PPE (gross block plus Capital WIP) increased by ₹ 66.41 crores in 2019-20 from ₹ 1975.33 crores to ₹ 2041.74 crores.
- b. **Investments:** The investments decreased by ₹ 30.57 crores, from ₹ 919.27 crores to ₹ 888.70 crores during the year 2019-20
- c. **Inventories:** The Company's inventories stands at ₹ 514.83 crores as against of ₹ 512.94 crores of previous year.
- d. **Trade Receivables (Current & Non-Current):** The Company's trade receivables decreased by ₹ 536.16 crores in 2019-20 from ₹ 3154.16 crores to ₹ 2618.00 crores.
- e. **Loans & Other Financial Assets (Current & Non-Current):** Loans and Other financial assets increased from ₹ 830.64 crores to ₹ 833.08 crores during the year under review.
- f. **Other Current & Non-Current Assets:** Other Current & Non-Current Assets increased by ₹ 163.42 crores from ₹ 5821.39 crores to ₹ 5984.81 crores during the year under review. The increase mainly on account of increase in contract assets.

Operational Performance

- a. **Revenue from Operations:** The Company has reported a Revenue from Operations of ₹ 8218.80 crores during the year 2019-20 as against ₹ 12079.76 crores in the previous year, resulting in a decrease of 32%
- b. **Other Income:** The other income of the company for the year is ₹ 151.27 crores as against ₹ 118.25 crores of previous year. Other income comprises of Interest on loans & advances,

interest on income tax refund, Profit on Sale of Property, Plant and Equipment/Investment Property(Net) and miscellaneous income.

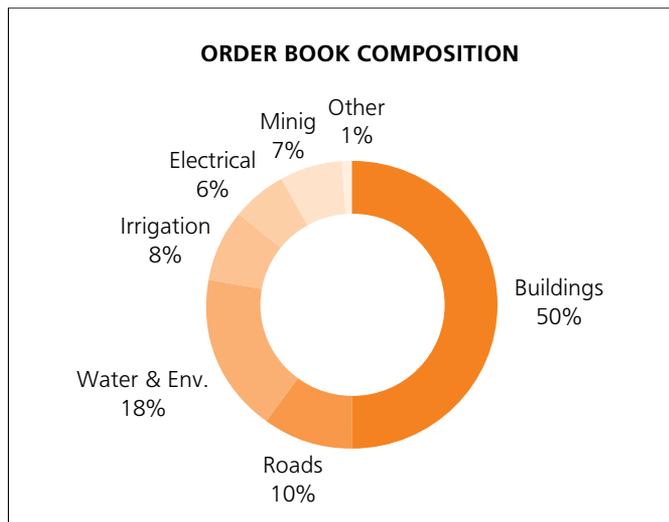
- c. **Direct cost:** The direct cost for the year under review works out to 79.02% of the turnover as against 82.21% last year. The decline in direct cost is primarily on account of receipt of certain pending bills on account of variation, extra works and on account of change in the mix of various divisions.
- d. **Overheads:** Overheads, comprising salaries and administrative expenses, is ₹ 693.79 crores for the year under review as against ₹ 726.27 crores in the previous year.
- e. **Finance cost:** The Finance cost during the year increased to ₹ 517.87 crores from ₹ 451.26 crores, which was on account of increase in average loans and increase in commission on LC's & BG's. However the average cost of borrowings has come down from 9.91% of 2018-19 to 9.84% in 2019-20.
- f. **Depreciation:** The Company's depreciation for the year has increased from ₹ 149.37 crores to ₹ 177.52 crores. Increase is primarily on account of increase in Gross Block in FY2018-19 and FY 2019-20.
- g. **Tax Expense:** The tax expense of the company for the year 2019-20 is ₹ 71.32 crores as against ₹ 317.78 crores of previous year. The reason for the decline in tax expenses in the current is due to the net tax credits of ₹ 74.21 crs relating to assessment orders of previous years.
- h. **EBIDTA:** The Company has reported an EBIDTA of ₹ 1030.15 crores as against ₹ 1423.00 crores in the previous year. The decrease is primarily on account of decrease in Turnover during the year. However there is an Increase in EBIDTA margin from 11.78% to 12.53%.
- i. **Net profit:** The Company has reported a Net Profit of ₹ 382.04 crores as against ₹ 563.91 crores in the previous year, a decline of 32%.
- j. **Total Comprehensive Income:** The Company has reported a Total Comprehensive Income of ₹ 375.11 crores as against ₹ 559.60 crores in the previous year.
- k. **Dividend:** The Board of Directors have recommended a dividend of ₹ 0.20 per share (10%) for the year under review and the dividend works out to ₹ 12.20 crores as against ₹ 90.10 crores in the previous year.
- l. **Return on Equity:** The Company has reported return on equity at 7.75% for the year under review as against 12.53% reported in the year 2018-19. The decrease mainly on account of decrease in volume of operations.

Cash Flow

During the year the Company reported Net cash in flows from operating activities of ₹ 636.43 crores as against ₹ 345.33 crores, Net cash used in investing activities ₹ 164.19 crores as against ₹ 425.05 crores and Net cash used in financing activities ₹ 582.95 crores as against Net cash inflow from financing activities ₹ 216.65 crores.

Order Inflow and Order Book

During the year the Company received order inflow of ₹ 7172 crores as against ₹ 22377 crores received in previous year 2018-19. The group order book stands at ₹ 26572 crores as at the end of the year.



INTERNAL CONTROL SYSTEM

The Company has adequate system of Internal Controls to help Management review the effectiveness of the Financial and Operating Controls and assurance about adherence to Company's laid down Systems and Procedures. As per the provisions of the Companies Act, 2013, Internal Controls and documentation are in place for all activities. Both Internal Auditors and Statutory Auditors have verified the Internal Financial Controls (IFC) at entity level and operations level and satisfied about control effectiveness. The controls are reviewed at regular intervals to ensure that transactions are properly authorized, correctly reported and assets are safeguarded. The Audit Committee periodically reviews the findings and recommendations of the Auditors and takes corrective action as deemed necessary. Enterprise Resource Planning Software is in use at Head Office, Divisions, Regional Offices and Project Sites, further strengthening the Internal Control mechanism.

RISKS AND CONCERNS

The Company has an integrated and structured Enterprise Risk Management process to manage risks with ultimate objective of maximizing stakeholders' value. The risk management process at NCC broadly consists of identification, assessment, mitigation, prioritization and monitoring of risks. This process allows the Company to enhance confidence in achieving its desired goals and objectives, effectively restrain risks to acceptable levels and to take informed decisions about exploiting opportunities. Some of the key risks that the Company faces along with their mitigation strategies adopted are listed below:

Political Risks: The Company has operations in multiple locations in multiple states and is consequently subject to various geo-political risks. Appropriate mitigation strategies are in place to address the same.

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

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

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

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

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

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

COVID-19: Since middle of March, 2020 the COVID-19 pandemic has been one of the major risks impacting the Company's Operations. The operations of the Company were significantly impacted during the period middle of March to end May, 2020 due to Lock down declared by the Govt of India. The Company has been taking necessary measures for containing the spread of COVID-19 virus so that the work in the project sites is not hampered. If the spread of COVID-19 is not sufficiently controlled in the coming months, our operations in the remaining quarters of FY 21 could also be adversely impacted.

Human Resource (HR)

HR function at NCC has been playing a significant role in Planning, Recruiting, Deploying, Training, Managing and Retaining the Human Capital in accordance with the Organizational Objectives. NCC seeks employees to follow the values of Openness & Trust, Integrity & Reliability, Team Work & Collaboration, Commitment and Creativity to nurture and establish an ideal work culture at the workplace. The total human capital base of the company as of 31st March 2020 stood at 5114 people. The diverse manpower of the company is spread across 232 project sites across the country under various Business Verticals, Head Office and Regional offices.

Learning & Development

Identifying the training needs of employees and instilling necessary Technical, Functional and Behavioural skills among the staff members has evolved a core priority of the company over the years. During the financial year 2019-2020 total of 54 Training Programs were organized covering 1288 employees at various sites, HO and external venues. A total of 29 employees were sponsored to attend the training programs conducted at external venues by professional institutions.

In total 963 mandays was achieved during the period on the various training aspects like Personal & Organizational Effectiveness (POE), Technical Competency Enhancement (TCE), Functional Competency Enhancement (FCE), Environment, Health & Safety Awareness (EHS) and other topics too.

Employee Engagement

NCC Ltd has always focused on the various employee engagement initiatives for the well-being of the employees and their family members. During the year 2019-20 various initiatives were taken for the well-being of the employees like celebrating International Day of Yoga, Ethnic Wear Competition among employees during Diwali, Corporate Sport Expert Hunt by India Ahead News, Health Camps and few others.

Awards received by HR Function

NCC Ltd consecutively for the third time received **“Telangana’s Best Employer Brand”** awards at 14th Employer Branding Awards hosted by World HRD Congress & CHRO Asia on 17th November 2019 at Taj Banjara, Hyderabad

NCC Ltd received **“Dun & Bradstreet Best HR Practices 2019”** in the functions of Talent Acquisition, Recruitment, Retention, Compensation & Benefits, Employee Engagement, Training & Development, Performance Management, Talent Management, Team Management & Leadership, Industrial Relations and CSR.

Measures taken during COVID 19:

At NCC the following measures in respect of containment of COVID-19 were taken.

- Awareness Training Programme with help of local reputed Doctors, Maintaining physical distancing, Using Arogya Setu app, Body temperature screening, Use of Face Mask, Minimal Use of Lift, using toothpicks for operating lift buttons, minimal use of cafeteria for lunch by avoiding the food supplies from outside and increasing the frequency of cleaning office.
- Issued Guidelines to all project sites, regional offices and corporate office to restart operations during this pandemic situation.
- Sanitizing labour camps, formation of COVID-19 task force, display of emergency numbers and nearest COVID 19 hospital, etc.
- Distributing face masks, face shields, gloves, sanitizers, Dettol liquid soaps.
- Distribution of dry ration, vegetables, cooked food to the construction workers at their respective sites.

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on the Code of Governance

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

The Company believes that all its operations and actions must result in enhancing the overall shareholder value in terms of maximization of shareholder's benefits, among others, over a sustained period of time. NCC Limited is committed to conduct its business in ethical manner there by attaining highest level of all its stakeholders' confidence and satisfaction.

2. Board of Directors

As on March 31, 2020, the Company's Board of Directors comprised a judicious mix of Ten Directors consisting of Five Executive Directors, One Non-Executive Director and Four Independent Directors and one of whom is a Woman Director as stipulated under the Companies Act, 2013 / and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following table(s) explains the composition of the Company's Board, category, number of Board Meetings held during the year, attendance of each Director at the Board Meeting and at the last Annual General Meeting, other Directorships, Memberships and Chairmanships of Committees held by each of the Director during the Financial Year. The Company is compliant with all the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and the provisions of Companies Act, 2013 and the rules made there under relating to appointment of Directors.

Composition of Board of Directors as on March 31, 2020.

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on September 6, 2019	Number of other Director Ship(s) as on 31-03-2020 ^(#)	Number of committee positions held in other public companies ^(##)	Directorships in other Listed Companies & Category of Directorship
					Membership(s) / Chairman	
Sri Hemant M Nerurkar (Chairman)	Non-Executive and Independent	6	Yes	9	8 (Including 3 as Chairman)	1. Igarashi Motors India Ltd – Non-Executive & Independent Director & Chairman 2. Adani Enterprises Ltd - Non-Executive & Independent Director 3. Crompton Greaves Consumer Electricals Ltd - Non-Executive & Independent Director & Chairman 4. DFM Foods Limited – Non-Executive & Independent Director & Chairman
Sri S Ravi	Non-Executive and Independent	3	No	NIL	Nil	Nil
Dr A S Durga Prasad	Non-Executive and Independent	7	Yes	4	2 (Including 1 as Chairman)	Nil
Smt Renu Challu	Non-Executive and Independent	7	Yes	2	3 (Including 2 as Chairperson)	1. Schaeffler India Ltd - Non-Executive & Independent Director 2. Ceinsys Tech Ltd - Non-Executive & Independent Director

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on September 6, 2019	Number of other Director Ship(s) as on 31-03-2020 ^(#)	Number of committee positions held in other public companies ^(##)	Directorships in other Listed Companies & Category of Directorship
					Membership(s) / Chairman	
Sri Utpal Sheth	Non-Executive and non-Independent	6	Yes	15	Nil	1. Aptech Ltd - Non-Executive & Non - Independent Director
Sri A A V Ranga Raju (Managing Director)	Promoter and Executive	7	Yes	2	Nil	Nil
Sri A G K Raju (Executive Director)	Promoter and Executive	6	Yes	2	1	Nil
Sri A S N Raju (Wholetime Director)	Promoter and Executive	6	No	2	1 (as Chairman)	Nil
Sri J V Ranga Raju (Wholetime Director)	Promoter and Executive	3	No	Nil	Nil	Nil
Sri A V N Raju (Wholetime Director)	Promoter and Executive	5	Yes	1	1	Nil

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

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

Notes:

1. Sri R V Shastri – an Independent Director and Chairman of the Audit Committee and the Stakeholders Relationship Committee retired from the Board on September 24, 2019 on completion of his term of appointment.
2. None of the Directors of the Company are on the Boards of more than Ten Public Companies /overall Twenty Companies (including Private Limited Companies) but excluding Companies incorporated outside India and Companies incorporated under section 8 of the Companies Act, 2013).

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

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

Shares held by Non-Executive / Independent Directors as on March 31, 2020 - Nil

Board Meetings held during FY-2019-20:

During the FY-2019-20, The Board met seven times and dates of the Board meetings and attendance at the meetings are as follows:

Date of Meeting	Board Strength	No. of Directors Present
April 26, 2019	11	8
May 24, 2019	11	8
August 09, 2019	11	10
September 06, 2019	11	8
November 05, 2019	10	8
December 28, 2019	10	8
February 07, 2020	10	10

Familiarization Programme

The Company conducts Familiarization Programme for the Board Members and particularly for Independent Directors to enable them to be familiarized with the company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. Presentations are made at Board meetings on updates on regulatory, business environment, risk management, Company policies and other relevant issues. Quarterly Operations Report which includes information on business performance, operations, market share, financial parameters, working capital management, material litigations, compliances, fund-flows, subsidiary data. Details of the familiarization programmes are hosted on http://ncclimited.com/corporate_governance.html.

Inter-se relationship between Directors:

The Promoter Directors namely Sri A A V Ranga Raju, Sri A S N Raju, Sri A G K Raju, and Sri A V N Raju, are related to each other in terms of the definition of "Relative" under Section 2(77) of the Companies Act, 2013 and Rules framed there under. The aforementioned Promoter Directors are not related to the other Board members, except as stated there is no inter-se relationship existing between the Directors of the Company.

Information supplied to the Board

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

- o Annual operating plans, budgets & any updates.
- o Capital budgets and any updates.
- o Quarterly results of the Company and its operating divisions or business segments.
- o Minutes of the meetings of the Audit Committee and other Committees of the Board of the Directors.
- o The information on recruitment and remuneration of senior officers just below the level of Board of Directors including appointment or removal of Chief Financial Officer and the Company Secretary.
- o Show cause, demand, prosecution notices and penalty notices which are materially important.
- o Fatal or serious accidents, dangerous occurrences, any material effluent or pollution matters.
- o Information required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- o Any material default in financial obligations to and by the Company, or substantial non-payment by clients.
- o Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or

order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

- o Details of any joint venture or collaboration agreement.
- o Significant labour problems and their proposed solutions. Any significant development in Human Resources.
- o Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- o Quarterly details of foreign exchange exposures and steps taken by management to limit the risks of adverse exchange rate movement, if material,
- o Non-compliance with any regulatory, statutory or listing requirement and shareholders service such as non payment of dividend, delay in share transfer, among others.

Code of Conduct

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

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

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

Board Committees

As on March 31, 2020 the Company has Nine Board level Committees, inter alia the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee, the Enterprise Risk Management Committee and the Performance Review Committee.

3. Audit Committee of the Board

The Audit Committee presently comprises of four Independent Directors. The members of the Committee are financially literate and bring in expertise in the fields of Finance, Strategy, Banking, Engineering and Management. Dr. A S Durga Prasad, a Fellow member of the Institute of the Cost Accountant of India Chairman of the Committee w.e.f.24th September, 2019 is an Independent Director and has accounting and financial management expertise. Prior to that Sri.R.V.Shastri, Independent Director was the Chairman of the Audit Committee and he retired on 24th September, 2019 on completion of his term.

The Audit Committee met five times during the Financial Year i.e. on May 24, 2019, August 9, 2019, November 05, 2019 December 28, 2019 and February 7, 2020. The Company is in compliance

with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 in terms of time gap between any two Audit Committee Meetings. Sri R V Shastri (*) earlier Chairman of the Committee was present at the last Annual General Meeting of the Company held on September 6, 2020.

The composition of the Audit Committee as on March 31, 2020 and details of attendance for the Meetings of the Audit Committees are as under.

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Dr. A S Durga Prasad (#)	Chairman	5	5
Sri. Hemant M Nerurkar	Member	5	5
Smt. Renu Challu	Member	5	5
Sri S Ravi (8)	Member	5	2
Sri R V Shastri (*)	Chairman	5	2

(#) Dr. A S Durga Prasad was appointed as Chairman of the Audit Committee w.e.f. September 24, 2019.

(8) Sri S Ravi was co-opted as Member of the Audit Committee w.e.f. August 9, 2019.

(*) Sri R V Shastri ceased to be Chairman and Member of the Audit Committee consequent to his retirement from the Board w.e.f. September 24, 2019

Terms of reference of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the Statutory and the Internal Auditors of the company;
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company Secretary is the Secretary to the Audit Committee.

4. Nomination and Remuneration Committee

The Committee comprises of four Non-Executive Directors, of which three are Independent Directors. Smt. Renu Challu, an Independent Director is the Chairperson of the Committee, Sri. Hemant M Nerurkar, Independent Director, Sri. S Ravi, Independent Director and Sri. Utpal Sheth Non-Executive and non – Independent Director are the other members of the Committee. The Committee met four times i.e., on May 24, 2019, August 09, 2019, November 05, 2019 and February 07, 2020.

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Smt Renu Challu	Chairperson	4	4
Sri Hemant M Nerurkar	Member	4	4
Sri S Ravi	Member	4	3
Sri Utpal Sheth	Member	4	4

Terms of reference of the Nomination Committee

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

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

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2020 to the Managing Director, Executive Director and the Whole time Directors of the Company and the details of the sitting fee paid to the Non-Executive Directors are as follows-

a. Executive Directors

(Amount in ₹)

Name & Designation	Salary	Other benefits	Bonus / Exgratia	Pension	Commission	Total
*Sri. A A V Ranga Raju Managing Director	17,490,173	3,072,000	1,440,000	Nil	41,320,000	63,282,173
*Sri. A G K Raju Executive Director	9,099,966	1,536,000	720,000	Nil	20,640,000	31,995,966
@Sri. A S N Raju Wholetime Director	9,119,820	1,536,000	720,000	Nil	20,640,000	32,015,820
*Sri. J V Ranga Raju Wholetime Director	14,280,000	2,688,000	1,260,000	Nil	Nil	18,228,000
#Sri. A V N Raju Wholetime Director	8,653,222	1,296,000	720,000	Nil	20,640,000	31,309,222

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

@ Appointed for a period of 5 years w.e.f. May 1, 2019

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

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

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

Remuneration being paid to Directors is in compliance with the Remuneration policy approved by the Board of Directors and the approval accorded by the Members of the Company

b. Non-Executive Directors

The details of sitting Fee and commission paid to Non-executive Directors (including Independent Directors) during the Financial year 2019-20 is detailed below:

(Amount in ₹)				
SI No	Name of the Director	(*) Sitting Fees	(*) Commission	Total
1	Sri. Hemanth M Nerurkar	7,00,000	10,00,000	17,00,000
2	Sri. R V Shastri	3,25,000	Nil	3,25,000
3	Dr. A S Durga Prasad	7,75,000	10,00,000	17,75,000
4	Smt. Renu Challu	6,50,000	5,00,000	11,50,000
5	Sri. S Ravi	3,75,000	5,00,000	8,75,000
6	Sri. Utpal Sheth	4,75,000	Nil	4,75,000

(*) excluding applicable taxes

Meeting of Independent Directors:

Pursuant to provisions of the Companies Act, 2013 read with rules made there under and Secretarial Standard-I issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company for the Financial Year 2019-20 was held on March 16, 2020.

Board Level Performance Evaluation

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

6. Stakeholders Relationship Committee:

The Committee primarily focuses on Shareholder grievances, inter-alia, redressal of Investor complaints, attending Investor requests, approving the issue of duplicate Share Certificates and overseeing and review all matters connected with servicing of investors. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall quality improvement of investor services. The Chairperson of the Committee Smt. Renu Challu is an Independent Director and the Company Secretary is the Secretary of the Committee. Sri M V Srinivasa Murthy, Company Secretary and EVP (Legal) was designated as the Compliance Officer.

As on March 31, 2020 the Committee comprises three Directors viz., Smt. Renu Challu (Chairperson of the Committee), Sri. S Ravi, Independent Director and Sri. A G K Raju, Whole time Director as its members.

The Committee met four times during the Financial Year i.e. on May 24, 2019, August 9, 2019, November 5, 2019 and February 6, 2020.

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

Name of the Director	Designation	No. of meetings held	No. of Meetings attended
Smt. Renu Challu (#)	Chairperson	4	2
Sri. A G K Raju	Member	4	3
Sri. S Ravi	Member	4	3
Sri R V Shastri (®)	Chairman	4	2

(#) Smt. Renu Challu was appointed as Chairperson and Member of the Stakeholder Relationship Committee w.e.f. 24th September, 2019

(®) Sri R V Shastri ceased to be Chairman and Member of the Stakeholders Relationship Committee consequent to his retirement from the Board w.e.f September 24, 2019

During the Financial Year 2019-20, the Company has received 44 complaints/ requests from the shareholders/investors. All the requests were promptly attended to and there were no un-resolved shareholder requests were pending as on March 31, 2020. The Company has processed and approved all valid requests received for transfer and dematerialization of Shares and there were no pending requests as on March 31, 2020. The Company has designated a separate email id ho.secr@nccltd.in for investor grievances.

7. General Body Meetings

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

Year	Location	AGM Date & Time	Special Resolutions passed
2017	K L N Prasad, Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House FAPCCI Marg, Red Hills, Hyderabad - 500 004 Telangana.	AGM August 24, 2017 at 3.30 p.m	<ol style="list-style-type: none"> 1. Re-appointment of Sri A A V Ranga Raju as the Managing Director for a period of Five Years from April 01, 2017. 2. Re-appointment of Sri A G K Raju as Executive Director for a period of Five Years from April 01, 2017.
2018	House FAPCCI Marg, Red Hills, Hyderabad - 500 004 Telangana.	AGM August 10, 2018 at 3.30 p.m	<ol style="list-style-type: none"> 1. Issue of Convertible Warrants on preferential basis to M/s. A V S R Holdings Pvt. Ltd., one of the Promoters of NCC Limited. 2. Approval of enhancing the borrowing powers of the Company 3. Enhancing the powers of the Company for charging / securing the properties of the Company. 4. Alteration of the Articles of Association of the Company in conformity with the provisions of the Companies Act, 2013. 5. Alteration of the Memorandum of Association of the Company in conformity with the provisions of the Companies Act, 2013
		EGM January 8, 2018 at 11.30 a.m.	Further Issue of Shares under Qualified Institutional Placement
2019	Avasa Hotel, Constellation Hall, 1 st Floor, Plot No. 15, 24, 25 & 26, Sector - 1, Survey No.64, Near Cyber Towers, Hitech City, Madhapur, Hyderabad – 500 081 Telangana.	AGM September 06, 2019 at 3.00 p.m.	<ol style="list-style-type: none"> 1) Re-appointment of Sri Hemant M Nerurkar (DIN 00265887) as an Independent Director. 2) Re-appointment of Smt. Renu Challu (DIN 00157204) as an Independent Director. 3) Re-appointment of Sri A S N Raju (DIN 00017416) as a Whole time Director and to fix the remuneration payable to him.

Postal Ballot

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

No resolution is proposed to be passed through Postal Ballot.

8. Means of Communication

The Company was having 193976 shareholders as on March 31, 2020. The main channel of communication with the shareholders is through the annual report which inter alia includes the statement of Chairman Emeritus, the Directors Report, Business Responsibility Report, Report on Corporate Governance, Management Discussion and Analysis Report, the Standalone and Consolidated Financial Statements along with the Auditor's Report thereon, the Secretarial Audit Report, Special Initiatives and Shareholders Information. The company's Annual Report is also available in downloadable forms on the Company's website and can be accessed at <http://www.ncclimited.com>.

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

Regular communication with shareholders ensures that the Company's strategy is being clearly understood. Details relating to quarterly performance and financial results are disseminated to the shareholders through press releases and are also uploaded on the Company' website.

Quarterly results

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

News releases, presentations, among others:

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

Presentations to institutional Investors / Analysts:

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

Website:

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

Reminders to Investors:

- (a) for updating of email, Bank Account details and request to dematerialize the physical shares was sent on 29th June, 2019
- (b) Letter dt. 17th July, 2019 addressed to the Shareholders who have not encashed their Dividend for a continuous period of Seven Years intimating them that their shares are liable to be transferred to the Demat Account of IEPF Account.
- (c) for updating of PAN ,Bank Account details and request to dematerialize the physical shares was sent on 2nd January, 2020.

NSE Electronic Application Processing System (NEAPS):

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

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

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

SEBI Complaints Redress System (SCORES):

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

9. General shareholders' information

(a) Day, date and time of 30th Annual General Meeting

30th Annual General Meeting of the Members of the Company is scheduled to be held on Friday, the 25th day of September, 2020 at 3.00 p.m through Video Conferencing (VC) or through Other Audio Visual Means(OAVM) as permitted by the Ministry of Corporate Affairs vide its Circular dt. 5th May, 2020 and Securites and Exchange Board of India vide its Circular No.SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dt.12th May, 2020 .

(b) Financial calendar (Tentative) for the Financial Year 2020-21.

Quarter ending	Financial Results release	Trading window closure
June 30, 2020	August 12, 2020	July 01, 2020 to August 15, 2020
September 30, 2020	November 10, 2020	October 01, 2020 to November 13, 2020
December 31, 2020	February 11, 2020	January 01, 2021 to February 13, 2021
March 31, 2021	May 20, 2021	April 01,2021 to May 22, 2021

Dates of Book closure: September 09, 2020 to September 11, 2020, (both days inclusive) for payment of dividend.(Subject to declaration of Dividend)

(c) **Dividend payment date:** (subject to approval of shareholders at the AGM) on or after October 15, 2020.(Subject to declaration of Dividend)

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

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
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Listing fee for the financial year 2020-21 has been paid to the BSE Limited and the National Stock Exchange of India Ltd on 27th April, 2020.

(e) Stock codes Equity shares

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

(f) Market price data

The monthly High and Low stock quotations during the year under review and performance in comparison to SENSEX (BSE) and NIFTY (NSE) are given below-

Month	BSE		Sensex		NSE		Nifty	
	High price ₹	Low price ₹	High	Low	High price ₹	Low price ₹	High	Low
April 2019	116.00	98.15	39487.45	38460.25	115.90	98.15	11856.20	11549.10
May 2019	119.15	88.05	40124.96	36956.10	119.20	88.25	12041.20	11108.30
June 2019	102.90	92.85	40312.07	38870.96	102.95	94.90	12103.10	11625.10
July 2019	99.45	68.50	40032.41	37128.26	99.50	68.55	11981.80	10999.40
August 2019	77.10	48.45	37807.55	36102.35	77.10	48.40	11181.50	10637.20
September 2019	70.90	50.90	39441.12	35987.80	71.85	50.90	11694.90	10670.30
October 2019	59.85	46.20	40392.22	37415.83	59.90	45.40	11945.00	11090.20
November 2019	70.00	54.20	41163.79	40014.23	69.45	54.15	12158.80	11802.70
December 2019	59.95	49.55	41809.96	40135.37	60.00	49.55	12293.90	11832.30
January 2020	61.00	53.40	42273.87	40476.55	61.00	53.40	12430.50	11929.60
February 2020	56.45	35.25	41709.30	38219.97	56.50	35.20	12246.70	11175.10
March 2020	38.45	15.90	39083.17	25638.90	38.50	15.85	11433.00	7511.10

(g) Registrar and Transfer Agents :

M/s. KFin Technologies Private Limited.
(formerly Karvy Fintech Private Limited)
Selenium Tower B, Plot No.31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad -500 032
Phone: 040 6716 2222 Fax: 040 2300 1153
Email: einward.ris@kfintech.com
<https://www.kfintech.com>

(h) Share Transfer System

SEBI vide its Circular dated June 8, 2018 effective from April 01, 2019, mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. However this does not prohibit the investor from holding the shares in physical form and investor has the option of holding shares in physical form even after April 01, 2019. The Company appointed M/s. KFin Technologies Private Limited as common Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the Securities of the Company.

(i) Distribution of shareholding as on March 31, 2020.

Number of shares held	Number of shareholders		Total Shares of ₹ 2/-each	Details of shareholding	
	No	%		Value of shares of (₹)	%
1 - 5,000	183822	94.77	58,886,759	117,773,518	9.66
5,001 - 10,000	5266	2.71	19,315,564	38,631,128	3.17
10,001 - 20,000	2710	1.40	19,874,200	39,748,400	3.26
20,001 - 30,000	720	0.37	8,882,961	17,765,922	1.46
30,001 - 40,000	406	0.21	7,270,050	14,540,100	1.19
40,001 - 50,000	201	0.10	4,599,181	9,198,362	0.75
50,001 - 100,000	386	0.20	13,837,481	27,674,962	2.27
100,001 and above	465	0.24	477,180,392	954,360,784	78.24
Total	193976*	100.00	609,846,588	1,219,693,176	100.00

*After clubbing the common PAN, No. of Shareholders

Shareholding Pattern as on March 31, 2020

Category	No. of Shares of ₹ 2/- each	%
Promoters	119,337,380	19.57
Domestic Institutional Investors/Banks	2,727,866	0.44
Bodies Corporate	46,142,813	7.57
Foreign Portfolio Investors	89,438,095	14.67
NRIs, OCBs, GDRs etc.,	9,704,381	1.59
Mutual Funds	110,141,647	18.07
Indian Public	231,887,809	38.02
IEPF	440,613	0.07
Unclaimed Suspense Account	25,984	0.00
Total	609,846,588	100.00

(j) Dematerialization.

Over 99.85% of the outstanding shares were dematerialized up to March 31, 2020. The Company's shares are liquid and actively traded.

Category	No. of Shareholders	Number of Shares	%
NSDL	103488	471062173	77.24
CDSL	95070	137856883	22.61
Physical	888	927532	0.15
Total	199446	609846588	100.00

*After clubbing the common PAN, No. the number of Shareholders is 193976

During the year under review the Company after due discussion with Deutsche Bank Trust Company Americas, Depository to the GDR programme terminated the GDR programme of the company with effect from 30th October, 2019 after following the due procedure.

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

(m) Address for Correspondence

Physical / Electronic mode

M/s. KFin Technologies Private Limited Selenium Tower B, Plot No.31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad -500 032 Phone: 040 6716 2222 Fax: 040 2300 1153 Email: einward.ris@kfintech.com https://www.kfintech.com Toll Free No.1800 345 400	Shareholders General Correspondence Company Secretary / Compliance Officer NCC Limited 9 th Floor, NCC House, Madhapur, Hyderabad - 500 081 Phone : 040-23268888 / 23268942 Fax : 040- 23125555 E-Mail : ho.secr@nccltd.in www.ncclimited.com
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ECS Facility;

The Company is providing facility of "Electronic Clearing Service" (ECS) for payment of dividend to shareholders. Shareholders who have not furnished such details earlier are once again requested to provide details of their bank account for availing ECS facility. Further, ECS facility is available to the beneficial owners of shares held in electronic form as well as in physical form. Those desirous of availing the ECS facility may provide their mandate to the Company in writing, in the form that can be obtained from the Company or the Company's Registrar and Transfer Agents M/s. KFin Technologies Private Limited.

Unclaimed dividend

Pursuant to the provisions of Sections 124 & 125 of Companies Act, 2013 the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unclaimed dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund (IEPF). In compliance with above said provisions of the Companies Act, 2013, the Company transferred the unclaimed dividend amounting to ₹ 4,08,393/- (Rupees Four Lakh Eight Thousand Three Hundred and Ninety Three only) (Final Dividend) pertaining to the year 2011-2012 to the Investor Education and Protection Fund.

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

Financial year	Type of dividend	Date of declaration	Amount of unclaimed dividend outstanding as on March 31, 2020 ₹	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2012-2013	Final	27.09.2013	3,83,088.00	03.11.2020	02.12.2020
2013-2014	Final	25.09.2014	2,17,762.60	01.11.2021	30.11.2021
2014-2015	Final	24.08.2015	5,08,202.40	30.09.2022	29.10.2022
2015-2016	Final	24.08.2016	7,35,084.60	30.09.2023	29.10.2023
2016-2017	Final	24-08-2017	5,10,960.00	30-09-2024	29-10-2024
2017-2018	Final	10-08-2018	14,27,508.00	16.09.2025	15.10.2025
2018-2019	Final	06-09-2019	18,18,187.50	12.10.2026	11.11.2026

Dividend Distribution policy

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

10. Other Disclosures

- (a) During 2019-20 certain transactions were entered into with related parties. The details thereof are given in note number 36 of the Financial Statements.
- (b) There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.
- (c) The Company has formulated and adopted formal Whistle Blower Policy/vigil mechanism and the same is hosted on the Company's Web site and no concerned person has been denied access to the Audit Committee.
- (d) The Company has complied with all the mandatory requirements of Schedule V of the SEBI (Listing and Disclosure Requirements) Regulations, 2015.
- (e) Policy on Material Subsidiaries is hosted in our website www.ncclimited.com
The following is the web link:
[http://ncclimited.com/images/PDF/Policies/Policy on Material Subsidiary\(s\).pdf](http://ncclimited.com/images/PDF/Policies/Policy%20on%20Material%20Subsidiary(s).pdf)
- (f) Policy on Related party transactions is hosted in our website www.ncclimited.com, the following is the link;
[http://ncclimited.com/images/PDF/Policies/Policy on Related Party Transactions.pdf](http://ncclimited.com/images/PDF/Policies/Policy%20on%20Related%20Party%20Transactions.pdf)

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

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

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

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

Secretarial Compliance Report

SEBI vide its Circular No.CIR/CFD/CMD1/27/2019, dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit by a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued there under. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year (before 30th June, 2020). The Company has submitted to the Stock Exchanges the Secretarial Compliance Report for the Financial Year 2019-20 furnished by M/s. BS & Company Company Secretaries LLP, a firm of Practicing Company Secretaries.

Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations furnished by M/s. BS & Company Company Secretaries LLP, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at its meeting held on 29th May, 2020.

Recommendations of Committees of the Board

There were no instances during the financial year 2019-20, wherein the Board had not accepted recommendations made by any Committee of the Board

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

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

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

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

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

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

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

14. Disclosures with respect to unclaimed suspense account:

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

Particulars	No of shareholders	No. of Equity Shares
Aggregate Number of Shareholders and outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2019	30	25,832
Unclaimed shares Credited to the Account during the year	2	1167
Number of shareholders approached the Company for transfer of shares from Unclaimed Suspense Account during the year	1	500
No. of Shares transferred to IEPF Account	2	515
Aggregate Number of Shareholders and outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2020	29	25,984
The voting rights of the above said unclaimed shares lying in Demat Account shall remain frozen till rightful owner of such shares claims the shares.		

15. Transfer of Shares Unpaid/Unclaimed Amounts and to Investor Education and Protection Fund (IEPF)

In accordance with the provisions of Companies Act, 2013, the Company has transferred 44,911 (Forty Four Thousand Nine Hundred and Eleven only) Equity Shares of ₹ 2/- each during the Financial Year 2019-20 to the credit of IEPF Authority. As on 31st March, 2020, the Company has cumulatively transferred 4,41,153 (Four Lakh Forty One Thousand One Hundred and Fifty Three only) so far for all Financial Years. Equity Shares to the credit of IEPF Authority. The Company is initiating necessary action for transfer of shares in respect of which dividend has not be claimed by the members consecutively since 2012-13.

Pursuant to Rule 6(13) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has credited an amount of ₹ 5,94,303/- (Rupees Five Lakhs Ninety Four Thousand Three Hundred and Three Only) to the Investor. Education and Protection Fund (IEPF) during the Financial Year 2019-20 towards Dividend paid on the Unclaimed Shares transferred to IEPF Authority.

The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company as on date of last Annual General Meeting (i.e. September 6, 2019) and details of shares transferred to IEPF. The aforesaid details are put on the Company's website and can be accessed at: <http://ncclimited.com/UDI.html>

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

16. M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) have been appointed as Statutory Auditors of the Company. The particulars of payments to Statutory Auditors S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004 or any other firm in their group on consolidated basis is given below.

Description of Service	Amount in (₹)
Services as Statutory Auditors (Audit fee)	1,56,61,000
Certification fee	10,00,000
Total	1,66,61,000

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, 2020.

For NCC Limited

(Sd/-)

A A V Ranga Raju
Managing Director
DIN No.00019161

Place: Hyderabad

Date: May 29, 2020

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

In relation to the Audited Financial Accounts of the Company as at March 31, 2020, 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 vocative 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: May 29, 2020

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

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

CERTIFICATE OF CORPORATE GOVERNANCE

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

To,

**The Members of
NCC Limited**

Hyderabad

We have examined all the relevant records of **NCC Limited** (the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') for the period commencing from **1st April, 2019** and ended on **31st March, 2020**. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the Financial Year ended on 31st March, 2020.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For BS & Company Company Secretaries LLP

**Date: May 27, 2020
Place: Hyderabad**

**Sd/-
Dafthardar Soumya
Designated Partner
ACS No. 29312
C P No.: 13199
UDIN: A029312B000290320**

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L72200TG1990PLC011146
2. Name of the Company: NCC Limited
3. Registered address: NCC House, Madhapur, Hyderabad – 500081. Telangana
4. Website: www.ncclimited.com
5. E-mail id: ho.secr@nccltd.in
6. Financial Year reported: 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Construction, Engineering and Infrastructure Development activities.
8. List three key services that the Company manufactures/provides (as in balance sheet):
Construction, Engineering and Infrastructure Development activities.
9. Total number of locations where business activity is undertaken by the Company:
 - (a) Number of National Locations: The Company executes construction projects in most of the States and Union Territories in India
 - (b) Number of International Locations: Two (Sultanate of Oman and Sri Lanka)
10. Markets Served by the Company: Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY FY 2019-20

1. Paid up capital : ₹ 121.97 crores
2. Total Income : ₹ 8370.07 crores
3. Total profit after taxes : ₹ 382.04 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : As stipulated under section 135 of the Companies Act, 2013, 2% of the average net profits of the last three years ₹ 10.02 Crores, out of this Company spent ₹ 8.38 Crores on CSR activities. The shortfall in the expenditure was mainly on account of inability of the Company to proceed with the activities in the on going projects for which the Board and the CSR Committee had accorded approval due to COVID-19.
5. List of activities in which the Corporate Social Responsibility (CSR) expenditure has been incurred:
 - a) Construction of Housing and provision of Public amenities for the rural poor.
 - b) Contribution to eligible charitable institutions
 - c) Promoting Education
 - d) Measures for relief and rehabilitation of COVID-19 affected people and for COVID-19 containment measures
 - e) Health

SECTION C: OTHER DETAILS

1	Does the Company have Subsidiary Companies	Yes, as on 31 st March 2020, the Company has 37 Subsidiary Companies including step down Subsidiaries
2	Do the Subsidiary Companies participate in the BR initiatives of the parent Company	Through their own BR initiatives
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company .if yes, then indicate the 30%, 30%-60%, more than 30%)	No

SECTION D: BR INFORMATION

Details of Director/Directors responsible for BR

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

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

(b) Details of BR Head

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

2. Principle-wise (as per NVGs)

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

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

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

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

Principle 5 : Businesses should respect and promote human rights.

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

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

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

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

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

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

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been communicated to all relevant internal and external stakeholders?	Yes. Communicated to all internal stakeholders								
8	Does the Company have in house structure to implement the policy or policies?	Yes.								
9	Does the Company have a grievance redressal mechanism related to the policy /policies to address the stake holders' grievances related to the policy / policies?	Yes								
10	Has the Company carried out independent audit/evaluation of the working of this policy by internal or external agency ?	Yes. Internal evaluation								

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

3. Governance related BR

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

E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1	Coverage of policy relating to ethics, bribery and corruption (e.g. Joint Ventures, Suppliers, Contractors, NGOs etc.).	The policy is basically applicable to the Company. The group Companies have adopted similar policies
2	How many stake holder complaints have been received in the Financial Year 2019-20?	Nil

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

Principle 3: Businesses should promote the well-being of all employees		
1	Total number of permanent employees as on 31.03.2020	5114
2	No. Of employees hired on contractual basis	Depending upon the requirements of each of the projects awarded to the Company, the Company engages employees on contractual basis
3	Number of permanent women employees	67
4	Number of permanent employees with disabilities	5
5	Employee associations	Nil
6	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Nil
7	Brief details of Training programs held during the F.Y 2019-20 for the employees including with regard to Safety, Skill Development / Up-gradation Programs. Programs held for exclusively for the women employees:	<p>Learning & Development During the financial year 2019-2020 total 54 Training Programs were organized at various Sites, RO's, HO and external venues. Total employees covered under various training programmes / conferences / on the job training / departmental training were 1288. A total of 29 employees were sponsored to attend the training programs conducted at external venues by professional institutions. In total 963 mandays was achieved during the period on the various training aspects like Personal & Organizational Effectiveness (POE), Technical Competency Enhancement (TCE), Functional Competency Enhancement (FCE), Environment, Health & Safety Awareness (EHS) and other topics too.</p> <p>ISO During the period 1st April 2019 to 31st March, 2020, 11 ISO awareness programs were organized for the employees at Corporate Office and sites. 8 internal and 20 External IMS audits were conducted during the year to fulfil the audit requirements.</p> <p>Safety Awareness Programs Five safety awareness programs like Fire safety training, lift awareness during emergency and safety mock drill were conducted at corporate office as well as at sites. Emergency Response Team (ERT) members of NCC actively participated in the safety awareness programs. Employees were encouraged to practically operate the fire extinguishers to put off the artificially created fire to have an on hand experience in case of fire emergencies.</p> <p>Health Awareness Programs During the year 2019-20 the company has also conducted various health awareness programmes like Cardio camp, Dental camp, ENT & Dermatology camp and Homeopathy health camp by the Doctors from reputed Hospitals for the overall wellbeing of the employees.</p> <p>Employee Engagements NCC Limited has always focused on various employee engagement initiatives for the well being of employees and their family members.</p> <p>Long Service Appreciation Rewards Rewarding long-service recognises an individual and their contribution to the business, loyalty, commitment and it demonstrates that our organisation is one that values people who are committed and add value to the business. During the year 2019-20 we have felicitated 3 employees who have completed 30 years in the company. During the year we have felicitated 316 employees who have completed 10 to 25 years of service.</p> <p>Ethnic Wear Competition In order to celebrate the festival of lights - Diwali, we have organised ethnic wear competition at HO which was a huge success because of the enthusiastic participation from many employees who brought lot of creativity and festive spirit in their traditional attire.</p> <p>International Day of Yoga Was celebrated at HO in order to bring awareness of the various health benefits of yoga.</p> <p>Corporate Sport Expert Hunt Sports quiz was conducted by India Ahead News Channel and was telecasted on their channel.</p> <p>Ongoing Employee Initiatives The ongoing employee initiatives at HO for employee wellbeing are Staff cafeteria at subsidized rates, in house ATM, in-house Gym, in house recreation room, recreation room for utility staff, in-house medical clinic & Doctor and meal cards etc.</p> <p>Covid-19 Awareness Program In view of novel corona virus, we have regularly conducted awareness programmes, safety tips and preventive measures for all the employees at Corporate Office, Regional Offices and Project sites.</p>

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

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

Principle 5: Businesses should respect and promote human rights

1	Does the Company's policy on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors/ NGOs/Others?	The policy is basically applicable to the company. Same is extended to the group companies
2	How many Stakeholders complaints have been received in the Financial Year 2019-20?	Nil
3	Percentage of satisfactory resolution of Stake Holders complaints?	Not Applicable as the Company has not received any complaints

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

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

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

1	Is the Company a member of any trade and chamber or association and If Yes, name of major ones that the Company deals with	Yes 1. Construction Federation of India 2. Builders Association of India 3. Construction Industry Development Council (CIDC) 4. Confederation of Indian Industry 5. Water Supply Contractors Association 6. National Highway Builders Federation 7. National Safety Council of India 8. The Federation of Telangana Chambers of Commerce and Industry 9. BRICS Chamber of Commerce & Industry
2	Has the Company advocated/lobbied through the above associations for the advancement or improvement of the public good? If yes specify the broad areas	Whenever Policy guidelines are issued, the company has been providing its suggestions to the Government and the above Trade / Chamber Associations. Company officials have also attended seminars / workshops organized by the apex organizations for facilitating views on the policies.

Principle 8: Businesses should support inclusive growth and equitable development		
1	Has the Company carried on programmes / initiatives / projects in support of inclusive growth and equitable development?	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013. The details of the CSR projects under taken by the Company is provided in the Annexure III to the Directors' Report
2	Are the programmes/projects undertaken through in-house team / Own foundation / External NGO / Government structures or any other organisations?	In house teams and External Agencies viz., charitable organisations.
3	Have you done any impact assessment of your initiatives	Informal assessment
4	What is the Company's Direct contribution to the community development projects?	₹ 8.38 crores
5	Has the Company taken any steps to ensure that that the above initiatives are successfully adopted by the community?	Yes

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
4	Did your company carry out any consumer survey/consumer satisfaction trends?	Not Applicable

INDEPENDENT AUDITOR'S REPORT

To the Members of
NCC Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of NCC Limited ("the Company"), which includes 5 branches and 31 joint operations comprising the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the branch auditors and other auditors on the separate financial statements and other financial information of the branches and joint operations referred to in the Other Matter paragraph below, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 49 of the standalone Ind AS Financial statements, which describes the uncertainties and possible effects of Covid-19 on the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matters
<p>Trade receivables and contract assets</p> <p>Trade receivables and contract assets amounting to ₹ 2,618.00 crores and ₹ 4,477.43 crores respectively, represents approximately 55.56% of the total assets of the Company as at March 31, 2020.</p> <p>In assessing the recoverability of the aforesaid balances and determination of allowance for expected credit loss, management's judgement involves consideration of aging status, historical payment records, evaluation of litigations, the likelihood of collection based on the terms of the contract and the credit information of its customers including the possible effect from the pandemic relating to COVID-19.</p> <p>Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • We understood and tested on a sample basis the design and operating effectiveness of management controls over the recognition and the recoverability of the trade receivables and contract assets. • We performed test of details and tested relevant contracts, documents and subsequent settlements for material trade receivable balances and amounts included in contract assets that are due on performance of future obligations. • We tested the aging of trade receivables at year end. • We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset. • We used the work of internal auditors, who under our supervision were present at the project site to observe inventory count performed by the management including physical inspection of work done in respect of unbilled revenue. We evaluated the competence, capabilities and objectivity of the aforesaid internal auditors. • We performed additional procedures, in respect of material over-due trade receivables and long outstanding contract assets, i.e. tested historical payment records, correspondence with customers and legal advice obtained by the management on litigations from legal experts. • We evaluated the competence, capabilities and objectivity of the aforesaid legal experts • We performed additional procedures in respect of balances disclosed in note 48, which include review of communications to/ from customer, physical inspection of work done in respect of unbilled revenue, verification of last bills certified, etc. • We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.

Key audit matters	How our audit addressed the key audit matters
<p>Carrying value of investment made in a subsidiary</p> <p>The Company's carrying value of investment in NCC Infrastructure Holdings Limited ('NCCIHL') as at March 31, 2020 is ₹ 387.98 crores which is higher by ₹ 132.73 crores as compared to the Company's share of net worth in NCCIHL as per its audited financial statements. (refer note 4.3)</p> <p>Management's assessment of the recoverable amount of the investment in the above subsidiary has been identified as a key audit matter due to the significance of the carrying value of the investment and that it requires the management to make significant estimate of future cash flows from the claims filed/won by NCCIHL but not accounted for, by taking into consideration the management's internal assessment and legal advice on the tenability of the claims.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • We obtained and read management's assessment of the recoverable amount of the investment. • We traced the net worth of NCCIHL to the audited financial statements of NCCIHL as at and for the year ended March 31, 2020, audited by another firm of chartered accountants. • We obtained a summary of the claims filed by NCCIHL but not accounted for. We read and assessed the legal advice obtained by the Company from expert in respect of the tenability of the above claims. • We obtained and read the arbitration order received in favor of NCCIHL. • We evaluated the competence, capabilities and objectivity of the aforesaid expert. • We assessed the allowance for impairment made by management.
<p>Indirect tax litigations</p> <p>The Company is subject to assessments by tax authorities on various indirect tax matters resulting into litigations/disputes (refer note 35(i)(a) to the standalone Ind AS financial statements).</p> <p>The tax matters involve material amounts which are at various stages and the proceedings take significant time to resolve.</p> <p>Management exercises significant judgement in assessing the financial impact of tax matters due to the complexity of the cases and involvement of various tax authorities.</p> <p>Accordingly, we have identified this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained list of indirect tax litigations as at March 31, 2020 from management. • Discussed the matters with the management to understand the possible outcome of these disputes. • Involved our experts to review the management's assessment of the possible outcome of the disputes relating to indirect tax litigations. • Assessed management's assumptions and estimates in respect of contingent liability disclosure in note 35(i)(a) to the accompanying standalone Ind AS financial statements.

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

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

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be

materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of

the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information of 4 branches and 11 joint operations included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information reflect total assets of ₹ 223.68 crores as at March 31, 2020, and the total revenues of ₹ 338.94 crores and net cash inflows of ₹ 4.03 crores for the year ended on that date. These financial statements/information of these branches and joint operations have been audited by the branch auditors and other auditors respectively, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and joint operations, is based solely on the report of such branch auditors and other auditors respectively.

Of these, 1 branch is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their

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

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

Report on Other Legal and Regulatory Requirements

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

- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these [standalone] Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 35(i) and 42 to the standalone Ind AS financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAABF9383

Place of Signature: Hyderabad

Date: May 29, 2020

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

Re: NCC Limited ('The Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A major portion of fixed assets have been physically verified by the management in accordance with the programme of verification, which, in our opinion, provides for physical verification of all fixed assets at reasonable interval having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, Goods and Service tax, value added tax and cess on account of any dispute, are as follows:

(₹ in crores)

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount paid under protest
Sales tax and VAT Law	CST	Appellate Authority, Bhopal	2011-12 to 2014-15	0.70	0.48
	CST	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2014-15	0.31	-
	CST	Sales Tax Tribunal, Mumbai	2010-14	10.88	0.48
	VAT	Additional Commissioner, Andhra Pradesh	2012-13	12.64	8.38

(₹ in crores)

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount paid under protest
Sales tax and VAT Law	VAT	Additional Commissioner, Grade-2 (Appeals), Commercial Tax, Range-5 Lucknow	2006-07	1.55	0.16
	VAT	Additional Commissioner (CT), West Bengal	2010-11	20.32	-
	VAT	Commissioner of Sales Tax, New Delhi	2009-11 & 2012-14	13.00	4.74
	VAT	Appellate Deputy Commissioner, Kerala	2008-09	0.31	0.05
	VAT	Additional Commissioner, West Bengal	2014-15	2.77	2.93
	VAT	Commissioner of Sales Tax, Kerala	2012-14	2.13	-
	VAT	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2010-16	12.16	1.13
	VAT	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2005-06	1.45	-
	VAT	Hon'ble High Court of Orissa	2007-12	10.00	3.38
	VAT	Hon'ble High Court of Tamil Nadu	2006-07	0.44	-
	VAT	Sales Tax Appellate Tribunal, Andhra Pradesh	2005-09	16.15	13.86
	VAT	Sales Tax Tribunal, Mumbai	2010-15	39.30	7.30
	VAT	Sr. Joint Commissioner (Appeals), West Bengal	2008-10 & 2012-13	31.93	0.94
	VAT	Sr. Joint Commissioner, Commercial Tax, West Bengal	2013-14	8.42	6.15
	VAT	Appellate Deputy Commissioner, Hyderabad	2007-10	28.07	28.07
	VAT	Sales Tax Appellate Joint Commissioner, Andhra Pradesh	2010-12	14.96	14.96
	VAT	Joint Commissioner, Lucknow	2011-17	45.55	30.71
	VAT	Sales Tax Tribunal, Lucknow	2010-11	1.88	1.88
	VAT	Joint Commissioner, West Bengal	2015-2017	8.70	6.78
	VAT	Deputy Commissioner of Sales Tax, Bhubaneswar	Oct'15 to Mar'18	12.38	2.59
Central Excise Act 1944	Entry Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2012-13	0.99	0.50
	Entry Tax	Hon'ble High Court of Orissa	2007-12	0.74	-
	Sales Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	1994-95	0.44	0.27
	Sales Tax	Sales Tax Appellate Tribunal, Andhra Pradesh	2000-01	0.69	0.10
Finance Act 1994	Excise Duty	CESTAT, Bangalore	2007-08	0.46	0.10
	Service Tax	CESTAT, Bangalore	2005-12	75.03	0.80
	Service Tax	CESTAT, Hyderabad	2010-15	7.87	0.48
	Service Tax	Commissioner (Appeals), Service Tax	2005-08	0.39	0.10
	Service Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2007-09	13.02	-

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

For S.R.BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

per Navneet Rai Kabra

Partner

Membership No.102328

UDIN: 20102328AAAAABF9383

Place: Hyderabad

Date: May 29, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF NCC LIMITED

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

We have audited the internal financial controls over financial reporting of NCC Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAABF9383

Place of Signature: Hyderabad

Date: May 29, 2020

BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in crores)

	Note	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
ASSETS					
Non Current Assets					
Property, Plant and Equipment	3	1,047.47		1,108.60	
Capital Work in Progress	3	14.83		13.16	
Investment Property	3.1	143.22		131.98	
Investment Property under Construction	3.1	68.10		68.10	
Other Intangible Assets	3.2	0.80		1.07	
Financial Assets					
Investments in Associates	4.1	10.54		10.54	
Other Investments	4.1	878.16		908.73	
Loans	5	364.48		321.05	
Trade Receivables	6	209.74		104.59	
Other Financial Assets	7	124.14		158.15	
Deferred Tax Assets (Net)	8	205.50		172.64	
Non Current Tax Assets (Net)	14	30.40		36.10	
Other Non Current Assets	15	235.08		224.86	
Total Non - Current Assets			3,332.46		3,259.57
Current Assets					
Inventories	9	514.83		512.94	
Financial Assets					
Trade Receivables	10	2,408.26		3,049.57	
Cash and Cash Equivalents	11.1	85.34		196.05	
Bank balances other than above	11.2	231.53		102.91	
Loans	12	230.18		175.48	
Other Financial Assets	13	114.28		175.96	
Current Tax Assets (Net)	14.1	103.77		52.94	
Other Current Assets	15.1	5,749.73		5,596.53	
Total Current Assets			9,437.92		9,862.38
Assets classified as held for sale			-		36.65
Total Assets			12,770.38		13,158.60

BALANCE SHEET AS AT MARCH 31, 2020 (contd.)

(₹ in crores)

	Note	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	16	121.97		120.13	
Other Equity	17	4,983.66		4,636.65	
Total Equity			5,105.63		4,756.78
Liabilities					
Non Current Liabilities					
Financial Liabilities					
Borrowings	18	173.67		319.97	
Trade Payables	19	46.62		107.93	
Provisions	20	37.41		21.79	
Total Non Current Liabilities			257.70		449.69
Current Liabilities					
Financial Liabilities					
Borrowings	21	1,477.86		1,416.31	
Trade Payables	22				
Total outstanding dues of micro and small enterprises		30.79		13.02	
Total outstanding dues of creditors other than micro and small enterprises		3,905.63		4,371.37	
Other Financial Liabilities	23	336.62		289.86	
Provisions	24	48.27		39.89	
Current Tax Liabilities (Net)	25	62.23		62.88	
Other Current Liabilities	26	1,545.65		1,758.80	
Total Current Liabilities			7,407.05		7,952.13
Total Equity and Liabilities			12,770.38		13,158.60

The accompanying notes are an integral part of the financial statements

In terms of our report attached

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

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

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

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

For and on behalf of the Board

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

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

Hyderabad, May 29, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crores)

	Note	YEAR ENDED MARCH 31, 2020	YEAR ENDED MARCH 31, 2019
INCOME			
Revenue from Operations	27	8,218.80	12,079.76
Other Income	28	151.27	118.25
Total Income		8,370.07	12,198.01
EXPENSES			
Cost of Materials Consumed	29	2,944.69	4,763.59
Construction Expenses	30	928.81	921.31
Sub-Contractors Work Bills		2,621.36	4,245.59
Employee Benefits Expense	31	435.23	439.32
Finance Costs	32	517.87	451.26
Depreciation and amortisation expenses (Refer note 3, 3.1 and 3.2)		177.52	149.37
Other Expenses	33	258.56	286.95
Total Expenses		7,884.04	11,257.39
Profit Before Exceptional Items and Tax		486.03	940.62
Exceptional Items (Net)	41	(32.67)	(58.93)
Profit Before Tax		453.36	881.69
Tax Expense			
Current Tax	34	100.05	308.73
Deferred Tax		(28.73)	9.05
		71.32	317.78
Profit for the year		382.04	563.91
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) of the defined benefit plans		(11.84)	(7.76)
Income tax effect on the above		4.13	2.72
Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		0.78	0.73
Other comprehensive income / (loss) for the year (net of taxes)		(6.93)	(4.31)
Total comprehensive income for the year		375.11	559.60
Earnings per share of face value of ₹ 2 each.			
Basic and Diluted - ₹	38	6.34	9.39

The accompanying notes are an integral part of the financial statements

In terms of our report attached

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Hyderabad, May 29, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital

	Number of shares	Amount (₹ in crores)
Balance as at April 01, 2018	600,646,588	120.13
Add: Issue of Share Capital	-	-
Balance as at March 31, 2019	600,646,588	120.13
Add: Issue of Share Capital	9,200,000	1.84
Balance as at March 31, 2020	609,846,588	121.97

B. Other Equity

(₹ in crores)

	Reserves and Surplus					Items of Other Comprehensive Income / (loss)		Total
	Capital Reserve	Securities Premium	Money received against share warrants (Refer note 16.6)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations	
Balance at April 01, 2018	5.44	2,531.65	-	922.00	670.41	(3.15)	(4.83)	4,121.52
Effect of adoption of new accounting standards (Ind AS 115)	-	-	-	-	0.50	-	-	0.50
As at April 01, 2018 (restated)	5.44	2,531.65	-	922.00	670.91	(3.15)	(4.83)	4,122.02
Profit for the year	-	-	-	-	563.91	-	-	563.91
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(5.04)	0.73	(4.31)
Total comprehensive income for the year	-	-	-	-	563.91	(5.04)	0.73	559.60
Proceeds received against share warrants	-	-	27.45	-	-	-	-	27.45
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	(72.42)	-	-	(72.42)
Balance at April 01, 2019	5.44	2,531.65	27.45	922.00	1,162.40	(8.19)	(4.10)	4,636.65
Profit for the year	-	-	-	-	382.04	-	-	382.04
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(7.71)	0.78	(6.93)
Total comprehensive income for the year	-	-	-	-	382.04	(7.71)	0.78	375.11
Premium on Issue of Share Capital	-	107.97	-	-	-	-	-	107.97
Transferred to Equity share capital & Premium on issue of share capital	-	-	(27.45)	-	-	-	-	(27.45)
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	(108.62)	-	-	(108.62)
Balance at March 31, 2020	5.44	2,639.62	-	922.00	1,435.82	(15.90)	(3.32)	4,983.66

The accompanying notes are an integral part of the financial statements

In terms of our report attached

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

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

R.S. RAJU
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For and on behalf of the Board

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

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

Hyderabad, May 29, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities		
Profit before tax	453.36	881.69
Adjustments for:		
Depreciation and amortisation expenses	177.52	149.37
Profit on sale of Property, Plant and Equipment and Investment Property	(41.17)	(19.18)
Finance costs	517.87	451.26
Interest income	(81.88)	(66.59)
Trade Receivables / Advances written off	-	7.35
Provision for doubtful trade receivables / advances / others	21.29	57.18
Expected credit loss for Unbilled revenue	46.60	7.09
Exceptional items (net)	32.67	58.93
Rental income from investment properties	(4.76)	(3.93)
Net foreign exchange (gain)	(1.37)	(6.16)
	666.77	635.32
Operating profit before working capital changes	1,120.13	1,517.01
Changes in working capital:		
Adjustments for (Increase) / Decrease in operating assets:		
(Increase) in Inventories	(1.88)	(116.40)
Decrease / (Increase) in Trade receivables	517.66	(746.03)
Decrease / (Increase) in Other financial assets	61.80	(83.17)
(Increase) in Other assets	(212.00)	(996.22)
Adjustments for Increase / (Decrease) in operating liabilities:		
(Decrease) / Increase in Trade payables	(511.66)	925.82
(Decrease) / Increase in Other current liabilities	(213.15)	69.37
Increase in Provisions	12.16	10.00
	(347.07)	(936.63)
Cash generated from operations	773.06	580.38
Net income tax (paid)	(136.63)	(235.05)
Net cash flows from operating activities (A)	636.43	345.33
B. Cash flows from investing activities		
Capital expenditure for property , plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	(144.06)	(527.37)
Proceeds from disposal of Property, Plant and Equipment and Investment Property	56.21	36.66
Movement in Margin money deposits / other deposits	(99.11)	(155.85)
Proceeds from sale of non current and current investments - Associates / Others	48.58	4.34
Loans given to subsidiaries, associates and others	(166.04)	(60.05)
Loans realised from subsidiaries, associates and others	57.62	207.50
Interest received	77.85	65.79
Rental income from investment properties	4.76	3.93
Net cash flows (used) in investing activities (B)	(164.19)	(425.05)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flows from financing activities		
Purchase of non current investments - Subsidiaries	(0.70)	(0.12)
Proceeds received against share warrants	82.36	27.45
Proceeds from long term borrowings	147.54	495.41
Repayment of long term borrowings	(292.27)	(173.39)
Short term borrowings borrowed (net)	61.55	371.21
Finance costs paid	(472.81)	(431.49)
Dividend and Dividend Tax paid	(108.62)	(72.42)
Net cash flows (used) / from financing activities (C)	(582.95)	216.65
Net (Decrease) Increase in Cash and cash equivalents (A+B+C)	(110.71)	136.93
Cash and cash equivalents at the beginning of the year	196.05	59.12
Cash and cash equivalents at the end of the year	85.34	196.05
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	85.34	196.05
Cash and cash equivalents at the end of the year	85.34	196.05

Note: Figures in brackets represents cash outflows.

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W/E300004
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Managing Director / CEO
(DIN No: 00019161)

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

Hyderabad, May 29, 2020

Notes forming part of the financial statements

1 General Information:

NCC Limited, ("NCCL", / "the Company") was established as a Partnership firm in 1978, which was subsequently converted into a Limited Company in 1990. The shares of the Company were listed on the stock exchanges in India during 1992 pursuant to the Initial Public Offer of equity shares. The registered office of the Company is located at NCC House, Madhapur, Hyderabad - 500 081, Telangana, India. The Company is engaged in the infrastructure sector, primarily in the construction of industrial and commercial buildings, housing project, roads, bridges and flyovers, water supply and environment projects, mining, power transmission lines, irrigation and hydrothermal power projects, real estate development, etc.

2 Significant accounting policies:

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

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

are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

2.3 Interest in Joint Operations

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

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

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
3. its revenue, including its share of any revenue arising jointly.
4. its expenses, including its share of any expenses incurred jointly.

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

2.4 Revenue Recognition

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

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

Notes forming part of the financial statements

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

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

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

Contract costs

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

Provision for future losses

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

Contract balances

i) Contract assets

A contract asset is recognised for amount of work done but pending billing/acknowledgement by customer or

amounts billed but payment is due on completion of future performance obligation, since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets as stated in note no. 2.19.

ii) Trade receivables

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

iii) Contract liabilities

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

2.5 Other income:

a) **Dividend Income:** Dividend income from Investments is recognised when the shareholder's right to receive payment has been established.

b) **Interest income:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) **Rental income:** Rental income from operating leases is generally recognised over the term of the relevant lease.

2.6 Foreign exchange translation and foreign currency transactions:

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

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

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

Notes forming part of the financial statements

on foreign exchange transactions are recognised in the Statement of Profit and Loss.

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

Foreign branches functional currency is other than reporting currency of its parent and foreign branch financial statements are translated into reporting currency of its parent using the following procedures. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate at the end of the respective month. All resulting exchange differences are recognised in other comprehensive income till the disposal of the net investment.

2.7 Borrowing Costs:

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

2.8 Employee Benefits:

2.8.1 Retirement benefit costs and termination benefits

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

Superannuation

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

Provident Fund

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

Defined Benefit Plans

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

2.8.2 Compensated Absences

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

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

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

2.9 Taxation

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

2.9.1 Current Tax:

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

2.9.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets

Notes forming part of the financial statements

and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

2.9.3 Current and deferred tax for the year

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.10 Property, plant and equipment:

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition/construction of qualifying PPE, that takes a substantial period of time to get ready for its intended use, upto the date the asset is ready for its intended use. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is required to

be included in the cost of the respective item of property plant and equipment and Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised. For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per previous GAAP, accumulated depreciation and cumulative impairment on the transition date of April 1, 2015.

PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

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

2.11 Depreciation and Amortisation:

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

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

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

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

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from

Notes forming part of the financial statements

disposal. Any gain or loss arising on derecognition of the property is included in Statement of Profit and Loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of Investment property measured as per previous GAAP, accumulated depreciation and cumulative impairment on the transition date of April 01, 2015.

2.13 Intangible Assets:

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

2.14 Inventories:

Raw Materials:

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

Properties Under Development:

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

2.15 Investments in Subsidiaries, Associates and Joint ventures: On initial recognition, these investments are recognised at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

2.16 Provisions, Contingent Liabilities and Contingent Assets :

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are disclosed in the financial statements when flow of economic benefits is probable.

2.17 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly

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

2.18 Financial assets

Financial asset is

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

2.19 Subsequent measurement of the financial assets

(i) Financial assets carried at amortised cost

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

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

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

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

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

(iv) The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the

Notes forming part of the financial statements

12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

2.20 Financial liabilities

Financial liability is Contractual Obligation to

- a) deliver Cash or another Financial Asset to another Entity, or
- b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavourable to the Entity. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

2.21 Subsequent measurement of the financial liabilities

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

2.22 Derecognition of financial instruments

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

2.23 Fair value of financial instruments

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

2.24 Impairment of Assets:

Intangible assets and property, plant and equipment: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such

cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

2.25 Fair value measurement

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

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

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

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

2.26 Leases :

a) Accounting policy as per new lease standard

The Company applied Ind AS 116 for the first time with effect from April 01, 2019. The changes in accounting policy on account of adoption of this new accounting standard are described in note 2.33.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except short-term leases and low value leases.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted

Notes forming part of the financial statements

with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

The Company applies the short-term lease recognition exemption to its short-term leases of premises and construction equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date or the adoption of Ind AS 116 and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Accounting policy till previous year

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

2.27 Earnings Per Share :

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

2.28 Cash Flow Statement:

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

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

2.29 Critical judgements in applying accounting policies:

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

- (i) **Revenue recognition:** The Company uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.
- (ii) **Key sources of estimation uncertainty:** The following are the key assumptions concerning the future , and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Items requiring significant estimate	Assumption and estimation uncertainty
Review of property, plant and equipment	The Company reviews the estimated useful lives, depreciation method and residual value of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life, depreciation method and residual value considered for the assets.
Fair value measurements and valuation processes	Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

Notes forming part of the financial statements

Items requiring significant estimate	Assumption and estimation uncertainty
Fair value measurements and valuation processes	In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party / internal qualified valuers to perform the valuation. Finance team works closely with the qualified external / internal valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the Board of Directors about the causes of fluctuations in the fair value of the assets and liabilities.
Provision for doubtful receivables and contract assets	In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period . These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid / recovered for uncertain tax positions. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.
Indirect tax litigations	The Company is subjected to VAT assessments in various states where projects were executed. Basing on applicable VAT rules of various states the Company estimated the VAT liability and provided in the book of accounts. The VAT assessments in different states are at different stages and on some of the assessment orders, the Company made appeals and they are at various tribunals and courts.

2.30 Exceptional Items:

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

2.31 Operating cycle:

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

2.32 Recent accounting pronouncements

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2.33 Changes in the accounting policies

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. The following is the summary of practical expedients elected on initial application:

- a) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- b) Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company has applied the short-term lease recognition exemption to its short-term leases of premises and construction equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date or the adoption of Ind AS 116 and do not contain a purchase option). There are no leases other than the aforesaid, hence the impact is insignificant.

Notes forming part of the financial statements

Note 3

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

(₹ in crores)

	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Cost:									
Balance as at April 01, 2018	37.77	670.29	10.41	137.07	70.05	45.80	16.19	562.75	1,550.33
Additions	19.75	195.44	2.19	102.10	15.78	6.32	-	183.35	524.93
Disposals / Adjustments	1.21	32.57	0.67	66.39	4.37	2.32	-	5.56	113.09
As at March 31, 2019	56.31	833.16	11.93	172.78	81.46	49.80	16.19	740.54	1,962.17
Additions	7.52	37.14	1.09	12.14	8.85	3.42	-	57.31	127.47
Disposals / Adjustments	1.70	33.18	0.12	3.97	4.38	1.31	-	18.07	62.73
As at March 31, 2020	62.13	837.12	12.90	180.95	85.93	51.91	16.19	779.78	2,026.91
Depreciation:									
Balance as at April 01, 2018	7.47	306.90	5.13	113.56	31.69	34.21	3.76	299.78	802.50
Depreciation	3.81	55.74	0.90	11.90	7.18	4.32	3.86	60.67	148.38
Disposals / Adjustments	0.31	25.32	0.59	60.86	3.70	2.19	-	4.34	97.31
As at March 31, 2019	10.97	337.32	5.44	64.60	35.17	36.34	7.62	356.11	853.57
Depreciation	4.94	59.15	1.07	16.58	8.28	4.81	3.81	78.08	176.72
Disposals / Adjustments	0.15	26.08	0.10	3.73	3.41	1.23	-	16.15	50.85
As at March 31, 2020	15.76	370.39	6.41	77.45	40.04	39.92	11.43	418.04	979.44
Net Block									
As at March 31, 2019	45.34	495.84	6.49	108.18	46.29	13.46	8.57	384.43	1,108.60
As at March 31, 2020	46.37	466.73	6.49	103.50	45.89	11.99	4.76	361.74	1,047.47

Capital work in progress ₹ 14.83 crores (31.03.2019: ₹ 13.16 crores)

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

Notes forming part of the financial statements

Note 3.1

Investment property & Investment property under construction:

(₹ in crores)

	Land - Freehold	Buildings given under operating Lease	Total
Cost:			
Balance as at April 01, 2018	32.76	30.15	62.91
Additions	9.58	65.92	75.50
Disposals / Adjustments	0.13	1.42	1.55
As at March 31, 2019	42.21	94.65	136.86
Additions	13.81	1.07	14.88
Disposals / Adjustments	-	3.15	3.15
As at March 31, 2020	56.02	92.57	148.59
Depreciation:			
Balance as at April 01, 2018	-	4.26	4.26
Depreciation	-	0.48	0.48
Disposals / Adjustments	-	(0.14)	(0.14)
As at March 31, 2019	-	4.88	4.88
Depreciation	-	0.49	0.49
Disposals / Adjustments	-	-	-
As at March 31, 2020	-	5.37	5.37
Net Block			
As at March 31, 2019	42.21	89.77	131.98
As at March 31, 2020	56.02	87.20	143.22

Investment property under construction ₹ 68.10 crores (31.03.2019: ₹ 68.10 crores)

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

Fair value of the investment property and investment property under construction:

Details of the investment property and information about the fair value hierarchy as at March 31, 2020 and March 31, 2019 are as follows:

(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2020	Fair value as at March 31, 2019
Land	Level 3	130.03	103.01
Buildings	Level 3	208.76	205.87
Investment property under construction	Level 3	82.86	82.86
Total		421.65	391.74

The internal technical team of the Company has valued for some of the properties at ₹ 304.91 crores (31.03.2019: ₹ 268.34 crores) and the balance properties have been valued by independent valuer at ₹ 116.74 crores (31.03.2019: ₹ 123.40 crores). The Valuation is based on Government rates, market research, market trend and comparable values as considered appropriate.

Notes forming part of the financial statements

3.2 Other Intangible Assets

(₹ in crores)

	Computer Software	Total
Cost:		
Balance as at April 01, 2018	13.10	13.10
Additions	-	-
Disposals / Adjustments	-	-
As at March 31, 2019	13.10	13.10
Additions	0.04	0.04
Disposals / Adjustments	-	-
As at March 31, 2020	13.14	13.14
Amortisation:		
Balance as at April 01, 2018	11.52	11.52
Amortisation	0.51	0.51
Disposals / Adjustments	-	-
Depreciation and amortisation:		
As at March 31, 2019	12.03	12.03
Amortisation	0.31	0.31
Disposals / Adjustments	-	-
As at March 31, 2020	12.34	12.34
Net Block		
As at March 31, 2019	1.07	1.07
As at March 31, 2020	0.80	0.80

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
4 Investments				
4.1 Non Current Investments				
A In Associates				
Trade (Unquoted) (At Cost)				
(i) Investment in equity shares				
In Shares of ₹ 10 each, fully paid up				
Tellapur Techno City Private Limited		-	14,702,600	14.70
Less: Provision for Impairment in value of Investments		-		14.70
		-		-
Paschal Form Work (India) Private Limited	6,549,892	6.91	6,549,892	6.91
Brindavan Infrastructure Company Limited	8,643,036	3.46	8,643,036	3.46
Pondicherry Tindivanam Tollway Limited (valued at ₹ 1,000)	100	-	100	-
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	1,498,757	8.00	1,498,757	8.00
Less: Provision for Impairment in value of Investments		8.00		8.00
		-		-
In Shares of 'AED' 1000 each fully paid up				
Nagarjuna Facilities Management Services, LLC, Dubai	147	0.17	147	0.17
(ii) Investment in debentures				
Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up) (Refer note. 4.2)	-	-	-	51.62
Less: Provision for Impairment in value of Investments		-		14.97
		-		36.65
Less: Transferred to held for sale		-		36.65
		-		-
Total aggregate investments in Associates		10.54		10.54
B In Subsidiaries				
Trade (Unquoted) (At Cost)				
(i) Investment in equity shares				
In Shares of ₹ 10 each, fully paid up				
NCC Infrastructure Holdings Limited (NCCIHL) (Refer note 4.3)	445,324,458	457.36	432,437,351	444.47
Less: Provision for Impairment in value of Investments		69.38		69.38
		387.98		375.09
NCC Urban Infrastructure Limited	120,000,000	120.00	120,000,000	120.00
NCC Vizag Urban Infrastructure Limited	50,000,000	50.00	50,000,000	50.00

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
OB Infrastructure Limited (Valued at ₹ 6,000)	600	-	600	-
Patnitop Ropeway & Resorts Limited	2,255,300	1.07	2,255,300	2.26
Less: Provision for Impairment in value of Investments		1.07		0.95
		-		1.31
NCC International Convention Centre Limited	1,000,000	1.00	1,000,000	1.00
Less: Provision for Impairment in value of Investments		1.00		1.00
		-		-
NCC Oil & Gas Limited (Refer note 4.4)	-	-	40,000	0.04
Vaidehi Avenues Limited	5,163,422	5.16	5,163,422	5.16
Pachhwarra Coal Mining Private Limited	102,000	0.10	102,000	0.10
Talaipalli Coal Mining Private Limited	45,900	0.05	45,900	0.05
In Equity Shares of ₹ 5/- each,, fully paid up				
Aster Rail Private Limited	3,098,800	1.55	3,098,800	1.55
In Shares of Omani Rials one each, fully paid up				
Nagarjuna Construction Company International LLC, Oman	12,818,000	193.37	12,818,000	193.37
Less: Provision for Impairment in value of Investments		59.99		20.00
		133.38		173.37
In Shares of US \$ 10 each, fully paid up				
NCC Infrastructure Holdings Mauritius Pte. Ltd.	2,687,508	61.88	2,687,508	61.88
Less: Provision for Impairment in value of Investments		21.22		21.22
		40.66		40.66
In Shares of 'AED' 1000 each, fully paid up				
Nagarjuna Contracting Company Limited, LLC, Dubai	300	0.34	300	0.34
(ii) Investment in debentures				
0% Compulsory Convertible Debentures				
NCC Infrastructure Holdings Mauritius Pte. Ltd. (US \$ 1 each)	20,596,720	135.24	20,596,720	135.24
Total aggregate investments in Subsidiaries		874.46		902.91
C In Other entities				
(i) Trade (Unquoted)				
Investments - fair value through profit and loss account				
SNP Developers and Projects LLP (Valued at ₹ 35,500)		-		-
SNP Ventures LLP		2.18		2.18
SNP Property Developers LLP		0.01		2.13
NAC Infrastructure Equipment Limited	1,499,900	1.50	1,499,900	1.50

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
In Shares of ₹ 25 each, fully paid up				
Akola Urban Co-operative Bank Limited	4,040	0.01	4,040	0.01
(ii) Trade (Quoted)				
Investment in equity instruments				
In Shares of ₹ 10 each, fully paid up				
NCC Finance Limited [** (Value ₹ 90)]	9	-	9	_*_*
Total aggregate investments in Other entities		3.70		5.82
Total aggregate investments in Subsidiaries and Other entities		878.16		908.73
Total		888.70		919.27
Aggregate amount of Unquoted Investments		1,049.35		1,039.82
Aggregate market value of Quoted Investments		-		_*_*
Aggregate amount of impairment in value of investments ** Market value of ₹ Nil (31.03.2019: ₹ 10.89/-)		160.65		120.55

4.2 During the previous year, Investment in Tellapur Technocity Private Limited is classified under “Assets classified as held for sale” and sold during the current year.

4.3 Of these 374,412, 894 (31.03.2019: 212,318,091) equity shares have been pledged with State Bank of India.

The carrying value of investment in ‘NCCIHL’ as at March 31, 2020 is higher by ₹ 132.73 crores as compared to the Company’s share of net worth in NCCIHL. However, based on the internal assessment and legal advice, the carrying value is recoverable, considering the future cash flows from the claims filed by NCCIHL but not accounted for.

4.4 The Subsidiary Company has been dissolved during last year.

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
5 Loans				
Unsecured				
Loans to Related Parties				
Subsidiaries (Refer note 12.1)				
Considered Good	364.48		321.05	
Significant increase in credit risk	10.00		10.00	
	374.48		331.05	
Less : Allowance for significant increase in credit risk	10.00		10.00	
		364.48		321.05
Total		364.48		321.05
6 Trade Receivables				
Unsecured				
Considered Good	209.74		104.59	
Considered Doubtful	11.94		16.04	
	221.68		120.63	
Less : Allowance for doubtful trade receivables	11.94		16.04	
Total		209.74		104.59

Notes forming part of the financial statements

(₹ in crores)

7 Other Financial Assets	As at March 31, 2020	As at March 31, 2019	
Unsecured, Considered good			
Deposits with Customers and Others	0.25		0.25
Margin Money Deposits (Refer note 11.5)	30.38		59.22
In Deposit Accounts with remaining maturity more than 12 months	0.01		0.55
Interest accrued on loans	93.50		98.13
Total	124.14		158.15
8 Deferred Tax Assets (Net) (Refer note 43)			
Deferred Tax	82.34		145.79
MAT - Minimum Alternate Tax	123.16		26.85
Total	205.50		172.64
9 Inventories			
Raw Materials	495.48		497.59
Raw Material in Transit	3.93		0.23
Property Development Cost	15.42		15.12
Total	514.83		512.94
10 Trade Receivables			
Unsecured (Refer note 10.1 to 10.4)			
Considered Good	2,408.26		3,049.57
Considered Doubtful	33.30		35.12
	2,441.56		3,084.69
Less : Allowance for doubtful trade receivables	33.30		35.12
Total	2,408.26		3,049.57

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

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

10.3 Movement in the allowance for doubtful trade receivables:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	51.16	53.20
Add: Allowance for doubtful trade receivables	18.50	36.00
Less: Allowance written off during the year	(24.42)	(38.04)
Balance at the end of the year	45.24	51.16

10.4 Trade receivables includes ₹ 29.47 crores (31.03.2019: ₹ 31.82 crores) from subsidiary and associates.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
11 Cash and Bank Balances				
11.1 Cash and Cash Equivalents				
Cash on hand (Refer note 11.3)	1.03		0.99	
Balances with Banks				
In Current Accounts (Refer note 11.4)	84.5		164.91	
In Deposit Accounts with original maturity less than 3 months	0.16		30.15	
		85.34		196.05
11.2 Other Bank Balances				
In Deposit Accounts				
Margin Money Deposits (Refer note 11.5)	213.49		29.72	
In Deposit Accounts with remaining maturity less than 12 months	17.48		72.76	
		230.97		102.48
Earmarked balances with Banks				
Unpaid dividend accounts (Refer note 11.6)	0.56		0.43	
		231.53		102.91
Total		316.87		298.96

11.3 Cash on hand includes ₹ 0.02 crores (31.03.2019: ₹ 0.03 crores) held in foreign currency.

11.4 Current account balance includes ₹ 0.02 crores (31.03.2019: ₹ 0.19 crores) remittance in transit.

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

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

11.7 Changes in liabilities arising from financing activities:

(₹ in crores)

	Balance As at April 01, 2019	Cash Flows	As at March 31, 2020
Current borrowings (including current maturity)	1,673.31	63.12	1,736.43
Non-current borrowings	319.97	(146.30)	173.67
Total	1,993.28	(83.18)	1,910.10

(₹ in crores)

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

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
12 Loans				
Unsecured, considered good				
Loans to Related Parties (Refer note 12.1)				
Subsidiaries		202.66		147.10
Loan to Other Body Corporate		19.60		19.60
Loans and Advances to Employees		7.92		8.78
Total		230.18		175.48

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

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019	Maximum outstanding during the year (2019-20)	Maximum outstanding during the year (2018-19)
Subsidiaries:				
NCC Urban Infrastructure Limited	414.58	283.34	414.58	458.43
NCC Vizag Urban Infrastructure Limited	110.79	110.75	110.79	110.75
NCC Infrastructure Mauritius Pte Limited	45.17	69.02	69.02	71.83
Nagarjuna Contracting Company L.L.C (including doubtful of ₹ 10.00 crores)	-	-	-	71.83
Nagarjuna Construction Company International LLC, Oman	3.94	3.94	3.94	4.10
NCC Infrastructure Holdings Limited	-	8.44	10.44	13.34
Aster Rail Private Limited	2.66	2.66	2.66	4.35

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
13 Other Financial Assets				
Unsecured, considered good				
Advances recoverable		94.90		155.84
Interest Accrued on Deposits and others				
Considered Good	19.38		20.12	
Considered Doubtful	-		11.85	
	19.38		31.97	
Less : Allowance for doubtful interest	-		11.85	
		19.38		20.12
Total		114.28		175.96

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
14 Non Current Tax Assets (Net)		
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	30.40	36.10
14.1 Current Tax Assets (Net)		
Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	103.77	52.94
15 Other Non - Current Assets		
Sales Tax / Value Added Tax credit receivable	113.53	113.53
Contract Asset		
Due on performance of future obligations		
Retention Money	121.55	111.33
	235.08	224.86
15.1 Other Current Assets		
Advances to Suppliers, Sub-contractors and Others (Refer note 15.2)		
Considered Good	908.60	1,037.06
Considered Doubtful	39.04	42.08
	947.64	1,079.14
Less : Allowance for doubtful advances	39.04	42.08
	908.60	1,037.06
Contract Asset		
Due on performance of future obligations		
Retention Money (Refer note 15.3)	2,206.78	2,127.59
Others	449.60	574.35
Unbilled revenue (Refer note 15.4)		
Considered Good	1,699.50	1,390.90
Considered Doubtful	98.26	51.66
	1,797.76	1,442.56
Less : Expected credit loss for unbilled revenue	98.26	51.66
	1,699.50	1,390.90
Prepaid Expenses	37.45	38.94
Balances with Government Authorities		
Sales Tax / Value Added Tax credit receivable	109.04	162.10
Goods and Service Tax credit receivable	338.76	265.59
Total	5,749.73	5,596.53

15.2 Advances to Suppliers, Sub-contractors and Others, includes advances to related parties of ₹ 34.77 crores (31.03.2019: ₹ 85.48 crores).

15.3 Retention money includes receivable from associate of ₹ 21.03 crores (31.03.2019: ₹ 21.03 crores).

15.4 Movement in the Expected credit loss for unbilled revenue:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	51.66	44.57
Add: Expected credit loss for unbilled revenue during the year	46.60	7.09
Balance at the end of the year	98.26	51.66

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
16 Share Capital				
Authorised :				
Equity Shares of ₹ 2 each	750,000,000	150.00	750,000,000	150.00
Issued :				
Equity Shares of ₹ 2 each (Refer note 16.1)	609,846,588	121.97	600,646,588	120.13
Subscribed and Paid up :				
Equity Shares of ₹ 2 each	609,846,588	121.97	600,646,588	120.13
Total		121.97		120.13

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

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	600,646,588	120.13	600,646,588	120.13
Add: Issue of Share Capital (Refer note 16.6)	9,200,000	1.84	-	-
Balance at end of the year	609,846,588	121.97	600,646,588	120.13

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

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjunwala	507,33,266	8.32	451,08,266	7.51
A V S R Holdings Private Limited	496,53,278	8.14	404,53,278	6.73
Aditya Birla Sun Life Trustee Private Limited	419,56,609	6.88	344,61,104	5.74
Reliance Capital Trustee Company Limited	324,84,585	5.33	414,90,247	6.91

16.3 Unclaimed equity shares of 25,984 (31.03.2019: 25,832) are held in "NCC Limited - Unclaimed suspense account " in trust.

16.4 Rights of the share holders

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

16.5 Nil (31.03.2019:3,93,653) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹ 2.

16.6 During the year, the Company has issued and allotted 9,200,000 equity shares of ₹ 2 each at a premium of ₹ 117.37 per share against share warrants issued on preferential basis to the promoters of the Company. The Company received the part payment (25% of total consideration) of ₹ 27.45 crores in the previous year and the balance amount of ₹ 82.36 crores was received in current year.

Notes forming part of the financial statements

(₹ in crores)

		As at March 31, 2020		As at March 31, 2019	
17	Other Equity				
17.1	Capital Reserve		5.44		5.44
17.2	Securities Premium				
	Opening balance	2,531.65		2,531.65	
	Add : Premium on Issue of Share Capital	107.97		-	
	Closing balance		2,639.62		2,531.65
17.3	Money received against share warrants (Refer note 16.6)		-		27.45
17.4	General Reserve		922.00		922.00
17.5	Retained Earnings (Refer note 17.5.a)				
	Opening balance	1,162.40		670.41	
	Add : Effect of adoption of new accounting standards (Ind AS 115)	-		0.50	
	Add : Profit for the year	382.04		563.91	
		1,544.44		1,234.82	
	Less : Appropriations				
	Dividend distributed to equity shareholders (2019-20: ₹ 1.50 per share (2018-19: ₹ 1.00 per share))	90.10		60.07	
	Tax on Dividend Paid	18.52		12.35	
		108.62		72.42	
	Closing balance		1,435.82		1,162.40
17.6	Other Components of Equity				
	Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		(15.90)		(8.19)
	Exchange differences in translating the financial statements of foreign operations (Net of tax)		(3.32)		(4.10)
	Total		4,983.66		4,636.65

17.5.a For the year ended March 31, 2020, the Board of Directors have proposed a dividend of ₹ 0.20 per share. The dividend payable on approval of the shareholders is ₹ 12.20 crores.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current*	Non Current	Current*
18 Borrowings				
Term Loans				
Secured - at amortised cost				
From Banks (Refer note 18.1)	130.02	111.99	181.83	91.16
From Other Parties (Refer note 18.2)	27.71	110.59	88.01	131.72
Unsecured - at amortised cost				
From Other Parties (Refer note 18.3)	12.90	33.10	46.00	30.39
Vehicle Loans				
Secured - at amortised cost				
From Banks (Refer note 18.4)	1.42	1.27	1.48	1.06
From Others (Refer note 18.4)	1.62	1.62	2.65	2.67
Total	173.67	258.57	319.97	257.00

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

18.1 Term Loans from Banks:

- (i) Axis Bank Limited / Kotak Mahindra Bank / Indus Ind Bank Limited, YES Bank
 - Secured by hypothecation of specific assets purchased out of the loan.
- (ii) Canara Bank
 - Exclusive charge on the entire equipment and machinery purchased out of the loan facility.
- (iii) Bank of Baharain & Kuwait
 - Exclusive charge on the entire equipment and machinery purchased out of the loan facility with a cover of minimum 1.15 times to be maintained throughout the tenor of the loan.

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

S.No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
(i)	Axis Bank Limited	18	26	24.75	14.23	8.26 to 9.60	17 to 24	2 to 35	Monthly	October 10, 2017 to March 20, 2022
(ii)	Canara Bank	1	1	114.36	181.03	9.40	7	11	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	27	27	12.35	18.64	10.00 to 10.50	19 to 22	31 to 34	Monthly	December 20, 2018 to January 05, 2022
(iv)	Indus Ind Bank Limited	53	53	45.95	59.09	9.06 to 9.76	32 to 35	44 to 46	Monthly	February 01, 2019 to February 21, 2023
(v)	Bank of Bahrain and Kuwait	1	-	27.43	-	8.75 to 9.45	12	-	Quarterly	November 22, 2020 to November 22, 2023
(vi)	Yes Bank	20	-	17.17	-	9.40 to 10	24 to 26	-	Monthly	May 08, 2019 to May 15, 2022

Notes forming part of the financial statements

18.2 i) Term Loans from Others Parties:

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

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

S.No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
(i)	SREI Equipment Finance Limited	45	45	22.80	71.95	8.75 to 11	2 to 13	15 to 26	Monthly	September 05, 2017 to May 05, 2021
(ii)	Tata Capital Financial Services Limited*	8	8	46.28	6.62	8.50 to 11.75	8 to 28	3 to 22	Monthly / Quarterly	Jan 21, 2018 to July 21, 2022
(iii)	Daimler Financial Services India (Private) Limited	2	2	2.88	4.78	8.42	16 to 17	28 to 29	Monthly	October 13, 2018 to August 04, 2021
(iv)	Volvo Financial Services (India) Private Limited	37	37	25.34	36.38	9.16	24	36	Monthly	January 02, 2019 to March 02, 2022

* Term Loan from Tata Capital Financial Services Limited, for March 31, 2020 ₹ 46.28 Nil, March 31, 2019 ₹ 6.62 crores is secured by:

- Personal Guarantee of the promoters i.e., Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju.
- First and Exclusive Charge on the assets being procured / financed and Collateral Charge on two properties.

ii) Term Loan from A.K. Capital Services Ltd, Mumbai for March 31, 2020 ₹ Nil, March 31, 2019 ₹ 20.00 crores is secured by:

- First ranking pari passu charge by way of mortgage of 2 properties in favour of the security trustee.
- Unconditional and irrevocable personal guarantees of the promoters i.e., Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju for all the dues under facility in the form approved by the lender.
- This is payable in 3 installments with tenor of 18 months commencing from November 05, 2018, February 05, 2019 and May 05, 2019 carry interest @ 10.75 % with monthly rests
- Final installment of ₹ 20.00 crores is due as at March 31, 2019 which is payable on May 05, 2019 and paid on the same date.

iii) Term Loan from Hero Fincorp Ltd, for March 31, 2020 ₹ 41.00 crores, March 31, 2019 ₹ 80.00 crores is secured by:

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

18.3 Unsecured term loan from other parties:

S.No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
(i)	Hewlett Packard Financial Services Limited	7	7	32.27	52.17	8.99 to 9.52	5 to 8	9 to 12	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	8	8	13.73	24.22	5.02 to 8.66	4 to 6	8 to 10	Quarterly	May 10, 2018 to August 05, 2021

18.4 Vehicle Loans:

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 to 5 years and carry interest rate ranging between 7.78 % to 9.37 % per annum.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
19 Trade Payables				
Retention money		46.62		107.93
Total		46.62		107.93
20 Provisions				
Provision for Employee Benefits				
Gratuity (Refer note 20.1)		37.41		21.79
Total		37.41		21.79

20.1 In accordance with the Payment of Gratuity Act, 1972 the company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India (LIC) and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The management understands that LIC overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

A Defined benefit plans

- (i) Liability for gratuity as on March 31, 2020 is ₹ 48.16 crores (31.03.2019: ₹ 32.88 crores) of which ₹ 4.05 crores (31.03.2019: ₹ 6.36 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 44.11 crores (31.03.2019: ₹ 26.52 crores) is included in Provision for Gratuity.
- (ii) Details of the Company's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary.

Amount to be recognised in Balance Sheet:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Present Value of Funded Obligations	48.16	32.88
Fair Value of Plan Assets	(4.05)	(6.36)
Net Liability	44.11	26.52

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

(₹ in crores)

	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service Cost	6.31	5.83
Interest on Defined Benefit Obligation	2.34	1.56
Expected Return on Plan assets	(0.40)	(0.36)
Total included in "Employee Benefits Expense"	8.25	7.03

Notes forming part of the financial statements

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

(₹ in crores)

	Year Ended March 31, 2020	Year Ended March 31, 2019
Return on Plan Assets	0.41	0.16
Net Actuarial Losses / (Gains) Recognised in Year	11.43	7.60
Total included in "Other Comprehensive Income"	11.84	7.76

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

(₹ in crores)

	Year Ended March 31, 2020	Year Ended March 31, 2019
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	32.88	21.08
Current Service Cost	6.31	5.83
Interest Cost	2.34	1.56
Actuarial Losses / (Gain)	11.43	7.60
Benefits Paid	(4.80)	(3.19)
Closing Defined Benefit Obligation	48.16	32.88
Opening Fair Value of Plan assets	6.36	3.18
Expected Return on Plan Assets	(0.01)	0.20
Contributions	2.50	6.17
Benefits Paid	(4.80)	(3.19)
Closing Fair Value of Plan Assets	4.05	6.36
Expected Employer's Contribution Next Year	15.00	13.27

(vi) Asset information:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	4.05	6.36

(vii) Experience Adjustments:

(₹ in crores)

	2019-20	2018-19	2017-18	2016-17	2015-16
Defined Benefit Obligations (DBO)	48.16	32.88	21.08	14.32	12.32
Plan Assets	4.05	6.36	3.18	3.19	4.12
Surplus / (Deficit)	(44.11)	(26.52)	(17.90)	(11.13)	(8.20)
Experience Adjustments on Plan Assets	0.25	0.25	0.25	0.28	0.26

Notes forming part of the financial statements

(viii) Sensitivity Analysis:

(₹ in crores)

	Gratuity Plan	
	As at March 31, 2020	As at March 31, 2019
Assumptions		
Discount rate	6.80%	7.65%
Estimated rate of return on plan assets	8.25%	8.25%
Expected rate of salary increase	0% to 7%	7.00%
Attrition rate	2% to 19%	2% to 20%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	(6.10%)	(6.20%)
Discount rate - 100 basis points	6.90%	7.00%
Salary increase rate +1%	6.70%	6.40%
Salary increase rate -1%	(6.10%)	(5.90%)
Attrition rate +1%	0.40%	0.30%
Attrition rate -1%	(0.50%)	(0.30%)

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

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

(₹ in crores)

Particulars	March 31, 2020
March 31, 2021	6.71
March 31, 2022	4.48
March 31, 2023	4.38
March 31, 2024	4.58
March 31, 2025	4.15

20.2 The Liability for Cost of Compensated absences is ₹ 41.57 crores (31.03.2019: ₹ 35.16 crores) has been actuarially determined and provided for in the books.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
21 Borrowings		
Loans repayable on demand		
Secured Loans - Banks		
Working Capital Demand Loan (Refer note 21.1)	1,231.87	840.10
Cash Credit (Refer note 21.1)	245.99	576.21
Total	1,477.86	1,416.31

Notes forming part of the financial statements

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

- Hypothecation against first charge on stocks, book debts and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu amongst consortium banks.
- Collateral Security pari passu first charge (Equitable Mortgage / Hypothecation, Pledge) amongst the members of consortium on unencumbered movable of fixed assets of the Company at WDV, Shares of NCC Infrastructure Holdings Limited (Refer note 4.3).
- Equitable mortgage of eight properties (Land & Buildings).
- Personal Guarantee / Third Party Guarantee of Sri. A A V Ranga Raju.

These facilities carry an interest rate of 8.70% to 11.80% per annum.

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
22 Trade Payables				
Micro and small enterprises		30.79		13.02
Other than micro and small enterprises				
Acceptances	455.01		291.13	
Other than Acceptances (includes retention money payable)	3,450.62		4,080.24	
		3,905.63		4,371.37
Total		3,936.42		4,384.39
22.1 Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:				
a) Principal amount remaining unpaid		30.79		13.02
b) Interest due thereon		0.45		0.19
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.		-		-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.		-		-
e) Interest accrued and remaining unpaid at the end of accounting year		-		-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.		-		-
23 Other Financial Liabilities				
Current maturities of Long Term Borrowings (Refer note 18)		258.57		257.00
Interest Accrued but not due on borrowings and others		77.04		32.24
Unpaid Dividend Accounts (Refer note 11.6)		0.56		0.43
Other Payables				
Interest Accrued on Trade Payables (Refer note 22.1)		0.45		0.19
Total		336.62		289.86

Notes forming part of the financial statements

(₹ in crores)

24 Provisions	As at March 31, 2020		As at March 31, 2019	
Provision for Employee Benefits				
Compensated absences (Refer note 20.2)		41.57		35.16
Gratuity (Refer note 20.1)		6.70		4.73
Total		48.27		39.89
25 Current Tax Liabilities (Net)				
Provision for Tax (Net of Advance Tax)		62.23		62.88
26 Other Current Liabilities				
TDS / Service Tax / Other payable		26.42		34.83
Goods and Service Tax payable		0.80		7.42
Contract Liabilities				
Mobilisation Advance from Customers		1,296.86		1,522.04
Advances from Customers		130.69		98.65
Advances from others		90.88		95.86
Total		1,545.65		1,758.80

(₹ in crores)

27 Revenue from Operations	Year Ended March 31, 2020		Year Ended March 31, 2019	
Income from Contracts and Services		8,199.35		12,066.88
Other Operating Income		19.45		12.88
Total		8,218.80		12,079.76
28 Other Income				
Interest Income				
Deposits and Others		17.60		10.54
Loans and Advances		47.51		50.93
Income Tax refund		12.78		1.13
Others		3.98		3.99
Net Gain / (Loss) on foreign currency transactions		1.50		4.35
Other Non-Operating Income				
Rental Income from operating lease on investment property		4.76		3.93
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)		41.17		19.18
Miscellaneous Income		21.97		24.20
Total		151.27		118.25
29 Cost of Materials Consumed				
Construction Materials, Stores and Spares				
Opening Stock	497.82		381.41	
Add : Purchases	2,946.28		4,880.00	
		3,444.10		5,261.41
Less : Closing Stock		499.41		497.82
Total Consumption		2,944.69		4,763.59

Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
30 Construction Expenses				
Transport Charges		59.72		98.75
Operation and Maintenance				
Machinery	253.53		127.82	
Others	16.19		17.58	
		269.72		145.40
Hire Charges for Machinery and others	123.80		174.06	
Power and Fuel	28.42		33.24	
Technical Consultation	57.73		101.41	
Royalties, Seigniorage and Cess	21.57		31.25	
Other Expenses	321.25		330.11	
Expected credit loss for unbilled revenue	46.60		7.09	
		599.37		677.16
Total		928.81		921.31

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
31 Employee Benefits Expense				
Salaries and Other Benefits		392.76		397.04
Contribution to Provident Fund and Other Funds (Refer note 20.1 and 31.1)		36.35		35.78
Staff Welfare Expenses		6.12		6.50
Total		435.23		439.32

31.1 Defined contribution plans

The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 18.54 crores (31.03.2019: ₹ 18.59 crores) for Provident Fund contributions and ₹ 9.59 crores (31.03.2019: ₹ 8.25 crores) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

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

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
32 Finance Costs				
Interest Expense on				
Borrowings				
Term Loans	45.57		35.64	
Working Capital Demand Loans and Cash Credit	190.93		165.83	
Mobilisation Advance	139.26		131.59	
Others	7.18		5.07	
		382.94		338.13
Other Borrowing Costs				
Commission on - Bank Guarantees	109.32		93.35	
- Letters of Credit	16.23		12.53	
		125.55		105.88
Bank and Other Financial Charges		9.38		7.25
Total		517.87		451.26

Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2020	Year Ended March 31, 2019
33 Other Expenses		
Rent	58.39	63.97
Travelling and Conveyance	26.50	27.71
Office Maintenance	23.02	25.22
Electricity Charges	8.56	8.09
Rates and Taxes	5.35	4.91
Consultation Charges	12.15	11.27
Postage, Telegrams and Telephones	3.15	3.59
Insurance	17.01	10.81
Printing and Stationery	5.35	5.45
Legal and Professional Charges	12.12	16.16
Auditors' Remuneration (Refer note 33.1)	1.67	1.72
Directors' Sitting Fees	0.33	0.26
Trade Receivables / Advances written off	-	7.35
Provision for Doubtful Trade Receivables / Advances / Others	21.25	57.18
Tender Schedule Expenses	0.87	2.14
Donations and Electoral Bonds (includes ₹ 40.00 crores Electoral Bonds for the year ended 31.03.2020 (31.03.2019: ₹ 20.00 crores))	40.32	22.77
CSR Expenditure (Refer note 40)	8.38	6.14
Miscellaneous Expenses	14.14	12.21
Total	258.56	286.95
33.1 Auditors' Remuneration		
Statutory Audit fee	1.57	1.57
Certification fee	0.10	0.15
Total	1.67	1.72
34 Tax Expense		
Current Tax	174.26	308.26
Earlier year taxes (net)	(74.21)	0.47
Deferred Tax	(28.73)	9.05
Total	71.32	317.78

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

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	453.36	881.69
Tax expense at statutory tax rate at 34.944%	158.42	308.10
Adjustments:		
Effect of income that is exempt from taxation	(2.39)	(1.02)
Adjustments recognised in the current year in relation to the current tax of prior years	(74.21)	0.47
Effect of expenses that are not deductible in determining taxable profit	15.82	13.57
Effect of capital gains set off with unused capital losses	(15.46)	(2.91)
Adjustments recognised in the current year in relation to the MAT credit / reversal of DTA of prior years	(13.45)	-
Others including effect of change in rate of tax	2.59	(0.43)
	(87.10)	9.68
Tax expense reported in the Statement of Profit and Loss	71.32	317.78

Notes forming part of the financial statements

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

	(₹ in crores)	
	Year ended March 31, 2020	Year ended March 31, 2019
Tax effect on actuarial gains/losses on defined benefit obligations	4.13	2.72

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

(i) Contingent Liability

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
(a) Matters under litigation		
Claims against the company not acknowledged as debt*		
- Disputed sales tax / entry tax liability for which the Company preferred appeal	298.84	330.90
- Disputed central excise duty relating to clearance of goods of LED division in favour of Developers of SEZ, for which the Company has filed an appeal to CESTAT, Bangalore	0.46	0.46
- Disputed Service tax liability for which the Company preferred appeal	96.31	96.31
- Others	26.08	28.27
* interest, if any, not ascertainable after the date of order.		
(b) Guarantees		
Counter Guarantees given to the Bankers **	-	2.44
Corporate Guarantees given to Banks for financial assistance extended to Subsidiaries.	214.42	607.35

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

The Company has filed claims and has also filed counter claims in several legal disputes related to construction contracts and same are pending before legal authorities. The Management does not expect any material adverse effect on its financial position.

(ii) Commitments

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	2.56	70.15
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	2.99	2.99

Notes forming part of the financial statements

36. Related Party Transactions

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

S.No	Particulars	S.No	Particulars
	List of entities over which control exist	33	Sri Raga Nivas Ventures Private Limited
A)	Subsidiaries	34	Mallelavanam Property Developers Private Limited
1	NCC Infrastructure Holdings Limited	35	Sradha Real Estates Private Limited ⁵
2	NCC Urban Infrastructure Limited	36	Sripada Homes Private Limited ⁵
3	NCC Vizag Urban Infrastructure Limited	37	NJC Avenues Private Limited
4	Nagarjuna Construction Co. Ltd and Partners L.L.C. ^{\$\$\$}	38	NCC WLL**
5	NCC Infrastructure Holdings Mauritius Pte Limited	39	Al Mubarakia Contracting Co. L.L.C.
6	Nagarjuna Construction Company International L.L.C.	40	NCCA International Kuwait General Contracts Company L.L.C.
7	Nagarjuna Contracting Co. L.L.C.	41	Samashti Gas Energy Limited
8	Patnitop Ropeway and Resorts Limited [#]	42	NCC Infra Limited
9	Vaidehi Avenues Limited	43	NCC Urban Homes Private Limited
10	NCC International Convention Centre Limited ⁵	44	NCC Urban Ventures Private Limited
11	NCC Oil & Gas Limited ^{##}	45	NCC Urban Meadows Private Limited ⁵
12	Aster Rail Private Limited	46	NCC Urban Villas Private Limited ⁵
13	Pachhvara Coal Mining Private Limited	47	Nagarjuna Suites Private Limited ⁵
14	Talaipalli Coal Mining Private Limited	48	OB Infrastructure Limited
	Step-Down Subsidiaries	49	Savitra Agri Industrial Park Private Limited
15	Liquidity Limited [@]	B)	Associates
16	Dhatri Developers & Projects Private Limited	50	Paschal Form Work (India) Private Limited
17	Sushanti Avenues Private Limited	51	Nagarjuna Facilities Management Services L.L.C.
18	Sushrutha Real Estate Private Limited	52	Jubilee Hills Landmark Projects Private Limited [^]
19	PRG Estates LLP [@]	53	Tellapur Technocity Private Limited ^{\$\$}
20	Thrilekya Real Estates LLP [@]	54	Tellapur Technocity (Mauritius) [#]
21	Varma Infrastructure LLP [@]	55	Apollonius Coal and Energy Pte. Ltd.
22	Nandyala Real Estates LLP [@]	56	Ekana Sportz City Private Limited
23	Kedarnath Real Estates LLP [@]	57	Brindavan Infrastructure Company Limited
24	AKHS Homes LLP [@]	58	Pondicherry Tindivanam Tollway Limited
25	JIC Homes Private Limited	C)	Key Management Personnel
26	Sushanti Housing Private Limited	59	Sri. A.A.V. Ranga Raju
27	CSVS Property Developers Private Limited	60	Sri. A.S.N. Raju
28	Vera Avenues Private Limited	61	Sri. A.G.K. Raju
29	Sri Raga Nivas Property Developers LLP [@]	62	Sri. A.V.N. Raju
30	VSN Property Developers LLP [@]	63	Sri. J.V. Ranga Raju
31	M A Property Developers Private Limited	64	Sri. Ramachandra Venkataraman Shastri ^{@@@}
32	Vara Infrastructure Private Limited ⁵	65	Sri. Utpal Hemendra Sheth

Notes forming part of the financial statements

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

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

- # Under voluntary liquidation.
Struck off from the register of companies with effect from November 28, 2019.
** Liquidated with effect from June 18, 2019.
^ Ceased to be Associate with effect from May 22, 2018.
\$\$\$ Liquidated with effect from June 19, 2019.
@ Converted from Limited Liability Company to Limited Liability Partnership during the previous year.
@@ Merged with "NCC Infrastructure Holdings Mauritius Pte. Limited" with effect from July 01,2018.
\$\$ Ceased to be associate with effect from November 16, 2019.
\$ Applied for strike off of the name.
Key Management Person upto May 07, 2018.
@@@ Key Management Person upto September 24, 2019.

Notes forming part of the financial statements

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

(₹ in crores)									
S.No	Particulars	Subsidiaries (including Step-down Subsidiaries)		Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Investment in Equity shares	1.89	-	-	-	-	-	-	-
2	Loan /Interest Accrued converted to Equity shares	10.99	-	-	-	-	-	-	-
3	Advances converted to Compulsory Convertible Debentures	-	0.12	-	-	-	-	-	-
4	Money received on reduction of share capital	1.19	-	-	-	-	-	-	-
5	Investments written-off	0.04	-	-	-	-	-	-	-
6	Loans granted	166.04	60.05	-	-	-	-	-	-
7	Loan repayment received	57.62	207.50	-	-	-	-	-	-
8	Advances granted	24.12	36.67	-	0.84	-	-	106.74	107.59
9	Advances Repayment Received / Adjusted	9.10	7.29	0.10	1.13	-	-	0.11	0.69
11	Advances Repaid / Adjusted	1.20	85.10	-	-	-	-	-	-
12	Mobilisation Advance Recovered / Adjusted from the Company	-	-	-	1.50	-	-	-	-
13	Mobilisation Advance Recovered / Adjusted by the Company	-	-	-	-	-	-	6.80	8.95
14	Retention Money recovered	-	3.93	-	-	-	-	-	-
15	Interest Received / Adjusted	51.47	50.70	-	-	-	-	-	-
16	Remittance to Trade Payables	0.23	0.31	-	-	-	-	19.85	5.00
17	Trade / Accounts Receivables realised	-	0.35	2.35	-	-	-	-	-
18	Advances / Interest Written off	-	20.82	-	-	-	-	-	-
19	Revenue from Operations	1.42	0.20	-	-	-	-	-	-
20	Material Purchase & Services	-	0.06	-	0.74	-	-	-	-
21	Purchase of Property, Plant and Equipment	1.88	1.45	-	-	-	-	-	-
22	Sale of Property, Plant and Equipment	0.03	0.64	-	-	-	-	-	-
23	Interest Income	47.51	50.93	-	-	-	-	-	-
24	Reimbursement of Expenses	2.91	2.16	0.06	2.90	0.02	-	2.66	1.64
25	Sub-Contractors work bills	18.40	31.46	-	-	-	-	154.36	97.87
26	Remuneration (Including commission)*								
	Short-term employee benefits	-	-	-	-	21.28	32.16	-	-
	Post employee benefits	-	-	-	-	1.22	1.18	-	-
27	Directors Sitting Fees	-	-	-	-	0.33	0.26	-	-
28	Rent income	0.05	0.06	-	-	-	-	-	-
29	Rent expenses	0.05	0.01	-	-	0.65	0.67	10.05	10.06
30	Dividend paid	-	-	-	-	7.77	5.19	8.50	5.65
31	Corporate Guarantees revoked / expired	452.06	176.66	-	-	-	-	-	-
32	Counter Guarantees revoked / expired	-	59.00	-	-	-	-	-	-

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

Notes forming part of the financial statements

(iii) Related Party balances outstanding are as follows:

(₹ in crores)									
S.No	Particulars	Subsidiaries (including Step-down Subsidiaries)		Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1	Debit Balances outstanding								
	NCC Urban Infrastructure Limited	415.99	284.86	-	-	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	191.99	191.95	-	-	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte. Limited	57.49	91.07	-	-	-	-	-	-
	Nagarjuna Construction Company International L.L.C	19.75	19.73	-	-	-	-	-	-
	NCC Infrastructure Holdings Limited	-	8.44	-	-	-	-	-	-
	Vaidehi Avenues Limited	0.18	0.15	-	-	-	-	-	-
	Aster Rail Private Limited	6.14	5.12	-	-	-	-	-	-
	Pachhvara Coal Mining Private Limited	0.06	0.09	-	-	-	-	-	-
	Talaipalli Coal Mining Private Limited	0.12	0.03	-	-	-	-	-	-
	Tellapur Technocity Private Limited	-	-	-	0.03	-	-	-	-
	Paschal Form Work (India) Private Limited	-	-	0.08	0.08	-	-	-	-
	Brindavan Infrastructure Company Limited	-	-	0.24	0.59	-	-	-	-
	Ekana Sportz City Private Limited	-	-	50.25	52.26	-	-	-	-
	Sridevi Properties	-	-	-	-	-	-	0.19	0.19
	Jampana Constructions Private Limited	-	-	-	-	-	-	0.95	21.31
	Shri Aruna Constructions Private Limited	-	-	-	-	-	-	15.00	41.22
	Matrix Security and Surveillance Private Limited	-	-	-	-	-	-	0.36	-
	Sri J V Ranga Raju	-	-	-	-	0.08	0.08	-	-
	Smt J Sowjanya	-	-	-	-	0.10	0.10	-	-
	Smt J.Sridevi	-	-	-	-	0.08	0.08	-	-
	Sri J.Krishna Chaitanya Varma	-	-	-	-	0.13	0.13	-	-
	Corporate Guarantees outstanding								
	Nagarjuna Construction Company International L.L.C.	214.42	603.78	-	-	-	-	-	-
	Nagarjuna Contracting Company L.L.C., Dubai	-	45.84	-	-	-	-	-	-

Notes forming part of the financial statements

(iii) Related Party balances outstanding are as follows:

(₹ in crores)

S.No	Particulars	Subsidiaries (including Step-down Subsidiaries)		Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
2	Credit Balances outstanding								
	NCC Urban Infrastructure Limited	1.07	1.26	-	-	-	-	-	-
	Patnitop Ropeway and Resorts Limited	-	1.20	-	-	-	-	-	-
	Nagarjuna Facilities Management Services L.L.C.	-	-	0.25	0.25	-	-	-	-
	Brindavan Infrastructure Company Limited	-	-	-	0.35	-	-	-	-
	Vaidehi Avenues Limited	0.03	-	-	-	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	-	-	0.05	0.05
	Sirisha Projects Private Limited	-	-	-	-	-	-	-	0.03
	Jampana Constructions Private Limited	-	-	-	-	-	-	1.92	4.90
	Shri Aruna Constructions Private Limited	-	-	-	-	-	-	9.20	8.11
	Sridevi Properties	-	-	-	-	-	-	0.03	0.03
	Sri. A.A.V. Ranga Raju*	-	-	-	-	2.35	5.81	-	-
	Sri. A.S.N. Raju	-	-	-	-	1.37	2.89	-	-
	Sri. A.G.K. Raju*	-	-	-	-	1.31	2.90	-	-
	Sri. A.V.N. Raju	-	-	-	-	1.39	2.90	-	-
	Sri. J.V. Ranga Raju	-	-	-	-	0.36	0.36	-	-
	Sri. R.S. Raju	-	-	-	-	0.15	0.12	-	-
	Sri. M.V. Srinivasa Murthy	-	-	-	-	0.10	0.09	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	-	-	0.08	0.08	-	-
	Sri. A. Vishnu Varma	-	-	-	-	0.10	0.07	-	-
	Smt. A. Nikhita	-	-	-	-	0.02	0.03	-	-
	Sri. A. Sri Harsha Varma	-	-	-	-	0.08	0.03	-	-
	Sri. U. Sunil	-	-	-	-	0.07	0.03	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	-	-	0.12	0.10	-	-
	Smt. J. Sowjanya	-	-	-	-	0.01	0.01	-	-
	Smt. J. Sridevi	-	-	-	-	0.01	0.01	-	-
	Smt. BH. Kaushalya	-	-	-	-	0.03	0.03	-	-

*Refer note 18 and 21 for details of personal guarantee given by the Directors.

Notes forming part of the financial statements

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

Particulars	(₹ in crores)	
	2019 - 20	2018 - 19
Investment in Equity shares		
- NCC Infrastructure Holdings Limited	1.89	-
Loan /Interest Accrued converted to Equity shares		
- NCC Infrastructure Holdings Limited	10.99	-
Advances converted to Compulsory Convertible Debentures		
- NCC Infrastructure Holdings Mauritius Pte. Limited	-	0.12
Money received on reduction of share capital		
- Patnitop Ropeway and Resorts Limited	1.19	-
Investments written off		
- NCC Oil & Gas Limited	0.04	
Loans Granted		
- NCC Urban Infrastructure Limited	164.00	53.05
Loan Repayment Received		
- NCC Urban Infrastructure Limited	32.75	198.02
- NCC Infrastructure Holdings Mauritius Pte Limited	24.87	
Advances Granted		
- Jampana Constructions Private Limited	57.11	64.83
- Aster Rail Private Limited	20.96	33.78
- Shri Aruna Constructions Private Limited	49.53	42.76
Advances Repayment Received / Adjusted		
- Nagarjuna Construction Company International L.L.C.	2.64	1.88
- Pachhwara Coal Mining Private Ltd ⁵	1.37	-
- NCC Infrastructure Holdings Mauritius Pte Limited ⁵	5.08	-
- Aster Rail Private Limited	-	2.60
- NCC Urban Infrastructure Limited	-	2.52
- Jubilee Hills Landmarks Projects Private Limited	-	1.04
Advances Repaid / Adjusted		
- Patnitop Ropeway and Resorts Limited ⁵	1.20	-
- Nagarjuna Construction Company International L.L.C.	-	84.83
Mobilisation Advance Recovered / Adjusted from the Company		
- Ekana Sportz City Private Limited	-	1.50
Mobilisation Advance Recovered / Adjusted by the Company		
- Jampana Constructions Private Limited	-	7.15
- Shri Aruna Constructions Private Limited	6.80	1.80
Retention Money Recovered		
- NCC Urban Infrastructure Limited	-	3.93
Interest Received		
- NCC Urban Infrastructure Limited	46.35	49.72

Notes forming part of the financial statements

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

(₹ in crores)		
Particulars	2019 - 20	2018 - 19
Remittance to Trade Payables		
- Jampana Constructions Private Limited	14.21	3.30
- Shri Aruna Constructions Private Limited	5.63	1.70
Trade / Accounts Receivables realised		
- Ekana Sportz City Private Limited	2.00	-
- Brindavan Infrastructure Company Limited	0.35	
- NCC Urban Infrastructure Limited	-	0.35
Advances / Interest Written off		
- Nagarjuna Construction Company International L.L.C.	-	6.97
- Nagarjuna Contracting Company L.L.C., Dubai	-	6.64
- Nagarjuna Construction Company & Partners L.L.C.	-	6.22
Revenue from Operations		
- Pachhwarra Coal Mining Private Limited	1.42	0.20
Material Purchases and Services		
- Paschal Form Work (India) Private Limited	-	0.74
Purchase of Property, Plant and Equipment		
- Nagarjuna Construction Company International L.L.C.	1.88	1.45
Sale of Property, Plant and Equipment		
- NCC Urban Infrastructure Limited	0.03	0.64
Interest Income		
- NCC Urban Infrastructure Limited	46.35	49.73
Reimbursement of Expenses		
- Nagarjuna Construction Company International L.L.C.	1.45	1.83
- Jubilee Hills Landmarks Projects Private Limited	-	2.84
- Jampana Constructions Private Limited	-	1.64
- Shri Aruna Constructions Private Limited ⁵	2.23	-
- Pachhwarra Coal Mining Private Limited ⁵	1.34	-
Sub Contract Work Bills		
- Aster Rail Private Limited	18.40	31.42
- Jampana Constructions Private Limited	77.21	58.17
- Shri Aruna Constructions Private Limited	77.15	39.70
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	6.33	10.81
- Sri. A.S.N. Raju	3.20	5.44
- Sri. A.G.K. Raju	3.20	5.46
- Sri. A.V.N. Raju	3.13	5.39
Directors Sitting Fees		
- Sri. R.V.Shastris [#]	-	0.06
- Sri. Hemanth M Nerurkar	0.07	0.06
- Smt. Renu Challu	0.07	0.05

Notes forming part of the financial statements

(₹ in crores)

Particulars	2019 - 20	2018 - 19
- Sri. Utpal Sheth [§]	0.05	-
- Sri. S. Ravi [§]	0.04	-
- Dr. A.S. Durga Prasad	0.08	0.06
Rent Income		
- NCC Urban Infrastructure Limited	0.05	0.05
Rent Expenses		
- Sirisha Projects Private Limited	9.32	9.36
Dividend Paid		
- AVSR Holdings Private Limited	6.07	4.05
- Sri. A.A.V. Ranga Raju	2.03	1.36
- Sirisha Projects Private Limited	1.68	1.11
Corporate Guarantees Revoked / Expired		
- Nagarjuna Construction Company International L.L.C.	407.41	165.98
- Nagarjuna Contracting Company L.L.C., Dubai	44.65	-
Counter Guarantees Revoked / Expired		
- NCC Infrastructure Holdings Limited	-	59.00

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

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

37 Segment Reporting

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

Customer Concentration

Revenue from one customer amounted to 11.30% arising on account of Income from Contracts and Services in current year and revenue from another customer amounted to 19.34% in the previous year.

38 Earnings per share

	Year Ended March 31, 2020	Year Ended March 31, 2019
Net Profit after tax available for equity shareholders (₹ in crores)	382.04	563.91
Weighted Average number of equity shares for Basic EPS (Nos)	602,280,468	600,646,588
Weighted Average number of equity shares for Diluted EPS (Nos)	602,280,468	600,646,588
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	6.34	9.39

* The Company has no dilutive instruments during the year ended March 31, 2020 and March 31, 2019. As such Diluted Earnings per share equals to Basic Earnings per share.

39 Financial instruments

39.1 Capital management

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

Notes forming part of the financial statements

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

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

The following table summarises the capital of the Company:

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Equity	5,105.63	4,756.78
Short-term borrowings and current portion of long-term debt	1,736.43	1,673.31
Long-term debt	173.67	319.97
Cash and cash equivalents	(85.34)	(196.05)
Net debt	1,824.76	1,797.23
Total capital (equity + net debt)	6,930.39	6,554.01
Gearing ratio	0.36	0.38

39.2 Categories of financial instruments

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mandatorily measured:		
Equity investments in other entities	3.70	5.82
Measured at amortised cost		
Cash and bank balances	316.87	298.96
Other financial assets at amortised cost	3,451.08	3,984.80
Measured at cost		
Investments in equity instruments in subsidiaries and associates		
a) Equity shares	749.76	778.21
b) Debentures	135.24	135.24
	4,656.65	5,203.03
Financial liabilities		
Measured at amortised cost	5,971.19	6,518.46

39.3 Financial risk management objectives

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

i) Market risk

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

Notes forming part of the financial statements

- **Interest rate risk**

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

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate borrowings. Out of the total borrowings of ₹ 1,910.10 crores (31.03.2019: ₹ 1,993.28 crores) as of 31.03.2020, the floating rate borrowings are ₹ 1,505.29 crores (31.03.2019: ₹ 1,416.31 crores). For every 50 base points change in the interest rate when no change in other variables, it will affect the profit before tax by ₹ 7.53 crores for the year ended March 31, 2020 (31.03.2019: ₹ 7.08 crores).

- **Foreign currency risk**

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

We summarize below the financial instruments which have the foreign currency risks as at March 31, 2020 and March 31, 2019.

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

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD (crores)	4.47	4.32	5.72	6.26
INR (₹ in crores)	337.40	299.21	432.06	433.31
Euro (crores)	-	0.31	-	-
INR (₹ in crores)	-	24.40	-	-

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

(b) Foreign currency sensitivity analysis:

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

Currency USD impact on:	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(1.25)	(1.94)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	1.25	1.94
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(1.25)	(1.94)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	1.25	(1.94)

ii) Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Company.

Credit risk on trade receivables and contract assets is limited as the customers of the Company mainly consists of the Government promoted entities having a strong credit worthiness. For doubtful receivables the company uses a provision matrix to compute the expected credit loss allowances for trade receivables and contract assets. In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract. Refer note 6, 10.3 and 15.4 for provision made against trade receivable and contract assets.

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

Notes forming part of the financial statements

iii) Liquidity risk management

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	3,983.04	3,698.53	227.27	57.24	3,983.04
Borrowings and interest accrued	1,987.30	1,813.64	166.79	6.87	1,987.30
Other financial liabilities	0.85	0.85	-	-	0.85
Total	5,971.19	5,513.02	394.06	64.11	5,971.19

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019:

(₹ in crores)

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

39.4 Fair value measurements

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

(₹ in crores)

Financial Assets / Financial Liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2020	As at March 31, 2019		
Investments in unquoted equity instruments at FVTPL	3.70	5.82	Level 2	Refer note 3

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

Notes:

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

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

Notes forming part of the financial statements

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

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at cost:				
- Investments (other than investments in Subsidiaries and Associates)	3.70	3.70	5.82	5.82
Financial assets at amortised cost:				
- Trade receivables	2,618.00	2,618.00	3,154.16	3,154.16
- Cash and cash equivalents	85.34	85.34	196.05	196.05
- Bank balances other than cash and cash equivalents	231.53	231.53	102.91	102.91
- Loans	594.66	594.66	496.53	496.53
- Other financial assets	238.42	238.42	334.11	334.11
Financial liabilities				
Financial liabilities at amortised cost:				
- Borrowings (excluding current maturity)	1,651.53	1,651.53	1,736.28	1,736.28
- Trade payables	3,983.04	3,983.04	4,492.32	4,492.32
- Other financial liabilities	336.62	336.62	289.86	289.86

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

- 40 a) Gross amount required to be spent by the Company towards CSR during the year ₹ 10.02 crores (March 31, 2019: ₹ 6.14 crores).
b) Amount spent:

(₹ in crores)

Particulars	March 31, 2020			March 31, 2019		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Rural Development-Antervedipallipalem	3.69	-	3.69	4.85	-	4.85
Education, Sports and Harithaharam	1.69	-	1.69	0.29	-	0.29
CM's Relief fund- Covid 19	3.00	-	3.00	-	-	-
Army welfare fund	-	-	-	1.00	-	1.00
Total	8.38	-	8.38	6.14	-	6.14

- 41 The exceptional items for the year ended March 31, 2020 is ₹ 32.67 crores after netting off profit on sale of investment and others of ₹ 9.81 crores and provision made for impairment of investment and others of ₹ 42.48 crores in subsidiary companies.

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

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

Notes forming part of the financial statements

43. Deferred tax assets (Net)

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2020:

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(15.06)	(18.40)
Provision for doubtful trade receivables, contract assets, advances and others	64.95	56.06
Provision for diminution in value of investments	-	35.00
Provision for employee benefits	32.45	25.27
Loss allowance on Financial Instruments	-	48.86
MAT Credit entitlement	123.16	26.85
Others	-	(1.00)
Total	205.50	172.64

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

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- Long-term capital loss	590.94	539.64

44. Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 970.63 crores (31.03.2019: ₹ 937.84 crores).

Change in the contract assets and contract liabilities as at March 31, 2020 from March 31, 2019 is on account of decrease in operations of the Company.

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

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

46. Performance obligation

The transaction price allocated to the remaining performance obligations (excluding non-moving orders) is ₹ 25,010 crores (31.03.2019: ₹ 39,216 crores), which will be recognised as revenue over the respective project durations. Generally the project duration of contracts with customers is ranging 1 to 3 years.

47. The Board of Directors at its meeting held on December 28, 2019 has approved the proposal of merger of two wholly owned subsidiaries i.e., Vaidehi Avenues Limited and Aster Rail Private Limited with the Parent Company. The scheme of merger will not have any significant impact on financials.

48. The trade receivables and contract assets includes an amount of ₹ 343.77 crores (net of mobilisation advance) relating to the Amaravati Capital City projects in the state of Andhra Pradesh. These works were commenced and were in good progress till May, 2019. However, subsequently, there is no significant execution of the work / payment in these projects because of non-clearance from the newly elected Government. Management based on its internal assessments and discussions with the agencies is of the view that no further provision is required in this regard.

Notes forming part of the financial statements

49. Estimation of uncertainties relating to the global health pandemic from COVID-19

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline in global and local economic activities. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Company.

50 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 29, 2020.

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

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

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

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

For and on behalf of the Board

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

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

Hyderabad, May 29, 2020

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
NCC Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of NCC Limited (hereinafter referred to as "the Holding Company"), which includes 5 branches and 31 joint operations and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including the statement of other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information hereinafter referred to as "the consolidated Ind AS financial statements".

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the branch auditors and other auditors on the separate financial statements and other financial information of the subsidiaries, associates, branches and joint operations referred to in the Other Matter paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2020, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we and other auditors, referred to in Other Matter paragraph below, have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 60 of the Consolidated Ind AS financial statements, which describes the uncertainties and possible effects of Covid-19 on the operations of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matters
Trade receivables and contract assets of the Holding Company	
<p>Trade receivables and contract assets of the Holding Company amounting to ₹ 2,618.00 crores and ₹ 4,473.43 crores respectively, represents approximately 51.37% of the total assets of the Group as at March 31, 2020.</p> <p>In assessing the recoverability of the aforesaid balances and determination of allowance for expected credit loss, management's judgement involves consideration of aging status, historical payment records, evaluation of litigations, the likelihood of collection based on the terms of the contract and the credit information of its customers including the possible effect from the pandemic relating to COVID-19.</p> <p>Management estimation is required in the measurement of work completed during the period for recognition of unbilled revenue.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>	<p>Our audit procedures in respect of the Holding Company amongst others included the following:</p> <ul style="list-style-type: none"> • We understood and tested on sample basis the design and operating effectiveness of management controls over the recognition and the recoverability of the trade receivables and contract assets. • We performed test of details, and tested relevant contracts, documents and subsequent settlements for material trade receivable balances and amounts included in contract assets that are due on performance of future obligations. • We tested the aging of trade receivables at year end. • We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed during the period for material unbilled revenue balances included in contract asset. • We used the work of internal auditors, who under our supervision were present at the project site to observe inventory count performed by the management including physical inspection of work done in respect of unbilled revenue. We evaluated the competence, capabilities and objectivity of the aforesaid internal auditors. • We performed additional procedures, in respect of material over-due trade receivables and long outstanding contract assets, i.e. tested historical payment records, correspondence with customers and legal advice obtained by the management on litigations from legal experts. • We evaluated the competence, capabilities and objectivity of the aforesaid legal experts. • We performed additional procedures in respect of balances disclosed in note 59, which include review of communications to/ from customer, physical inspection of work done in respect of unbilled revenue, verification of last bills certified, etc. • We assessed the allowance for expected credit loss made by management including the possible effect from the pandemic relating to COVID-19.
Indirect tax litigations of the Holding Company	
<p>The Holding Company is subject to assessments by tax authorities on various indirect tax matters resulting into litigations/disputes (Significant portion of the amounts disclosed in note 38(i)(a) to the consolidated Ind AS financial statements are from the Holding Company).</p> <p>The tax matters involve material amounts which are at various stages and the proceedings take significant time to resolve.</p> <p>Management exercises significant judgement in assessing the financial impact of tax matters due to the complexity of the cases and involvement of various tax authorities.</p> <p>Accordingly, we have identified this as a key audit matter.</p>	<p>Our audit procedures in respect of the Holding Company amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained list of indirect tax litigations as at March 31, 2020 from management. • Discussed the matters with the management to understand the possible outcome of these disputes. • Involved our experts to review the management's assessment of the possible outcome of the disputes relating to indirect tax litigations. • Assessed management's assumptions and estimates in respect of contingent liability disclosure in note 38(i)(a) to the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matters
<p>Litigation on sale of investment</p> <p>The statutory auditors of NCC Infrastructure Holdings Limited ('NCCIHL'), a subsidiary of the Holding Company have reported litigation on sale of investment as a key audit matter as follows:</p> <p>NCCIHL has ongoing litigation with respect to sale of its investment in a subsidiary. For details of the litigation refer Note No. 44 of the accompanying consolidated Ind AS financial statements.</p> <p>Management's assessment of the outcome of the aforesaid litigation has been identified as a key audit matter due to the materiality of the potential obligation as it requires significant judgment in assessing the outcome of the litigation and provision to be made towards aforesaid litigation.</p>	<p>The procedures performed by the auditors of NCCIHL, as reported by them, included the following:</p> <ul style="list-style-type: none"> Reviewed the relevant documents regarding the litigation in particular the arbitration award, the claims and counter claims raised by the parties as well as the opinion from the in-house legal and claims team to assess the adequacy of the provision made. Understood and tested the design and operating effectiveness of management control over assessment of the outcome of the litigation. Discussed and understood various steps being taken by management to resolve the dispute.

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

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement

that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 43 subsidiaries, 11 joint operations and 4 branches, whose financial statements include total assets of ₹ 3,161.74 crores as at March 31, 2020, and total revenues of ₹ 1,041.52 crores and net cash inflows of ₹ 9.76 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 6.88 crore for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 6 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, branches joint operations and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

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

- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ Nil as at March 31, 2020, and total revenues of ₹ Nil and net cash inflows of ₹ Nil for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 3.74 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 4 associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the branches, subsidiaries, associates and joint operations, as noted in the 'Other matter' paragraph:

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of branches, subsidiaries, associates and joint operations, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) The reports on the accounts of the branch offices of the Holding Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
- (e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated Ind AS financial statements – Refer Note 38(i) and 53 to the consolidated Ind AS financial statements;
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates, incorporated in India during the year ended March 31, 2020.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAABH2963

Place of Signature: Hyderabad

Date: May 29, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE consolidated IND AS FINANCIAL STATEMENTS OF NCC LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of NCC Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of NCC Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 27 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAABH2963

Place of Signature: Hyderabad

Date: May 29, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(₹ in crores)

	Note	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	1,142.90	1,291.15
Capital Work in Progress	3	15.16	13.49
Investment Property	3.1	200.86	189.79
Investment Property under Construction	3.1	68.10	68.10
Goodwill		0.63	0.63
Other Intangible Assets	3.2	0.80	1.07
Financial Assets			
Investments in Associates	4.1	120.94	132.31
Other Investments	4.1	213.43	246.06
Loans	5	-	13.51
Trade Receivables	6	209.74	104.59
Other Financial Assets	7	255.98	326.64
Deferred Tax Assets (Net)	8	214.84	181.68
Non Current Tax Assets (Net)	15	32.65	36.74
Other Non Current Assets	9	471.27	464.83
Total Non - Current Assets		2,947.30	3,070.59
Current Assets			
Inventories	10	1,391.29	1,425.41
Financial Assets			
Other Investments	4.2	113.87	97.12
Trade Receivables	11	2,728.28	3,428.68
Cash and Cash Equivalents	12.1	114.44	219.43
Bank balances other than above	12.2	274.30	142.28
Loans	13	39.49	80.31
Other Financial Assets	14	177.13	247.22
Current Tax Assets (Net)	15.1	110.45	58.53
Other Current Assets	16	5,915.34	5,818.10
Total Current Assets		10,864.59	11,517.08
Assets classified as held for sale		-	72.70
Total Assets		13,811.89	14,660.37

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020 (contd.)

(₹ in crores)

	Note	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	121.97	120.13
Other Equity	18	4,784.48	4,475.24
Equity Attributable to Shareholders of the Company		4,906.45	4,595.37
Non-Controlling Interests		252.84	277.10
Total Equity		5,159.29	4,872.47
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	19	239.82	488.43
Trade Payables	20	48.92	108.45
Provisions	21	112.08	73.68
Other Non Current Liabilities	22	90.90	132.20
Total Non Current Liabilities		491.72	802.76
Current Liabilities			
Financial Liabilities			
Borrowings	23	1,632.80	1,873.59
Trade Payables	24		
Total outstanding dues of micro and small enterprises		31.10	13.02
Total outstanding dues of creditors other than micro and small enterprises		4,088.95	4,501.99
Other Financial Liabilities	25	428.48	403.05
Provisions	26	48.32	40.45
Current Tax Liabilities (Net)	27	62.23	62.92
Other Current Liabilities	28	1,869.00	2,090.12
Total Current Liabilities		8,160.88	8,985.14
Total Equity and Liabilities		13,811.89	14,660.37

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

In terms of our report attached

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

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

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

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

For and on behalf of the Board

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

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

Hyderabad, May 29, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crores)

	Note	YEAR ENDED MARCH 31, 2020	YEAR ENDED MARCH 31, 2019
INCOME			
Revenue from Operations	29	8,901.07	12,895.64
Other Income	30	112.98	124.33
Total Income		9,014.05	13,019.97
EXPENSES			
Cost of Materials Consumed	31	3,032.17	4,875.10
Construction Expenses	32	987.83	962.71
Changes in Inventories of Work in Progress	33	30.42	155.23
Sub-Contractors Work Bills		2,998.24	4,510.07
Employee Benefits Expense	34	483.69	495.16
Finance Costs	35	553.85	521.95
Depreciation and Amortization Expenses (Refer note 3, 3.1 and 3.2)		199.22	192.53
Other Expenses	36	281.47	298.20
Total Expenses		8,566.89	12,010.95
Profit Before Share of (Loss) from Associate Companies, Exceptional Items and Tax		447.16	1,009.02
Share of (Loss) of Associate Companies		(10.62)	(6.86)
Profit Before Exceptional Items and Tax		436.54	1,002.16
Exceptional Items (Net)	52	(49.63)	(107.82)
Profit Before Tax		386.91	894.34
Tax Expense	37		
Current Tax		101.73	315.07
Deferred Tax		(28.93)	11.70
		72.80	326.77
Profit for the year		314.11	567.57
Attributable to			
Shareholders of the Company		336.53	578.69
Non-Controlling Interests		(22.42)	(11.12)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or (loss)			
Remeasurement gains / (losses) of the defined benefit plans		(12.16)	(7.93)
Share of Other comprehensive income in Associates		-	0.03
Income tax effect on the above		4.23	2.76
Items that may be reclassified to profit or (loss)			
Exchange differences in translating the financial statements of foreign operations		6.67	(2.34)
Other comprehensive income / (loss) for the year (net of taxes)		(1.26)	(7.48)
Total comprehensive income for the year		312.85	560.09
Attributable to			
Shareholders of the Company		335.31	571.24
Non-Controlling Interests		(22.46)	(11.15)
Earnings per equity share of face value of ₹ 2 each.			
Basic and Diluted - ₹	50	5.59	9.63

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

In terms of our report attached

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

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

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

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

For and on behalf of the Board

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

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

Hyderabad, May 29, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH

31, 2020

A. Equity share capital

	Number of shares	Amount (₹ in crores)
Balance as at April 01, 2018	600,646,588	120.13
Add: Issue of Share Capital	-	-
Balance as at March 31, 2019	600,646,588	120.13
Add: Issue of Share Capital	9,200,000	1.84
Balance as at March 31, 2020	609,846,588	121.97

B. Other Equity

	Reserves and Surplus							Items of Other Comprehensive Income / (Loss)			Equity attributable to the shareholders of the Company	Non-controlling interests	Total		
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Money received against share warrants (Refer note 17.6)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations				(₹ in crores)	
														Income / (Loss)	Income / (Loss)
Balance at April 01, 2018	8.16	2,531.65	6.27	23.07	0.24	-	935.18	421.09	(3.28)	40.01	3,962.39	300.25	4,262.64		
Effect of adoption of new accounting standards (Ind AS 115)	-	-	-	-	-	-	-	(15.07)	-	-	(15.07)	(3.89)	(18.96)		
As at April 01, 2018 (restated)	8.16	2,531.65	6.27	23.07	0.24	-	935.18	406.02	(3.28)	40.01	3,947.32	296.36	4,243.68		
Profit for the year	-	-	-	-	-	-	-	578.69	-	-	578.69	(11.12)	567.57		
Other Comprehensive Income / (Loss) for the year (net of taxes)	-	-	-	-	-	-	-	-	(5.11)	(2.34)	(7.45)	(0.03)	(7.48)		
Total Comprehensive Income for the year	-	-	-	-	-	-	-	578.69	(5.11)	(2.34)	571.24	(11.15)	560.09		

B. Other Equity (Contd.)

(₹ in crores)

	Reserves and Surplus							Items of Other Comprehensive Income / (Loss)			Equity attributable to the shareholders of the Company	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Money received against share warrants (Refer note 17.6)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations			
Proceeds received against share warrants	-	-	-	-	-	27.45	-	-	-	-	27.45	-	27.45
Transfer to Debt Redemption Reserve	-	-	5.62	-	-	-	-	(2.23)	-	-	3.39	(3.39)	-
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(72.42)	-	-	(72.42)	-	(72.42)
Adjustment on account of Consolidation / Foreign currency fluctuation	(2.52)	-	-	0.78	-	-	-	-	-	-	(1.74)	(4.72)	(6.46)
Balance at April 01, 2019	5.64	2,531.65	11.89	23.85	0.24	27.45	935.18	910.06	(8.39)	37.67	4,475.24	277.10	4,752.34
Profit for the year	-	-	-	-	-	-	-	336.53	-	-	336.53	(22.42)	314.11
Other Comprehensive Income / (Loss) for the year (net of taxes)	-	-	-	-	-	-	-	-	(7.89)	6.67	(1.22)	(0.04)	(1.26)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	336.53	(7.89)	6.67	335.31	(22.46)	312.85
Premium on issue of Share Capital	-	107.97	-	-	-	-	-	-	-	-	107.97	-	107.97
Transferred to Equity share capital & Premium on issue of share capital	-	-	-	-	-	(27.45)	-	-	-	-	(27.45)	-	(27.45)
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(108.62)	-	-	(108.62)	-	(108.62)

B. Other Equity (Contd.)

(₹ in crores)

	Reserves and Surplus							Items of Other Comprehensive Income / (Loss)		Equity attributable to the shareholders of the Company	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Debt Redemption Reserve	Legal / Statutory Reserve	Reserve Under Section 45 IC - RBI Act	Money received against share warrants (Refer note 17.6)	General Reserve	Retained Earnings	Other items of other comprehensive income			
Adjustment on account of Consolidation / Foreign currency fluctuation	-	-	-	2.03	-	-	-	-	-	2.03	(1.80)	0.23
Balance at March 31, 2020	5.64	2,639.62	11.89	25.88	0.24	-	935.18	1,137.97	(16.28)	44.34	252.84	5,037.32

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

In terms of our report attached

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

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

For and on behalf of the Board

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

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

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

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

Hyderabad, May 29, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities		
Profit before tax	386.91	894.34
Adjustments for:		
Depreciation and amortisation expenses	199.22	192.53
Share of loss from associate companies	10.62	6.86
Profit on sale of Property, Plant and Equipment and Investment Property	(11.07)	(23.11)
Finance costs	553.85	521.95
Interest income	(45.56)	(30.29)
Profit on sale of current & Non-Current investments (net)	(0.71)	(2.45)
Gain on remeasuring investment at FVTPL (net)	(9.37)	(6.15)
Trade Receivables / Advances written off	-	10.48
Provision for doubtful trade receivables / advances / others	22.04	39.50
Expected credit loss for Unbilled revenue	46.60	7.09
Exceptional items (net)	49.63	107.82
Rental income from investment properties	(7.23)	(6.32)
	808.02	817.91
Operating profit before working capital changes	1,194.93	1,712.25
Changes in working capital:		
Adjustments for (Increase) / Decrease in operating assets:		
Decrease in Inventories	34.12	25.77
Decrease / (Increase) in Trade receivables	576.62	(780.82)
Decrease / (Increase) in Other financial assets	115.06	(49.33)
(Increase) in Other assets	(153.03)	(872.21)
Adjustments for Increase / (Decrease) in operating liabilities:		
(Decrease) / Increase in Trade payables	(456.88)	858.07
Increase / (Decrease) in Other financial liabilities	6.59	(6.14)
(Decrease) in Other current liabilities	(275.23)	(2.29)
Increase in Provisions	30.25	27.15
	(122.50)	(799.80)
Cash generated from operations	1,072.43	912.45
Net income tax (paid)	(141.04)	(239.32)
Net cash flows from operating activities (A)	931.39	673.13
B. Cash flows from investing activities		
Capital expenditure for property , plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	(150.00)	(572.00)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	97.64	132.83
Movement in Margin Money Deposits / Other Deposits	(102.50)	(160.37)
Sale / (Purchase) of Non current / current investments	77.96	(17.16)
Loans realised / (given) - Associates and others	40.14	(18.16)
Interest received	32.28	16.10
Rental income from investment property	7.23	6.32
Foreign Exchange translation adjustment (arising on consolidation)	7.80	(6.47)
Net cash flows from / (used) in investing activities (B)	10.55	(618.91)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flow from financing activities		
Proceeds received against share warrants	82.36	27.45
Redemption of debentures	(46.00)	(36.80)
Proceeds from long term borrowings	147.54	496.44
Repayment of long term borrowings	(370.69)	(261.40)
Short term borrowings -(repaid) / borrowed (net)	(240.78)	432.17
Finance costs paid	(510.74)	(496.29)
Dividend and Dividend Tax paid	(108.62)	(72.42)
Net cash flows (used) / from financing activities (C)	(1,046.93)	89.15
Net (Decrease) / Increase in Cash and cash equivalents (A+B+C)	(104.99)	143.37
Cash and cash equivalents at the beginning of the year	219.43	76.06
Cash and cash equivalents at the end of the year	114.44	219.43
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	114.44	219.43
Cash and cash equivalents at the end of the year	114.44	219.43

Note: Figures in brackets represents cash outflows.

The accompanying notes are an integral part of the financial statements

In terms of our report attached

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

For and on behalf of the Board

per NAVNEET RAI KABRA
Partner
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R.S. RAJU
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M.V. SRINIVASA MURTHY
Company Secy. & E.V.P (Legal)

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

Hyderabad, May 29, 2020

Notes forming part of the consolidated financial statements

1 Corporate information:

NCC Limited, ("NCCL"/"the Company") was established as a Partnership firm in 1978, which was subsequently converted into a limited Company in 1990. The shares of the Company, was listed on the stock exchanges in India, in 1992 pursuant to Public offer of equity shares. The registered office of the Company is located at NCC House, Madhapur, Hyderabad - 500 081, Telangana, India. The Company, its subsidiaries, and Associates collectively referred to as the "Group" is engaged in the infrastructure sector and undertaking turn-key EPC contracts as well as BOT projects on Public-Private Partnership basis. The Group's range of verticals comprises of Buildings & Housing, Roads, Railways, Mining, Water & Environment, Irrigation, Power, Electrical, Metals, Oil & Gas and International business.

2 Significant accounting policies:

2.1 Statement of Compliance

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

2.2 Basis of preparation and presentation

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

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

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

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

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

2.3 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the parent Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of profit and loss from the date the Company gains control until the date when the Company ceased to control the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

2.4 Principles of Consolidation:

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

- a) NCCL consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 40. Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiary companies are consolidated on a

Notes forming part of the consolidated financial statements

line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses on intra-group transactions as per Indian Accounting Standard 110.

- b) Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.
- c) A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in joint venture includes goodwill identified on acquisition.
- d) The financial statements of the Subsidiaries, Joint ventures and the Associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2020.
- e) The excess of cost to the Group, of its investment in the subsidiaries over the Group's share of equity is recognised in the consolidated financial statements as Goodwill and tested for impairment annually.
- f) Non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet under the Total Equity group.
- g) Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - i) The amount of equity attributable to Non-controlling holders at the date on which investment in a subsidiary is made; and
 - ii) The Non-controlling holders share of movements in the equity since the date the parent subsidiary relationship came into existence.
- h) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

The Subsidiaries and Associate Companies are considered for consolidated financial statements are given in Note 40.

2.5 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the statement of profit and loss or transferred to another category of equity as specified / permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2.4.

2.7 Revenue Recognition

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

Project division

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

Notes forming part of the consolidated financial statements

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

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

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

Real Estate

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

Contract costs

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

Provision for future losses

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

Contract balances

i) Contract assets

A contract asset is recognised for amount of work done but pending billing / acknowledgement by customer or amounts billed but payment is due on completion of future performance obligation, since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets as stated in note no. 2.21.

ii) Trade receivables

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

iii) Contract liabilities

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

2.8 Other Income:

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

2.9 Foreign exchange translation and foreign currency transactions:

These financial statements are presented in Indian rupees (rounded off to crores).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was

Notes forming part of the consolidated financial statements

determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to Statement of Profit and Loss.

2.10 Borrowing Costs:

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

2.11 Employee Benefits:

2.11.1 Retirement benefit costs and termination benefits

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

Superannuation

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

Provident Fund

Contribution to Provident fund made to Regional Provident Fund Commissioner are recognised as expense.

Defined Benefit Plans

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

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

2.11.2 Compensated Absences

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

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

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

2.12 Taxes on Income:

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

2.12.1 Current Tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the

Notes forming part of the consolidated financial statements

applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

2.12.2 Deferred Tax:

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

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

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

2.12.3 Current and deferred tax for the year:

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable

tax regulations are subject to interpretation and establishes provisions where appropriate.

2.13 Property, plant and equipment:

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

PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

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

2.14 Depreciation and Amortisation:

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

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

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

Intangible Assets are amortised on straight line method based on the useful life as assessed by the Management. The

Notes forming part of the consolidated financial statements

amortisation method, the residual value and amortisation period for intangible assets shall be reviewed at least at each financial year-end.

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

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

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

2.16 Intangible Assets:

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

2.17 Inventories:

Raw Materials:

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

Properties Under Development:

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

Real Estate projects:

Completed properties held for sale are stated at the actual cost or net realizable value, whichever is lower.

Construction Work-in-progress is valued at cost. Cost is sale value less profit margin.

2.18 Provisions, Contingent Liabilities and Contingent Assets :

The Group recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are disclosed in the financial statements when flow of economic benefit is probable.

2.19 Financial instruments

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

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

2.20 Financial assets

Financial asset is

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

2.21 Subsequent measurement of the financial assets

(i) Financial assets carried at amortised cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Notes forming part of the consolidated financial statements

amount outstanding. Further, in case where the Group has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through Profit or loss

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

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

2.22 Financial liabilities

Financial liability is Contractual Obligation to

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

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

2.23 Subsequent measurement of the financial liabilities

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

2.24 Derecognition of financial instruments

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

2.25 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value

include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not actually be realised.

2.26 Receivable under Service concession arrangement:

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group bears the demand risk. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

2.27 Impairment of Assets:

Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Notes forming part of the consolidated financial statements

2.28 Fair value measurement:

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

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

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

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

2.29 Leases:

a) Accounting policy as per new lease standard

The Group applied Ind AS 116 for the first time with effect from April 01, 2019. The changes in accounting policy on account of adoption of this new accounting standard is described in note 2.36.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except short-term leases and low value leases.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

The Group applies the short-term lease recognition exemption to its short-term leases of premises and construction equipment (i.e., those leases that have a

lease term of 12 months or less from the commencement date or the adoption of Ind AS 116 and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Accounting policy till previous year

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

2.30 Earnings Per Share :

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

2.31 Cash Flow Statement:

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

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

2.32 Critical judgments in applying accounting policies:

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

- (i) **Revenue recognition:** The Group uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key

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

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

Items requiring significant estimate	Assumption and estimation uncertainty
Review of property, plant and equipment	The Group reviews the estimated useful lives, depreciation method and residual value of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life, depreciation method and residual value considered for the assets.
Fair value measurements and valuation processes	Some of The Group's assets and liabilities are measured at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer determines the appropriate valuation techniques and inputs for fair value measurements.
	In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party / internal qualified valuers to perform the valuation. Finance team works closely with the qualified external / internal valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the Board of Directors about the cause of fluctuations in the fair value of the assets and liabilities.

Items requiring significant estimate	Assumption and estimation uncertainty
Provision for doubtful receivables and contract assets	In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories, The Group makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid / recovered for uncertain tax positions. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.
Indirect tax litigations	The Group is subjected to VAT assessments in various states where projects were executed. Basing on applicable VAT rules of various states the Group estimated the VAT liability and provided in the book of accounts. The VAT assessments in different states are at different stages and on some of the assessment orders, the Group made appeals and they are at various tribunals and courts.

2.33 Exceptional Items:

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

Notes forming part of the consolidated financial statements

2.34 Operating cycle:

The Group adopts operating cycle based on the project period (including Defect Liability Period) and accordingly all project related assets and liabilities are classified into current and non current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

2.35 Recent accounting pronouncements

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2.36 Changes in the accounting policies

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal

Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. The following is the summary of practical expedients elected on initial application:

- a) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- b) Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Group has applied the short-term lease recognition exemption to its short-term leases of premises and construction equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date or the adoption of Ind AS 116 and do not contain a purchase option). There are no leases other than the aforesaid, hence the impact is insignificant.

Notes forming part of the consolidated financial statements

Note 3

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

(₹ in crores)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Office Equipment	Lease Hold Improvements	Construction Accessories	Total
Cost:										
Balance as at April 1,2018	62.61	37.78	983.77	13.96	307.83	101.35	61.61	17.24	643.12	2,229.27
Additions	-	19.75	197.15	2.32	102.40	16.12	6.39	-	186.46	530.59
Disposals / Adjustments	-	1.21	167.41	2.38	146.70	22.11	4.94	-	37.77	382.52
Effect of Foreign Currency Exchange Differences	-	-	20.68	0.14	11.80	1.94	0.77	-	4.99	40.32
As at March 31, 2019	62.61	56.32	1,034.19	14.04	275.33	97.30	63.83	17.24	796.80	2,417.66
Additions	-	7.52	37.35	1.09	12.15	9.34	3.53	-	57.62	128.60
Disposals / Adjustments	-	1.69	153.29	0.42	103.90	13.64	2.75	-	53.01	328.70
Effect of Foreign Currency Exchange Differences	-	-	9.76	0.08	3.02	0.68	0.95	-	2.07	16.56
As at March 31, 2020	62.61	62.15	928.01	14.79	186.60	93.68	65.56	17.24	803.48	2,234.12
Depreciation:										
Balance as at April 1,2018	-	7.47	505.54	7.68	230.07	56.67	48.12	4.65	359.64	1,219.84
Depreciation	-	3.80	81.94	1.14	21.78	9.19	4.90	3.86	64.80	191.41
Disposals / Adjustments	-	0.31	112.00	1.73	127.00	17.86	4.57	-	25.28	288.75
Effect of Foreign Currency Exchange Differences	-	-	0.30	0.09	0.28	0.61	0.65	-	2.08	4.01
As at March 31, 2019	-	10.96	475.78	7.18	125.13	48.61	49.10	8.51	401.24	1,126.51
Depreciation	-	4.94	72.49	1.17	22.00	8.99	5.26	3.81	79.58	198.24
Disposals / Adjustments	-	0.16	118.83	0.36	67.24	10.77	2.58	-	45.36	245.30
Effect of Foreign Currency Exchange Differences	-	-	6.64	0.07	1.87	0.57	0.86	-	1.76	11.77
As at March 31, 2020	-	15.74	436.08	8.06	81.76	47.40	52.64	12.32	437.22	1,091.22
Net Block										
As at March 31, 2019	62.61	45.36	558.41	6.86	150.20	48.69	14.73	8.73	395.56	1,291.15
As at March 31, 2020	62.61	46.41	491.93	6.73	104.84	46.28	12.92	4.92	366.26	1,142.90

Capital work in progress ₹ 15.16 crores (31.03.2019: ₹ 13.49 crores)

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

Notes forming part of the consolidated financial statements

Note 3.1

Investment property & Investment property under construction:

(₹ in crores)

	Land - Freehold	Buildings given under operating Lease	Total
Cost:			
Balance as at April 01, 2018	99.32	33.30	132.62
Additions	9.67	68.49	78.16
Disposals / Adjustments	14.38	1.42	15.80
As at March 31, 2019	94.61	100.37	194.98
Additions	13.82	1.07	14.89
Disposals / Adjustments	-	3.15	3.15
As at March 31, 2020	108.43	98.29	206.72
Depreciation:			
Balance as at April 01, 2018	-	4.44	4.44
Depreciation	-	0.61	0.61
Disposals / Adjustments	-	(0.14)	(0.14)
As at March 31, 2019	-	5.19	5.19
Depreciation	-	0.67	0.67
Disposals / Adjustments	-	-	-
As at March 31, 2020	-	5.86	5.86
Net Block			
As at March 31, 2019	94.61	95.18	189.79
As at March 31, 2020	108.43	92.43	200.86

Investment property under construction ₹ 68.10 crores (31.03.2019: ₹ 68.10 crores)

Note: Refer note 19 and 23 for details of assets pledged and Note 30 for the details of Rental income.

Fair value of the investment property and investment property under construction:

Details of the investment property and information about the fair value hierarchy as at March 31, 2020 and March 31, 2019 are as follows:
(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2020	Fair value as at March 31, 2019
Land	Level 3	182.44	155.42
Buildings	Level 3	214.48	211.29
Investment property under construction	Level 3	82.86	82.86
Total		479.78	449.57

The internal technical team of the Company has valued for some of the properties at ₹ 363.04 crores (31.03.2019: ₹ 326.17 crores) and the balance properties have been valued by independent valuer at ₹ 116.74 crores (31.03.2019: ₹ 123.40 crores). The Valuation is based on Government rates, market research, market trend and comparable values as considered appropriate.

Notes forming part of the consolidated financial statements

3.2 Other Intangible Assets

(₹ in crores)

	Intangible Assets	Total
Cost:		
Balance as at April 01, 2018	13.10	13.10
Additions	-	-
Disposals / Adjustments	-	-
Cost:		
As at March 31, 2019	13.10	13.10
Additions	0.04	0.04
Disposals / Adjustments	-	-
As at March 31, 2020	13.14	13.14
Amortisation:		
Balance as at April 01, 2018	11.52	11.52
Amortisation	0.51	0.51
Disposals / Adjustments	-	-
Depreciation and amortisation:		
As at March 31, 2019	12.03	12.03
Amortisation	0.31	0.31
Disposals / Adjustments	-	-
As at March 31, 2020	12.34	12.34
Net Block		
As at March 31, 2019	1.07	1.07
As at March 31, 2020	0.80	0.80

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
4 Investments				
4.1 Non Current Investments				
A Trade (Unquoted) (At Cost)				
a In Associates (Equity method)				
i) Investment in equity instruments				
In Shares of ₹ 10 each, fully paid up				
Tellapur Techno City Private Limited		-	14,702,600	14.70
Less: Provision for Impairment in value of Investments		-		14.70
		-		-
Paschal Form Work (India) Private Limited	6,549,892	0.53	6,549,892	1.62
Himalayan Green Energy Private Limited	1,000,000	-	1,000,000	-
Ekana Sportz City Private Limited (Refer note 19.2)	2,268,000	23.26	2,268,000	23.13
Brindavan Infrastructure Company Limited	8,643,036	12.46	8,643,036	12.50
Pondicherry Tindivanam Tollway Limited (Refer note 4.4)	3,388,040	-	3,388,040	5.67
Varapradha Real Estates Private Limited	13,344,973	76.91	13,344,973	76.70
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	3,778,757	15.78	3,778,757	20.69
Less: Provision for Impairment in value of Investments		8.00		8.00
		7.78		12.69
In Shares of 1000 Dirham each fully paid up				
Nagarjuna Facilities Management Services, L.L.C., Dubai	147	-	147	-
In Shares of ₹ 1 each fully paid up				
Tellapur Technocity (Mauritius) (Refer note 4.3)		-		74.06
Less: Provision for Impairment in value of Investments		-		38.00
		-		36.06
Less: Transferred to held for sale		-		36.06
		-		-
(ii) Investment in debentures				
Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up) (Refer note. 4.3)		-		49.60
Less: Provision for Impairment in value of Investments		-		12.95
		-		36.65
Less: Transferred to held for sale		-		(36.65)
		-		-
Total aggregate investments in Associates		120.94		132.31
b In Subsidiaries (Refer note 40.1)				
Investment in equity instruments				
In Equity Shares of "LKR" 10 each, fully paid up				
NCC Urban Lanka Private Limited (Value in ₹ 7)	2	-	2	-

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
c In Other entities				
Investment at Fair Value through Profit and Loss				
SNP Developers and Projects LLP (Valued at ₹ 35,500)		-		-
SNP Ventures LLP		2.18		2.18
SNP Property Developers LLP		0.01		2.13
NAC Infrastructure Equipment Limited	1,499,900	1.50	1,499,900	1.50
In Shares of ₹ 25 each, fully paid up				
Akola Urban Co-operative Bank Limited	4,040	0.01	4,040	0.01
d Investment in debentures (Fair value through Profit and Loss)				
0% Compulsory Convertible Debentures				
Gayatri Energy Ventures Private Limited (each ₹ 1,483) (Refer note. 4.5)	1,619,928	240.24	1,619,928	240.24
Less: Provision for Impairment in value of Investments		30.51		-
		209.73		240.24
B Trade (Quoted)				
Investment in equity instruments				
In Shares of ₹ 10 each, fully paid up				
NCC Finance Limited [* (Value ₹ 90)]	9	-	9	-.*
Total aggregate investments in Other entities		213.43		246.06
Total		334.37		378.37
4.2 Current Investments				
Investment at Fair Value through Profit and Loss Account				
In Mutual Funds (Quoted)				
L&T Mutual Fund				
- Debt Funds (Refer note 4.6)	48,069,141	113.87	48,580,877	97.12
Total		113.87		97.12
Grand Total		448.24		475.49
Aggregate market value of current Quoted Investments		113.87		97.12
Aggregate amount of Unquoted Investments		334.37		378.37
Aggregate amount of impairment in value of investments		38.51		8.00
Aggregate market value of Non Current Quoted Investments		-		-.*
* Market value of ₹ Nil (31.03.2019: ₹ 10.89/-)				

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

4.4 Of these 1,853,656 shares (31.03.2019: 1,853,656 shares) are pledged with Axis Bank Limited & WITCO as security for term loans availed by Pondicherry Tindivanam Tollway Limited.

4.5 During the financial year 2017-18, NCC Infrastructure Holdings Limited (NCCIHL) sold its investment in Sembcorp Gayatri Power Limited to Gayatri Energy Ventures Pvt Ltd (GEVPL) at carrying value. As part consideration for this sale, NCCIHL received 1,619,928 compulsorily convertible debentures for a value of ₹ 240.24 crores. NCCIHL has conducted Risk Assessment of its assets including its investment in GEVPL. In accordance with the same, a provision has been made for an amount of ₹ 30.51 crores as "Provision for Impairment in value of Investments" as on March 31, 2020. In the absence of visibility as to profits, a deferred tax Asset has not been created in respect of this impairment.

4.6 Includes investments held pursuant to the provisions of Debenture Trust Deed to meet Debt Service Reserve Account (DSRA) ₹ 20.00 crores and Major Maintenance Reserve ₹ 72.00 crores.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
5 Loans				
Un-Secured, Considered good				
Loans and Advances to Related Parties				
Associate				
Considered Good	-		13.51	
Significant increase in credit risk	13.91		-	
	13.91		13.51	
Less : Allowance for significant increase in credit risk	13.91		-	
		-		13.51
Other Loans and Advances				
Considered Good	-		-	
Significant increase in credit risk	26.67		26.67	
	26.67		26.67	
Less : Allowance for significant increase in credit risk	26.67		26.67	
		-		-
Total		-		13.51
6 Trade Receivables				
Unsecured				
Considered Good	209.74		104.59	
Considered Doubtful	11.94		16.04	
	221.68		120.63	
Less : Allowance for doubtful trade receivables	11.94		16.04	
Total		209.74		104.59
7 Other Financial Assets				
Un-Secured, Considered good				
Other Receivables		0.72		0.30
Margin Money Deposits (Refer note 12.4)		30.38		59.22
In Deposit Accounts with remaining maturity more than 12 months		0.01		0.55
Interest accrued on loans				
Considered Doubtful	1.08		1.08	
	1.08		1.08	
Less : Allowance for doubtful interest	1.08		1.08	
		-		-
Deposits with Customers and Others		4.39		2.06
Deposits - Joint Development (Refer note 7.1)		47.92		48.82
Receivable under service concession arrangement		172.56		215.69
Total		255.98		326.64

7.1 Deposits - Joint Development represents deposits with respective land owners against registered Joint Development Agreements (JDAs) / Memorandum of Understanding (MOU). The lands under respective JDA / MOU are in the possession of the NCC Urban. NCC Urban is assessing the market scenario and accordingly initiate execution of the project/s at an appropriate time.

Deposits - Joint development are interest free, refundable deposits and the gross amount as at March 31, 2020 ₹ 56.56 crores (31.03.2019: ₹ 62.33 crores).

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
8 Deferred Tax Assets (Net) (Refer note 54)				
Deferred Tax	89.69		153.23	
MAT - Minimum Alternate Tax	125.15		28.45	
Total		214.84		181.68
9 Other Non - Current Assets				
Advance for Purchase of Land (Refer note 9.1)		2.27		5.97
GST / Sales Tax / Value Added Tax credit receivable		113.66		113.74
Contract Asset				
Due on performance of future obligations				
Retention Money		121.74		111.52
Advances to Suppliers, Sub-contractors, Capital Advances and Others (Refer note 9.2)		233.60		233.60
Total		471.27		464.83

9.1 Advances for Purchase of Land includes ₹ 2.24 crores (31.03.2019: ₹ 5.94 crores) paid towards two properties during the years from 2005-2006 to 2008-2009, by NCC Urban Infrastructure Limited (NCC Urban) in respect of which agreements were expired. NCC Urban is confident of negotiating with the respective vendors for extension of the agreements and / or registration as per mutually agreed terms or for recovery of advances.

9.2 Advances to Suppliers, Sub-contractors and others, includes advance to enterprises owned are significantly influenced by key management personnel or their relatives ₹ 233.60 crores (31.03.2019: ₹ 233.60 crores).

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
10 Inventories				
Raw Materials	525.78		533.47	
Raw Material in Transit	3.93		0.23	
Work-in-progress	422.79		453.21	
Property Development Cost	438.79		438.50	
Total		1,391.29		1,425.41

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
11 Trade Receivables				
Unsecured (Refer note 11.1 to 11.4)				
Considered Good	2,728.28		3,428.68	
Considered Doubtful	33.30		35.12	
	2,761.58		3,463.80	
Less : Allowance for doubtful trade receivables	33.30		35.12	
Total		2,728.28		3,428.68

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

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

Notes forming part of the consolidated financial statements

11.3 Movement in the allowance for doubtful trade receivables:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	51.16	53.20
Add: Allowance for doubtful trade receivables	18.50	36.00
Less: Allowance written off during the year	(24.42)	(38.04)
Balance at the end of the year	45.24	51.16

11.4 Trade receivables includes ₹ 29.47 crores (31.03.2019: ₹ 31.82 crores) from associates.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
12 Cash and Bank Balances		
12.1 Cash and Cash Equivalents		
Cash on hand	1.24	1.18
Balances with Banks :		
In Current Accounts (Refer note 12.3)	113.04	188.10
In Deposit Accounts with original maturity less than 3 months	0.16	30.15
Total	114.44	219.43
12.2 Other Bank Balances		
In Deposit Accounts		
Margin Money Deposits (Refer note 12.4)	215.17	30.59
In Deposit Accounts with remaining maturity less than 12 months	51.12	102.54
Earmarked balances with Banks	266.29	133.13
Unpaid dividend accounts (Refer note 12.5)	0.56	0.43
Long Term Deposits (Refer note 12.6)	4.38	5.65
Escrow accounts (Refer note 38 (i) (a))	3.07	3.07
Total	8.01	9.15
Total	274.30	142.28

12.3 Current account balance includes ₹ 0.02 crores (31.03.2019: ₹ 0.19 crores) remittance in transit.

12.4 Margin Money Deposits have been lodged with Banks against Guarantees issued by them.

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

12.6 Includes deposits for Debt Service Reserve ₹ Nil (31.03.2019: ₹ 1.26 crores), pursuant to the conditions of Term Loan agreement with ICICI Bank.

12.7 Changes in liabilities arising from financing activities

(₹ in crores)

	Balance As at April 01, 2019	Cash Flows	Others	As at March 31, 2020
Current borrowings (including current maturity)	2,202.97	(261.32)	-	1,941.65
Non-current borrowings	488.43	(248.61)	-	239.82
Total	2,691.40	(509.93)	-	2,181.47

(₹ in crores)

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

Notes forming part of the consolidated financial statements

(₹ in crores)

		As at March 31, 2020		As at March 31, 2019	
13	Loans				
	Unsecured considered good				
	Loans to Related Parties				
	Associates		11.26		51.42
	Loans to Other Body Corporates		19.67		19.64
	Security Deposits		0.23		0.21
	Loans and Advances to Employees		8.33		9.04
	Total		39.49		80.31
14	Other Financial Assets				
	Unsecured, considered good				
	Advances recoverable		109.79		178.00
	Deposits with Customers and Others				
	Considered Doubtful	5.00		5.00	
		5.00		5.00	
	Less: Allowance for Doubtful Deposits	5.00		5.00	
	Interest Accrued on Deposits and Others				
	Considered Good	16.84		18.72	
	Considered Doubtful	-		11.85	
		16.84		30.57	
	Less : Allowance for doubtful interest	-		11.85	
			16.84		18.72
	Unbilled Annuity Receivable		39.09		39.09
	Other Receivables		11.41		11.41
	Total		177.13		247.22
15	Non Current Tax Assets (Net)				
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		32.65		36.74
15.1	Current Tax Assets (Net)				
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		110.45		58.53

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
16 Other Current Assets		
Advances to Suppliers, Sub-contractors and Others (Refer note 16.1)		
Considered Good	930.58	1,063.07
Considered Doubtful	20.51	23.55
	951.09	1,086.62
Less : Allowance for doubtful advances	20.51	23.55
	930.58	1,063.07
Contract Asset		
Due on performance of future obligations		
Retention Money (Refer note 16.2)	2,238.98	2,214.21
Others	449.60	574.35
Unbilled revenue (Refer note 16.3)		
Considered Good	1,804.67	1,494.72
Considered Doubtful	98.26	51.66
	1,902.93	1,546.38
Less : Expected credit loss for unbilled revenue	98.26	51.66
	1,804.67	1,494.72
Prepaid Expenses	37.94	40.52
Balances with Government Authorities		
Sales Tax / Value Added Tax credit receivable	109.33	162.62
Goods and Service Tax credit receivable	344.24	268.61
Total	5,915.34	5,818.10

16.1 Advances to Suppliers, Sub-Contractors and Others, includes advances to related parties of ₹ 16.57 crores (31.03.2019: ₹ 63.22 crores).

16.2 Retention money receivable from associates for ₹ 21.03 crores (31.03.2019: ₹ 21.03 crores).

16.3 Movement in the Expected credit loss for unbilled revenue:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	51.66	44.57
Add: Expected credit loss for unbilled revenue during the year	46.60	7.09
Balance at the end of the year	98.26	51.66

Notes forming part of the consolidated financial statements

17 Share Capital

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised :				
Equity Shares of ₹ 2 each	750,000,000	150.00	750,000,000	150.00
Issued :				
Equity Shares of ₹ 2 each (Refer note 17.1)	609,846,588	121.97	600,646,588	120.13
Subscribed and Paid up :				
Equity Shares of ₹ 2 each	609,846,588	121.97	600,646,588	120.13
Total		121.97		120.13

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

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	600,646,588	120.13	600,646,588	120.13
Add: Issue of Share Capital (Refer note 17.6)	9,200,000	1.84	-	-
Balance at end of the year	609,846,588	121.97	600,646,588	120.13

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

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjhunwala	507,33,266	8.32	451,08,266	7.51
A V S R Holdings Private Limited	496,53,278	8.14	404,53,278	6.73
Aditya Birla Sun Life Trustee Private Limited	419,56,609	6.88	344,61,104	5.74
Reliance Capital Trustee Company Limited	324,84,585	5.33	414,90,247	6.91

17.3 Unclaimed equity shares of 25,984 (31.03.2019: 25,832) are held in "NCC Limited - Unclaimed suspense account " in trust.

17.4 Rights of the shareholders

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

17.5 Nil (31.03.2019:3,93,653) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹ 2.

17.6 During the year, the Company has issued and allotted 9,200,000 equity shares of ₹ 2 each at a premium of ₹ 117.37 per share against share warrants issued on preferential basis to the promoters of the Company. The Company received the part payment (25% of total consideration) of ₹ 27.45 crores in the previous year and the balance amount of ₹ 82.36 crores was received in current year.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
18 Other Equity		
18.1 Capital Reserve		
Opening balance	5.64	8.16
Add / (Less) : Arising on account of Consolidation	-	(2.52)
Closing balance	5.64	5.64
18.2 Securities Premium		
Opening balance	2,531.65	2,531.65
Add : Premium on Issue of Share Capital	107.97	-
Closing balance	2,639.62	2,531.65
18.3 Debenture Redemption Reserve		
Opening balance	11.89	6.27
Add : Transfer from Retained Earnings	-	2.23
Add : Transfer from Non Controlling Interests	-	3.39
Closing balance	11.89	11.89
18.4 Legal / Statutory Reserve (Refer note 43)		
Opening balance	23.85	23.07
Add / (Less) : On account of Foreign Currency Fluctuation	2.03	0.78
Closing balance	25.88	23.85
18.5 Reserve Fund under Section 45 - IC of RBI Act, 1934	0.24	0.24
18.6 Money received against share warrants (Refer note 17.6)	-	27.45
18.7 General Reserve	935.18	935.18
18.8 Retained Earnings (Refer note 18.8.a)		
Opening balance	910.06	421.09
Add : Effect of adoption of new accounting standards (Ind AS 115)	-	(15.07)
Add : Profit for the year	336.53	578.69
	1,246.59	984.71
Less : Appropriations		
Transfer to Debenture Redemption Reserve	-	2.23
Dividend distributed to equity shareholders (2019-20: ₹ 1.50 per share (2018-19: ₹ 1.00 per share))	90.10	60.07
Tax on Dividend	18.52	12.35
	108.62	74.65
Closing balance	1,137.97	910.06
18.9 Other Components of Equity		
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)	(16.29)	(8.40)
Share of Other comprehensive income in Associates	0.01	0.01
Exchange differences in translating the financial statements of foreign operations (Net of tax) / Adjustment on account of Foreign currency fluctuation	44.34	37.67
Total	4,784.48	4,475.24

18.8.a For the year ended March 31, 2020, the Board of Directors have proposed a dividend of ₹ 0.20 per share. The dividend payable on approval of the shareholders is ₹ 12.20 crores.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current*	Non Current	Current*
19 Borrowings				
Debentures				
Secured - at amortised cost				
10.90% Redeemable, Non-Convertible Debentures (Refer note 19.1)	15.60	30.00	45.60	32.00
11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	-	-	-	10.00
11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	45.40	19.80	65.20	4.00
0.01 % Optionally Convertible Debentures (Refer note 19.2)	5.00	-	5.00	-
Term Loans :				
Secured - at amortised cost				
From Banks and Financial Institutions (Refer note 19.3)	130.02	111.99	233.94	117.06
From Other Parties (Refer note 19.4)	27.71	110.59	88.01	131.72
Unsecured - at amortised cost				
From Other Parties (Refer note 19.5)	12.90	33.10	46.00	30.39
Vehicle Loans				
Secured - at amortised cost				
From Banks (Refer note 19.6)	1.57	1.75	2.03	1.54
From Others (Refer note 19.6)	1.62	1.62	2.65	2.67
Total	239.82	308.85	488.43	329.38

* Current maturities are included in Note 25 - Other Financial Liabilities.

19.1 Redeemable Non Convertible Debentures issued by OB Infrastructure Limited (OBIL) to L&T Infrastructure Finance Limited with the following principle terms:

Debentures

Secured, Rated, Listed, Non Convertible Debentures.

During February 2014, OBIL issued 20,000 Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 200.00 crores, 5,000 Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 50.00 crores and 8,400 Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 84.00 crores to L&T Infra Finance Limited, Aggregate value of debentures issued was ₹ 334.00 crores. L&T Infra Finance Limited subscribed the total debentures from Debenture Trustee of OBIL. Subsequently L&T Infra Finance Limited transferred 6176 Series "A" debentures of ₹ 1,00,000 each amounting ₹ 61.76 crores.

a) Interest

The interest rate payable on the debentures depends upon the 'Rating' by rating agency and in accordance with Clause 3.1 of the Debenture Trust Deed entered between OBIL and IDBI Trusteeship Services Limited, being the Debenture Trustee. Present applicable interest rate is as follows:-

Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 10.90 % p.a. payable monthly

Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 11.50 % p.a. payable monthly

Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 11.50 % p.a. payable monthly

Notes forming part of the consolidated financial statements

b) Security

- 1) First pari passu charge on all OBIL's tangible movable assets including vehicles both present and future save and except the Project Assets
- 2) First pari passu charge on all the intangible assets of OBIL.
- 3) First pari passu charge over all accounts of OBIL including Debt Service Reserve Account (DSRA), Escrow account and the subaccounts and all the funds from time to time deposited therein.
- 4) First pari passu charge over all receivables and all Authorised Investments or other securities including receivables from NHAI of the Project, whatsoever nature both present and future subject to the provisions of the Transaction Documents.
- 5) Assignment by way of security, in :
 - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in the Project Agreements;
 - All the rights, title and interest of OBIL in, to and all the Clearances;
 - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
 - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL under all insurance contracts;
- 6) A pledge on 51% of the issued, paid up and voting equity share capital of OBIL held by the promoters of OBIL.

c) Redemption Schedule

(₹ in crores)

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

19.2 Optionally Convertible Debentures by NCC Infra Limited

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

19.3 Term Loans from Banks and Financial Institutions

- (i) Axis Bank Limited / Kotak Mahindra Bank / Indus Ind Bank Limited, YES Bank
 - Secured by hypothecation of specific assets purchased out of the loan.
- (ii) Canara Bank
 - Exclusive charge on the entire equipment and machinery purchased out of the loan facility.
- (iii) Bank of Baharain & Kuwait
 - Exclusive charge on the entire equipment and machinery purchased out of the loan facility with a cover of minimum 1.15 times to be maintained throughout the tenor of the loan.

Notes forming part of the consolidated financial statements

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

S.No	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
(i)	Axis Bank Limited	18	26	24.75	14.23	8.26 to 9.60	17 to 24	2 to 35	Monthly	October 10, 2017 to March 20, 2022
(ii)	Canara Bank	1	1	114.36	181.03	9.40	7	11	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	27	27	12.35	18.64	10.00 to 10.50	19 to 22	31 to 34	Monthly	December 20, 2018 to January 05, 2022
(iv)	Indus Ind Bank Limited	53	53	45.95	59.09	9.06 to 9.76	32 to 35	44 to 46	Monthly	February 01, 2019 to February 21, 2023
(v)	Bank of Bahrain and Kuwait	1	-	27.43	-	8.75 to 9.45	12	-	Quarterly	November 22, 2020 to November 22, 2023
(vi)	Yes Bank	20	-	17.17	-	9.40 to 10	24 to 26	-	Monthly	May 08, 2019 to May 15, 2022

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

Bank Dhofar borrowings of ₹ Nil (March 31, 2019: ₹ 52.11 crores) are secured either / and - or as:

- Assignment of project receivables.

(iv) Loan of NCC Urban infrastructure Limited (NCC Urban) of ₹ Nil (March 31, 2019: ₹ 25.90 crores)

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

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

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

(c) Term Loan carry an interest rate of bank's "I-Base" rate plus a spread. The rate of interest, as at September 30, 2019 aggregates to 12.50%.

(d) Exclusive charge by way of equitable mortgage on NCC Urban's share of Unsold units in NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad & NCC Urban Green Province - Bengaluru.

(e) Second and subservient charge by way of equitable mortgage on approx. 11,545 sqft and 32,495 sqft of saleable area mortgaged to Greater Hyderabad Municipal Corporation (GHMC) in NCC Urban Nagarjuna Residency - Hyderabad and of NCC Urban Gardenia - Hyderabad, respectively.

(f) Exclusive charge by way of hypothecation on the future scheduled receivables of NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad & NCC Urban Green Province - Bengaluru and all the insurance proceeds, both present and future.

Notes forming part of the consolidated financial statements

- (g) Exclusive charge by way of registered hypothecation on the Escrow accounts of NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad & NCC Urban Green Province - Bengaluru and the Debt Service Reserve (DSR) Account all monies credited / deposited therein (in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be).
- (h) Exclusive charge by way of equitable mortgage on land parcel / property located in Semmenchery on the Old Mahabalipuram Road, Chennai to the extent of 7.53 acres with survey numbers 552/1A1 - 0.09Acre, 553/2B1A - 0.15 Acre, 553/2B2A - 0.16 Acre, 742 - 1.9 Acre, 743/3 - 2.57 Acres, 744 - 0.57 Acre, 745/1 - 1.43 Acre, 745/2 - 0.66 Acre.
- (i) Long-term borrowings are net of unamortised transaction costs of ₹ Nil as at 31.03.2020 (31.03.2019: ₹ 0.10 crores).
- (j) During the year 2019-20 the above loan has been repaid in full and there were no dues outstanding against the loan.

19.4 i) Term Loans from Others Parties:-

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

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

S.No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
(i)	SREI Equipment Finance Limited	45	45	22.80	71.95	8.75 to 11	2 to 13	15 to 26	Monthly	September 05, 2017 to May 05, 2021
(ii)	Tata Capital Financial Services Limited*	8	8	46.28	6.62	8.50 to 11.75	8 to 28	3 to 22	Monthly / Quarterly	Jan 21, 2018 to July 21, 2022
(iii)	Daimler Financial Services India (Private) Limited	2	2	2.88	4.78	8.42	16 to 17	28 to 29	Monthly	October 13, 2018 to August 04, 2021
(iv)	Volvo Financial Services (India) Private Limited	37	37	25.34	36.38	9.16	24	36	Monthly	January 02, 2019 to March 02, 2022

* Term Loan from Tata Capital Financial Services Limited, for March 31, 2020 ₹ 46.28 Nil, March 31, 2019 ₹ 6.62 crores is secured by:

- Personal Guarantee of the promoters i.e., Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju.
- First and Exclusive Charge on the assets being procured / financed and Collateral Charge on two properties.

ii) Term Loan from A.K. Capital Services Ltd, Mumbai for March 31, 2020 ₹ Nil, March 31, 2019 ₹ 20.00 crores is secured by:

- First ranking pari passu charge by way of mortgage of 2 properties in favour of the security trustee.
- Unconditional and irrevocable personal guarantees of the promoters i.e., Sri. A.A.V. Ranga Raju and Sri. A.G.K. Raju for all the dues under facility in the form approved by the lender.
- This is payable in 3 installments with tenor of 18 months commencing from November 05, 2018, February 05, 2019 and May 05, 2019 carry interest @ 10.75 % with monthly rests.
- Final installment of ₹ 20.00 crores is due as at March 31, 2019 which is payable on May 05, 2019 and paid on the same date.

iii) Term Loan from Hero Fincorp Ltd, for March 31, 2020 ₹ 41.00 crores, March 31, 2019 ₹ 80.00 crores is secured by:

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

Notes forming part of the consolidated financial statements

19.5 Unsecured term loan from other parties

S.No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Frequency of Installments	Commencing From- To
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
(i)	Hewlett Packard Financial Services Limited	7	7	32.27	52.17	8.99 to 9.52	5 to 8	9 to 12	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	8	8	13.73	24.22	5.02 to 8.66	4 to 6	8 to 10	Quarterly	May 10, 2018 to August 05, 2021

19.6 Vehicle Loans

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 to 5 years and carry interest rate ranging between 7.78 % to 9.37 % per annum.

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

		(₹ in crores)	
		As at March 31, 2020	As at March 31, 2019
20	Trade Payables		
	Retention Money	48.92	108.45
21	Provisions		
	Provision for Employee Benefits		
	Compensated absences	1.41	1.19
	Gratuity (Refer note 21.1)	48.87	34.93
	Provision for contractual obligations (Refer note 26.1)	61.09	36.85
	Provision on Standard Assets as per RBI Circular	0.71	0.71
	Total	112.08	73.68

21.1 In accordance with the Payment of Gratuity Act, 1972 the Group provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India (LIC) and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The management understands that LIC overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

A Defined benefit plans

- (i) Liability for gratuity as on March 31, 2020 is ₹ 59.72 crores (31.03.2019: ₹ 46.18 crores) of which ₹ 4.10 crores (31.03.2019: ₹ 6.49 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 55.62 crores (31.03.2019: ₹ 39.69 crores) is included in Provision for Gratuity.
- (ii) Details of the Group's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary.

Notes forming part of the consolidated financial statements

Amount to be recognised in Balance Sheet:

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Present Value of Funded Obligations	59.72	46.18
Fair Value of Plan Assets	(4.10)	(6.49)
Net Liability	55.62	39.69

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

	(₹ in crores)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service Cost	6.50	6.07
Interest on Defined Benefit Obligation	2.46	1.68
Expected Return on Plan assets	(0.33)	(0.36)
Total included in "Employee Benefits Expense"	8.64	7.39

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

	(₹ in crores)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Return on Plan Assets	0.42	0.15
Net Actuarial Losses / (Gains) Recognised in Year	11.74	7.78
Total included in "Other Comprehensive Income"	12.16	7.93

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

	(₹ in crores)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	46.18	37.33
Current Service Cost	6.50	6.07
Interest Cost	2.46	1.67
Actuarial Losses / (Gain)	11.74	7.78
Benefits Paid	(7.16)	(6.67)
Closing Defined Benefit Obligation	59.72	46.18
Opening Fair Value of Plan assets	6.49	3.35
Expected Return on Plan Assets	(0.08)	0.22
Contributions	4.85	9.59
Benefits Paid	(7.16)	(6.67)
Closing Fair Value of Plan Assets	4.10	6.49
Expected Employer's Contribution Next Year	15.00	13.27

Notes forming part of the consolidated financial statements

(vi) Asset information:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	4.10	6.49

(vii) Experience Adjustments:

(₹ in crores)

	2019 - 20	2018 - 19	2017 - 18	2016 - 17
Defined Benefit Obligations (DBO)	59.72	46.18	37.33	34.17
Plan Assets	4.10	6.49	3.35	3.42
Surplus/(Deficit)	(55.62)	(39.69)	(33.98)	(30.75)
Experience Adjustments on Plan Assets	0.33	0.36	0.21	0.25

(viii) Sensitivity Analysis:

(₹ in crores)

	Gratuity Plan	
	As at March 31, 2020	As at March 31, 2019
Assumptions		
Discount rate	6.80%	7.65%
Estimated rate of return on plan assets	8.25%	8.25%
Expected rate of salary increase	0% to 7%	7.00%
Attrition rate	2% to 19%	2% to 20%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	(6.10%)	(6.20%)
Discount rate - 100 basis points	6.90%	7.00%
Salary increase rate +1%	6.70%	6.40%
Salary increase rate -1%	(6.10%)	(5.90%)
Attrition rate +1%	0.40%	0.30%
Attrition rate -1%	(0.50%)	(0.30%)

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

Notes forming part of the consolidated financial statements

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

(₹ in crores)	
Particulars	March 31, 2020
March 31, 2021	6.71
March 31, 2022	4.48
March 31, 2023	4.38
March 31, 2024	4.58
March 31, 2025	4.15

(₹ in crores)		
	As at March 31, 2020	As at March 31, 2019
22 Other Non-Current Liabilities		
Advance from Associate	90.90	132.20

(₹ in crores)			
	As at March 31, 2020		As at March 31, 2019
23 Borrowings			
Loans repayable on demand			
Secured Loans - Banks			
Working Capital Demand Loan (Refer note 23.1)		1,231.87	840.10
Cash Credits and Overdrafts (Refer note 23.1)		346.85	797.49
From Others (Refer note 23.2)		15.12	55.00
Unsecured Loans			
From Others (Refer note 23.3)		38.96	181.00
Total		1,632.80	1,873.59

23.1 Working Capital Demand Loans of ₹ 1,231.87 crores (March 31, 2019: ₹ 840.10 crores) and Cash Credit facilities of ₹ 245.99 crores (March 31, 2019: ₹ 576.21 crores) 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 amongst consortium banks.
- Collateral Security pari passu first charge (Equitable Mortgage / Hypothecation, Pledge) amongst the members of consortium on unencumbered movable of fixed assets of the Company at WDV, Shares of NCC Infrastructure Holdings Limited.
- Equitable mortgage of eight properties (Land & Buildings).
- Personal Guarantee / Third Party Guarantee of Sri. A A V Ranga Raju.

These facilities carry an interest rate of 8.70% to 11.80% per annum.

- Loans of NCC Urban Infrastructure Limited

Cash credit facilities of ₹ 3.85 crores (March 31, 2019: ₹ 3.99 crores) from Bank of India, Mid-corporate branch, Hyderabad, carrying an interest of 14% per annum is secured by:

- First charge on the Fixed and Current Assets of the Façade Division of NCC Urban by way of hypothecation
- Equitable Mortgage of Ac.8.30 and Ac.9.60 of lands of Dhatri Developers and Projects Pvt Ltd and Sushruta Real Estates Private Limited respectively.
- The facilities are further secured by Corporate Guarantee provided by Dhatri Developers and Projects Private Limited and Sushruta Real Estates Private Limited.

Notes forming part of the consolidated financial statements

f) Loans of ₹ 97.01 crores (March 31, 2019: ₹ 217.29 crores) of Nagarjuna Construction Company International L.L.C.

Bank Dhofar borrowings are secured either / and - or as:

- Assignment of project receivables.
- Corporate guarantees from NCC Limited to the extent of OMR 1.15 crores.

23.2 NCC Urban Infrastructure Limited has entered into a Loan Agreement with Aditya Birla Finance Limited for availing term loan aggregating to ₹ 15.12 crores (March 31, 2019: ₹ 55.00 crores). This facility carry an interest rate of 11.50% as at 31.03.2020 by securing NCC Limited Shares held by Sirisha Projects Private Limited.

23.3 Unsecured - term loans from Others:

Includes loan of NCC Urban Infrastructure Limited taken from Other Corporates and Directors having a maturity of less than one year and outstanding balance of ₹ 38.96 crores (31.03.2019: ₹ 181.00 crores) and carry interest rate of 12.00 % per annum.

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
24 Trade Payables				
Micro and small enterprises		31.10		13.02
Other than micro and small enterprises				
Acceptances	455.00		291.12	
Other than Acceptances (includes retention money payable)	3,633.95		4,210.87	
		4,088.95		4,501.99
Total		4,120.05		4,515.01
25 Other Financial Liabilities				
Current maturities of Long Term Borrowings (Refer note 19)		308.85		329.38
Interest Accrued but not due on borrowings and others		78.45		39.47
Unpaid Dividend Accounts (Refer note 12.5)		0.56		0.43
Other Payables				
Interest Accrued on Trade Payables		0.45		0.19
Other Liabilities		40.17		33.58
Total		428.48		403.05
26 Provisions				
Provision for Employee Benefits				
Compensated absences		41.57		35.16
Gratuity (Refer note 21.1)		6.75		4.76
Provision for contractual obligations (Refer note 26.1)		-		0.53
Total		48.32		40.45

26.1 In respect of subsidiary OB Infrastructure Limited provision has been made for contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	37.38	17.21
Additions (including Unwinding Interest)	24.24	20.17
Incurred during the year	0.53	-
Balance at the end of the year*	61.09	37.38

* Includes ₹ 61.09 crores (31.03.2019: ₹ 36.85 crores) Long Term Provision (Refer note 21).

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
27 Current Tax Liabilities (Net)				
Provision for Tax (Net of Advance Tax)		62.23		62.92
28 Other Current Liabilities				
TDS / Service Tax / Other payable		32.22		41.84
Goods and Service Tax payable		1.80		7.92
Contract Liabilities				
Mobilisation Advance from Customers		1,311.08		1,570.22
Advances from Customers		262.67		245.02
Advances from others		163.51		140.04
Other Liabilities		97.72		85.08
Total		1,869.00		2,090.12

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
29 Revenue from Operations				
Income from Contracts and Services		8,679.49		12,563.11
Income from Real Estate Projects		186.44		303.67
Other Operating Income		35.14		28.86
Total		8,901.07		12,895.64
30 Other Income				
Interest Income				
Deposits and Others		22.74		15.57
Loans and Advances		5.83		9.17
Income Tax refund		13.02		1.56
Others		3.98		3.99
Profit on Sale of Investment (Net)		0.71		2.45
Gain on remeasuring investment at FVTPL (Net)		9.37		6.15
Net Gain / (loss) on foreign currency transactions		(0.03)		8.29
Other Non-Operating Income				
Rental Income from operating lease on investment property		7.23		6.32
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)		11.07		23.11
Miscellaneous Income		39.06		47.72
Total		112.98		124.33
31 Cost of Materials Consumed				
Construction Materials, Stores and Spares				
Opening Stock	533.70		427.95	
Add : Purchases	3,028.18		4,980.85	
		3,561.88		5,408.80
Less : Closing Stock		529.71		533.70
Total Consumption		3,032.17		4,875.10

Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
32 Construction Expenses				
Transport Charges		61.01		100.19
Operation and Maintenance				
Machinery	254.16		139.06	
Others	16.94		20.38	
		271.10		159.44
Hire Charges for Machinery and others	125.09		176.34	
Power and Fuel	30.12		34.74	
Technical Consultation	61.34		102.91	
Royalties, Seigniorage and Cess	21.66		31.47	
Property Development Cost	0.78		5.08	
Other Expenses	370.13		345.45	
Expected credit loss for unbilled revenue	46.60		7.09	
		655.72		703.08
Total		987.83		962.71

33 Changes in Inventories of Work in Progress

Opening Balance		453.21		1,983.15
Less: Transition impact of Ind AS 115 (including ₹ Nil of 31.03.2020 (31.03.2019: ₹ 58.91 crores transferred to Investment property)		-		(1,374.71)
Closing Balance		422.79		453.21
Total		30.42		155.23

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
34 Employee Benefits Expense				
Salaries and Other Benefits		437.91		447.23
Contribution to Provident Fund and Other Funds		39.40		39.47
Staff Welfare Expenses		6.39		8.46
Total		483.69		495.16
34.1 Refer note 21.1 for expenses recognised for gratuity of employees.				
35 Finance Costs				
Interest Expense on				
Borrowings				
Debentures	14.83		19.65	
Term Loans	46.55		46.84	
Working Capital Demand Loans and Cash Credit	191.76		168.44	
Mobilisation Advance	139.26		131.59	
Others	24.87		37.69	
		417.27		404.21
Other Borrowing Costs				
Commission on - Bank Guarantees	110.54		96.60	
- Letters of Credit	16.24		12.65	
		126.78		109.25
Bank and Other Financial Charges		9.80		8.49
Total		553.85		521.95

Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2020		Year Ended March 31, 2019	
36 Other Expenses				
Rent		60.82		66.91
Travelling and Conveyance		28.41		30.19
Office Maintenance		23.48		25.75
Electricity Charges		9.19		9.18
Rates and Taxes		6.88		6.84
Consultation Charges		12.83		12.65
Postage, Telegrams and Telephones		3.42		4.10
Insurance		17.47		12.69
Printing and Stationery		5.64		5.73
Legal and Professional Charges		14.57		20.29
Auditors' Remuneration		1.67		1.72
Directors' Sitting Fees		0.52		0.30
Trade Receivables / Advances Written off		-		10.48
Provision for Doubtful Trade Receivables / Advances / Others		22.04		39.50
Tender Schedule Expenses		0.87		2.14
Donations and Electoral Bonds (includes ₹ 40.00 crores Electoral Bonds (31.03.2019: ₹ 20.00 crores))		40.32		22.77
CSR Expenditure (Refer note 51)		8.38		6.14
Miscellaneous Expenses		24.96		20.82
Total		281.47		298.20
37 Tax Expense				
Current Tax		175.24		314.60
Earlier year taxes (net)		(73.51)		0.47
Deferred Tax		(28.93)		11.70
Total		72.80		326.77

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

(₹ in crores)

	Year ended March 31, 2020		Year ended March 31, 2019	
Accounting profit before tax		386.91		894.34
Tax expense at statutory tax rate at 34.944%		135.20		312.52
Adjustments:				
Effect of income that is exempt from taxation		(2.39)		(1.02)
Adjustments recognised in the current year in relation to the current tax of prior years		(73.51)		0.47
Effect of expenses that are not deductible in determining taxable profit		1.84		13.57
Effect of capital gains set off with unused capital losses		(15.46)		(2.91)
Adjustments recognised in the current year in relation to the MAT credit / reversal of DTA of prior years		(13.48)		-
Losses and tax offsets not considered for deferred tax asset		39.25		6.13
Others including effect of change in rate of tax		1.35		(1.99)
		(62.40)		14.25
Tax expense reported in the Statement of Profit and Loss		72.80		326.77

Notes forming part of the consolidated financial statements

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

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Tax effect on actuarial gains/losses on defined benefit obligations	4.23	2.76

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

(i) Contingent Liability

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Matters under litigation		
Claims against the company not acknowledged as debt*		
- Disputed sales tax / entry tax liability for which the Group & associates preferred appeal	298.86	330.92
- Disputed central excise duty relating to clearance of goods of LED division in favour of Developers of SEZ, for which the Company has filed an appeal to CESTAT, Bangalore	0.46	0.46
- Disputed service tax liability for which the Group preferred appeal	96.31	99.35
- Others	29.15	31.34
(Includes claim by National Highway Authority of India (NHAI) towards certain operating non-compliances by a subsidiary. NHAI has written to the subsidiary's Escrow Agent M/s. IDBI Bank Limited to hold ₹ 3.07 crores (31.03.2019: ₹ 3.07 crores) in Escrow account pending recovery. The subsidiary has represented to NHAI for releasing the amount kept on hold and is confident of a favourable decision by the NHAI).		
* Interest, if any, not ascertainable after date of order.		
(b) Guarantees		
Counter Guarantees given to the Bankers **	-	2.44
(c) Share of group in contingent liabilities of Associates.	0.02	0.06

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

The Group has filed claims and has also filed counter claims in several legal disputes related to construction contracts and same are pending before legal authorities. The Management does not expect any material adverse effect on its financial position.

(ii) Commitments

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	2.56	70.15
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme.	2.99	2.99

Notes forming part of the consolidated financial statements

39. Related Party Transactions

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

S.No	Particulars	S.No	Particulars
A)	Subsidiaries (Refer note 40 & 40.1)	E)	Enterprises owned or significantly influenced by key management personnel or their relatives
B)	Associates (Refer note 40)	33	NCC Blue Water Products Limited
C)	Key Management Personnel	34	NCC Finance Limited [#]
1	Sri. A.A.V. Ranga Raju	35	Shyamala Agro Farms Private Limited
2	Sri. A.S.N. Raju	36	Ranga Agri Impex LLP*
3	Sri. A.G.K. Raju	37	NCC Foundation
4	Sri. A.V.N. Raju	38	Sirisha Projects Private Limited
5	Sri. J.V. Ranga Raju	39	Narasimha Developers Private Limited
6	Sri. Ramachandra Venkataraman Shastri (Key Management Person up to September 24, 2019)	40	Avathesh Property Developers Private Limited
7	Sri. Utpal Hemendra Sheth	41	Arnesh Ventures Private Limited
8	Smt. Renu Challu	42	AVSR Holdings Private Limited
9	Sri. Ravi Shankararamaiah	43	Sridevi Properties
10	Sri. Hemant Madhusudan Nerurkar	44	Matrix Security And Surveillance Private Limited
11	Dr. Durga Prasad Subramanyam Anapindi	45	Jampana Constructions Private Limited
12	Sri. Neeraj Mohan (Key Management Person up to May 07, 2018)	46	Shri Aruna Constructions Private Limited (w.e.f. September 29, 2018)
13	Sri. R.S. Raju	47	NCC Urban Infrastructure Company Limited, Dubai
14	Sri. M.V. Srinivasa Murthy		
D)	Relatives of Key Management Personnel		
15	Dr. A.V.S. Raju		
16	Smt. A. Satyanarayanaamma		
17	Sri. N.R. Alluri		
18	Sri. A. Srinivasa Rama Raju		
19	Smt. BH. Kaushalya		
20	Smt. J. Sridevi		
21	Smt. J. Sowjanya		
22	Smt. A. Arundhati		
23	Smt. M. Swetha		
24	Sri. J. Krishna Chaitanya Varma		
25	Smt. A. Subhadra Jyotirmayi		
26	Smt. A. Shyama		
27	Smt. A. Suguna		
28	Sri. A. Sri Harsha Varma		
29	Sri. S.R.K. Surya Srikrishna Raju		
30	Sri. A. Vishnu Varma		
31	Smt. A. Nikitha		
32	Sri. U. Sunil		

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

Under voluntary liquidation.

Notes forming part of the consolidated financial statements

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

(₹ in crores)

S.No	Particulars	Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		2019 - 20	2018 - 19	2019 - 20	2018 - 19	2019 - 20	2018 - 19
1	Investments in Equity shares	-	5.00	-	-	-	-
2	Loans received	-	-	-	8.90	32.00	50.10
3	Loan repaid	-	-	7.90	1.00	62.64	2.00
4	Advances granted	-	19.65	-	-	106.74	107.59
5	Advances Repayment received / Adjusted	40.20	1.13	-	-	0.11	0.69
6	Mobilisation Advance recovered / adjusted from the Group	-	1.50	-	-	-	-
7	Mobilisation Advance recovered / adjusted by the Group	-	-	-	-	6.80	8.95
8	Remittance to Trade Payables	-	-	-	-	19.85	5.00
9	Trade/Accounts Receivables realised	2.35	-	-	-	-	-
10	Material Purchase & Services	-	0.74	-	-	-	-
11	Interest Income on loans given	3.96	6.47	-	-	-	-
12	Interest Expense	-	-	0.13	0.14	3.62	0.95
13	Reimbursement of Expenses	0.06	2.90	0.02	-	2.66	1.64
14	Sub-Contractors work bills	-	-	-	-	154.36	97.87
15	Remuneration (Including commission)*						
	Short-term employee benefits	-	-	22.66	32.76	-	-
	Post employee benefitsW	-	-	1.22	1.18	-	-
16	Directors Sitting Fees	-	-	0.33	0.26	-	-
17	Rent expenses	-	-	0.65	0.67	10.42	10.41
18	Dividend paid	-	-	7.77	5.19	8.50	5.65

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

Notes forming part of the consolidated financial statements

(iii) Related Party balances outstanding are as follows:

(₹ in crores)

S.No	Particulars	Associates		Key Management personnel and relatives		Enterprises owned and significantly influenced by key management personnel or their relatives	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1	Debit Balances outstanding						
	Pondicherry Tindivanam Tollway Limited	-	13.51	-	-	-	-
	Tellapur Technocity Private Limited	-	0.03	-	-	-	-
	Paschal Form Work (India) Private Limited	0.08	0.08	-	-	-	-
	Varaprada Real Estates Private Ltd	11.26	51.42	-	-	-	-
	Brindavan Infrastructure Company Limited	0.24	0.59	-	-	-	-
	Ekana Sportz City Private Limited	50.25	52.26	-	-	-	-
	NCC Urban Infrastructure Company Limited, Dubai	-	-	-	-	233.60	233.60
	Sridevi Properties	-	-	-	-	0.19	0.19
	Jampana Constructions Private Limited	-	-	-	-	0.95	21.31
	Shri Aruna Constructions Private Limited	-	-	-	-	15.00	41.22
	Matrix Security And Surveillance Private Limited	-	-	-	-	0.36	-
	Sri. J.V. Ranga Raju	-	-	0.08	0.08	-	-
	Smt. J. Sowjanya	-	-	0.10	0.10	-	-
	Smt. J. Sridevi	-	-	0.08	0.08	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	0.13	0.13	-	-
2	Credit Balances outstanding						
	Nagarjuna Facilities Management Services L.L.C.	0.25	0.25	-	-	-	-
	Brindavan Infrastructure Company Limited	-	0.35	-	-	-	-
	Ekana Sportz City Private Limited	-	-	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	0.05	0.05
	Sirisha Projects Private Limited	-	-	-	-	10.00	0.03
	Jampana Constructions Private Limited	-	-	-	-	1.92	4.90
	Shri Aruna Constructions Private Limited	-	-	-	-	9.20	8.11
	Sridevi Properties	-	-	-	-	0.03	0.03
	AVSR Holdings Private Limited	-	-	-	-	7.46	48.10
	Sri. A.A.V. Ranga Raju*	-	-	2.35	10.78	-	-
	Sri. A.S.N. Raju	-	-	1.37	2.89	-	-
	Sri. A.G.K. Raju*	-	-	1.31	6.12	-	-
	Sri. A.V.N. Raju	-	-	1.39	2.90	-	-
	Sri. J.V. Ranga Raju	-	-	0.36	0.36	-	-
	Sri. R.S. Raju	-	-	0.15	0.12	-	-
	Sri. M.V. Srinivasa Murthy	-	-	0.10	0.09	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	0.08	0.08	-	-
	Sri. A. Vishnu Varma	-	-	0.10	0.07	-	-
	Smt. A. Nikhita	-	-	0.02	0.03	-	-
	Sri. A. Sri Harsha Varma	-	-	0.08	0.03	-	-
	Sri. U. Sunil	-	-	0.07	0.03	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	0.12	0.10	-	-
	Smt. J. Sowjanya	-	-	0.01	0.01	-	-
	Smt. J. Sridevi	-	-	0.01	0.01	-	-
	Smt. BH. Kaushalya	-	-	0.03	0.03	-	-

*Refer note 19 and 23 for details of personal guarantee given by the Directors.

Notes forming part of the consolidated financial statements

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

Particulars	(₹ in crores)	
	2019 - 20	2018 - 19
Investments in Equity Shares - Made		
- Ekana Sportz City Private Limited	-	5.00
Loans Received		
- AVSR Holdings Private Limited	22.00	50.10
- Sirisha Projects Private Limited	10.00	-
- Sri. A.A.V. Ranga Raju	-	5.90
- Sri. A.G.K. Raju	-	3.00
Loan Repaid		
- AVSR Holdings Private Limited	62.64	2.00
- Sri. A.A.V. Ranga Raju [#]	-	1.00
Advances Granted		
- Jampana Constructions Private Limited	57.11	64.83
- Shri Aruna Constructions Private Limited	49.53	42.76
- Varaprada Real estates Private Limited	-	18.81
Advances Repayment Received / Adjusted		
- Varaprada Real estates Private Limited	40.16	-
- Jampana Constructions Private Limited	-	0.69
- Jubilee Hills Landmark Projects Private Limited	-	1.04
Mobilisation Advance Recovered / Adjusted from the Group		
- Ekana Sportz City Private Limited	-	1.50
Mobilisation Advance Recovered / Adjusted by the Group		
- Jampana Constructions Private Limited	-	7.15
- Shri Aruna Constructions Private Limited	6.80	1.80
Remittance to Trade Payables		
- Jampana Constructions Private Limited	14.21	3.30
- Shri Aruna Constructions Private Limited	5.63	1.70
Trade / Accounts Receivables realised		
- Ekana Sportz City Private Limited	2.00	-
- Brindavan Infrastructure Company Limited	0.35	-
Material Purchases & Services		
- Paschal Form Work (India) Private Limited	-	0.74
Interest Income on loans given		
- Varaprada Real estates Private Limited	3.96	6.47
Interest Expense		
- AVSR Holdings Private Limited	3.57	0.95
- Sri. A.G.K.Raju [#]	-	0.14
Reimbursement of Expenses		
- Shri Aruna Constructions Private Limited	2.23	-
- Matrix Security And Surveillance Private Limited	0.36	-

Notes forming part of the consolidated financial statements

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

(₹ in crores)

Particulars	2019 - 20	2018 - 19
- Jampana Constructions Private Limited	-	1.64
- Jubilee Hills Landmarks Projects Private Limited	-	2.84
Sub Contract Work Bills		
- Jampana Constructions Private Limited	77.21	58.17
- Shri Aruna Constructions Private Limited	77.15	39.70
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	6.33	10.81
- Sri. A.S.N. Raju	3.20	5.44
- Sri. A.G.K. Raju	3.20	5.46
- Sri. A.V.N. Raju	3.13	5.39
Directors Sitting Fees		
- Sri. R.V.Shastrī [#]	-	0.06
- Sri. Hemanth M Nerurkar	0.07	0.06
- Smt. Renu Challu	0.07	0.05
- Sri. Utpal Sheth ^{\$}	0.05	-
- Sri. S.Ravi ^{\$}	0.04	-
- Dr. A.S. Durga Prasad	0.08	0.06
Rent Expenses		
- Sirisha Projects Private Limited	9.69	9.70
Dividend Paid		
- AVSR Holdings Private Limited	6.07	4.05
- Sri. A.A.V. Ranga Raju	2.03	1.36
- Sirisha Projects Private Limited	1.68	1.11

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

^{\$} Transactions occurred during the previous year with the party do not exceed 10% of the total transaction value. Hence, amount not disclosed.

40 The Subsidiaries and Associate Companies are considered for consolidated financial statements are:

Name of Subsidiaries /Associates	Place of incorporation and operation	Proportion of Ownership Interest and voting power held by the Group	
		As at March 31, 2020	As at March 31, 2019
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	62.82%	62.13%
NCC Vizag Urban Infrastructure Limited	India	95%	95%
Patnitop Ropeway & Resorts Limited [#]	India	100%	100%
NCC International Convention Centre Limited ^{\$}	India	100%	100%
NCC Oil & Gas Limited (Refer note 40.2 (a))	India	-	80%
Vaidehi Avenues Limited	India	100%	100%
Aster Rail Private Limited	India	100%	100%
Pachhwara Coal Mining Private Limited	India	51%	51%

Notes forming part of the consolidated financial statements

Name of Subsidiaries /Associates	Place of incorporation and operation	Proportion of Ownership Interest and voting power held by the Group	
		As at March 31, 2020	As at March 31, 2019
Talaipalli Coal Mining Private Limited	India	51%	51%
Nagarjuna Construction Co. Limited & Partners L.L.C. (Refer note 40.2 (b))	Sultanate of Oman	-	100%
Nagarjuna Construction Company International L.L.C.	Sultanate of Oman	100%	100%
NCC Infrastructure Holdings Mauritius Pte Limited	Mauritius	100%	100%
Nagarjuna Contracting Co. L.L.C.	Dubai	100%	100%
Subsidiaries of NCC Urban Infrastructure Limited			
Dhatri Developers & Projects Private Limited	India	100%	100%
Sushanti Avenues Private Limited	India	100%	100%
Sushrutha Real Estate Private Limited	India	100%	100%
PRG Estates LLP*	India	100%	100%
Thrilekya Real Estates LLP*	India	100%	100%
Varma Infrastructure LLP*	India	100%	100%
Nandyala Real Estates LLP*	India	100%	100%
Kedarnath Real Estates LLP*	India	100%	100%
AKHS Homes LLP*	India	100%	100%
JIC Homes Private Limited	India	100%	100%
Sushanti Housing Private Limited	India	100%	100%
CSVS Property Developers Private Limited	India	100%	100%
Vera Avenues Private Limited	India	100%	100%
Sri Raga Nivas Property Developers LLP*	India	100%	100%
VSN Property Developers LLP*	India	100%	100%
M A Property Developers Private Limited	India	100%	100%
Vara Infrastructure Private Limited ⁵	India	100%	100%
Sri Raga Nivas Ventures Private Limited	India	100%	100%
Mallelavanam Property Developers Private Limited	India	100%	100%
Sradha Real Estates Private Limited ⁵	India	100%	100%
Siripada Homes Private Limited ⁵	India	100%	100%
NJC Avenues Private Limited	India	100%	100%
Nagarjuna Suites Private Limited ⁵	India	100%	100%
NCC Urban Homes Private Limited	India	100%	100%
NCC Urban Ventures Private Limited	India	100%	100%
NCC Urban Meadows Private Limited ⁵	India	100%	100%
NCC Urban Villas Private Limited ⁵	India	100%	100%
Subsidiaries of NCC Infrastructure Holdings Limited			
OB Infrastructure Limited	India	64.02%	64.02%
NCC Infra Limited	India	100%	100%
Samashti Gas Energy Limited	India	100%	100%

Notes forming part of the consolidated financial statements

Name of Subsidiaries /Associates	Place of incorporation and operation	Proportion of Ownership Interest and voting power held by the Group	
		As at March 31, 2020	As at March 31, 2019
Savitra Agri Industrial Park Private Limited**	India	100%	100%
Subsidiaries of NCC Infrastructure Holdings Mauritius Pte. Limited			
Al Mubarakia Contracting Co. L.L.C.	Dubai	100%	100%
Tellapur Technocity (Mauritius) (Refer note 40.2 (c))	Mauritius	-	93.63%
Subsidiary of Nagarjuna Construction Company International L.L.C.			
NCCA International Kuwait General Contracts Company L.L.C.	Kuwait	100%	100%
NCC WLL (Refer note 40.2 (d))	Qatar	-	100%
Partnership Firm of NCC Urban Infrastructure Limited			
NR Avenues	India	100%	100%
Associates of the NCC Limited			
Brindavan Infrastructure Company Limited	India	33.33%	33.33%
Paschal Form Work (India) Private Limited	India	23.35%	23.74%
Tellapur Technocity Private Limited (Refer note 40.2 (e))	India	-	25.92%
Nagarjuna Facilities Management Services L.L.C.	Dubai	49.00%	49.00%
Associates of the NCC Infrastructure Holdings Limited			
Pondicherry Tindivanam Tollway Limited	India	47.80%	47.80%
Ekana Sportz City Private Limited	India	26.00%	26.00%
Associates of the NCC Infrastructure Holdings Mauritius Pte. Limited			
Himalayan Green Energy Private Limited	India	50.00%	50.00%
Apollonius Coal and Energy Pte. Ltd.	Singapore	44.22%	44.22%
Associate of the NCC Urban Infrastructure Limited			
Varapradha Real Estates Private Limited	India	40.00%	40.00%

* Converted into limited liability partnership during the previous year.

** 42% of share holding is held by Vaidehi Avenues Limited.

Under voluntary liquidation.

\$ Applied for strike off of the name.

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

40.1 List of entities not considered for consolidation

- In respect of a step subsidiary company, NCC Urban Lanka (Private) Limited, there are no transactions since incorporation, hence not considered for consolidation.

40.2 Change in the Group's ownership interest

- During the year, name of NCC Oil & Gas Limited was struck off from the register of companies and the company was dissolved, pursuant to application filed by the company on March 30, 2019.
- During the year, subsidiary company Nagarjuna Construction Co. Ltd. & Partners L.L.C., got liquidated with effect from June 19, 2019.
- During the year Tellapur Technocity (Mauritius) buy back the shares held by the Group and the company was under liquidation.
- During the year, subsidiary company NCC WLL got liquidated with effect from June 18, 2019.
- During the year investment in Teleport Technocity Private Limited was divested.

Notes forming part of the consolidated financial statements

40.3 Disclosure of subsidiary having material non-controlling interests:

(i) Summarised statement of Profit and Loss:

Particulars	(₹ in crores)	
	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	0.48	0.48
Profit / (loss) for the year	(73.92)	(48.33)
Other comprehensive income	-	(0.02)
Total comprehensive income	(73.92)	(48.35)
Add: Consolidation adjustment	12.49	3.00
Total comprehensive income after consolidation adjustment	(61.43)	(45.35)
Non-controlling interest %	37.18%	37.87%
Profit / (loss) allocated to non-controlling interests	(22.84)	(17.17)

(ii) Summarised Balance Sheet:

Particulars	(₹ in crores)	
	NCC Infrastructure Holdings Limited	
	As at March 31, 2020	As at March 31, 2019
Current assets (a)	12.61	102.50
Current liabilities (b)	93.54	89.08
Net current Assets (c) = (a) - (b)	(80.93)	13.42
Non-current assets (d)	488.01	454.81
Non-current liabilities (e)	0.73	0.85
Net non-current Assets (f) = (d) - (e)	487.28	453.96
Net assets (g)=(c)+(f)	406.35	467.38
Add: Consolidation adjustment	28.49	16.00
Net assets after consolidation adjustment	434.84	483.38
Non-controlling interest %	37.18%	37.87%
Accumulated non-controlling interests	161.67	183.06

(iii) Summarised Cash Flow:

Particulars	(₹ in crores)	
	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities	(3.73)	5.77
Cash flows from investing activities	-	-
Cash flows from financing activities	3.60	(6.41)
Net increase/(decrease) in cash and cash equivalents	(0.13)	(0.64)

40.4 Financial information in respect of individually immaterial associates:

Particulars	(₹ in crores)	
	Year ended March 31, 2020	Year ended March 31, 2019
Aggregate carrying amount of investments in individually immaterial associates as at	120.94	132.31
Aggregate group share of		
Profit for the year	(10.62)	(6.86)
Other comprehensive income for the year	-	0.03
Total comprehensive income for the year	(10.62)	(6.83)

Notes forming part of the consolidated financial statements

41 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entities in the Group	All the numbers belong to the year March 31, 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ crores)	As % of Consolidated profit or loss	Amount (₹ crores)	As % of Consolidated other comprehensive income	Amount (₹ crores)	As % of Consolidated total comprehensive income	Amount (₹ crores)
NCC Limited	104.06%	5,105.63	113.52%	382.04	568.03%	(6.93)	111.87%	375.11
Subsidiaries								
Indian								
NCC Urban Infrastructure Limited	3.22%	157.88	0.54%	1.81	18.03%	(0.22)	0.47%	1.59
NCC Infrastructure Holdings Limited	8.28%	406.35	-21.97%	(73.92)	0.00%	-	-22.05%	(73.92)
Samashti Gas Energy Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NCC Infra Limited	0.36%	17.70	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NCC Vizag Urban Infrastructure Limited	0.55%	26.86	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
OB Infrastructure Limited	2.95%	144.66	-0.46%	(1.54)	0.00%	-	-0.46%	(1.54)
Patnitop Ropeway & Resorts Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NCC International Convention Centre Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NCC Oil & Gas Limited	0.00%	-	0.01%	0.05	0.00%	-	0.01%	0.05
Vaidehi Avenues Limited	0.10%	5.08	0.01%	0.02	0.00%	-	0.01%	0.02
Aster Rail Private Limited	-0.07%	(3.51)	0.18%	0.62	0.00%	-	0.18%	0.62
Pachhwara Coal Mining Private Limited	0.02%	1.04	0.57%	1.93	0.00%	-	0.58%	1.93
Talaipalli Coal Mining Private Limited	0.00%	(0.24)	0.00%	-	0.00%	-	0.00%	-
Savitra Agri Industrial Park Private Limited	1.29%	63.10	-0.02%	(0.06)	0.00%	-	-0.02%	(0.06)
CSVS Property Developers Private Limited	0.04%	1.83	0.00%	-	0.00%	-	0.00%	-
Dhatri Developers & Projects Private Limited	0.13%	6.39	0.00%	-	0.00%	-	0.00%	-
JIC Homes Private Limited	0.04%	1.83	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
M A Property Developers Private Limited	0.04%	1.74	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Mallelavanam Property Developers Private Limited	0.02%	0.98	-0.01%	(0.02)	0.00%	-	-0.01%	(0.02)
Sushanti Housing Private Limited	0.04%	1.74	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sradha Real Estates Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sushrutha Real Estate Private Limited	0.04%	1.77	0.00%	-	0.00%	-	0.00%	-
Sri Raga Nivas Ventures Private Limited	0.00%	-	0.04%	0.14	0.00%	-	0.04%	0.14
Sushanti Avenues Private Limited	0.09%	4.66	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Vera Avenues Private Limited	0.03%	1.40	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Vara Infrastructure Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NJC Avenues Private Limited	0.00%	(0.09)	0.00%	-	0.00%	-	0.00%	-
Siripada Homes Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Nagarjuna Suites Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NCC Urban Ventures Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
NCC Urban Homes Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-

Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the year March 31, 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ crores)	As % of Consolidated profit or loss	Amount (₹ crores)	As % of Consolidated other comprehensive income	Amount (₹ crores)	As % of Consolidated total comprehensive income	Amount (₹ crores)
NCC Urban Meadows Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NCC Urban Villas Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Nagarjuna Construction Company International L.L.C.	1.60%	78.39	-10.82%	(36.41)	2008.20%	(24.50)	-18.17%	(60.91)
NCC Infrastructure Holdings Mauritius Pte Limited	1.13%	55.24	-1.87%	(6.29)	3660.66%	(44.66)	-15.19%	(50.95)
Al Mubarakia Contracting Co. L.L.C.	0.00%	-	-0.03%	(0.11)	14.75%	(0.18)	-0.09%	(0.29)
Nagarjuna Contracting Co. L.L.C.	0.00%	(0.02)	0.61%	2.06	13.11%	(0.16)	0.57%	1.90
NCCA International Kuwait General Contracts Company L.L.C.	0.06%	3.12	-0.01%	(0.05)	15.57%	(0.19)	-0.07%	(0.24)
NCC WLL	0.00%	-	0.26%	0.89	0.00%	-	0.27%	0.89
Partnership Firm								
AKHS Homes LLP	0.01%	0.63	-0.01%	(0.02)	0.00%	-	-0.01%	(0.02)
Kedarnath Real Estates LLP	0.12%	5.78	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sri Raga Nivas Property Developers LLP	0.02%	0.87	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
VSN Property Developers LLP	0.02%	0.88	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Nandyala Real Estates LLP	0.08%	3.96	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
PRG Estates LLP	0.09%	4.63	-0.01%	(0.02)	0.00%	-	-0.01%	(0.02)
Thriplekya Real Estates LLP	0.10%	4.79	-0.01%	(0.02)	0.00%	-	-0.01%	(0.02)
Varma Infrastructure LLP	0.16%	7.71	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NR Avenues	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interest	-5.15%	(252.84)	6.66%	22.42	-3.28%	0.04	6.70%	22.46
Associates (Investment as per equity method)								
Indian								
Himalayan Green Energy Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Paschal Form Work (India) Private Limited	0.01%	0.53	-0.32%	(1.09)	0.00%	-	-0.33%	(1.09)
Ekana Sportz city Private Limited	0.47%	23.26	0.04%	0.13	0.00%	-	0.04%	0.13
Brindavan Infrastructure Company Limited	0.25%	12.46	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Pondicherry Tindivanam Tollway Limited	0.00%	-	-1.15%	(3.87)	0.00%	-	-1.15%	(3.87)
Varapradha Real Estates Private Limited	1.57%	76.91	0.06%	0.21	0.00%	-	0.06%	0.21
Foreign								
Nagarjuna Facilities Management Services L.L.C.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Apollonius Coal and Energy Pte. Ltd.	0.16%	7.78	-1.77%	(5.96)	0.00%	-	-1.78%	(5.96)
Total before CFS adjustments & eliminations		5,980.90		282.75		(76.80)		205.95
CFS adjustments & eliminations	-21.90%	(1,074.45)	15.98%	53.78	-6195.08%	75.58	38.58%	129.36
Total	100.00%	4,906.45	100.00%	336.53	100.00%	(1.22)	100.00%	335.31

Notes forming part of the consolidated financial statements

42 Financial instruments

42.1 Capital management

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

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

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

The following table summarises the capital of the Group:

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Equity	5,159.29	4,872.47
Short-term borrowings and current portion of long-term debt	1,941.65	2,202.97
Long-term debt	239.82	488.43
Cash and cash equivalents	(114.44)	(219.43)
Net debt	2,067.03	2,471.97
Total capital (equity + net debt)	7,226.32	7,344.44
Gearing ratio	0.40	0.51

42.2 Categories of financial instruments

	(₹ in crores)	
	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mandatorily measured:		
Equity investments in other entities	327.30	343.18
Measured at amortised cost		
Cash and bank balances	388.74	361.71
Other financial assets at amortised cost	3,410.62	4,200.95
Measured at cost		
Investments in equity instruments in associates		
Equity shares	120.94	132.31
	4,247.60	5,038.15
Financial liabilities		
Measured at amortised cost	6,470.07	7,388.53

42.3 Financial risk management objectives

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

(i) Market risk

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

- **Interest rate risk**

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

Notes forming part of the consolidated financial statements

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate borrowings. Out of the total borrowings of ₹ 2,181.47 crores (31.03.2019: ₹ 2,691.40 crores) as of 31.03.2020, the floating rate borrowings are ₹ 1,524.89 crores (31.03.2019: ₹ 1,502.24 crores). For every 50 base points change in the interest rate when no change in other variables, it will affect the profit before tax by ₹ 7.62 crores for the year ended March 31, 2020 (31.03.2019: ₹ 7.51 crores).

• Foreign currency risk

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

We summarise below the financial instruments which have the foreign currency risks as at March 31, 2020 and March 31, 2019.

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

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD (crores)	4.47	4.32	5.09	5.09
INR (₹ in crores)	337.40	299.21	384.57	352.24
Euro (crores)	-	0.31	-	-
INR (₹ in crores)	-	24.40	-	-

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

(b) Foreign currency sensitivity analysis

The Group is not substantially exposed for business activities in foreign currency. Hence, the impact of any significant fluctuation in the exchange rates is not expected to have a material impact of the operating profits of the Group.

	(₹ in crores)	
Currency USD impact on:	As at March 31, 2020	As at March 31, 2019
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(0.62)	(0.77)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	0.62	0.77
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(0.62)	(0.77)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	0.62	0.77

ii) Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group.

Credit risk on trade receivables and contract assets is limited as the customers of the Group mainly consists of the Government promoted entities having a strong credit worthiness. For doubtful receivables the company uses a provision matrix to compute the expected credit loss allowances for trade receivables and contract assets. In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract. Refer note 6, 11.3 and 16.3 for provision made against trade receivable and contract assets.

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

Notes forming part of the consolidated financial statements

iii) Liquidity risk management

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	4,168.97	3,884.46	227.27	57.24	4,168.97
Borrowings and interest accrued	2,260.08	2,020.27	232.94	6.87	2,260.08
Other financial liabilities	41.02	41.02	-	-	41.02
Total	6,470.07	5,945.75	460.21	64.11	6,470.07

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019:

(₹ in crores)

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

42.4 Fair value measurements

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

Financial assets / financial liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2020	As at March 31, 2019		
Investments in quoted Debt instruments at FVTPL	113.87	97.12	Level 1	Refer note 2
Investments in unquoted equity instruments at FVTPL	3.70	5.82	Level 2	Refer note 3(a)
Investments in unquoted equity instruments at FVTPL	209.73	240.24	Level 2	Refer note 3(b)

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

Notes:

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

Financial Instrument	Key Inputs used
(a) Unquoted Equity Instruments	Government notified value of the lands is taken as fair market value in the absence of reliable comparable data.
(b) Unquoted Equity Instruments	Fair value of investments has been arrived either realisable value of underlying assets or as per contractually realisable values.

Notes forming part of the consolidated financial statements

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

(₹ in crores)

	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	2,938.02	2,938.02	3,533.27	3,533.27
- Cash and cash equivalents	114.44	114.44	219.43	219.43
- Bank balances other than cash and cash equivalents	274.30	274.30	142.28	142.28
- Loans	39.49	39.49	93.82	93.82
- Other financial assets	433.11	433.11	573.86	573.86
Financial liabilities				
Financial liabilities at amortised cost:				
- Borrowings (excluding current maturity)	1,872.62	1,872.62	2,362.02	2,362.02
- Trade payables	4,168.97	4,168.97	4,623.46	4,623.46
- Other financial liabilities	428.48	428.48	403.05	403.05

Note:

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

43 Legal / Statutory Reserve

As per Article 106 of the Commercial law of 1974 in the Sultanate of Oman, 10% of the Subsidiary Companies Net Profit is required to be transferred to a non-distributable legal reserve until the amount of the legal reserve equals one-third of the subsidiary's issued share capital. Similarly, as per the provisions of the UAE Commercial Companies Act, 10% of the Subsidiary Companies Net Profit is required to be transferred to a non-distributable statutory reserve until the amount of the statutory reserve equals 50% of the subsidiary's paid up share capital. During the year, the respective subsidiaries had incurred losses, hence no profit had been transferred to the legal reserve.

44 Himachal Sorang Power Limited:

NCC Infrastructure Holdings Limited (NCCIHL), a subsidiary during the year 2012-13, entered into a Share Purchase Agreement (SPA) with TAQA India Power Ventures Private Limited (TAQA), (formerly TAQA Jyothi Energy Ventures Private Ltd) for sale of 4,144,300 equity shares of ₹ 10.00 each and 7,858,900 Zero Coupon Irredeemable Fully Convertible Debentures held by it in Himachal Sorang Power Limited (HSPL).

In terms of SPA, the sale of shares to be effected in two tranches viz initial sale and subsequent sale. Initial sale shares

transferred and consideration realised in 2012-13. Against Subsequent sale of shares amount partly received in advance and shares transfer completed on January 22, 2019. Balance consideration receivable ₹ 9.00 crores against subsequent sale shown under Other Receivables.

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

During the year 2014-15, TAQA and HSPL had invoked arbitration proceedings under the SPA, in Singapore International arbitration centre, detailing various disputes/claims aggregating to ₹ 409.90 crores which is revised to ₹ 671.43 crores during the Arbitration Process. NCCIHL denied all the disputes/claims in its entirety and raised Counter Claims aggregating to ₹ 210.34 crores (subsequently revised to ₹ 78.50 crores). The Learned Arbitral Tribunal has while quashing the claims of TAQA, has allowed certain claims of HSPL amounting to ₹ 108.38 crores (after adjustments of receivables) together with interest commencing on varied dates.

Notes forming part of the consolidated financial statements

TAQA and HSPL in March, 2018 had filed a petition before the honourable High Court of Delhi for Enforcement of a Foreign Award and NCCIHL has raised preliminary objections on the grounds of Jurisdiction and the next hearing is slated on July 15, 2020.

Further, TAQA/HSPL and NCCIHL have filed setting aside (of award) applications in Singapore High Court in April and June, 2018 respectively. In January, 2019, Singapore High Court has dismissed setting aside applications of both parties and grounds for setting aside were provided in November, 2019. Both parties have challenged the Singapore High Court's decisions in the Court of Appeal, Singapore. The applications in Court of Appeal were filed in February, 2019 and the hearing date is yet to be informed (initial date scheduled is cancelled due to COVID-19).

NCCIHL has also filed an application in National Company Law Tribunal (NCLT) at Chennai for recovery of ₹ 9.00 crores (plus interest) from TAQA as that portion of the Award has become final since it was not challenged by TAQA in the Singapore High Court. The oral and written submissions are completed in the matter and the Judgement is awaited. The next date of hearing in this matter is yet to be notified.

During the Current Financial Year 2019-20, the Management reviewed various items of the claims of both the parties and also considering the in-house legal experts opinion, assessed the likely outcome of the claims and basing on such assessments a further amount of ₹ 12.64 crores is provided under "Other Current Liabilities" in addition to the provision made in previous years of ₹ 103.80 crores.

- 45** In respect of step subsidiary Savitra Agri Industrial Park Private Limited, certain cases were filed by the petitioners in Honourable High Court of Andhra Pradesh for setting aside alienation of land at Sompeta by Andhra Pradesh Industrial Corporation, setting aside Environmental Clearance for the project and certain other matters. The step subsidiary is a respondent to in all the cases. Besides these, certain individuals have filed cases in Civil Court for permanent injunctions restraining the subsidiary from possession and enjoyment of land admeasuring 1.78 acres. The matters are subjudice. The Management at this juncture do not foresee any adjustments

to the carrying value of assets and liabilities on account of these cases at this juncture.

The step subsidiary has planned to develop Aquaculture in own lands (Patta) in Benkili-Baruva Village, Sompeta Mandal Jurisdiction. Accordingly, it has filed application (Form-B) on February 24, 2018, for registration of Fresh Water Aquaculture Farm in 197.00 acres. A Sub-Committee consisting of the officials from Revenue, Irrigation, Ground Water and Agriculture Departments headed by JD-Fisheries visited the project site and made physical inspections. NOCs from all the individual departments have been received except from Agriculture Department which is also expected shortly.

- 46** In respect of a subsidiary, NCC Vizag Urban Infrastructure Limited (the Subsidiary) entered into a Development Agreement (Agreement) with Andhra Pradesh Housing Board ['APHB'] dated 16 March, 2007 to design, plan, finance and market, develop necessary infrastructure, provide necessary services, operate and maintain the infrastructure, administer and manage the project in accordance with the terms and conditions set out in the agreement with APHB.

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

- 47** In respect of subsidiary Nagarjuna Contracting Co. L.L.C., as at March 31, 2020, the Entity has ongoing law suit with a customer and the matter is pending before the courts. During the previous year the Management has decided to cease the operations of the Entity, as the going concern assumption is not valid for the Entity, the financial statements have been prepared on the basis of the accounting convention of realisable /settlement values of assets and liabilities.

Notes forming part of the consolidated financial statements

48 Service concession arrangement

Below service concession arrangement has been accounted under financial asset model

Project Name	Orai-Bhognipur Infrastructure Limited
Type of Project	BOT (Annuity)
Concession period	17.5 years (from 19th October 2006 to 19th April 2024, Including 2.5 years of construction)
Annuity collection	Fixed semi - annuity based :- ₹ 44.82 crores (in the month of April and October in a financial year)
Investment grant from concession grantor	Nil
Project Description	Constructing ,Operating and Maintaining road highway from 220 km to 255 km (i.e. 30 km) on NH-25 and from 421.20 to 449 km on NH-2 on Orai-Bhognipur in Uttar Pradesh.
Infrastructure return at the end of concession period	Yes
Renewal and termination options	Nil

49 Segment Reporting

- a) Business segment: The Group has considered business segment as primary segment for disclosure. The Group's operations predominantly consist of construction / project activities, which in the context of Ind AS 108 "Operating Segments" is considered the only business segment.
- b) Geographical segment: The Group has operations within India and outside India and the disclosures in respect of the geographical segment are given below:

(₹ in crores)		
Geographical Segment	Revenue for the year ended	Segment assets as at *
Within India		
March 31,2020	8,584.47	1,675.74
March 31,2019	12,528.05	1,722.36
Outside India		
March 31,2020	316.60	256.63
March 31,2019	367.59	343.44

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

Customer Concentration

Revenue from one customer amounted to 10.43% arising on account of Income from Contracts and Services in current year and revenue from another customer amounted to 18.57% in the previous year.

50 Earnings per share

	Year Ended March 31, 2020	Year Ended March 31, 2019
Net Profit after tax available for equity shareholders (₹ in crores)	336.53	578.69
Weighted Average number of equity shares for Basic EPS (Nos)	602,280,468	600,646,588
Weighted Average number of equity shares for Diluted EPS (Nos)	602,280,468	600,646,588
Face value per share (₹)	2.00	2.00
Basic & Diluted EPS * (₹)	5.59	9.63

* The Company has no dilutive instruments during the year ended March 31, 2020 and March 31, 2019. As such Dilutive Earnings per share equals to Basic Earnings per share.

Notes forming part of the consolidated financial statements

51 a) Gross amount required to be spent by the Company towards CSR during the year ₹ 10.02 crores (March 31, 2019: ₹ 6.14 crores).

b) Amount spent on:

(₹ in crores)

Particulars	March 31, 2020			March 31, 2019		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Rural Development-Antervedipallipalem	3.69	-	3.69	4.85	-	4.85
Education, Sports and Harithaharam	1.69	-	1.69	0.29	-	0.29
CM's Relief fund- Covid 19	3.00	-	3.00	-	-	-
Army welfare fund	-	-	-	1.00	-	1.00
Total	8.38	-	8.38	6.14	-	6.14

52 The exceptional items for the year ended March 31, 2020 is ₹ 49.63 crores after netting off profit on sale of investment and others of ₹ 9.81 crores and provision made for impairment of investment, impairment of loan and obligation on sale of investment and others of ₹ 59.44 crores.

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

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

54 Deferred tax assets (Net)

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2020:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(15.12)	(18.66)
Provision for doubtful trade receivables, contract assets, advances and others	64.95	56.06
Provision for diminution in value of investments	-	25.03
Provision for employee benefits	33.50	26.58
Loss allowance on Financial Instruments	-	63.40
MAT Credit entitlement	125.15	28.45
Others	6.36	0.82
Total	214.84	181.68

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

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- Long-term / Short-term capital loss	999.44	880.68
- Unused tax credits	129.58	118.57
Total	1,129.02	999.25

Notes forming part of the consolidated financial statements

55 Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 1,092.12 crores (31.03.2019: ₹ 1,119.41 crores).

Change in the contract assets and contract liabilities as at March 31, 2020 from March 31, 2019 is on account of decrease in operations of the Company.

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

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

57 Performance obligation

The transaction price allocated to the remaining performance obligations is (excluding non-moving orders) ₹ 26,572 crores (31.03.2019: ₹ 41,197 crores), which will be recognised as revenue over the respective project durations. Generally the project duration of contracts with customers is ranging 1 to 3 years.

58 The Board of Directors at its meeting held on December 28, 2019 has approved the proposal of merger of two wholly owned subsidiaries i.e., Vaidehi Avenues Limited and Aster Rail Private Limited with the Parent Company. The scheme of merger will not have any significant impact on financials.

59 The trade receivables and contract assets includes an amount of ₹ 343.77 crores (net of mobilisation advance) relating to the Amaravati Capital City projects in the state of Andhra Pradesh. These works were commenced and were in good progress till May, 2019. However, subsequently, there is no significant execution of the work / payment in these projects because of non-clearance from the newly elected Government. Management based on its internal assessments and discussions with the agencies is of the view that no further provision is required in this regard.

60 Estimation of uncertainties relating to the global health pandemic from COVID-19

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline in global and local economic activities. The extent to which the COVID-19 pandemic will impact the Group results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Group.

61 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 29, 2020.

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

per NAVNEET RAI KABRA
Partner
Membership No. 102328

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

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

For and on behalf of the Board

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

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

Hyderabad, May 29, 2020

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies.

PART A: Subsidiaries

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency	Share Capital	Other Equity	Total Liabilities	Total equity & Liabilities	Total Assets	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Extent of shareholding (In percentage)
1	NCC Urban Infrastructure Limited	8-Dec-2006	INR	150.00	7.88	679.13	837.01	837.01	113.61	229.43	1.54	(0.27)	1.81	80%
2	NCC Infrastructure Holdings Limited	27-May-2005	INR	708.94	(302.59)	94.28	500.63	500.63	487.62	0.48	(73.92)	0.00	(73.92)	62.82%
3	Samashiti Gas Energy Limited	29-Sep-2010	INR	0.05	(0.05)	-	-	-	-	-	-	-	-	100%
4	NCC Infra Limited	28-Nov-2011	INR	17.90	(0.20)	-	17.70	17.70	-	-	(0.01)	-	(0.01)	100%
5	NCC Vizag Urban Infrastructure Limited	25-Jan-2006	INR	52.63	(25.76)	192.34	219.20	219.20	-	-	(0.04)	-	(0.04)	95%
6	OB Infrastructure Limited	31-Mar-2006	INR	14.76	129.91	182.56	327.23	327.23	113.87	89.64	(0.95)	0.59	(1.54)	64.02%
7	Patnitop Ropeway & Resorts Limited	13-Feb-2007	INR	1.05	(1.05)	-	-	-	-	-	-	-	-	100%
8	NCC International Convention Centre Limited	5-Dec-2008	INR	1.00	(1.00)	-	-	-	-	-	-	-	-	100%
9	NCC Oil & Gas Limited	6-Oct-2010	INR	-	-	-	-	-	-	-	0.05	-	0.05	80%
10	Vaidehi Avenues Limited	1-Apr-2011	INR	5.16	(0.08)	0.18	5.26	5.26	0.05	0.00	0.03	-	0.02	100%
11	Aster Rail Private Limited	30-Jul-2013	INR	3.10	(6.61)	6.80	3.29	3.29	-	18.40	0.82	0.20	0.62	100%
12	Pachwara Coal Mining Private Limited	1-Jun-2016	INR	0.20	0.84	33.95	34.99	34.99	-	87.84	2.32	0.39	1.93	51%
13	Talalpalli Coal Mining Private Limited	25-Dec-2017	INR	0.09	(0.33)	0.25	0.01	0.01	-	-	(0.00)	-	(0.00)	51%
14	Savitra Agri Industrial Park Private Limited	17-Feb-2017	INR	0.12	62.98	0.01	63.10	63.10	-	-	(0.06)	-	(0.06)	100%
15	CSVS Property Developers Private Limited	13-Feb-2007	INR	0.05	1.78	0.00	1.83	1.83	-	-	(0.00)	-	(0.00)	100%
16	Dhatri Developers & Projects Private Limited	13-Feb-2006	INR	0.10	6.29	0.00	6.39	6.39	-	-	(0.00)	-	(0.00)	100%
17	JIC Homes Private Limited	12-Feb-2007	INR	0.05	1.77	0.00	1.83	1.83	-	-	(0.01)	-	(0.01)	100%
18	M A Property Developers Private Limited	17-Feb-2007	INR	0.05	1.69	0.00	1.74	1.74	-	-	(0.01)	-	(0.01)	100%
19	Mallelanam Property Developers Private Limited	15-Mar-2007	INR	0.05	0.93	0.00	0.98	0.98	-	-	(0.02)	-	(0.02)	100%
20	Sushanti Housing Private Limited	12-Feb-2007	INR	0.05	1.69	0.00	1.74	1.74	-	-	(0.01)	-	(0.01)	100%
21	Sradha Real Estates Private Limited	16-Mar-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	0.00	-	0.00	100%
22	Sushrutha Real Estate Private Limited	13-Feb-2006	INR	0.10	1.67	0.00	1.77	1.77	-	-	(0.00)	-	(0.00)	100%

(₹ in Crores)

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency	Share Capital	Other Equity	Total Liabilities	Total equity & Liabilities	Total Assets	Investments	Turnover	Profit/(Loss) before Taxation	Provision for taxation	Profit/(Loss) after Taxation	Extent of shareholding (In percentage)
23	Sri Raga Nivas Ventures Private Limited	7-Mar-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	0.14	-	0.14	100%
24	Sushanti Avenues Private Limited	13-Feb-2006	INR	0.10	4.56	0.00	4.66	4.66	-	-	(0.01)	-	(0.01)	100%
25	Vera Avenues Private Limited	13-Feb-2007	INR	0.05	1.35	0.00	1.40	1.40	-	-	(0.01)	-	(0.01)	100%
26	Vara Infrastructure Private Limited	9-Mar-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	0.00	-	0.00	100%
27	NJC Avenues Private Limited	9-Apr-2007	INR	0.05	(0.14)	134.49	134.40	134.40	-	-	(0.00)	-	(0.00)	100%
28	Siripada Homes Private Limited	3-Apr-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	0.00	-	0.00	100%
29	Nagarjuna Suites Private Limited	14-Sep-2011	INR	0.01	(0.01)	0.00	0.00	0.00	-	-	0.00	-	0.00	100%
30	NCC Urban Ventures Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%
31	NCC Urban Homes Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%
32	NCC Urban Meadows Private Limited	11-Sep-2012	INR	0.01	(0.01)	0.00	0.00	0.00	-	-	0.00	-	0.00	100%
33	NCC Urban Villas Private Limited	11-Sep-2012	INR	0.01	(0.01)	0.00	0.00	0.00	-	-	0.00	-	0.00	100%
34	Nagarjuna Construction Company International L.L.C.	17-Jan-2007	OMR	251.51	(173.14)	376.81	455.18	455.18	3.40	316.60	(35.84)	0.57	(36.41)	100%
35	NCC Infrastructure Holdings Mauritius Pte Limited	27-Apr-2006	USD	203.01	(147.78)	272.41	327.65	327.65	14.17	-	(6.29)	-	(6.29)	100%
36	Al Mubarakia Contracting Co. L.L.C.	7-Jul-1997	AED	2.06	(2.06)	0.01	0.01	0.01	-	-	(0.11)	-	(0.11)	100%
37	Nagarjuna Contracting Co. L.L.C.	20-Jun-2005	AED	0.62	(0.64)	0.02	0.00	0.00	-	-	2.06	-	2.06	100%
38	NCC WILL	10-Jul-2013	QAR	-	-	-	-	-	-	-	0.89	-	0.89	100%
39	NCCA International Kuwait General Contracts Company L.L.C.	10-Jan-2007	KWD	6.09	(2.98)	-	3.11	3.11	-	-	(0.05)	-	(0.05)	100%

Note:

- Exchange rate as on 31.03.2020: Omani Rial = ₹ 196.218, AED = ₹ 20.57, US\$ = ₹ 75.54, KWD = ₹ 243.62, QAR = ₹ 20.75.
- Reporting period for all subsidiaries is same as of holding company i.e., 1st April to 31st March.
- During the year, the name of NCC Oil & Gas Limited was struck off from the Register of Companies maintained by the ROC office and the company was dissolved, pursuant to application filed by the company on March 30, 2019.
- During the year, the subsidiary company Nagarjuna Construction Co. Ltd. & Partners L.L.C., got liquidated.
- During the year, the subsidiary company NCC WILL got liquidated.
- Proposed dividend from the subsidiaries is NIL.

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies
Part B: Associates

S. No.	Name of associates	Latest audited Balance Sheet Date	Shares of Associate by the company on the year end		Description of significant influence	Reason for non-consolidation	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year Considered in consolidation
			No.	Amount of Investment				
1	Brindavan Infrastructure Company Limited	31-Mar-20	8,643,036	3.46	33.33%	NA	12.45	(0.04)
2	Paschal Form Work (India) Private Limited	31-Mar-20	6,549,892	6.91	23.35%	NA	0.92	(1.09)
3	Nagarjuna Facilities Management Services L.L.C.	31-Mar-20	147	0.17	49.00%	NA	-	-
4	Himalayan Green Energy Private Limited	31-Mar-20	1,000,000	4.71	50.00%	NA	(7.18)	-
5	Apollonius Coal and Energy Pte. Ltd.	31-Mar-20	3,778,757	7.79	44.22%	NA	12.91	(5.96)
6	Pondicherry Tindivanam Tollway Limited	31-Mar-20	3,388,040	33.51	47.80%	NA	(12.99)	(3.87)
7	Ekana Sportz City Private Limited	31-Mar-20	2,268,000	22.68	26.00%	NA	23.26	0.13
8	Varapradha Real Estates Private Limited	31-Mar-20	13,344,973	71.50	40.00%	NA	74.20	0.21

Note:

- 1 During the year investment in Tellapur Technocity Private Limited was divested.
- 2 Tellapur Technocity (Mauritius) is under liquidation.

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