

NCC Limited

Corporate Presentation

February 2018



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Table of Contents



		Page No.
1	Company Overview	4
2	Business Verticals	7
3	Key Investment Highlights	15
4	Company Strategy	25
5	Annexure	28

COMPANY OVERVIEW

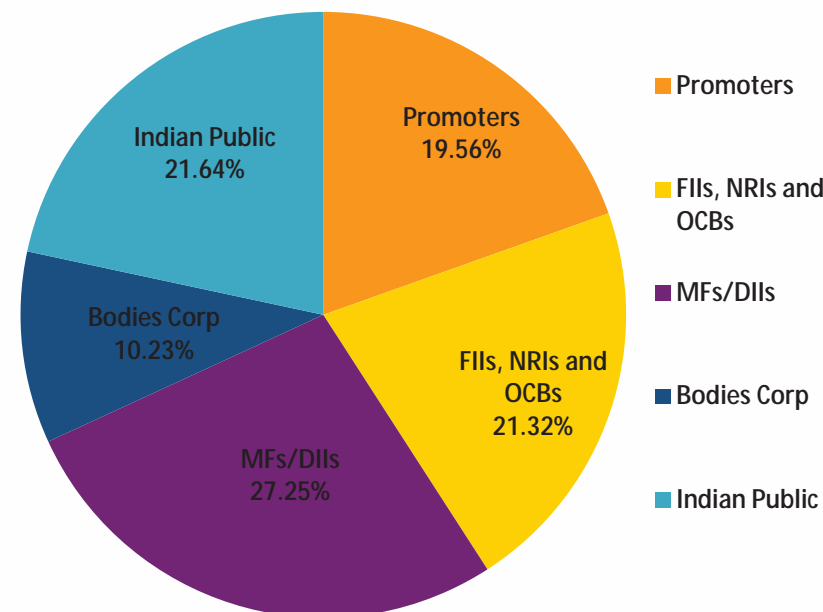
Company Snapshot (1/2)



Overview

- One of the **largest Indian construction companies** in terms of revenues
- **Well diversified order book** with presence across buildings & housing, roads, water & environment, irrigation, electrical, metals, mining and railways
- **Pan India presence** with offices across 13 cities in key states such as Maharashtra, Andhra Pradesh, Telangana, Karnataka, Gujarat, Uttar Pradesh, West Bengal, Tamil Nadu, etc.
- **Experienced Management and skilled workforce** which includes 5,069 employees (including 3,346 Technical), currently executing around 120 active sites at various locations (As on December 31, 2017)
- **Order Book of INR 316 bn** as on Dec 31, 2017. New orders of INR 216 bn received up to Dec 31, 2017.
- **Market capitalization:** INR 74.99 bn as on Feb 16, 2018
- **Key projects executed:**
 - Agra Lucknow Expressways – Uttar Pradesh
 - ESI Hospital and Medical College, Gulbarga, Karnataka
 - Outer ring Road, Hyderabad Growth Corridor – Telangana
 - Infrastructure development, Ministry of Defence - Arunachal Pradesh
 - Water Supply Project, Rajkot - Gujarat
- **Major investors** having stake in the Company:
 - Rekha and Rakesh Jhunjhunwala
 - Reliance Capital Trus
 - Government Pension Fund
 - UTI
 - DSP Blackrock

Shareholding – As on December 31, 2017



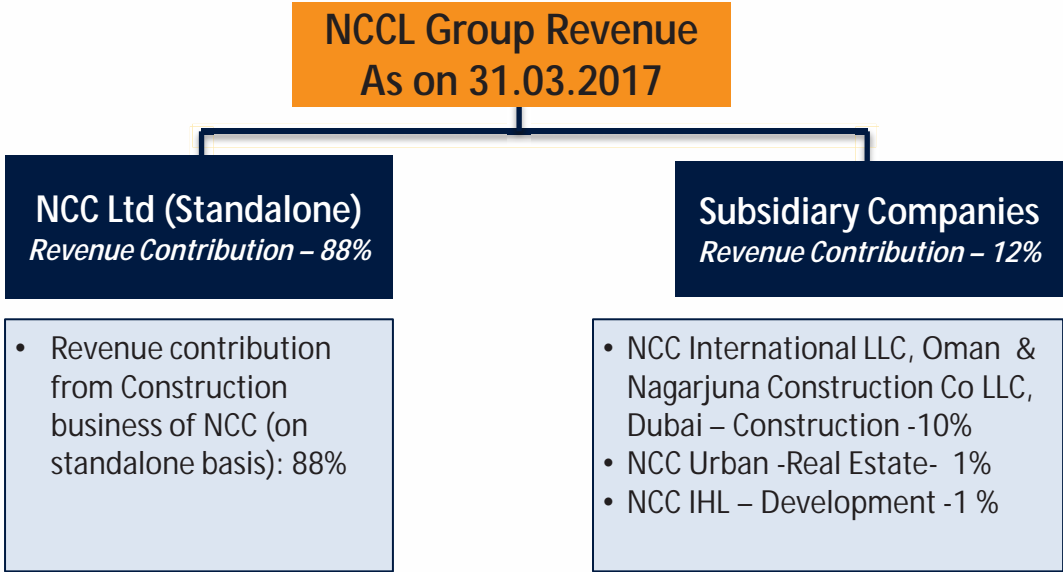
Company Snapshot (2/2)



Key Milestones

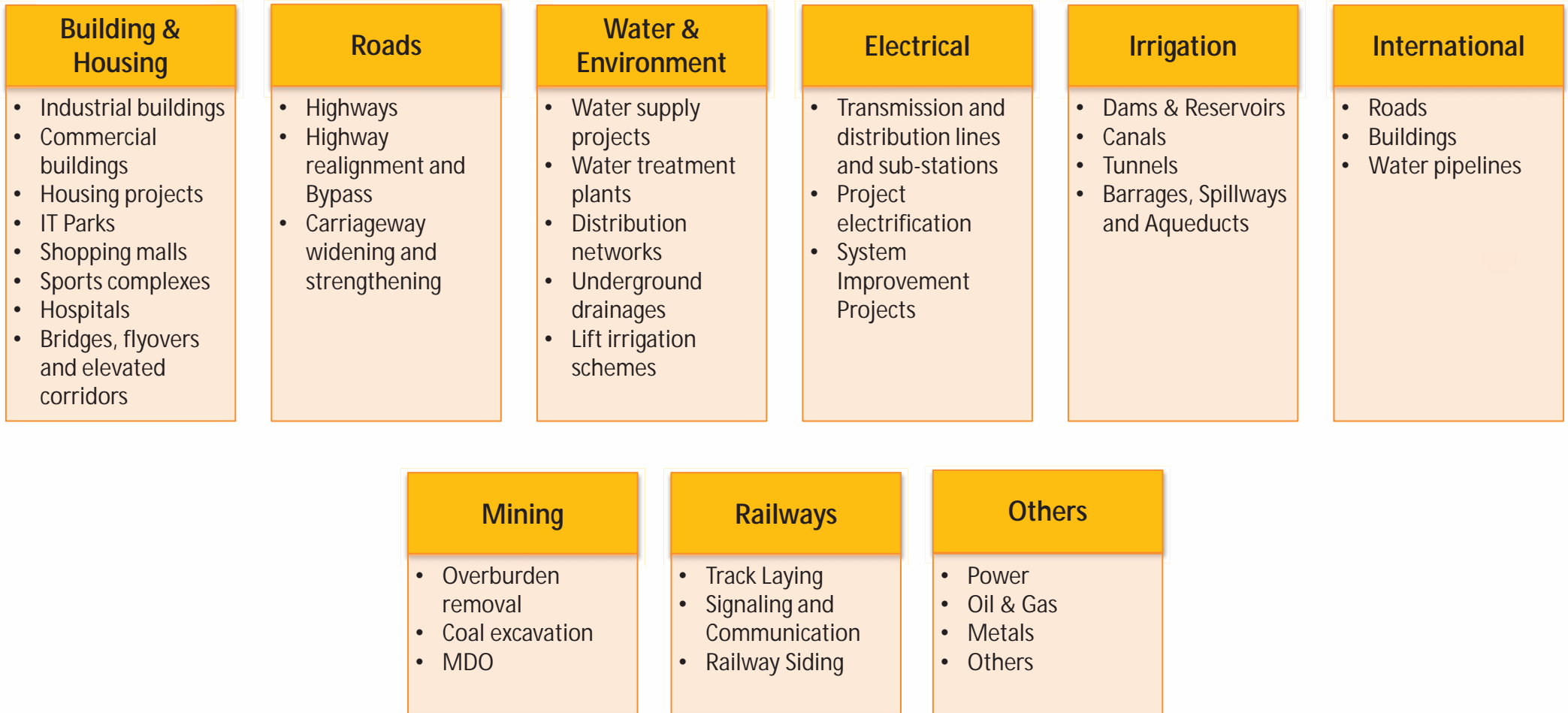


Group Business Structure



BUSINESS VERTICALS

Operating Divisions

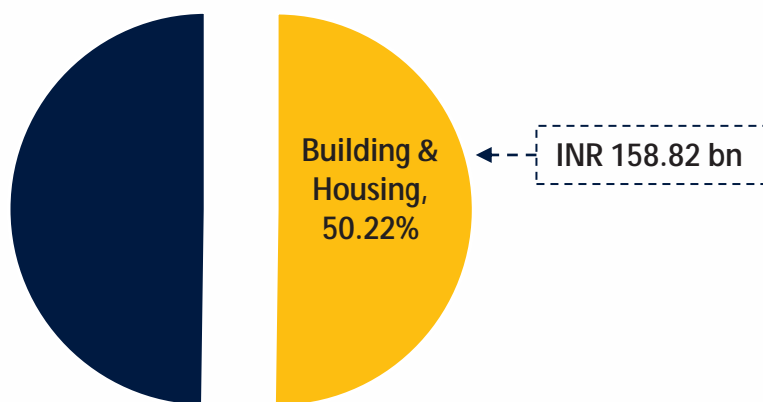


Diversified operations across various divisions help mitigate business risks

Building & Housing



Order Book (As on December 31, 2017)



Key Clientele

Client Name
Uttar Pradesh Housing & Development Board
Tamil Nadu Housing Board
Nagpur Metro Rail Corporation Ltd.
NBCC Limited
Bangalore Metro Rail Corporation,
Lucknow Development Authority
Indian Institute of Management

Details of Major Projects Completed

Project Name	Location	Project Cost (INR bn)
ESIC Hospital & Medical College	Gulbarga, Karnataka	10.73
Infrastructure Development Works, Ministry of Defence	Arunachal Pradesh	7.76
VIMS Hospital	Bihar	5.40
Rajiv Gandhi Institute of Petroleum Technology	Uttar Pradesh	3.11

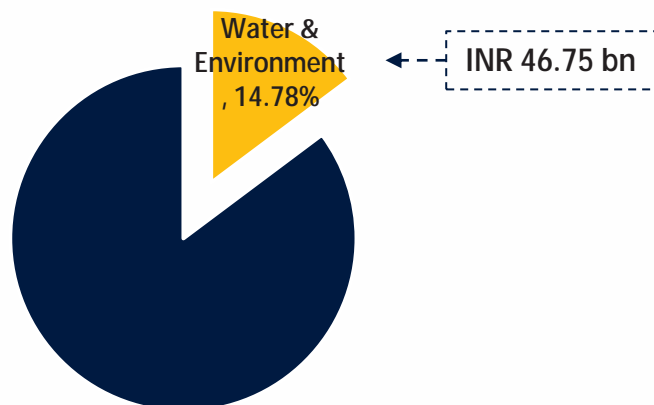
Details of Major Projects Under Execution

Project Name	Location	Project Cost (INR bn)
Housing Projects (7) - APTIDCO,	7 Locations in AP	60.57
Housing Project- NBCC,	New Delhi	19.49
Pune Metro Package-1 & 2	Maharashtra	8.47
Bangalore Metro Rail Project	Karnataka	5.09
Housing Project UP Hsg & Devt. Board	Uttar Pradesh	5.46
Housing Project UP Hsg & Devt. Board	Uttar Pradesh	5.46

Water & Environment



Order Book (As on December 31, 2017)



Key Clientele

Client Name
Gujarat Water Supply and Sewerage Board
Hyderabad Metropolitan Water Supply and Sewerage Board
Chennai Metropolitan Water Supply and Sewerage Board
Govt of Telangana
Public Health Engineering Department, Rajasthan
Public Works Departments, Government of West Bengal

Details of Major Projects Completed

Project Name	Location	Project Cost (INR bn)
Water Supply Project – Sauni Yojana – Package -2	Gujarat	8.07
Water Supply Project - Sauni Yojna – Package 1	Gujarat	4.28
Water supply project - Melur	Tamilnadu	3.67
Water supply project - Bhilwara	Rajasthan	2.90

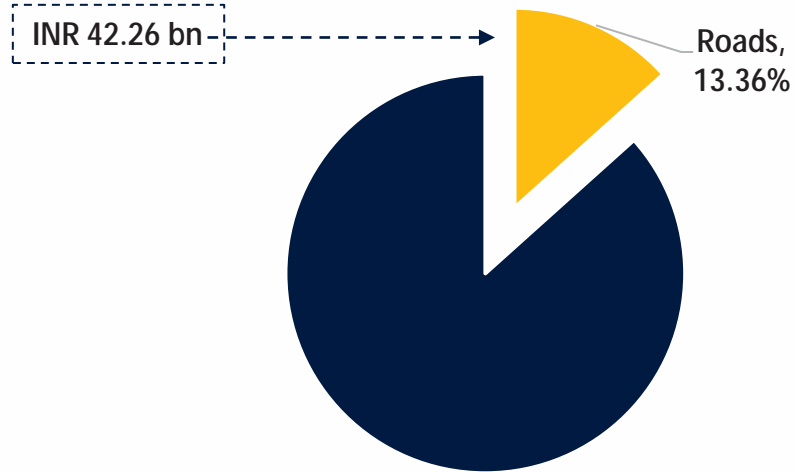
Details of Major Projects Under Execution

Project Name	Location	Project Cost (INR bn)
Water Supply Project - Rangareddy,	Telangana.	14.45
Water Supply Project - Sauni Yojana Link 4, Pkg 6)	Gujarat	7.02
Water Supply project - Warn gal	Telangana.	7.50
Water Supply project - HMWSSB	Hyderabad	5.33

Roads



Order Book (As on December 31, 2017)



Details of Major Projects Completed

Project Name	Location	Project Cost (INR bn)
Agra Lucknow Expressways	Uttar Pradesh	15.60
Outer ring Road Project - package II & III	Hyderabad	7.61

Key Clientele

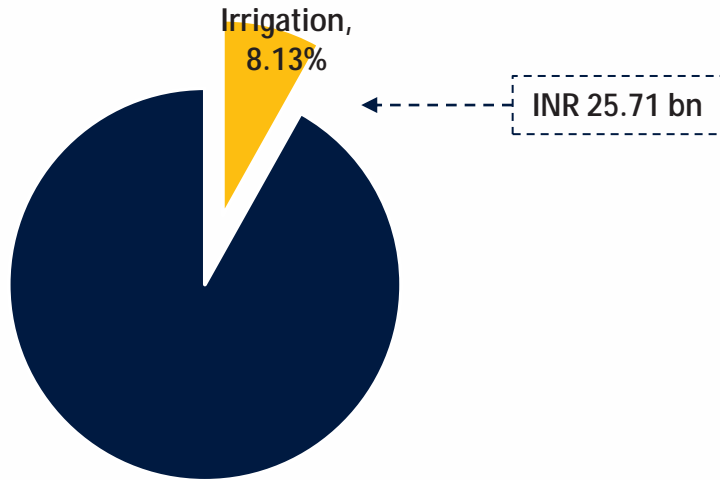
Client Name
National Highways Authority of India
UP Expressways Industrial Development Authority
Capital City Development and Management Corporation, vijayawada
Amaravati Development Corporation
Hyderabad Growth Corridor Limited

Details of Major Projects Under Execution

Project Name	Location	Project Cost (INR bn)
Capital City Development and Management Corporation	Andhra Pradesh	2.15
Amaravati Development Corporation (6)	Andhra Pradesh	29.54

Irrigation

Order Book (As on December 31, 2017)



Key Clientele

Client Name
Sardar Sarovar Narmada Nigam Limited
Water Resources Department, Govt. of Bihar
Water Resources Department, Govt. of Chattisgarh
Govt. of Andhra Pradesh, Water resources department

Details of Major Projects Completed

Project Name	Location	Project Cost (INR bn)
Gandak Canal Project	Bihar	5.31
Sardar Sarovar Narmada Nigam Ltd.	Gujarat	4.47
Water Resources Dept. Birpur	Bihar	1.53

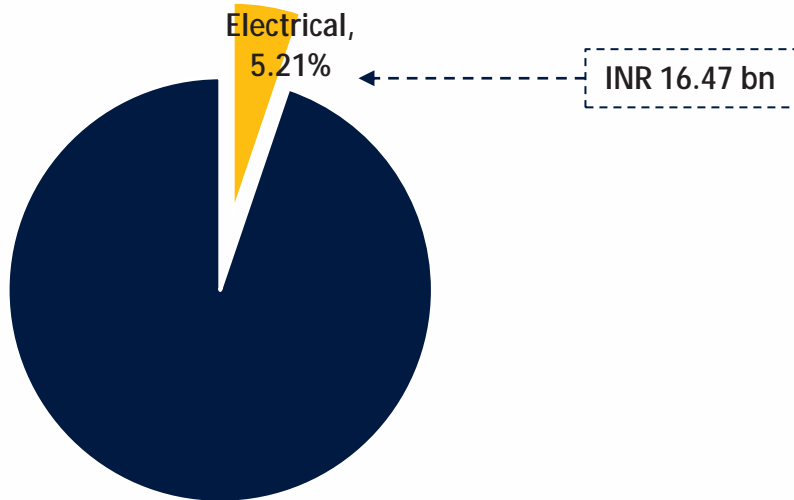
Details of Major Projects Under Execution

Project Name	Location	Project Cost (INR bn)
Lift Irrigation Project (PRLIS)	Telangana	13.78
Saradhi Barrage project	Chattisgarh	3.99
Formation of Reservoir project – Baswapur	Telangana	4.58
Moderanisation of Midpennar South Canal	Andhra Pradesh	2.48

Electrical



Order Book (As on December 31, 2017)



Key Clientele

Client Name
Purvanchal vidyut Vitran Nigam Limited
Dakshinanchal Vidyut Vitran Nigam Limited
Madhyanchal Vidyut Vitran Nigam Limited
West Bengal State Electricity Distribution Co Ltd
Jharkhand Bijili Vitran Nigam Limited
Power Grid Corpn.of India Ltd
Maharashtra State Road Development Corporation Ltd

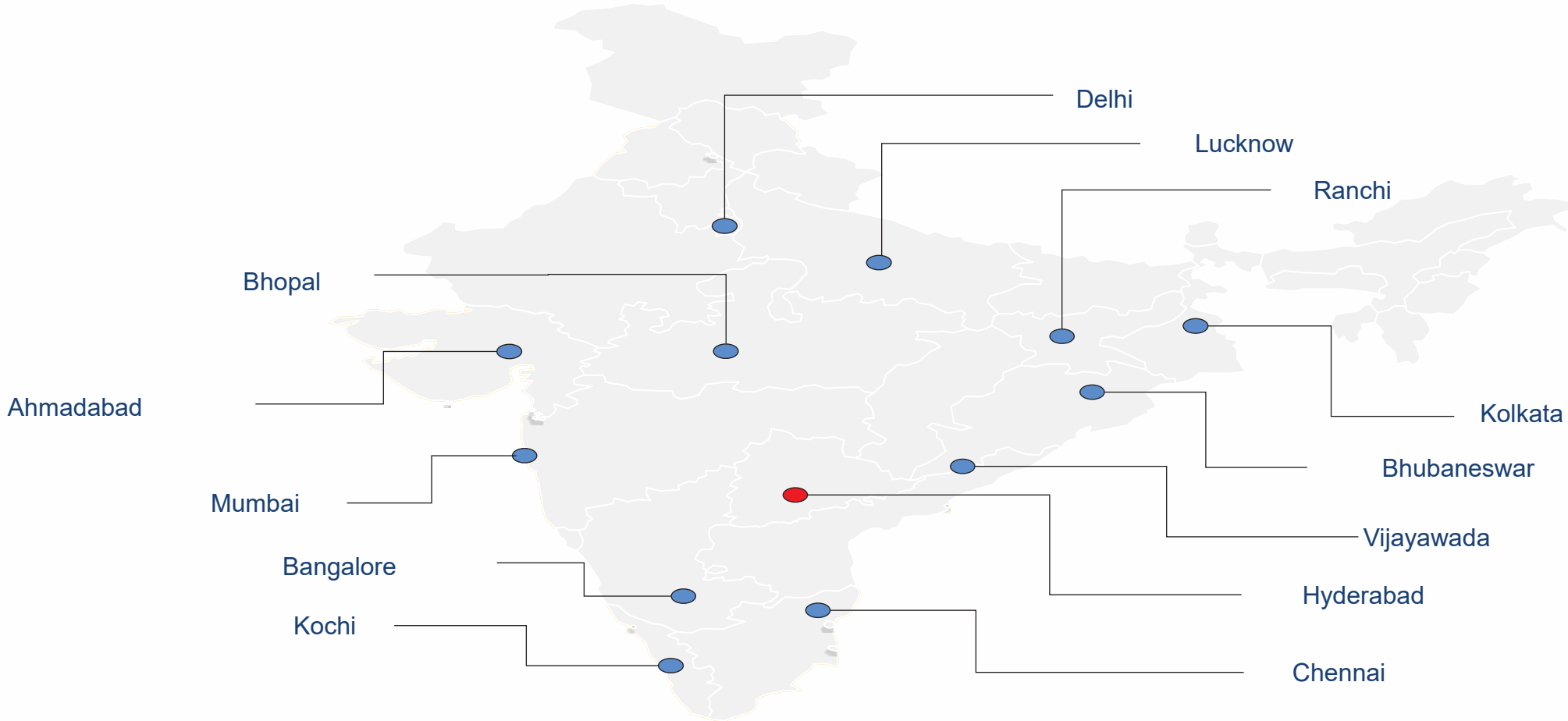
Details of Major Projects Completed

Project Name	Location	Project Cost (INR bn)
TG&D Corpn Ltd, Chennai-Erode	Tamilnadu	2.54
PVNL- RGGY - Phase II Allahabad	Uttar Pradesh	1.65
Power Grid Corpn.of India Ltd. TW- 01 & TW-02	Andhra Pradesh	1.31
MSEDCL – Nashik	Maharashtra	0.74

Details of Major Projects Under Execution

Project Name	Location	Project Cost (INR bn)
Jharkhand Bijili Vitran Nigam Limited, Ranchi	Jharkhand	3.02
Kerala State Electricity Board	Kerala	2.43
DDUGJY - Dumka	Jharkhand	3.00
DDUGY- Auraiya	Uttar Pradesh	1.67

Pan India Presence



Regional offices controlled by Directors and / or senior management facilitate efficient and timely decision making

KEY INVESTMENT HIGHLIGHTS

Key Investment Highlights



1 Strong Execution Track Record	<ul style="list-style-type: none">• More than three decades of experience in completing numerous construction projects across roads, buildings, bridges, irrigation & mining etc with timely execution
2 Diversified Order Book across Industry Segments and Geography	<ul style="list-style-type: none">• Robust and regionally diversified order book diversified across 24 states in India with strong counterparties• Order book of INR 316 bn (as on Dec 31, 2017) and order book to sales ratio of 3.6x provides strong cash flow visibility for next 3 years
3 Robust Financials with Strong Credit Rating	<ul style="list-style-type: none">• Company has had stable financial performance in terms of margins and return metrics along with low leverage• India Ratings and ICRA have assigned the rating of A- in view of reduction in principal repayments, improving EBITDA Margins, lower than expected debt and plans for further asset sale.
4 Professional Board with Strong Corporate Governance	<ul style="list-style-type: none">• Board comprising of 5 Executive, 3 Non-executive non-independent and 4 Independent directors• Strong Corporate Governance due to institutional ownership and presence of independent directors in board & various committees
5 Favorable Industry Dynamics	<ul style="list-style-type: none">• Various initiatives such as Bharat Mala, Sagar Mala, Pradhan Mantri Awas Yojna, Namami Gange Programme, Freight Corridors, Industrial Corridors, Smart Cities, etc. to provide additional impetus to Construction industry



Strong Track Record



Details of Major Projects Completed

Project Name	Location	Project Cost (INR bn)	Year of completion
Agra Lucknow Expressways	Uttar Pradesh	15.60	2017-18
ESIC Hospital & Medical College	Karnataka	10.73	2014-15
IISCO Steel plant Blast furnace	West Bengal	7.84	2014-15
Water Supply Project	Gujarat	8.07	2016-17

Details of Major Projects Under Execution

Project Name	Location	Project Cost (INR bn)
Housing Projects (7) - APTIDCO,	7 Locations in AP	60.57
Housing Project- NBCC,	New Delhi	19.49
Amaravati Development Corporation (6)	Andhra Pradesh	29.54
Water Supply Project	Telangana	14.45
Pune Metro Package-1 & 2	Maharashtra	8.47
Bangalore Metro Rail Project	Karnataka	5.09
Lift Irrigation Project (PRLIS)	Telangana	13.78

Ability to Win Large Projects

Demonstrated ability to bid for and win large projects

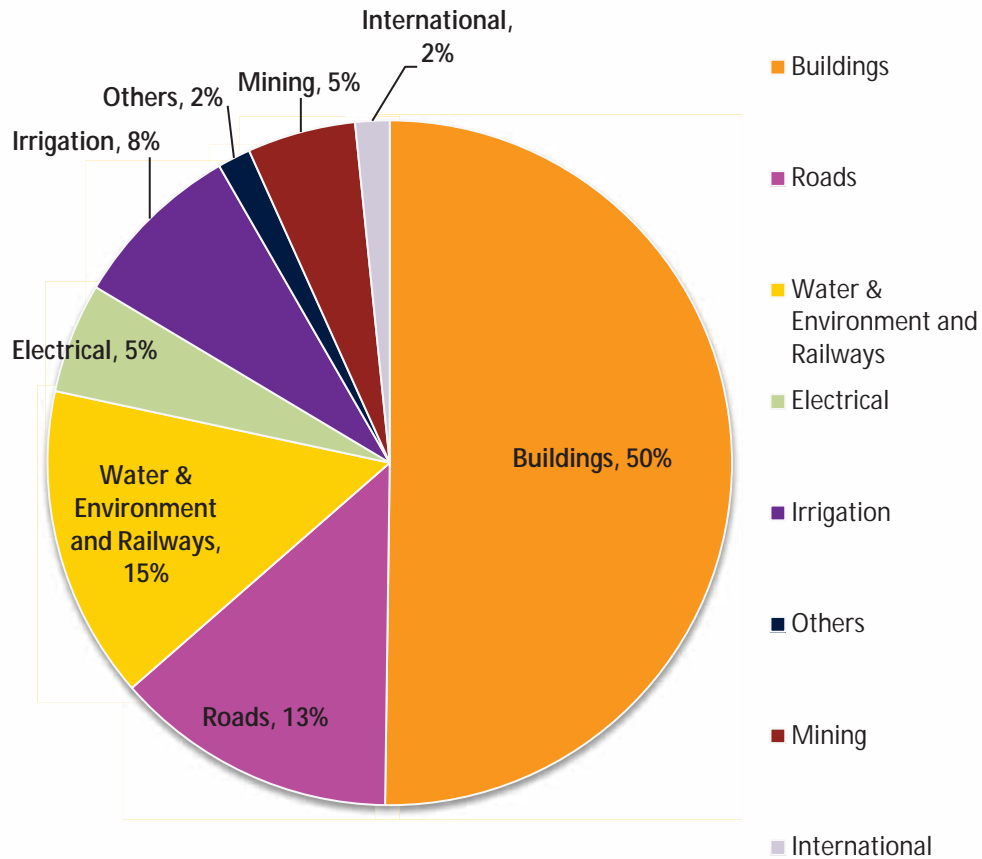
- Outer ring Road Projects in Amaravathi Capital city, AP: INR 20.46 bn (two packages)
- Andhra Pradesh Township Infra Development Corporation: INR 20.13 bn (two packages)
- Building Project by NBCC, Nauroji Nagar, New Delhi: INR 19.49 bn
- UP Expressways Development Authority : INR 16.75 bn
- APTIDCO (7 packages)- INR 60.57 bn

Key Clientele

Client Name		
Indian Railway	Power Grid	Indian Oil
Coal India	CIDCO	Airport Authority of India
National Aluminum Company	Steel Authority of India	Hyderabad Growth Corridor
National Highways Authority of India	Bharat Heavy Electricals	Maharashtra Airport Development
NTPC	NBCC	Indian Army

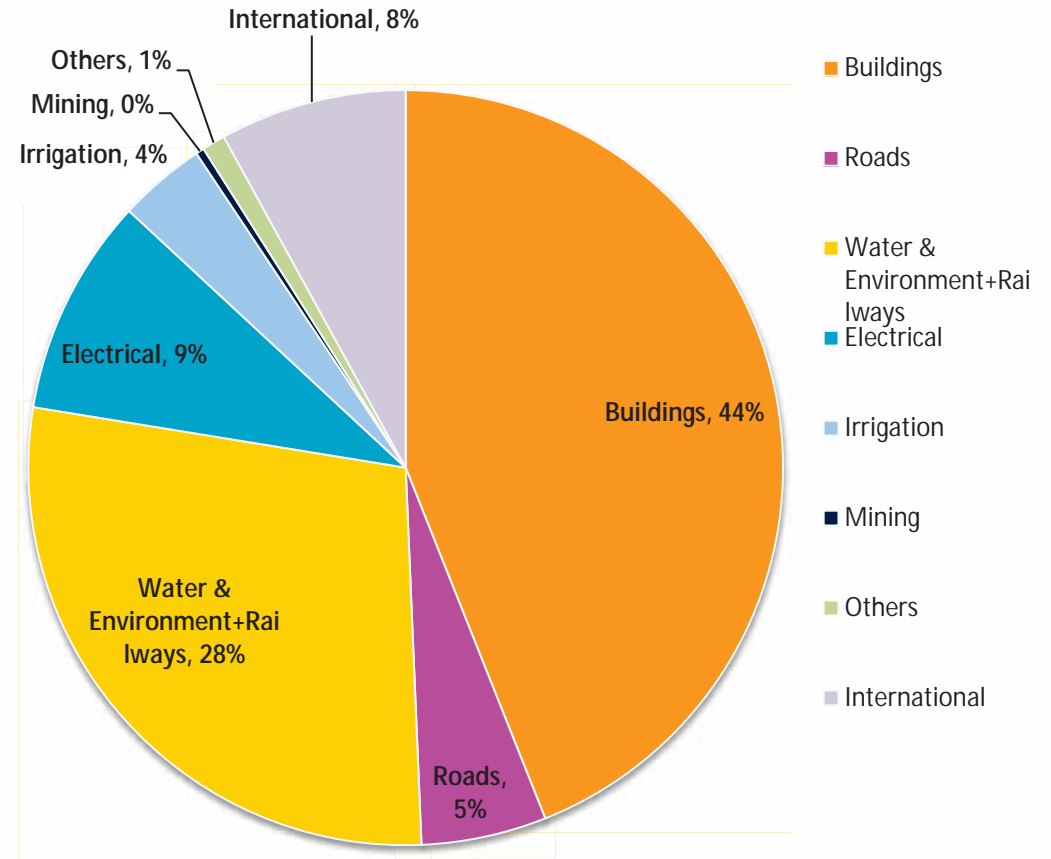
Total Order Book: Rs. 316.27 Bn

(as on December 31, 2017)



Total Turnover: Rs. 55.95 Bn

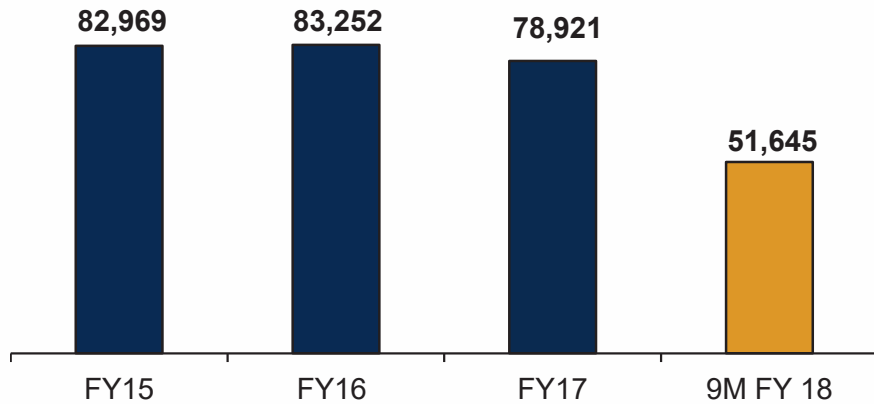
(as on December 31, 2017)



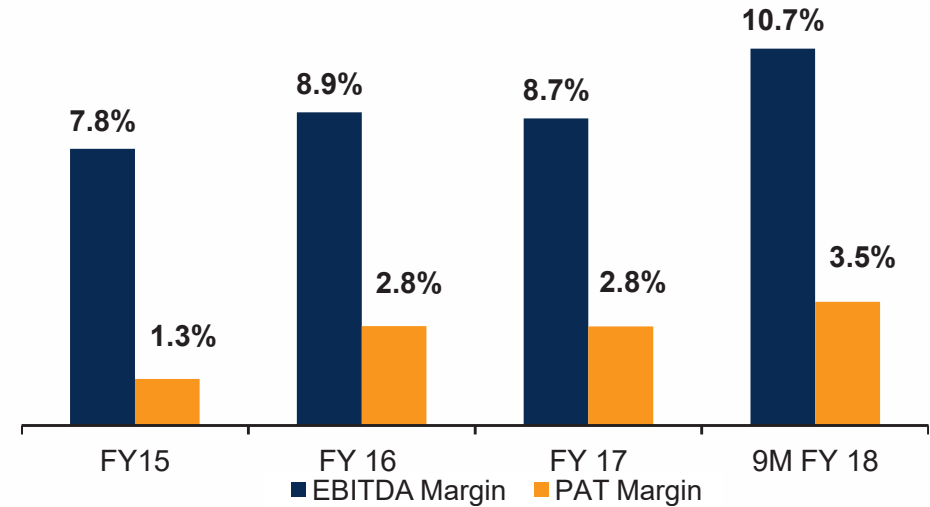
Robust Financials with Strong Credit Rating (1/2)



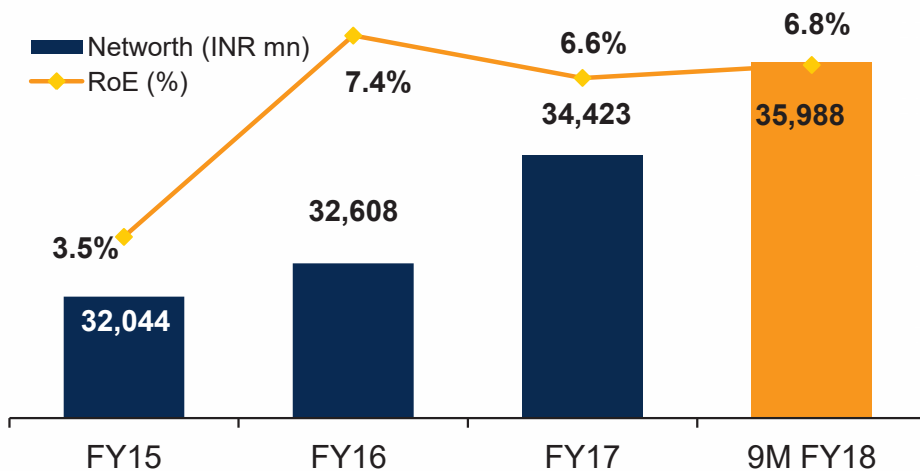
Revenue (INR mn)



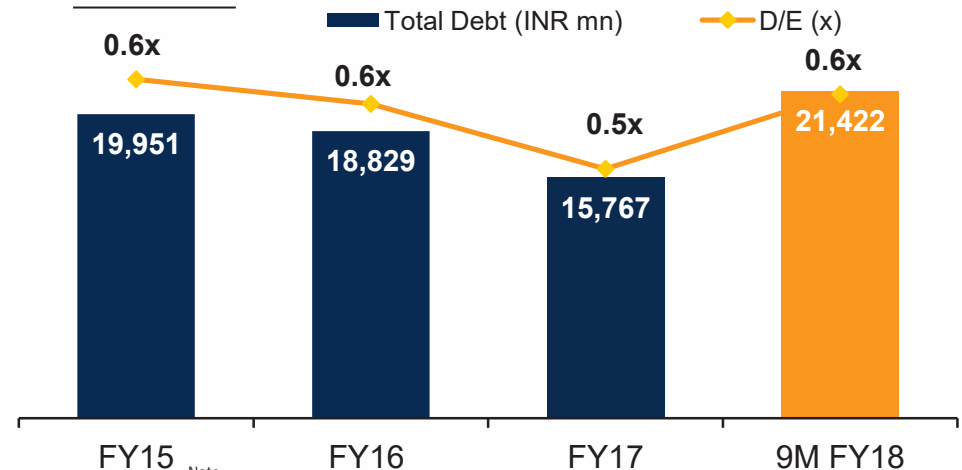
Margins



Return on Equity



Leverage

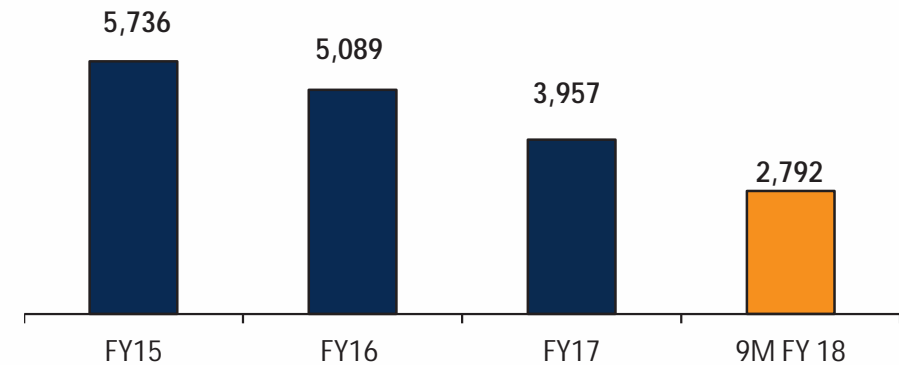


Note:
 1. All figures are derived from standalone financials
 2. Figures for FY15 are based on IGAAP standard; Figure for FY16, FY17 and H1FY18 are based on IndAS
 3. EBITDA Margin: EBITDA / Operating Revenue; PAT Margin = PAT / Total Revenue;
 4. RoE = PAT / Net Worth

Finance Cost Comprises of:

- Interest on Working Capital Loans
- Interest on Mobilization Advances
- Commission on Bank Guarantees and Letter of Credits
- Other Financial Charges

Reduction in Finance Cost (INR mn)



Financial Assistance from Banks (As on Dec 31, 2017)

Sl. No.	Particulars	Limit (INR bn)
1.	Cash Credit & WCDL	20.58
2.	Bank Guarantees	78.34
3.	Letter of Credit	7.51
	TOTAL	106.43

Rating of the Company:

- External rating of the company is "A-" with stable outlook with both the rating agencies i.e. ICRA and India Ratings
- India Ratings upgraded the rating from BBB+ to A- in view of reduction in principal repayments, improving EBITDA Margins, lower than expected debt and plans for further asset sale



Mr Hemant M Nerurkar
Chairman & Independent Director

He is a retired corporate executive with 44 years of experience



Mr A A V Ranga Raju
Managing Director

He has experience of 43 years in the construction and infrastructure development and allied fields



Mr A G K Raju
Executive Director

He has 35 years of experience in the construction industry, finance and manufacturing and allied fields



Mr A S N Raju
Wholetime Director

He has experience of 38 years in the construction industry



Mr A V N Raju
Wholetime Director

He has experience of 31 years in the construction industry



Mr J V Ranga Raju
Wholetime Director

He has experience of 33 years in the construction and infrastructure industry



Mr Utpal Sheth
Non-Executive Director

He is an investment analyst with 23 years of work experience



Mr Neeraj Mohan
Non-Executive Director

He is a Nominee Director of Blackstone Group



Ms Renu Challu
Independent Director

She is an Associate of the Indian Institute of Bankers and has an experience of 44 years in the banking industry and Corporate Management



Mr R V Shastri
Independent Director

He is a retired CMD of Canara Bank and has 48 years of experience



Dr. A. S. Durga Prasad
Independent Director

He is an accomplished executive with over 37 years experience in Financial Management and Cost Management in variety of industries

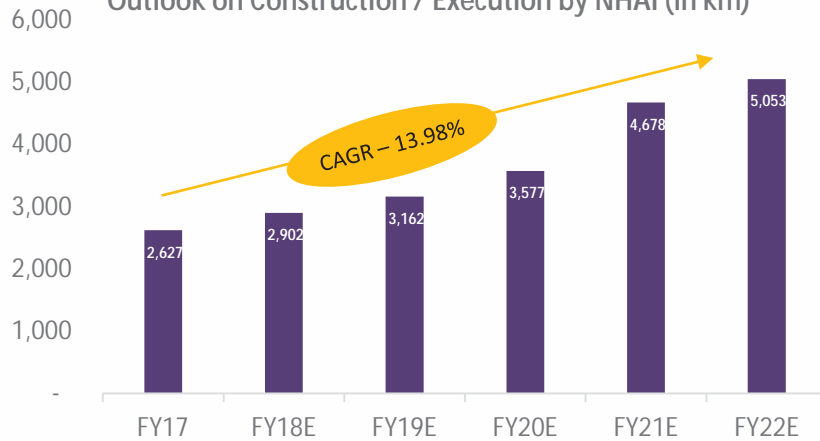


Mr S Ravi
Independent Director

He is a Sr. Advocate, High Court of Judicature at Hyderabad for the State of Telangana and the state of Andhra Pradesh and has experience in Taxation, Corporate Laws and Commercial Laws.

Roads

Outlook on Construction / Execution by NHAI (in km)

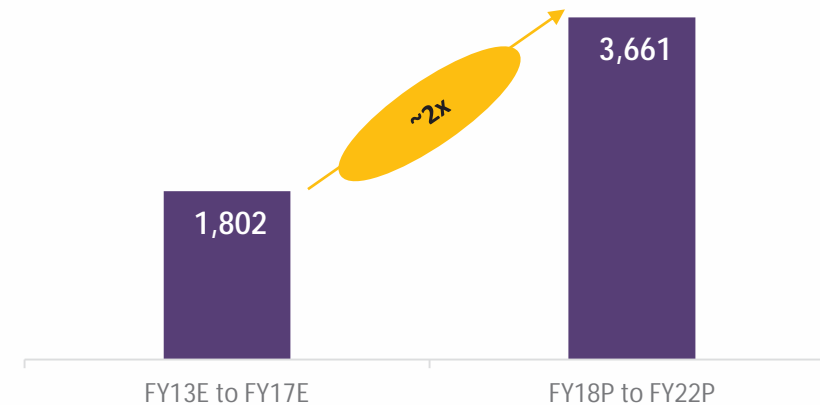


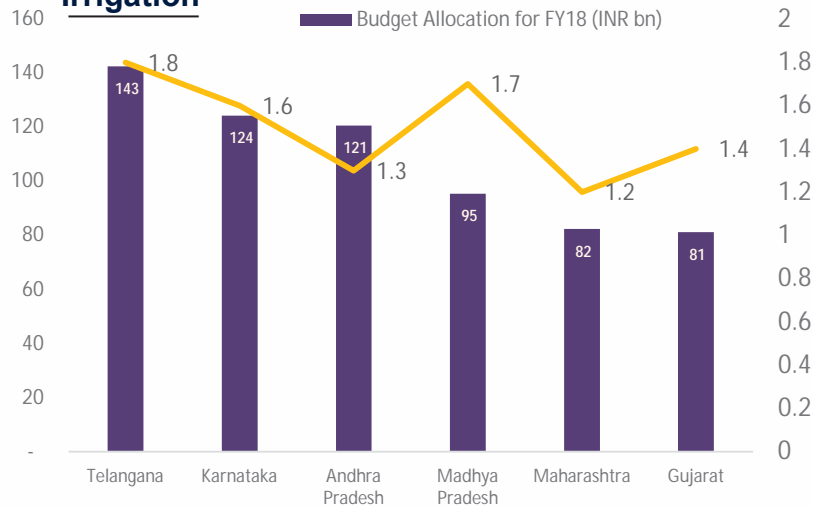
- Expected investment of **INR 4.3 tn** in **national highways** from FY18-22
- Expected investment of **INR 4.4 tn** in **state highways** from FY17-21
- Momentum on account of completion of remaining length of NHDP programme, new projects such as Bharat Mala, upgradation of SH to NH, four-laning of NH, and Pradhan Mantri Gram Sadak Yojna

Urban Infrastructure

- Construction spend in urban infrastructure to be **~INR 3.7 tn** between FY18-22
- In the Union Budget FY18, Centre allocated **INR 162.4 bn** for **Swachh Bharat**.
- Allocation of **INR 500 bn** for **five years (FY16-20)** under **AMRUT**, as against INR 360 bn spent under JNNURM over the past five years
- Construction spends on **metros** in India will **increase 1.9 times** to **~INR 1.1 tn** over the next five years
- Also, government has decided to develop **100 cities** as **smart cities**

Construction Spend in Urban Infra (INR bn)



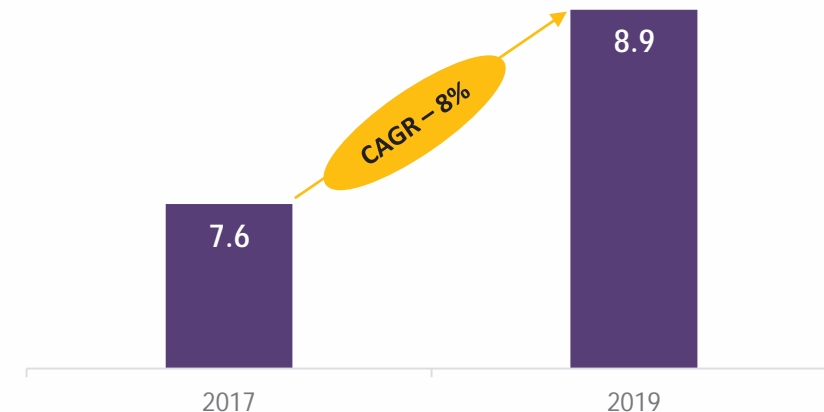
Irrigation

- Investments to **increase 1.4 times to touch INR 3 tn** between FY18-20
- With **only 50% of the land irrigated**, there is a huge unharnessed potential for further investments
- **Top six states** - Andhra Pradesh (including Telangana), Maharashtra, Karnataka, Gujarat, Madhya Pradesh and Uttar Pradesh – account for nearly **75% of the total investments** during 2012 to 2017
- Over 2017-18 to 2019-20 as well, the share of the **top six states are expected to remain at ~75%**, as investments in Andhra Pradesh, Karnataka, Madhya Pradesh and Gujarat rise significantly

Real Estate

- Projected to grow to **Rs 8.5-9 trillion by 2019**
- **Housing for All by 2022** provided a significant push to the housing sector
- Some of the schemes implemented by the government are:
 - **PMAY** - minimize the housing shortage faced by the urban poor
 - **Affordable housing** - Extension of CLSS to middle income group
 - Implementation of **RERA & GST**

Real Estate Industry (INR tn)



COMPANY STRATEGY

Asset Light Business Model

- Focus on core competency of the Company i.e. Construction Business (EPC and Item rate contracts) with asset light strategy
- Monetize BOT and Real Estate Assets exposure on a case to case basis
- Limited exposure to selective HAM projects in Roads

Focus on India

- With impetus of Government on development of Infrastructure and housing for all in India, focus on bidding for construction projects in India
- Exit from middle east construction business

Improving Operational Efficiency and Return Metrics

- Continuing efforts in improving operational efficiency and reduction of costs
- Focus on superior management and better control of projects by strengthening MIS and Review System
- Sustained efforts on improving EBITDA and Net Profit Margins
- Reduction of Debt and Interest Costs

Thank you



ANNEXURES

Division Wise Execution & Order book As on 31.12.2017

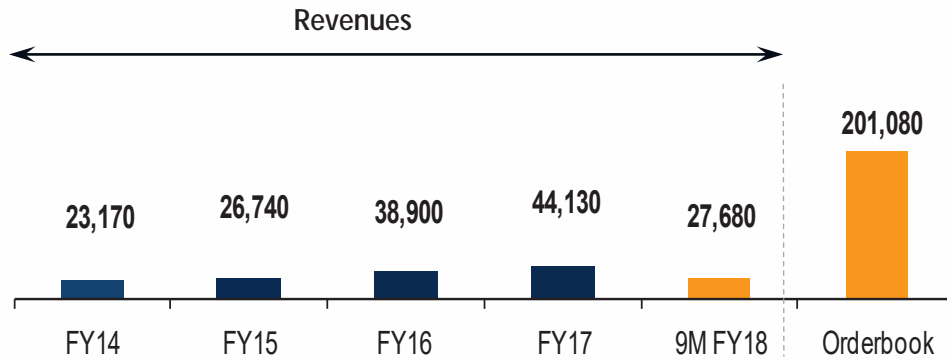


Particulars	Buildings	Roads	Water & Environment and Railways	Electrical	Irrigation	Others	Mining	International	TOTAL
(INR bn)									
Orders on Hand as on 01.04.2017	77.30	5.63	33.48	16.09	19.04	0.99	18.74	9.62	180.89
	43%	3%	19%	9%	11%	1%	10%	5%	100%
Add: New Orders Received	123.17	40.83	30.57	7.62	9.00	4.95	0.00	0.00	216.14
	57%	19%	14%	4%	4%	2%	0%	0%	100%
Less: Value of Works Executed	24.67	3.01	15.84	5.24	2.10	0.40	0.20	4.49	55.95
	44%	5%	28%	9%	4%	1%	0%	8%	100%
Balance as on 31.12.2017	175.80	43.45	48.21	18.47	25.94	5.54	18.54	5.13	341.08
	52%	13%	14%	5%	8%	2%	5%	2%	100%
Less: GST	16.98	1.19	1.46	2.00	0.23	0.60	2.35	0.00	24.81
Net Balance as on 31.12.2017	158.82	42.26	46.75	16.47	25.71	4.94	16.19	5.13	316.27
	50%	13%	15%	5%	8%	2%	5%	2%	100%

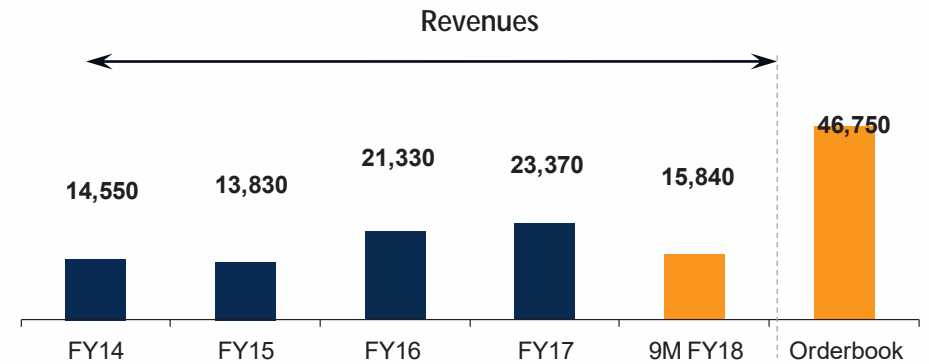
Divisional Performance as on December 31, 2017



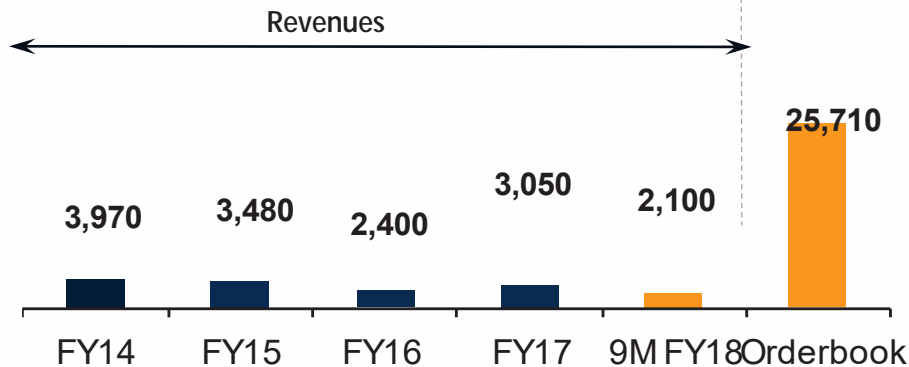
Buildings & Housing+ Roads (Rs. Mn)



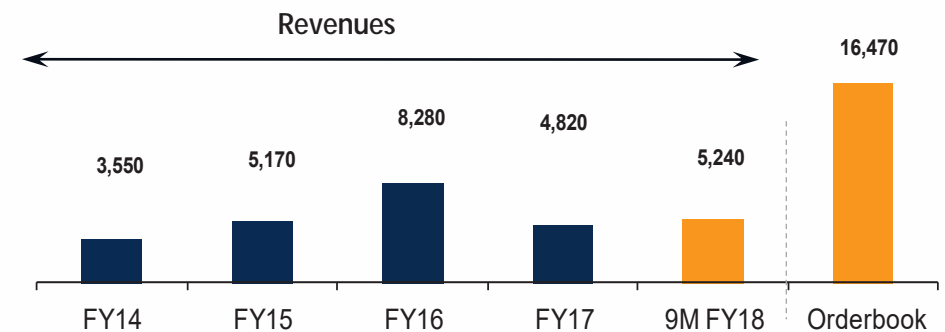
Water & Environment + Railways (Rs. Mn)



Irrigation (Rs. Mn)



Electrical (Rs. Mn)

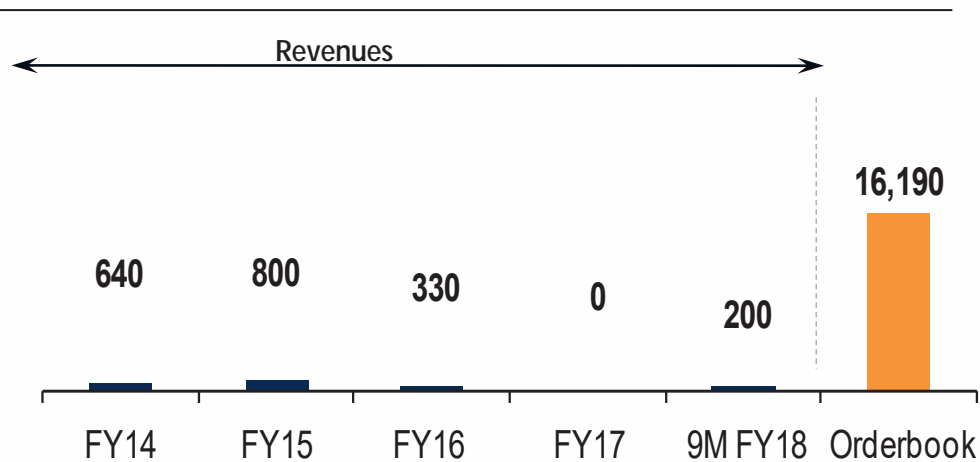


(1) Order book as on December 31, 2017

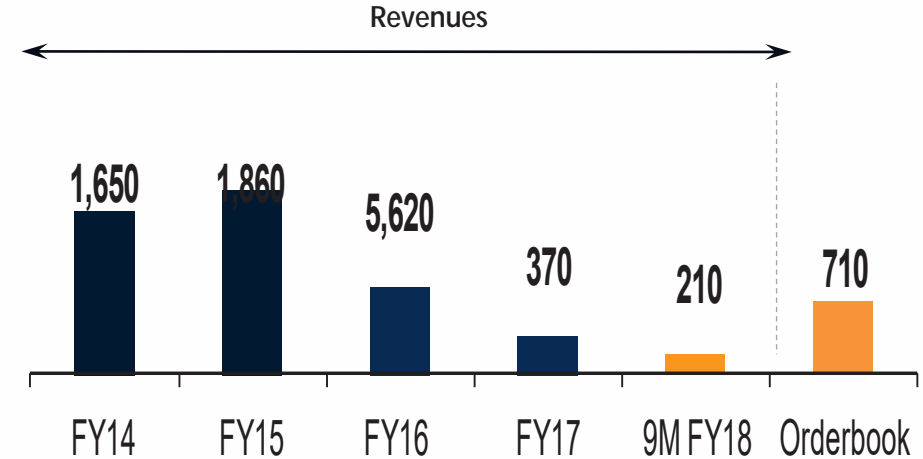
Divisional Performance as on December 31, 2017



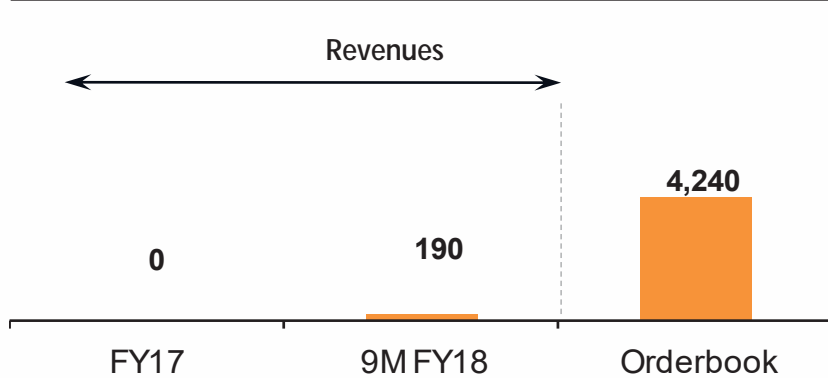
Mining (Rs. Mn)



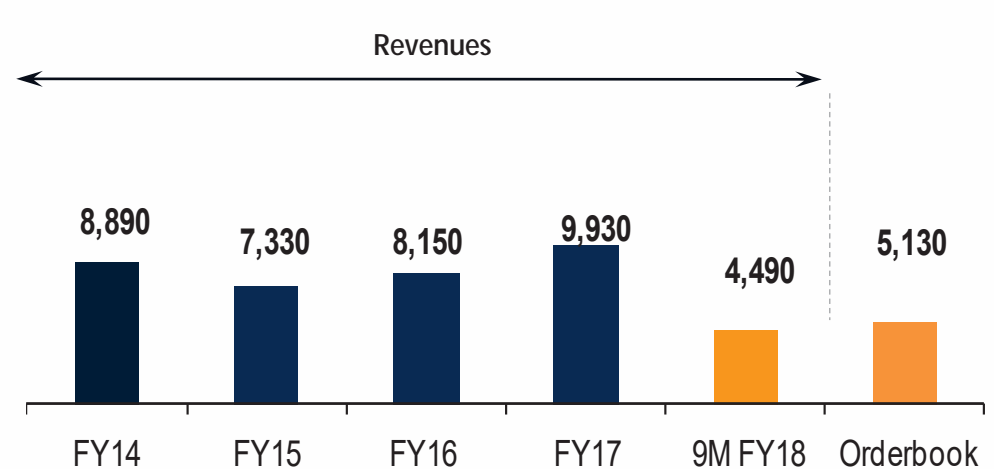
Power & Metals (Rs. Mn)



Others- Security Systems (Rs. Mn)



International (Rs. Mn)



(2) Order book as on December 31, 2017