

TIME TESTED ENDURANCE



NCC LIMITED
Annual Report 2020-21

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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.





TIME TESTED ENDURANCE

FY21 was a challenging year for NCC Ltd. The subdued performance was an expected outcome of the global pandemic and the resultant economic slowdown. There were administrative and self-imposed restrictions for public safety due to which the infrastructure-construction sector had to slowdown. During the hard times the company moved forward with all required financial, operational and safety preparedness.

During the four decades of its transformation, the management of NCC has learned the art and science of manoeuvring through external hardships. With its prudent financial and operational strategies, the company not only overcame adversities but also leap frogged into the next level of excellence banking on its Time Tested Endurance. Due to our diversified business portfolio we were able to relatively withstand external turbulences.

At NCC we are committed to be a proactive partner in nation building. For the company, FY22 comes with a new hope, new opportunities and increased responsibilities aided by an expanded orderbook.

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 and Housing



Water & Environment



Roads



Electrical



Mining



Irrigation



Power



Railways



Metals



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 4881 spread across head office, regional offices and various sites.

CORPORATE INFORMATION

Padma Shri Awardee

Dr. A V S Raju, Founder & Chairman Emeritus

Board of Directors

Sri Hemant M Nerurkar

Independent Director - Chairman

Smt Renu Challu

Independent Director

Dr. A S Durga Prasad

Independent Director

Sri O P Jagetiya

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

EVP (F&A)

Sri K Krishna Rao

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

Punjab National Bank

Indian Overseas Bank

ICICI Bank

Standard Chartered Bank

IDBI Bank

Union Bank of India

Indusind Bank

Punjab & Sind Bank

Indian Bank

Export Import Bank of India

Registered Office

NCC House

Madhapur, Hyderabad - 500 081

Tel: +91 40 23268888

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

Toll Free No: 1800 309 4001

Email: einward.ris@kfintech.com

www.kfintech.com

31th Annual General Meeting

Friday, 27th August 2021

at 3.00 p.m. (IST) through VC/OAVM

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
Ansal Properties & Infrastructure Limited, Lucknow
AP Capital Region Development Authority, Vijayawada
AP Medical Services & Infrastructure Development Corporation
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
Bridge and Roof Co. (India) Ltd
Chennai Metro Rail Limited
Chennai Metropolitan Water Supply and Sewerage Board
Dakshinanchal Vidyut Vitran Nigam Ltd
Delhi Metro Rail Corporation Limited
Dept. of Space, Govt. of India, Sriharikota
Dept. of Sports, Govt. of Uttarakhand
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 and CAD departments (of various States)
Jharkhand Bijili Vitaran Nigam Limited
Jharkhand Urban Infrastructure Development Company Limited
Karnataka Housing Board
Karnataka Residential Educational Institutional Society
Karnataka Road Development Corporation
Madhya Pradesh Public Works Department, Bhopal, Madhya Pradesh
Madhyanchal Vidyut Vitran Nigam Limited
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
Pacschimanchal Vidyut Vitran Nigam Limited
Patni Computers
Public Health Engineering Department (of various states)
Purvanchal Vidyut Vitran 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)
State Water & Sanitation Mission, (NG&RWS Dept), Govt of UP
Steel Authority of India Limited
Symbiosis University
Tamil Nadu Generation and Distribution Corporation Limited, Chennai
Tamil Nadu Housing Board
Tamil Nadu Trade Promotion Organization
The Project Seabird, New Delhi
The West Bengal Power Development Corporation Limited
UP Expressway Industrial Development Authority
Uttar Pradesh Housing & Development Board, Lucknow
Western Coalfields Limited

VISION

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

MISSION

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

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

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

VALUES

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

MESSAGE FROM THE FOUNDER & CHAIRMAN EMERITUS



Dear Shareholders

At the outset, my deepest condolences for all those who lost their dear ones to COVID -19. The events in the last calendar year were indeed disturbing and stepping into 2021, especially India had to take head-on with a devastating second wave. Hopefully we have contained it through our collective efforts.

My salutations to the brave medical professionals, healthcare workers and organisations serving the country through various means against the backdrop of the pandemic. As I understand, we initiated all necessary steps to contain the spread of the virus in all our offices and sites.

Unprecedented times come with all sorts of challenges. I would say despite the adversities, we have performed reasonably well. Though our topline and margins were impacted we continue to be a profit-making entity. We have a record orderbook of over ₹ 38,000 crore ensuring our prospects in the years to come.

I am happy that the core founding values of the company are nurtured. Through increasing our efficiencies, we are indeed strengthening our position to be a world-class construction and infrastructure company committed to quality execution and continuous value creation.

Hope all of you and your dear ones have been vaccinated. I request all of you to stay safe.

Dr. AVS Raju
Founder & Chairman Emeritus

CHAIRMAN'S MESSAGE



During the hard times our company exhibited time-tested operational endurance, meticulously built over the years. Among the infrastructure-construction companies we are indeed uniquely positioned with our execution skills and pragmatic financial, risk and project management capabilities.

Dear Shareholders,

FY21 was a challenging year for the global economy due to the impact of the pandemic.

Stepping to FY22 the second wave of the pandemic played havoc. The number of cases which peaked in the second week of May 21 have started coming down giving fresh hope. Our doctors, healthcare and public administration staff fought the pandemic saving thousands of lives. Nationwide vaccination drive has picked up speed.

My deepest sympathies for all those who lost their dear ones. It is our collective responsibility to help all those who are distressed due to the impact of COVID. Individuals, business houses, governments and NGOs must come together to handhold the distressed and the needy.

At NCC, while people's safety is our immediate priority, we initiated a vaccination programme for our employees and their immediate family members. We continue to strictly follow all social distancing and hygiene protocols at our offices and project sites.

Economy

The Indian economy is reported to have contracted by 7.3% in FY2021. Most of the large and medium businesses including banks in India have managed the pandemic risk prudently. However, the badly hit sectors are MSME, sports, entertainment, tourism, hospitality and service sectors. But I am confident that economic momentum will improve as the large developmental projects like infrastructure and construction get into full swing. Despite the pandemic, the agricultural sector has done well in FY21. With the prediction of a normal monsoon in FY22, the agrarian sector is expected to do well in this year also.

Being a developing nation India must catch up and align with the developed world in terms of economic recovery. Indian economy is projected to grow 11% in FY22 backed by the budget allocation for development activities and the ongoing vaccination drive. I am happy that the various ministries of the Govt of India, State governments and RBI are proactively working towards this. As a sign of recovery in the last quarter of FY21 the Indian economy grew by 1.7%.

How We Performed

During the hard times our company exhibited time-tested operational endurance, meticulously built over the years. Among the infrastructure-construction companies we are indeed uniquely positioned with our execution skills and pragmatic financial, risk and project management capabilities.

As a core sector player our performance in FY21 is in complete alignment with the Indian economy and its expected recovery. Our consolidated revenue during Q4FY21 was up 21% YoY to ₹ 2817 crore as against ₹ 2334 crore in FY20.

Our growth during the last quarter was mainly driven by our strong order book and pick-up in execution. The EBIDTA for the period is ₹ 306 crore as against ₹ 287 crore during the Q4 of FY20 and PAT attributable to equity Shareholders ₹ 117 crore as against ₹ 76 crore. Our order book as on 31.03.2021 stands at ₹ 37911 crore. The company has secured orders worth ₹ 18943 crore in FY21. Stepping into FY22 we continue to receive new orders for different segments of our business.

The Board of Directors at the meeting held on 28.05.2021 have recommended equity dividend of 40% (₹ 0.80 per share of ₹ 2 each) on a paid capital of ₹ 121.97 crore subject to the approval of the shareholders at the annual general meeting.

Opportunity Spectrum

Budget allocation for the infrastructure and construction sector got a significant boost of close to 35% increase compared to FY20. This includes a budgetary allocation of ₹ 5.54 lakh crore and an additional ₹ 2 lakh crore to states and autonomous bodies. As an outcome we should see more projects being prepared and rolled out.

The intention to speed up monetisation of brownfield infrastructure assets by creating a National Monetisation Pipeline will send the right signals to private investors, enabling them to make long-term commitment to Indian opportunities either by way of investment in capital assets, technology, or sourcing funds.

As most stressed assets were in the infra sector, lenders were becoming extremely risk averse and shying away from lending to infra projects which posed a significant risk to successful and timely execution of the National Infrastructure Pipeline. Setting up of the ARC and AMC to address bad assets while recapitalising lending institutions and creating a new development finance institution can help trigger lending for infra sectors. However, many of the prevailing infra sector specific and cross-sector issues will still need to be resolved if the momentum has to be built up. Also, the issues plaguing the success of earlier instruments like long-term infra bonds and dedicated financial institutions like India Infrastructure Finance Company Limited created solely for infrastructure financing need to be addressed in parallel for the success of proposed new institutional arrangements.

Approximately ₹ 77,352 crore has been proposed in FY22 for the water domain that spreads across the Ministry of Jal Shakti, Ministry of Agriculture and Farmers' Welfare, Ministry of Rural Development and Ministry of Housing and Urban Affairs. This allocation is almost double of last year's budget estimate. Similarly, the power sector got an allocation of ₹ 15,322 crore for FY21-22.

A healthy order book, policy and budgetary support for the sector is to our company's advantage and I am confident that growth momentum will pick up.

I take this opportunity to thank all our clients, employees, shareholders, central and state governments, business media and financial institutions for their continued support and guidance.

While concluding let me request all of you to get vaccinated and stay safe. Please continue to follow all COVID 19 safety protocols.

Stay Safe, Stay Healthy

Hemant M Nerurkar
Chairman

DISCUSSION WITH MANAGING DIRECTOR



Going forward we expect more orders to come in from diverse segments like buildings, roads, water and others. I am confident that FY22 and beyond we are on a strong position aided by our existing order book as well as the new emerging opportunities.

Overview of FY21

FY21 continued to be a challenging year for the company as an outcome of the COVID 19 outbreak. National lockdown had far-reaching economic impacts in the first half of the year. Construction activities were impacted due to logistics issues, raw material and manpower shortage. Upon request from our clients we had also temporarily halted some of the operations partially for ensuring safety of the construction workers.

The second wave of the pandemic hit the country and its impact is more severe with a steep increase in the number of cases and casualties. I am deeply saddened that many lost their dear ones. We at NCC have been taking all the necessary precautions to keep our people safe. At NCC we have initiated a vaccination drive for our employees and their immediate family members. Since the beginning of the pandemic, healthcare staff across India have been fighting the battle, risking their own lives. We are indebted to them and to all other frontline public administration workers.

It's a matter of relief that the second wave of the pandemic is receding across the country. The Vaccination drive is going at full pace and our country is aiming to vaccinate all citizens by December, 2021. However, we must continue to meticulously implement all social distancing and safety precautions till the battle is fully won.

How we performed

In my performance review addressed to the shareholders in FY20, I had expressed our inability to give any guidance on the FY21 performance. The COVID-related challenges were evident, and the outcome was anticipated. On a standalone basis, the company has reported a turnover of ₹ 7256 crore as against ₹ 8219 in FY20. Our EBITDA decreased by 17% year on year. PAT decreased by 32%. However, the 4th quarter revenue increased by ₹ 436 crore year on year. Our revenue contraction is in line with the GDP growth of the country in FY21 which has reduced by 7.3%.

Our performance in FY21 is in line with the broader economy. Though subdued, our performance against the backdrop

of adverse economic conditions triggered by the pandemic is in many ways a remarkable achievement. Our diversified order book, prudent financial planning, strong executional skills and NCC brand goodwill among our clients and financial institutions helped us to remain resilient during these challenging times. As many of you are already aware as on 31 March, 2021, we have a strong net order book of ₹ 37,911 crore consisting of diverse segments such as buildings, water & environment, electrical, roads and mining.

Opportunity landscape

Timely execution of the projects, quality and reliability of the contractors are critical for the central and state governments to make the infrastructure building agenda succeed. On the other hand, financial institutions are very selective on lending to EPC contractors due to increasing NPAs from this segment. Strong execution skills, prudent risk management, superlative financial management and a strong balance sheet are our key differentiators for expanding our client base and for making our liquidity position intact.

The Indian economy is expected to rebound by 9.3% in FY22. Infrastructure construction sector is going to be the key driver for achieving this growth projection. India is expected to become the world's third-largest construction market by 2022.

For FY22, the Govt of India has a budgetary allocation of ₹ 5.54 lakh crore for infrastructure. Additionally ₹ 2 lakh crore has been allocated to states and autonomous bodies for their capital expenditure. Amid pandemic challenges, India has not spent much on infrastructure and construction in FY21. As the situation is improving, I am sure the Government will start spending as per the provisions of the budget.

It is also encouraging to see that to further strengthen the sector, many proactive decisions have been made by the Government in the recent times. To meet the aggressive target of raising around ₹ 2.5 lakh crore through asset sales, the government has lined up plans to monetise assets including roads, electricity transmission, oil and gas pipelines, and telecom towers, sports stadia, among others. During her budgetary speech,

Finance Minister Nirmala Sitharaman had announced the decision to introduce a Bill to set up a professionally managed DFI to act as a provider, enabler and catalyst for infrastructure financing. She budgeted ₹ 20,000 crore to capitalise the new institution and set a lending portfolio target of ₹ 5 lakh crore in its first three years.

Concluding Remarks

Going forward, we expect more orders to come in from diverse segments like buildings, roads, water and others. I am confident that FY22 and beyond we are on a strong position aided by our existing order book as well as the new opportunities emerging. Pandemic has accelerated digitalization across the globe. At NCC, we are aggressively pursuing a digitization plan to make our offices as much paperless, reduce human contacts and speed up decision making.

Before concluding, let me request all of you to stay healthy, safe and get vaccinated.

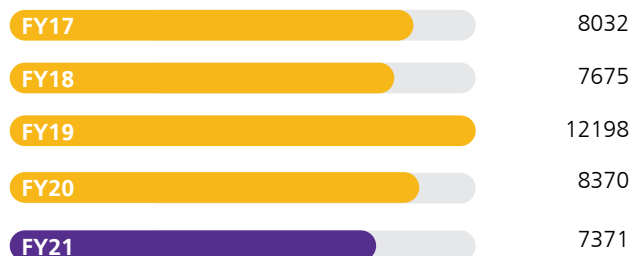
Stay Safe, Stay Healthy

A A V Ranga Raju
Managing Director

KEY PERFORMANCE INDICATORS

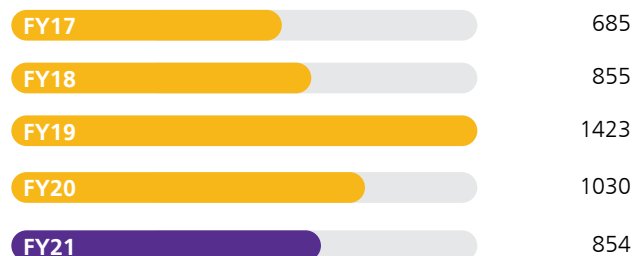
TURNOVER

(₹ in crore)



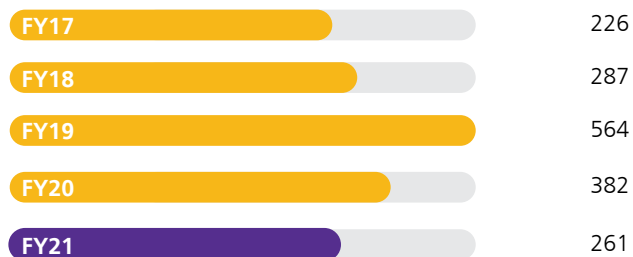
EBIDTA

(₹ in crore)



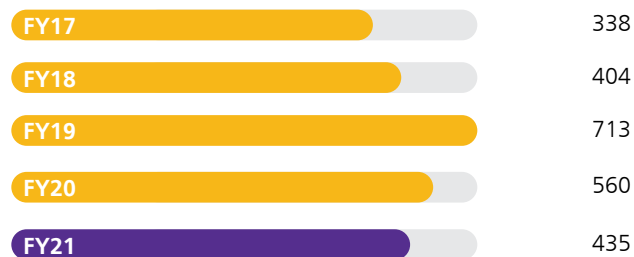
PAT

(₹ in crore)



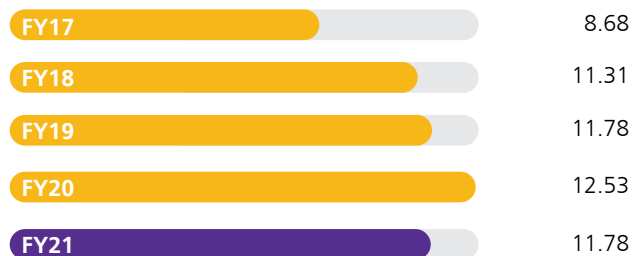
CASH PROFIT

(₹ in crore)



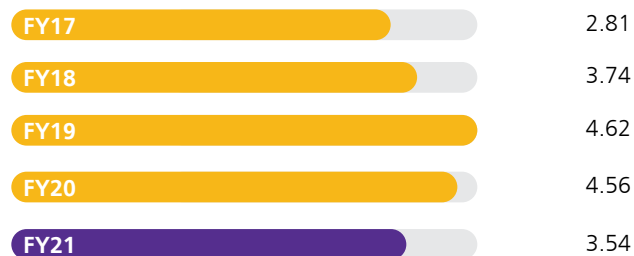
EBIDTA

(%)



PAT

(%)



GROSS BLOCK

(₹ in crore)

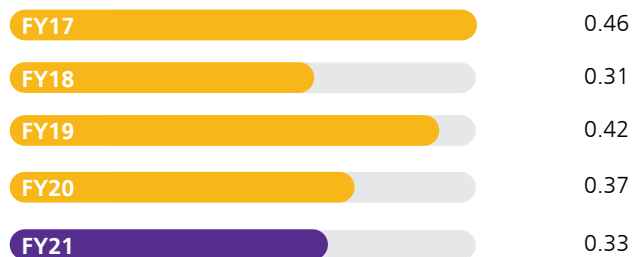


ORDER BOOK

(₹ in crore)

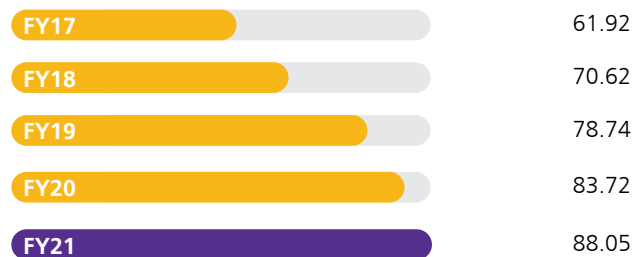


DEBT EQUITY - RATIO



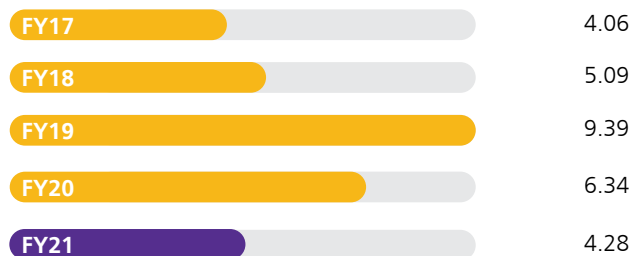
BOOK VALUE PER SHARE

(₹)



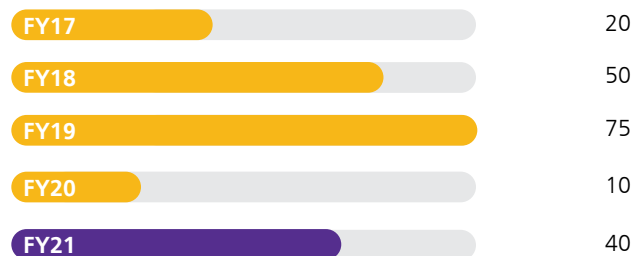
EPS

(₹)



DIVIDEND

(%)



CORPORATE SOCIAL RESPONSIBILITY

Shared responsibility and generosity for the society have long been part of the Indian tradition. The tradition continues at NCC, where corporate social responsibility is etched in the organizational DNA. It is therefore no surprise that at NCC, we continuously think of ways to direct wealth from successful business endeavours towards societal development. 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.

Rural Development

1. Training is being imparted at the skill development centre at Antervedipalem, East Godavari District, Andhra Pradesh to the ladies from the surrounding areas of Alluri Narayana Raju Puram in various vocations like tailoring, embroidery, painting etc. Masks are being made at the centre.



2. Construction of CC roads at Antervedipalem, East Godavari district AP. The Company had earlier constructed 110 houses for the economically backward classes in the said location.



3. A CC road has been constructed from Azinagar to Nagireddyguda village, Moinabad mandal, RR district, Telangana. Earlier there was only a path demarcated for a 2 km road. This was creating lots of problems for the villagers especially during rainy season. A concrete road has now been laid in the entire stretch.

Promotion of Education

4. Donation of Computers and furniture to Zilla Parishad school, Kothapet, Hyderabad, Telangana.



5. Construction of 2 large classrooms for students of MVNJS & RVR College of Arts and Science, Malikpuram, East Godavari district, Andhra Pradesh.

Health Care

6. Operational expenses of Dhaatri Mother's Milk Bank at Niloufer Hospital, Hyderabad through Sushena Health Foundation.



7. Mother and child care for reducing mortality and morbidity of pre-term babies through Samdrushti Kshamata Vikas Evam Anusandhan Mandal (SAKSHAM), Nagpur, Maharashtra.

BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 31st Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2021.

Standalone Financial Results

(₹ in crores)

Particulars	2020-21	2019-20
Revenue from Operations	7255.67	8218.80
Other Income	115.60	151.27
Total Income	7371.27	8370.07
Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT)	970.08	1181.42
Less: Finance Costs	457.78	517.87
Profit before Depreciation, Exceptional Items and Tax	512.30	663.55
Less: Depreciation and Amortisation Expenses	174.09	177.52
Profit before exceptional item & tax	338.21	486.03
Exceptional items (Net)	-	(32.67)
Profit before tax	338.21	453.36
Provision for Tax(Including earlier Year Taxation)	77.08	71.32
Profit after Tax	261.13	382.04
Other comprehensive income / (loss) for the year	(11.67)	(6.93)
Total comprehensive income for the year	249.46	375.11
Retained earnings- Opening Balance	1435.82	1162.40
Add: Profit for the Year	261.13	382.04
Less: Transferred to General Reserve	200.00	-
Less: Dividend paid during the year (Including Dividend Tax)	12.21	108.62
Retained earnings - Closing Balance	1484.74	1435.82
Paid up Capital	121.97	121.97

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, 2021 amounted to ₹ 7255.67 crores as against ₹ 8218.80 crores in FY 2019-20 and earned a Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT) of ₹ 970.08 crores for the F.Y 2020-21 as against ₹ 1181.42 crores in the previous year. After deducting financial charges of ₹ 457.78 crores, providing a sum of ₹ 174.09 crores towards depreciation, ₹ 77.08 crores for income tax, the operations of the Company resulted in a net profit of ₹ 261.13 crores for the F.Y 2020-21 as against ₹ 382.04 crores in F.Y 2019-20.

B. Consolidated

During the year under review, the Revenue from Operations of the Company on a consolidated basis amounted to ₹ 7949.42 crores as against ₹ 8901.07 crores in the previous fiscal. Your Company has earned a PBIDT of ₹ 1034.99 crores for the F.Y 2020-21

as against ₹ 1200.23 crores in the previous Financial year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ 268.31 crores as against ₹ 336.53 crores in the previous financial year.

During the year the Company, on consolidated basis, bagged new orders valued around ₹ 18943 crores (including change in scope of work) and after deducting the Orders executed, the order Book of the company as on March 31, 2021 stood at ₹ 37911 crores.

The operations of the Company during the F.Y were impacted due to the COVID-19 Global Pandemic. The outbreak of Corona virus (COVID-19) pandemic globally and in India has been causing significant disturbance and slowdown of economic activity. On 24th March 2020, the Government of India ordered a nationwide lockdown initially for 21 days and which was subsequently extended in phases till mid of May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of non-essential services had triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operations of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. Your 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. In spite of the various safety measures taken by the Company some of the employees, workers were infected with the virus and few of them also succumbed to the infection.

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 your Company by the Govt of A.P have been foreclosed / de-scoped.

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 ₹ 0.80 per Equity Share of ₹ 2/- each (40 %) for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

Transfer to Reserves

Out of the amount of ₹ 1,684.74 Crores available for appropriation your Directors approved transfer of ₹ 200.00 crores to General Reserve and the remaining amount of ₹ 1,484.74 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. However the impact of 2nd wave of COVID-19 pandemic which has struck India from the mid of March 2021 has impacted operations of the Company. The economic impact of the 2nd wave on the operations of the Company is unascertainable as on the date of this report.

Merger

NCC Ltd and two of its Wholly Owned Subsidiary Companies (WOSs) viz., Aster Rail Pvt. Ltd., and 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 (Holding Company) with the appointed date as 1st April, 2019. The process of merger is delayed due to the restricted functioning of NCLT on account of COVID-19 Pandemic.

Share Capital

During the financial year under review, there has been no change in the Authorized & Paid up Share Capital of the Company.

Preferential Issue of Warrants to Promoters

Pursuant to the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations) and the approval accorded by the members of the Company, the Company has issued 1,80,00,000 Convertible Warrants on Preferential basis to Promoters / Promoters Group of the Company at a price of ₹ 59/- per warrant (Including premium of ₹ 57/- per warrant). The Company has received 25% of the total consideration money amounting to ₹ 26.55 crores as per the applicable SEBI (ICDR) Regulations and allotted partly paid warrants to the allottees on 12th February 2021. These warrants are to be converted into equity shares of the Company on or before 11th August 2022 i.e. within 18 months from the date of Allotment and subject to payment of balance 75% of the consideration amount by the allottees.

Particulars of Contracts or Arrangements with Related Parties

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

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

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, 2021 and of the profit of the Company for the financial year ended 31st March, 2021;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said 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 35 subsidiaries (including step down subsidiaries) as on 31st March 2021. With due compliance with the provisions of the Companies Act, 2013 and the Rules framed there under 5 (five) step down subsidiaries (wholly owned subsidiaries of NCC Urban Infrastructure Ltd), which were not having any operation were struck off by the Registrar of Companies, Hyderabad w.e.f. 9th April 2021. The Ropeway Project at Patnitop awarded by the Govt. of Jammu and Kashmir was cancelled and the SPV viz., Patnitop Ropeway & Resorts Ltd., (Wholly Owned Subsidiary of the Company) was liquidated through the Voluntary Winding Up process vide order dated 12th February 2021 of NCLT, Hyderabad Bench. The merger process of NCC Urban Infrastructure Ltd with 9 (nine) of its wholly owned subsidiaries 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 Financial Statements of the Company.

The Company will make available the Financial Statements 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 thereunder and the provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time the Financial Statements for the F.Y 2020-21 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, 2021, which forms part of the Annual Report.

Disclosures: Deposits

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

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

A. Conservation of energy

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

B. R&D and technology absorption:

Not applicable

C. Foreign exchange earnings and outgo during the F.Y 2020-21

Foreign exchange earnings - ₹ 1.25 crores

Foreign exchange outgo

- i. Towards travel ₹ 0.09 crores
- ii. Towards import of capital goods & material supplies ₹ 85.95 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, 2021 form part of the Notes to the financial statements provided in this Annual Report.

Directors:

During the Financial Year 2020-21, Sri S Ravi (DIN 00180746) an Independent Director and Member of the Audit Committee and Stakeholders Relationship Committee retired from the Board upon completion of his tenure of appointment w.e.f 9th November 2020. Your Board places on record the valuable contribution of Sri S Ravi during his association with the Company as an Independent Director and as a Member of the Committees.

During the year under review and based on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members of the Company, the Board of Directors at its meeting held on 30th December 2020 has appointed Sri Om Prakash Jagetiya (DIN 00546495) as an Independent Director of the Company w.e.f. 30th December, 2020. Further the Members of the Company have approved the appointment of Sri Jagetiya vide resolution dated 6th February, 2021 passed through Postal Ballot.

In pursuance of Section 152 of the Companies Act, 2013 and the rules framed there under, Sri A G K Raju (DIN-00019100), Executive Director, and Sri A V N Raju (DIN-00018965), Whole time Director are liable to retire by rotation, at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company at the ensuing AGM, the Board of Directors at its meeting held on 28th May, 2021 have re-appointed Sri A V N Raju (DIN00018965) as a Whole-time Director of the Company for a period of five (5) years w.e.f. 30th May, 2021.

Other than as stated above, there has been no other change in the Directors 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

As on 31st March 2021 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 K Krishna Rao, EVP (F&A) and 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.

During the year under review Sri R Subba Raju retired as Chief Financial Officer of the Company w.e.f. 30th November 2020. The Board places on record the valuable contribution made by Sri R Subba Raju to the Company during his long association with the company. Based on the recommendation of the Nomination and Remuneration Committee and the inprinciple approval accorded by the Audit Committee, the Board of Directors at its meeting held on 10th November 2020 have appointed Sri K Krishna Rao, as Chief Financial Officer (CFO) of the Company w.e.f. 1st December 2020.

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>.

The requisite information pursuant to Section 178(4) of the Act is given in the Corporate Governance Report which forms part of the Annual Report.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, the Individual Directors, the Chairman of the Company etc 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 the 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.

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 ten times i.e. on May 29, 2020, June 26, 2020, August 12, 2020, August 28, 2020, September 24, 2020, November 10, 2020, December 30, 2020, January 25, 2021, February 11, 2021 and March 18, 2021. The details with respect to Committee meetings and attendance there at as required under the Secretarial Standard-1 issued by the Institute of Company Secretaries of India have been provided in the Corporate Governance Report forming part of this Annual Report.

Familiarization Programme

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 Annual 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 Policy 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.

Annual Return

Pursuant to Section 92 (3) of the Companies Act, 2013 a copy of the annual return for the financial year ended 31st March 2021 has been placed on the website of the Company at http://ncclimited.com/AGM_EGM_Info.html.

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-2020-21.The Independent Auditors' Report(s) to the Members of the Company in respect of the Standalone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2021 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 2020-21. The Secretarial Audit Report for the Financial Year ended 31st March, 2021 in Form MR-3 is annexed to and forms part of this Report - **Annexure - I**. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2021 does not contain any qualification(s) or adverse observations

Cost Audit

In compliance with the provisions of Section 148 of the Companies Act, 2013 and the rules framed thereunder and based on the recommendation of the Audit Committee the Board of Directors of the Company at its meeting held on 29th May, 2020 had appointed M/s. Vajralingam & Co., Cost Accountants (Firm Registration No.101059) as the Cost Auditors of the Company for the FY 2020-21 to conduct audit of the cost accounts and records maintained by the Company to the extent applicable. 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-2020-21.

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 under review are

set out in **Annexure-II** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended. 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 2020-21 the Company was required to spend an amount of ₹ 13.15 Crore (including ₹ 2.19 Crore unspent CSR amount carried forward from the Financial Year 2019-20) towards CSR activities. During the F.Y 2020-21 the Company had spent an amount of ₹ 4.40 crores towards CSR expenditure upto 31st March, 2021 as per details given in the said Annexure-II. The shortfall in the expenditure was mainly on account of inability of the Company to proceed with the activities in the ongoing projects for which the Board and the CSR Committee had accorded approval due to COVID-19. The unspent CSR amount has been transferred to a separate bank account to be utilised for completion of the ongoing CSR projects.

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. The Annual Report and accounts are being sent to the share-holders excluding the aforesaid exhibits. Shareholders interested in obtaining this information may access the same from the Company's website.

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 – III** and forms part of this Report.

Protection of Women at Work Place

The Company has formulated a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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, 2021, 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: 28th May, 2021

ANNEXURE – I

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, 2021

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 the **NCC Limited** (hereinafter referred as the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other documents/records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2021**, according to the provisions of:

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

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;

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.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no major events.

For BS & Company Company Secretaries LLP

K.V.S. Subramanyam
Designated Partner

FCS No.: 5400

C P No.: 4815

UDIN: F005400C000250139

Date: 06.05.2021

Place: Hyderabad

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

Annexure

To,
The Members,
NCC Limited
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 an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance 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 laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws, Environment laws and Data protection policy.
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws, Labour Laws, General and other specific Laws as may be applicable to the Company, 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, secretarial 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

K.V.S. Subramanyam
Designated Partner

FCS No.: 5400

C P No.: 4815

UDIN: F005400C000250139

Date: 06.05.2021

Place: Hyderabad

ANNEXURE – II

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company:

The perception of CSR is changing from Philanthropy to Sustainability. Shared responsibility and generosity for the society have long been part of the Indian tradition. The tradition continues at NCC, where corporate social responsibility is etched in the organisational DNA. At NCC, we continuously think of ways to direct wealth from successful business endeavours towards societal development. Our responsibility doesn't end with mere thinking. NCC commits resources and effort.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri A S N Raju	Chairman	3	2
2	Sri Hemant M Nerurkar	Member	3	3
3	Dr. A S Durga Prasad	Member	3	3
4	Sri O P Jagetiya*	Member	N.A.	N.A.
5	Sri A G K Raju	Member	3	2

*appointed w.e.f. 11th February 2021. No CSR Committee meeting was held subsequent to his appointment.

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: <http://ncclimited.com>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL
- Average net profit of the Company as per section 135(5): ₹ 548.10 crores
- (a) Two percent of average net profit of the Company as per section 135(5): ₹ 10.96 crores.
(b) Surplus arising out of the CSR projects/ programmes or activities of the previous financial years: NIL
(c) Amount required to be set off for the financial year, if any: NIL
(d) Unspent CSR Amount carried Forward from the FY 2019-20: ₹ 2.19 crores
(e) Total CSR obligation for the financial year :(7a+7b- 7c+7d): ₹ 13.15 crores
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ crores)	Amount Unspent (in ₹ crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (₹ in crores.)	Date of transfer	Name of the Fund	Amount.	Date of transfer
4.40	8.77	29 th April 2021	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹ crores).	Amount spent in the current financial Year (in ₹ crores).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crores).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Construction of Rural Housing and Skill Development Facilities (Phase-I)	III	N	Andhra Pradesh	Antervedipalem, East Godavari District, AP	12 Months	8.23	2.96	5.27	No	NCC Foundation	CSR00004366
2.	Construction of Underground Drainage System	III	N	Telangana	Tangatoo Village, Shankarpalli Mandal, Ranga Reddy District	12 Months	3.50	-	3.50	Direct	-	-
TOTAL							11.73	2.96	8.77			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹ crores).	Mode of implementation on- Direct (Yes/No).	Mode of implementation - Through implementing agency.		
				State.	District.			Name.	CSR registration number.	
1.	Construction of the 2km road from Aziz Nagar to Nagireddy guda village	III	Y	Telangana	Rangareddy	0.51	Yes	-	-	
2.	Construction of 2 large class rooms for students of MVNJS & RVR College of Arts and Science	II	Y	Andhra Pradesh	East Godavari	0.20	Yes	-	-	
3.	Computer and furniture for Zilla Parishad School at Kothapeta Village, Hyderabad	II	Y	Telangana	Rangareddy	0.03	Yes	-	-	
4.	Operational expenses of Dhaatri Mother's Milk Bank at Niloufer Hospital	I	Y	Telangana	Hyderabad	0.11	No	Through Sushena Health Foundation	CSR00005664	
5.	Mother and child care for reducing mortality and morbidity of pre term babies.	I	Y	Maharashtra	Nagpur	0.19	No	Samdrusti Kshmeta Vikas Evam Anusandhan Mandal (SAKSHAM)	-	
6.	Women Empowerment & Safety by training, awareness programmes in the limits of police station Madhapur	III	Y	Telangana	Hyderabad	0.10	Yes	-	-	
TOTAL							1.14			

- (d) Amount spent in Administrative Overheads: ₹ 0.30 crores
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 4.40 crores
- (g) Excess amount for set off, if any : NIL

Sl. No.	Particular	Amount (in ₹ crores)
(i)	Two percent of average net profit of the company as per Section 135(5)	10.96
(ii)	Total amount spent for the Financial Year	4.40
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:
- (a) Date of creation or acquisition of the capital asset(s). 31st March 2021
- (b) Amount of CSR spent for creation or acquisition of capital asset.: ₹ 0.26 crores
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NCC Foundation, 41, Nagarjuna Hills, Hyderabad – 500082, Telangana
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):
Land at Antervedipalem, Sakhinetipalli Mandal, EG District, Andhra Pradesh to build housing for economically weaker section.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

As against the amount of ₹ 13.17 Crores budgeted to be spent towards CSR expenditure during the F.Y. 2020-21, the Company has spent an amount of ₹ 4.40 crores. The shortfall in the expenditure was mainly on account of inability of the Company to execute the projects on account of COVID-19. In compliance with provisions of the Companies (CSR Policy) Rules 2014 as amended, the unspent amount ₹ 8.77 crores has been transferred to the Unspent CSR Account opened with State Bank of India, CCG Branch, Hyderabad.

For and on behalf of Corporate Social Responsibility Committee

A A V Ranga Raju
Managing Director

A S N Raju
Chairman, CSR Committee

ANNEXURE – III

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 2020-21.:

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Sri Hemant M Nerurkar	4.2
2	Smt. Renu challu	2.9
3	Dr. A S Durga Prasad	4.3
4	Sri O P Jagetiya (#)	0.9
5	Sri Utpal Sheth	1.3
6	Sri. S.Ravi (*)	1.0
7	Sri A A V Ranga Raju	109:1
8	Sri A G K Raju	56:1
9	Sri J V Ranga Raju	28:1
10	Sri A S N Raju	56:1
11	Sri A V N Raju	55:1

(#) Joined the Board w.e.f. December 30, 2020

(*) Vacated office as Independent Director on completion of his term w.e.f. November 9, 2020

- (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	There has been no increase in the remuneration of the Directors and the KMPs during the F.Y.2020-21
2	Sri R Subba Raju, Associate Director (F&A) & CFO (#)	
3	Sri M V Srinivasa Murthy, Company Secretary, & EVP(Legal)	
4	Sri K Krishna Rao, EVP (F&A) & CFO (\$)	

(#) Sri R Subba Raju retired as Chief Financial Officer of the Company w.e.f. 30th November 2020.

(\$) Sri K Krishna Rao was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 1st December 2020.

- (iii) There has been no increase in the salaries of the employees during the F.Y. 2020-21.
- (iv) The number of permanent employees on the rolls of Company as on 31st March, 2021 stood at 4881 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.

There has been no increase in the salaries of the employees during the F.Y. 2020-21.

- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Hemant M Nerurkar
Chairman
(DIN No. 00265887)

Place: Hyderabad
Date: 28th May, 2021

MANAGEMENT DISCUSSION & ANALYSIS

Global economy – Need of the Hour...

“Vaccine inequity between countries and regions is posing a significant risk to an already uneven and fragile global recovery,” said UN Chief Economist Elliott Harris. “Timely and universal access to COVID-19 vaccinations will mean the difference between ending the pandemic promptly and placing the world economy on the trajectory of a resilient recovery, or losing many more years of growth, development and opportunities.”

Global economy - amid high uncertainty

Global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. The outlook depends not just on the outcome of the battle between the virus and vaccine-it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis.

Yet, even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible. Thanks to the ingenuity of the scientific community, we have multiple vaccines that can reduce the severity and frequency of infections. In parallel, adaptation to pandemic life has enabled the global economy to do well despite subdued overall mobility, leading to a stronger-than-anticipated rebound, on average, across regions. The spread of the pandemic has been in waves. Additional fiscal support in some economies on top of an already unprecedented fiscal response last year and continued monetary accommodation further uplift the economic outlook.

Global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 of World Economic Outlook. The US dollar continued to dip as treasury yields softened. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions. Economies also continue to adapt to new ways of working despite reduced mobility, leading to a stronger-than-anticipated rebound across regions.

A high degree of uncertainty surrounds these projections, with many possible downside and upside risks. Much still depends on the race between the virus and vaccines. Greater progress with vaccinations can uplift the forecast, while new virus variants that evade vaccines can lead to a sharp downgrade. Large divergences in recovery speeds also raise the prospect of divergent policy stances. A tailored approach will be necessary, with policies well calibrated to the stage of the pandemic, strength of the economic recovery, and social and economic circumstances of individual countries.

On the international stage, first and foremost, countries need to work together to ensure widespread vaccinations across the world. The vaccine industry is attempting to produce three times the level of vaccines produced in a normal year. Not surprisingly, they are facing major challenges, including input supply bottlenecks. Vaccine access is also deeply inequitable with high-income countries, with 16 percent of the world’s population, having pre-purchased 50 percent of the doses. Countries will need to work together to resolve production bottlenecks, ramp up production, ensure universal access, including through funding the COVAX facility on which many low-income countries rely heavily for doses, and avoid export controls.

Even while all eyes are on the pandemic, it is essential that progress be made on resolving trade and technology tensions. Countries should also cooperate on climate change mitigation, digitalization, modernization of international corporate taxation, and on measures to limit cross-border profit shifting, tax avoidance, and evasion.

Indian Economy:

India has emerged over the years, as one of the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. Private consumption emerged out of three successive quarters of contraction as pent up demand was released with progressive unlocking after the first wave. Government spending surged back to save the economy which has grown at 1.6 per cent in the fourth quarter.

India’s real gross domestic product (GDP) at current prices stood at ₹ 195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21. Agriculture is set to cushion the shock of the COVID-19 pandemic on the India economy in 2020-21 with a growth of 3.4 per cent in both Q1 and Q2. As India’s mobility and pandemic trends aligned and improved concomitantly, indicators like E-way bills, rail freight, GST collections and power consumption not only reached pre-pandemic levels but also surpassed previous year levels. We are holding on to the growth and waiting for Covid to lie low. India recorded a current account surplus of 3.1 per cent of GDP last year. In April 2021, 5.8 crore e-way bills were issued. In terms of value, e-way bills generation reached ₹ 17.36 lakh crore (US\$238.33 billion) in April 2021 as against ₹ 3.9 lakh crore (US\$ 53.54 billion) in April 2020. Since May 2020, continued recovery of interstate freight transportation has laid a good foundation for economic recovery. We need to appreciate that India has attracted highest ever total FDI inflow of US\$ 81.72 billion during the financial year 2020-21 and it is 10% higher as compared to the last financial year 2019-20 (US\$ 74.39 billion). FDI equity inflow grew by 19% in the FY 2020-21 (US\$ 59.64 billion) compared to the final budget for FY22 announced by 17 states and UTs indicates an increase of 9.7% in capex expenditures from the FY21 reviewed estimates. Growth in capex expenditure is expected to stimulate revenues and return

the economy to high growth trajectories. Going forward, one of the biggest growth drivers is likely to be government consumption as well.

These conservative estimates reflect upside potential that can manifest due to the continued normalisation in economic activities as the rollout of COVID-19 vaccines gathers traction. This will further be supported by supply-side push from reforms and easing of regulations, push to infrastructural investments, boost to manufacturing sector through the Productivity Linked Incentive Schemes, recovery of pent-up demand for services sector, increase in discretionary consumption subsequent to roll-out of the vaccine and pick up in credit given adequate liquidity and low interest rates. India is expected to emerge as the fastest growing economy in the next two years as per IMF.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

Indian Economy-Road Ahead:

India recorded the real GDP (gross domestic product) growth of 0.4% in the third quarter of FY21, as per the NSO's (National Statistical Office) second advance estimates. This rise indicates V-shaped recovery progression that started in the second quarter of FY21. Going forward, the speed and scale of vaccination will shape the path of recovery. The economy has the resilience and the fundamentals to bounce back from the pandemic and unshackle itself from pre-existing cyclical and structural hindrances.

As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO update forecast a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by Price Waterhouse Coopers. We have to learn to live with the virus complementing vaccines with ramping up investment in healthcare, logistics and research. The pandemic is a real shock with real consequences. Hence, there is a need to ensure that the recovery is built on a solid foundation of business investment and productivity growth. Life and work style transformation such as increased remote work and online shopping may likely ensure.

INDIAN INFRASTRUCTURE SECTOR

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development

and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development.

Government Initiative and investment

In Union Budget 2021, the government has given a massive push to the infrastructure sector by allocating ₹ 233,083 crore (US\$ 32.02 billion) to enhance the transport infrastructure. The government expanded the 'National Infrastructure Pipeline (NIP)' to 7,400 projects. ~217 projects worth ₹ 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020.

BUDGET-2021-Highlights-Infrastructure:

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country.

1. Capital outlay towards key infrastructure sectors has been increased significantly in 2021-22 BE - roads & highways by 35%, railways by 34%, and MRTS and metro projects by 20% over 2020-21 BE
2. A new Development Financial Institution (DFI) with capitalisation of ₹ 20,000 crore is to be set up with the plan to build a lending portfolio of over ₹ 5 lakh crore over the next three years
3. Significant increase in capital outlay for the Ministry of Road Transport & Highways—35% increase to ₹ 1,98,230 crore in BEFY2022 from ₹ 1,46,975 crore in BEFY2021 and 26% higher than RE FY2021 of ₹ 1,57,053 crore
4. Borrowing target for the NHAI set at ₹ 65,000 crore in FY2022 (in line with FY2021) and another ₹ 15,000 crore to be raised through the NHAI's SPV.
5. Jal Jeevan Mission – Urban to be launched with aim to provide tap water to 2.86cr households. Outlay of ₹ 2.87 trn over 5 years.
6. Continued thrust on affordable Housing with 17% increase in budgetary support
7. Defence capital expenditure at ₹ 1.34 trn, 19% above FY21 BE levels
8. Allocation for metro rail at ₹ 190bn for FY22
9. Launch of Swasth Bharat Yojna – outlay of ₹ 64,180 cr over 6 years for Upgradation of healthcare infrastructure.
10. This above proposals are assuring order flows from metro/ railways, road construction, waterways, housing, defence projects, Urban & health care infrastructure, Irrigation and so on. The higher budgetary allocations offer more scope for growth.

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.

Operational Performance (Consolidated)

- Revenue from Operations:** The Group reported a Revenue from Operations of ₹ 7949.42 crores during the year 2020-21 as against ₹ 8901.07 crores in the previous year, resulting in a decrease of 11% due to COVID-19 pandemic.
- EBIDTA:** The Group reported an EBIDTA of ₹ 919.08 crores as against ₹ 1087.25 crores in the previous year. The decrease is primarily on account of decrease in Turnover during the year. There is a slight decline in EBIDTA margin from 12.21% to 11.56%.
- Net profit:** The Group reported a Net Profit Attributable to Shareholders of the Company of ₹ 268.31 crores as against ₹ 336.53 crores in the previous year, a decline of 20%.

Operational and Financial Performance (Standalone)

- Revenue from Operations:** The Company has reported a Revenue from Operations of ₹ 7255.67 crores during the year 2020-21 as against ₹ 8218.80 crores in the previous year, resulting in a decrease of 12% due to COVID-19 pandemic.

- Other Income:** The other income of the company for the year is ₹ 115.60 crores as against ₹ 151.27 crores of previous year. Other income comprises of Interest on loans & advances, Bank Margin Money deposits, interest on income tax refund, Profit on Sale of Property, Plant and Equipment/Investment Property(net) and miscellaneous income.
- Direct cost:** The direct cost for the year under review works out to 80.94% of the turnover as against 79.02% last year. The increase partly on account of COVID-19 and partly on account of increase in input costs.
- Overheads:** Overheads comprising salaries and administrative expenses, is ₹ 528.73 crores for the year under review as against ₹ 693.79 crores in the previous year. The 24% decrease amounting to ₹ 165.06 crores over the previous year, is mainly due to certain measures taken by the management to reduce the overheads due to cancellation and non-progress of AP projects and COVID-19 pandemic.
- Finance cost:** The Finance cost during the year decreased to ₹ 457.78 crores from ₹ 517.87 crores, which was on account of decrease in borrowings, mobilization advance and decrease in cost of borrowings in 2020-21. The average cost of borrowings has come down from 9.84% of 2019-20 to 9.22% in 2020-21.
- Depreciation:** The Company’s depreciation for the year has decreased from ₹ 177.52 crores to ₹ 174.09 crores.
- Tax Expense:** The tax expense of the company for the year 2020-21 is ₹ 77.08 crores as against ₹ 71.32 crores of previous year. The company has opted to change from Old Income Tax rate to New rate during the year under review and impact of change is not significant.
- EBIDTA:** The Company has reported an EBIDTA of ₹ 854.48 crores as against ₹ 1030.15 crores in the previous year. The decrease is primarily on account of decrease in Turnover during the year. There is a slight decline in EBIDTA margin from 12.53% to 11.78%.
- Net profit:** The Company has reported a Net Profit of ₹ 261.13 crores as against ₹ 382.04 crores in the previous year, a decline of 32%.
- Total Comprehensive Income:** The Company has reported a Total Comprehensive Income of ₹ 249.46 crores as against ₹ 375.11 crores in the previous year.
- Dividend:** The Board of Directors have recommended a dividend of ₹ 0.80 per share (40%) for the year under review and the dividend works out to ₹ 48.79 crores as against ₹ 12.20 crores in the previous year.
- Return on Equity:** The Company has reported return on equity at 4.99% for the year under review as against 7.75% reported in the year 2019-20. The decrease mainly on account of decrease in volume of operations which in turn due to COVID-19.

Equity & Liabilities:

- Net worth:** The Company’s net worth increased from ₹ 5105.63 crores to ₹ 5369.43 crores. The increase of ₹ 263.80 crores is primarily on account of retained profits of 2020-21 ₹ 237.25 crores and ₹ 26.55 crores on account of issue of Convertible Warrants.

- b. Borrowings (Long-Term & Short-Term):** During the year under review the borrowings decreased by ₹ 121.18 crores from ₹ 1910.10 crores to ₹ 1788.92 crores.

Assets:

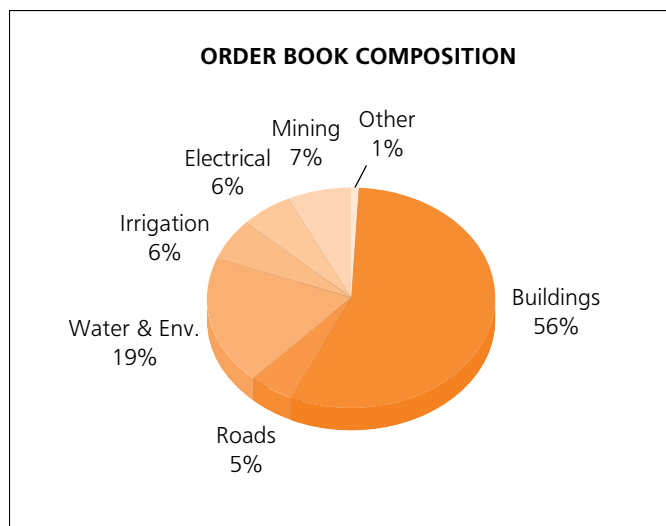
- a. Property, Plant & Equipment (PPE):** The Company's PPE (gross block plus Capital WIP) increased by ₹ 126.29 crores in 2020-21 from ₹ 2041.74 crores to ₹ 2168.03 crores.
- b. Investments:** The investments increased by ₹ 117.05 crores, from ₹ 888.70 crores to ₹ 1005.75 crores during the year 2020-21. The increase is primarily on account of additional investment ₹ 120.00 crores made in NCC Urban Infrastructure Limited one of the subsidiary.
- c. Inventories:** The Company's inventories stands at ₹ 526.80 crores as against of ₹ 514.83 crores of previous year.
- d. Trade Receivables (Current & Non-Current):** The Company's trade receivables increased by ₹ 42.19 crores in 2020-21 from ₹ 2618.00 crores to ₹ 2660.19 crores.
- e. Loans (Current & Non-Current):** Loans comprises loans given to group companies/others. Loans given to group companies/others decreased from ₹ 594.66 crores to ₹ 300.08 crores during the year under review. Decrease is mainly on account of repayment of loan by NCC Urban Infrastructure Limited, one of the subsidiary.

Cash Flow

During the year the Company reported Net cash inflows from operating activities of ₹ 689.34 crores as against ₹ 636.43 crores, Net cash flows generated from investing activities ₹ 84.19 crores as against Net cash used in investing activities ₹ 164.19 crores and Net cash used in financing activities ₹ 689.31 crores as against Net cash used in financing activities ₹ 582.95 crores.

III. Order Inflow and Order Book

During the year the Company received order inflow of ₹ 18943 crores as against ₹ 7172 crores received in previous year 2019-20. The group order book stands at ₹ 37911 crores as at the end of the year registering a growth of 43% over the previous 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 in 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: The COVID-19 pandemic has been one of the major risks impacting the Company's Operations. During the last quarter, the operations of the Company recovered further from the economic slowdown caused by the COVID-19 pandemic. 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. It continues to monitor the economic effects of the uncertainty arising from the second wave of the pandemic while taking steps to improve its scale of execution.

Human Resource (HR)

HR function at NCC has been playing a significant role in Talent Acquisition, On-boarding, Induction, HR Compliances,

Compensation & Benefits Administration, L&D and Performance Management Systems. The strategy involves attracting, training, rewarding, recognizing 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 create and establish an ideal work culture at the workplace.

The total human capital base of the company as of 31st March 2021 stood at 4881.

Learning & Development

At NCC Limited, Learning & Development (L&D) delivers the key outcomes that are needed from a business strategy perspective through various L&D interventions. The L&D value chain comprises of key elements ranging from identification of learning needs to impact assessment.

The L&D Strategy lays emphasis on the need to accelerate leadership pipeline development, create a Culture of Continuous Learning, Developing Competencies at Individual, Team and Organizational levels, build business capabilities and work towards enhancing the managerial, behavioural, technical/functional skills of employees at different levels to the attainment of Business goals

During the financial year 2020-21, a total of 209 Training Programs were organized through virtual, classroom mode due to the COVID-19. Out of these, there are 189 trainings organized through virtually covering Technical, Functional, Behavioural, Environment, and Wellness & Safety. A Special emphasis on training & awareness towards COVID-19 and its appropriate behaviour given widely across. A total of 2063 employees attended the training programs conducted during the year.

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 ('Listing Regulations') 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, 2021, 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 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 Listing Regulations and the provisions of Companies Act, 2013 and the rules made thereunder relating to appointment of Directors.

Composition of Board of Directors as on March 31, 2021

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on September 25, 2020	Number of other Director Ship(s) as on 31-03-2021 (#)	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	10	Yes	9	7 (including 3 as Chairman)		1. Igarashi Motors India Ltd – Non-Executive & Non Independent Director -Chairperson 2. Adani Enterprises Ltd - Non-Executive & Independent Director 3. Crompton Greaves Consumer Electricals Ltd - Non-Executive & Independent Director -Chairperson 4. DFM Foods Limited – Non-Executive & Independent Director –Chairperson
Dr. A S Durga Prasad	Non-Executive and Independent	10	Yes	3	2		Nil
Smt Renu Challu	Non-Executive and Independent	10	Yes	2	3 (including 2 as Chairperson)		1. Schaeffler India Ltd - Non-Executive & Independent Director 2. Ceinsys Tech Ltd - Non-Executive & Independent Director
Sri O P Jageitya (\$)	Non-Executive and Independent	3	No	2	Nil		Nil

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on September 25, 2020	Number of other Director Ship(s) as on 31-03-2021 (#)	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	9	Yes	14	Nil	1. Aptech Ltd - Non-Executive & Non - Independent Director
Sri A A V Ranga Raju (Managing Director)	Promoter and Executive	10	Yes	2	Nil	Nil
Sri A G K Raju (Executive Director)	Promoter and Executive	10	Yes	2	1	Nil
Sri A S N Raju (Wholetime Director)	Promoter and Executive	9	Yes	2	1 (as Chairman)	Nil
Sri J V Ranga Raju (Wholetime Director)	Promoter and Executive	9	Yes	Nil	Nil	Nil
Sri A V N Raju (Wholetime Director)	Promoter and Executive	8	Yes	4	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 S Ravi retired from the Board w.e.f. November 9, 2020 on completing his term of office as Independent Director.
2. (\$) Sri. O P Jagetiya was appointed as Non-Executive Independent Director in the Board w.e.f. December 30, 2020.

The Company convened minimum of one Board Meeting in each quarter as required under the Companies Act, 2013 and Listing Regulations 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 Listing Regulations and are independent of the management.

Shares held by Non-Executive / Independent Directors as on March 31, 2021.

Name of the Director	No. of Shares held	% on paid-up Capital of the Company
Dr. A S Durga Prasad	300	Negligible

Board Meetings held during the FY2020-21:

During the Financial Year - 2020-21, The Board met ten times and dates of the Board meetings and attendance at the meetings are as follows:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	May 29, 2020	10	09
2	June 26, 2020	10	09
3	August 12, 2020	10	10
4	August 28, 2020	10	08
5	September 24, 2020	10	08
6	November 10, 2020	09	09
7	December 30, 2020	09	08
8	January 25, 2021	10	10
9	February 11, 2021	10	10
10	March 18, 2021	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, including the information under Regulation 17(7) Part A of Schedule II of the Listing Regulations are put up for consideration of the Board or the Committee(s) of the Board.

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.

Core Skills / Expertise / Competencies available with the Board.

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board.

Leadership, Operational experience, Business Strategy, Management and Governance, Accounts & Finance, Project Planning and Management and relevant industry experience.

Matrix of Board Expertise:

Name of the Director	Skills/ Expertise/ Competencies
Sri Hemant M Nerurkar	Leadership, Operational experience, Business Strategy, Management and Governance.
Dr. A S Durga Prasad	Business Strategy, Operational experience, Management and Governance, Accounting & Finance.
Smt. Renu Challu	Business Strategy, Operational experience, Management and Governance, Finance
Sri O P Jagetiya	Leadership, Operational experience, Management and Governance.
Sri Utpal Sheth	Business Strategy, Operational experience, Management and Governance, Finance.
Sri A A V Ranga Raju	Leadership, Operational experience, Business Strategy, Management & Governance, Project Planning and Management and relevant industry experience.
Sri A G K Raju	Leadership, Operational experience, Business Strategy, Finance and relevant industry experience.
Sri A S N Raju	Leadership, Operational experience Business Strategy, Project Planning and Management and relevant industry experience.
Sri J V Ranga Raju	Leadership, Operational experience, Business Strategy, Project Planning and Management and relevant industry experience.
Sri A V N Raju	Leadership, Operational experience, Business Strategy, Project Planning and Management and relevant industry experience.

Board Committees

The details regarding various Committees of the Board of the Company as on 31st March 2021 is given below:

3. Audit Committee of the Board

The Audit Committee presently comprises of five 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, Independent Director, a Fellow Member of the Institute of the Cost Accountants of India is the Chairman of the Committee.

The Audit Committee met seven times during the Financial Year i.e. on May 29, 2020, June 26, 2020, August 12, 2020, November 10, 2020, December 16, 2020, February 11, 2021 and March 18, 2021. The Company is in compliance with the requirements of Listing Regulations and the Companies Act, 2013 in terms of time gap between any two Audit Committee Meetings.

The composition of the Audit Committee as on March 31, 2021 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	7	7
Sri. Hemant M Nerurkar	Member	7	7
Smt. Renu Challu	Member	7	7
Sri O P Jagetiya (#)	Member	1	1
Sri S Ravi (&)	Member	3	1
Sri A G K Raju(#)	Member	3	2

(#) Sri O P Jagetiya was appointed as a Member of the Audit Committee w.e.f. 11-02-2021 and Sri A G K Raju was appointed as a Member of the Audit Committee w.e.f.10-11-2020

(&) Sri S Ravi ceased as a Member of the Audit Committee w.e.f. November 9, 2020.

Terms of reference of the Audit Committee

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of the Statutory and the Internal Auditors of the company;
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinions if any in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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. The Committee met four times i.e., on May 29, 2020, August 12, 2020, November 09, 2020 and December 30, 2020. Details of composition of the Committee and meetings held / attended are given hereunder:

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Smt Renu Challu	Chairperson	04	04
Sri Hemant M Nerurkar	Member	04	04
Dr. A S Durga Prasad (#)	Member	01	01
Sri Utpal Sheth	Member	04	04
Sri S Ravi (@)	Member	03	Nil

(#) Dr. A S Durga Prasad was appointed as Member of Nomination and Remuneration Committee w.e.f. 10th November 2020.

(@) Sri S Ravi ceased as a member of the Nomination and Remuneration Committee w.e.f. November 9, 2020

Terms of reference

- (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.
- (6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

5. 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 is Smt. Renu Challu, Independent Director and the Company Secretary is the Secretary of the Committee. Sri M V Srinivasa Murthy, Company Secretary and EVP (Legal) is the Compliance Officer of the Company.

The Committee met once during the Financial Year i.e. on February 10, 2021.

Composition and 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	01	01
Dr. A S Durga Prasad	Member	01	01
Sri. A G K Raju	Member	01	Nil
Sri. O P Jagetiya (#)	Member	N.A.	N.A.
Sri. S Ravi (@)	Member	N.A.	N.A.

(#) Sri. O P Jagetiya was appointed as Member of Stakeholder Relationship Committee w.e.f. February 11, 2021.

(@) Sri S Ravi ceased as a Member of the Stakeholders Relationship Committee w.e.f. November 9, 2020

During the Financial Year 2020-21, the Company has received 49 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, 2021. 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, 2021. The Company has designated a separate email id ho.secr@nccltd.in for investor grievances.

5 A. Risk Management Committee

The Board has constituted the Enterprise Risk Management Committee in line with the provisions of Regulation 21 of the Listing Regulations. The Committee met twice during the year on November 07, 2020 and March 16, 2021.

The role of the committee is:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Composition and attendance of Members at the Enterprise Risk Management Committee Meetings held during the year are as follows.

Name of the Director / Executive	Designation	No. of meetings held	No. of Meetings attended
Dr. A S Durga Prasad	Chairperson	02	02
Sri. AAV Ranga Raju	Member	02	02
Sri K Krishna Rao (*)	Member	02	02

(*) Appointed with effect from 10th November, 2020.

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

Executive Directors

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2021 to the Managing Director, Executive Director and the Whole time Directors of the Company are as follows-

(Amount in ₹)

Name & Designation	Salary	Other benefits	Bonus / Exgratia	Pension	Commission	Total
*Sri. A A V Ranga Raju Managing Director	1,22,40,000	21,29,979	14.40,000	Nil	3,42,80,000	5,00,89,979
*Sri. A G K Raju Executive Director	61,20,000	16,66,088	7,20,000	Nil	1,71,40,000	2,56,46,088
@Sri. A S N Raju Wholetime Director	61,20,000	17,00,048	7,20,000	Nil	1,71,40,000	2,56,80,048
*Sri. J V Ranga Raju Wholetime Director	1,07,10,000	10,08,000	12,60,000	Nil	Nil	1,29,78,000
#Sri. A V N Raju Wholetime Director	61,20,000	13,17,417	7,20,000	Nil	1,71,40,000	2,52,97,417

* 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.

Non-Executive Directors

The details of sitting Fee and commission paid/payable to the Non-executive Directors (including Independent Directors) for the Financial Year 2020-21 is detailed below:

(Amount in ₹)

SI No	Name of the Director	Sitting Fees	Commission	Total
1	Sri. Hemant M Nerurkar	9,25,000	10,00,000	19,25,000
2	Dr. A S Durga Prasad	9,50,000	10,00,000	19,50,000
3	Smt. Renu Challu	8,25,000	5,00,000	13,25,000
4	Sri O P Jagetiya	2,00,000	2,00,000	4,00,000
5	Sri. Utpal Sheth	6,00,000	Nil	6,00,000
6	Sri. S Ravi	1,75,000	3,00,000	4,75,000

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.

Board Level Performance Evaluation

Pursuant to provisions of the Companies Act, 2013 and the Listing Regulations, 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 reviews the said Performance Evaluation on annual basis.

Separate Meeting of Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 read with the rules made there under and Secretarial Standard-I issued by the Institute of Company Secretaries of India and the Listing Regulations, a meeting of the Independent Directors of the Company for the Financial Year 2020-21 was held on February 8, 2021.

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
2018	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 10, 2018 at 3.30 p.m	1. Issue of Convertible Warrants on preferential basis to M/s. A V S R Holdings Pvt. Ltd., one of the Promoters of NCC Limited. 2. Approval of enhancing the borrowing powers of the Company 3. Enhancing the powers of the Company for charging / securing the properties of the Company. 4. Alteration 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

Year	Location	AGM Date & Time	Special Resolutions passed
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.	Friday 6, September, 2019 at 3.00 p.m.	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.
2020	Held through Video Conferencing	Friday 25, September, 2020 at 3.00 p.m.	1) Re-appointment of Dr. A S Durga Prasad (DIN.00911306) as an Independent Director.

Postal Ballot

Details of special resolutions passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolutions through Notice of Postal Ballot dated December 31, 2020 for appointment of Sri. Om Prakash Jagetiya (DIN.00546495) as an Independent Director and Issue of Convertible Warrants on preferential basis to the Promoters/Promoters Group of the Company, which was duly passed and the results of which were announced on February 6, 2021. Mr. A Ravi Shankar, (Membership No. FCS 5335) of A Ravi Shankar & Co., Company Secretaries, was appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

SI No	Description of the Resolution	Votes in favour of the Resolution			Votes against the Resolution		
		Number of Members voted through electronic voting system	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of Members voted through electronic voting system	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast
1	Approval for appointment of Sri. Om Prakash Jagetiya (DIN.00546495), as an Independent Director	457	34,57,54,449	99.97	43	14,343	Insignificant
2	Approval of Issue of Convertible Warrants of 1,80,00,000 (Issue price of ₹ 59/- each convertible in to one equity share of ₹ 2/- each at a perineum of ₹ 57/-) on preferential basis to the Promoters / Promoters Group of the Company	420	34,55,73,575	99.91	84	1,94,887	0.06

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in future, will be decided at the relevant time.

8. Means of Communication

The Company was having 2,67,934 shareholders as on March 31, 2021. 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 form on the Company's website and can be accessed at <http://www.ncclimited.com>.

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

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

Quarterly results

The Quarterly Results of the Company are published in newspapers such as Business Standard / Business Line and Saakshi (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.

Chairman's Communiqué:

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

Reminder Letters to Investors

- (a) Letter dated 21st August, 2020 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.
- (b) Letter dated. 27th February, 2021 addressed to the Shareholders who have not encashed Rights Issue – 2014 - Refund of Share Application amount.
- (c) Letter dated 12th March, 2021 addressed to the Shareholders who have not encashed their Dividend.

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-based 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 31st Annual General Meeting

31st Annual General Meeting of the Members of the Company is scheduled to be held on Friday, the 27th day of August, 2021 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 Circulars dated 5th May, 2020 & 13th January 2021 and by SEBI vide its Circulars dated 12th May 2020 & 15th January 2021.

(b) Financial calendar (Tentative) for the Financial Year 2021-22.

Quarter ending	Financial Results release	Trading window closure
June 30, 2021	August 5, 2021	July 01, 2021 to August 7, 2021
September 30, 2021	November 9, 2021	October 01, 2021 to November 11, 2021
December 31, 2021	February 8, 2022	January 01, 2022 to February 10, 2022
March 31, 2022	May 12, 2022	April 01, 2022 to May 14, 2022

Dates of Book closure: From Monday the August 9, 2021 to Friday the August 13, 2021, (both days inclusive) for payment of dividend.

(c) **Dividend payment date:** (subject to approval of shareholders at the AGM) on or before September 25, 2021.

(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 2021-22 has been paid to the BSE Limited and the National Stock Exchange of India Ltd in the month of April, 2021.

(e) Stock codes Equity shares

BSE Code: 500294, NSE Symbol: 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 2020	29.20	16.25	33887.25	27500.79	29.10	16.20	9889.05	8055.8
May 2020	25.55	20.75	32845.48	29968.45	25.65	20.75	9598.85	8806.75
June 2020	34.95	23.90	35706.55	32348.1	34.95	24.30	10553.15	9544.35
July 2020	34.40	27.60	38617.03	34927.2	34.40	27.50	11341.4	10299.6
August 2020	38.20	28.50	40010.17	36911.23	38.20	28.80	11794.25	10882.25
September 2020	36.15	29.55	39359.51	36495.98	36.20	29.50	11618.1	10790.2
October 2020	36.70	30.90	41048.05	38410.2	36.75	30.90	12025.45	11347.05
November 2020	44.65	33.50	44825.37	39334.92	44.70	33.45	13145.85	11557.4
December 2020	60.90	43.10	47896.97	44118.1	60.85	43.90	14024.85	12962.8
January 2021	64.50	56.80	50184.01	46160.46	64.50	56.85	14753.55	13596.75
February 2021	100.00	58.70	52516.76	46433.65	99.85	58.60	15431.75	13661.75
March 2021	96.75	71.30	51821.84	48236.35	96.80	71.25	15336.3	14264.4

(g) Registrar and Transfer Agents :

M/s. KFin Technologies Private Limited.
Selenium Tower B, Plot No.31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad -500 032
Phone:1800 309 4001
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, 2021.

Number of shares held	Number of shareholders*		Total Shares of ₹ 2/-each	Details of shareholding	
	No	%		Value of shares of (₹)	%
1 - 5,000	257188	95.99	69198796	138397592	11.35
5,001 - 10,000	5784	2.16	21302069	42604138	3.49
10,001 - 20,000	2604	0.97	19281111	38562222	3.16
20,001 - 30,000	821	0.31	10285467	20570934	1.69
30,001 - 40,000	411	0.15	7411691	14823382	1.22
40,001 - 50,000	232	0.09	5309813	10619626	0.87
50,001 - 100,000	403	0.15	14571628	29143256	2.39
100,001 and above	491	0.18	462486013	924972026	75.83
Total	267934	100.00	609846588	1219693176	100.00

*After clubbing the common PAN

Shareholding Pattern as on March 31, 2021

Category	No. of Shares of ₹ 2/- each	%
Promoters & Promoters Group	12,00,42,680	19.68
Domestic Institutional Investors/Banks	29,46,340	0.49
Bodies Corporate	4,31,95,190	7.08
Foreign Portfolio Investors	8,00,36,118	13.13
NRIs, OCBs, GDRs etc.,	81,64,830	1.34
Mutual Funds	7,35,00,785	12.05
Indian Public	28,14,82,577	46.16
IEPF	4,52,084	0.07
Unclaimed Suspense Account	25,984	0.00
Total	60,98,46,588	100.00

(j) Dematerialization.

Over 99.85% of the outstanding shares were dematerialized up to March 31, 2021. The Company's shares are liquid and actively traded.

Category	No. of Shareholders*	Number of Shares	%
NSDL	113020	429854941	70.49
CDSL	160687	179084403	29.36
Physical	858	907244	0.15
Total	274565	609846588	100

* without Clubbing the common PAN

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

(l) Address for Correspondence Physical / Electronic mode

M/s. KFin Technologies Private Limited Selenium Tower B, Plot No.31 & 32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Email: einward.ris@kfintech.com https://www.kfintech.com Toll Free No.1800-309-4001	Shareholders General Correspondence Company Secretary & Compliance Officer NCC Limited 9 th Floor, NCC House, Madhapur, Hyderabad - 500 081 Phone : 040-23268888 / 23268942 E-Mail : ho.secr@nccltd.in www.ncclimited.com
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(m) Credit Ratings:

Credit rating agency "India Ratings & Research" reviewed the rating assigned to the various credit facilities of the Company during the financial year ended 31st March 2021. Vide their letter dated 6th January 2021, the agency affirmed the Company's Long-Term Issuer Rating at 'IND A', while resolving the Rating Watch Negative (RWN). The Outlook is Positive. The instrument-wise rating actions are as follows:

Facilities	Rating	Remarks
Long term Bank Facilities	IND A/Positive	"Resolved RWN and affirmed 'IND A' with Positive outlook" from "IND A/RWN"
Fund-based and Non-Fund Based facilities	IND A/Positive/IND A1	"Resolved RWN and affirmed IND A/Positive/IND A1" from "IND A/RWN/IND A1/RWN"

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 consecutively 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 ₹ 3,75,105/- (Rupees Three Lakhs Seventy Five Thousand One Hundred and Five only) (Final Dividend) pertaining to the year 2012-2013 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, 2021 ₹	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2013-14	Final	25.09.2014	2,28,908.60	01.11.2021	30.11.2021
2014-15	Final	24.08.2015	5,13,261.20	30.09.2022	29.10.2022
2015-16	Final	24.08.2016	7,32,544.20	30.09.2023	29.10.2023
2016-17	Final	24-08-2017	5,17,408.80	30-09-2024	29-10-2024
2017-18	Final	10-08-2018	14,07,323.00	16-09-2025	15-10-2025
2018-19	Final	06-09-2019	15,41,164.50	12-10-2026	11-11-2026
2019-20	Final	25-09-2020	5,40,371.40	30-10-2027	28-11-2027

Dividend Distribution policy

In compliance with Regulation 43A of the Listing Regulations the Company has formulated its Dividend Distribution Policy, the details of which are available on the Company’s website at: <http://nclimited.com/Policies.html>

10. Other Disclosures

- During 2020-21 certain transactions were entered into with related parties. The details thereof are given in note number 36 of the Financial Statements.
- There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.
- The Company has formulated and adopted formal Whistle Blower Policy/Vigil Mechanism and the same is hosted on the Company’s Web site and no concerned person has been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Schedule V of the SEBI (Listing and Disclosure Requirements) Regulations, 2015.
- Policy on Material Subsidiaries is hosted on our website
The following is the web link: [http://nclimited.com/images/PDF/Policies/Policy on Material Subsidiary\(s\).pdf](http://nclimited.com/images/PDF/Policies/Policy on Material Subsidiary(s).pdf)
- Policy on Related party transactions is hosted in our website www.nclimited.com, the following is the web link;
<http://nclimited.com/images/PDF/Policies/Policy on Related Party Transactions.pdf>
- Details of utilization of funds raised through preferential allotment as specified under Regulation 32 (7A):

During the Financial Year 2020-21, the Company has received an amount of ₹ 26.55 Crore towards the application money in respect of 1,80,00,000 convertible warrants (₹ 14.75 per warrant being 25% of the issue price of ₹ 59/-) issued on preferential basis to the Promoters / Promoter Group as permitted under Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The amount raised through the Preferential Issue have been utilized as per the objects specified in the Explanatory Statement to the Postal Ballot Notice dated.31.12.2020.

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

Pursuant to Regulation 24A of the Listing the Company has submitted to the Stock Exchanges the Secretarial Compliance Report for the Financial Year 2020-21 furnished by M/s. BS & Company, Company Secretaries LLP, a firm of Practicing Company Secretaries. The Company shall be filing the Secretarial Compliance Report for the Financial Year 2020-21 within the prescribed time.

Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of the 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 28th May, 2021.

Recommendations of Committees of the Board

There were no instances during the financial year 2020-21, 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 Listing Regulations 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, 2020	29	25,984
Unclaimed shares Credited to the Account during the year	0	0
Number of shareholders approached the Company for transfer of shares from Unclaimed Suspense Account during the year	0	0
No. of Shares transferred to IEPF Account	0	0
Aggregate Number of Shareholders and outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2021	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 11591 (Eleven Thousand Five Hundred Ninety One only) Equity Shares of ₹ 2/- each during the Financial Year 2020-21 to the credit of IEPF Authority. As on 31st March, 2021, the Company has cumulatively transferred 452744 (Four Lakhs Fifty Two Thousand Seven Hundred Forty Four 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 been claimed by the members consecutively since 2013-14.

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 ₹ 72,869.60/- (Rupees Seventy Two Thousand Eight Hundred Sixty Nine and Sixty paise only) to the Investor Education and Protection Fund (IEPF) during the Financial Year 2020-21 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 25, 2020) and details of shares transferred to IEPF. The aforesaid details are put on the Company's website and can be accessed at: <http://nclimited.com/UDI.html>

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

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

Description of Service	Amount in (₹ in Crore)
Services as Statutory Auditors (Audit fee)	1.36
Certification fee	0.12
Total	1.48

17. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

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, 2021.

For NCC Limited

Place: Hyderabad
Date: May 28, 2021

A A V Ranga Raju
Managing Director
DIN No.00019161

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, 2020** and ended on **31st March, 2021**. 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, 2021.

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: 28th May 2021
Place: Hyderabad

Dafthardar Soumya
Designated Partner
ACS No. 29312
C P No.: 13199
UDIN: A029312C000387076

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: 2020-21
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 2020-21

1. Paid up capital (INR): ₹ 121.97 crores
2. Total Income (INR): ₹ 7371.27 crores
3. Total profit after taxes (INR): ₹ 261.13 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 yearly ₹ 10.96 crores, out of which this Company has spent ₹ 4.40 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 ongoing 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) Rural Development Projects.
 - b) Promoting Education
 - c) Promoting Health Care
 - d) Empowerment of Women

SECTION C: OTHER DETAILS

1	Does the Company have Subsidiary Companies	Yes, as on 31 st March 2021, the Company has 35 Subsidiary Companies including step down Subsidiaries
2	Do the Subsidiary Companies participate in the BR initiatives of the parent Company	Yes, 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

1. 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@nccltd.in

2. Principle-wise (as per NVGs)

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

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

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

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

Principle 5 : Businesses should respect and promote human rights.

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

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

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

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

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

S.No	Questions	P1 to P9
1	Do you have policy or policies for	Yes
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://ncclimited.com/images/PDF/Policies and / or on Company's intra net
7	Has the policy been communicated to all relevant internal and external stakeholders?	Yes. Communicated to all internal stakeholders

8	Does the Company have in house structure to implement the policy or policies?	Yes.
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 2020-21?	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 31.03.2021	4881
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	71
4	Number of permanent employees with disabilities	7
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 2020-21 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 2020-21, a total of 209 Training Programs were organized through virtual, classroom mode due to the COVID-19. Out of these, 189 training programmes were organized through virtual mode covering the aspects of Technical, Functional, Behavioural, Environment, Wellness & Safety. A Special emphasis on training & awareness towards COVID-19 and its appropriate behaviour was given widely in the office. A total of 2063 employees attended the training programs. In total 7840 man-days were achieved with during the period on the various training aspects like Behavioural, Managerial, Leadership, Technical/Functional, Environment, Health & Safety Awareness (EHS) and other topics too.</p> <p>ISO A total of 32 (internal & External) IMS & QMS audits and 7 Sessions on ISO awareness programs were organized virtually for the employees at sites during the year to fulfil the audit requirements.</p> <p>Employee Engagement As a responsible organization, we strive to offer an employee experience where everyone can feel safe, valued and included, and where every employee can offer their unique contribution. An engaged workforce is essential for our organization to have impact and deliver on our purpose, and engaging with our employees in a year such as 2020-21 was crucial. We did so in a variety of ways, with Online webcasts, Virtual trainings and regular newsletters.</p> <p>Measures taken during COVID-19: Being an employee centric organization with highest priority to quality and timely completion of work, NCC did its best to cater to these unprecedented times. We are taking necessary precautions at sites for our staff as well as workmen, by following all the guidelines issued by the government from time to time. We are providing easy access to hospitals, doctors, medicines, testing and vaccination facilities. Every site is taking care of its staff who have tested positive by making arrangements for quarantine either at site or at government facilities.</p> <ul style="list-style-type: none"> • Every day: sanitization of all the floors, temperature checking of all the people entering the building, compulsory Masks, refrain from in-person meetings • Strict travel policy and guidelines in place before starting Work from Office • UV sanitization box deployed on each floor for document sanitization; restricted floor movements and alternate day working for all the employees sitting in workstations • COVID Task Force & COVID Action team in place to help employees in every way possible • Tie ups with renowned hospitals for testing and medication • Awareness Training Programmes with help of panel of 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 disinfection of floors and office premises on regular basis. • Work from Home except permitting the essential and critical Team of our Admin to take of the maintenance and upkeep of UPS, equipments, water supply, watch ward etc. • Guidelines issued to all project sites, regional offices and corporate office to restart operations during this pandemic situation. • Sanitising 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, liquid soaps. • Distribution of dry ration, vegetables, cooked food to the construction workers at their respective sites. • Provided appropriate compensation to all the casualties and health insurance to all employees.

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, internal stakeholders
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 2020-21?	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.	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 II 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?	₹ 4.40 crores
5	Has the Company taken any steps to ensure 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 30 joint operations comprising the Balance sheet as at March 31 2021, 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, 2021, 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, 2021. 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>Total trade receivables and total contract assets amounting to ₹ 2,660.19 crores and ₹ 4,281.58 crores respectively, represents approximately 54.65% of the total assets of the Company as at March 31, 2021.</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 as at year end 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 the year end. • We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed as at the year-end 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 completed 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 customers, 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'), a subsidiary, as at March 31, 2021 is ₹ 388.53 crores which is higher by ₹ 144.53 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 including from the claims filed/won at arbitration by NCCIHL which are sub-judice and not accounted for, by taking into consideration the management's internal assessment and legal advice on the tenability of these 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, 2021, 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 orders 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 the 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"> We obtained list of indirect tax litigations as at March 31, 2021 from the management. We discussed the matters with the management to understand the possible outcome of these disputes. We involved our experts to review the management's assessment of the possible outcome of the disputes relating to indirect tax litigations. We 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, 2021 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 9 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 ₹ 182.52 crores as at March 31, 2021, and the total revenues of ₹ 370.49 crores and net cash inflows of ₹ 2.87 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 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: 21102328AAAADM9587

Place of Signature: Hyderabad

Date: May 28, 2021

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.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the construction services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (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	2011-15	0.72	0.49
	CST	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2014-15	0.31	-
	CST	Sales Tax Tribunal, Mumbai	2010-14	10.88	0.47
	VAT	Additional Commissioner, Andhra Pradesh	2012-13	12.53	8.27
	VAT	Additional Commissioner, Grade-2 (Appeals), Commercial Tax, Range-5 Lucknow	2006-07	1.55	0.16

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 (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	2010-11 & 2014-16	5.07	0.15	
	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 Odisha	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	16.19	13.90	
	VAT	Sales Tax Tribunal, Mumbai.	2010-15	39.30	7.72	
	VAT	Sr. Joint Commissioner (Appeals), West Bengal	2008-10 & 2012-13	31.93	0.94	
	VAT	Appellate Deputy Commissioner, Hyderabad	2007-10 & 2013-14	32.58	32.58	
	VAT	Sales Tax Appellate Joint Commissioner, Andhra Pradesh	2010-12	14.76	14.76	
	VAT	Joint Commissioner, Lucknow	2012-17	44.81	29.97	
	VAT	Joint Commissioner, West Bengal	2015-17	8.70	6.78	
	VAT	Deputy Commissioner of Sales Tax, Bhubaneswar	Oct'15 to Mar'18	12.19	2.40	
	VAT	Joint Commissioner, Lucknow (Appeals)	2017-18	3.02	2.36	
	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	2007-2012	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: 21102328AAAADM9587

Place: Hyderabad

Date: May 28, 2021

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 with reference to these standalone Ind AS financial statements of NCC Limited ("the Company") as of March 31, 2021 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 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, both issued by ICAI. 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 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal

financial controls 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 Company's internal financial controls with reference to these standalone Ind AS financial statements.

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

A company's internal financial controls 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 controls 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 With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control 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 with reference to these standalone Ind AS financial statements and such internal financial controls with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 21102328AAAADM9587

Place of Signature: Hyderabad

Date: May 28, 2021

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in crores)

	Note	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	1,038.58	1,047.47
Capital Work in Progress	3	21.53	14.83
Investment Property	3.1	178.39	143.22
Investment Property under Construction	3.1	68.10	68.10
Other Intangible Assets	3.2	0.71	0.80
Financial Assets			
Investments in Associates	4.1	10.54	10.54
Other Investments	4.1	980.18	878.16
Loans	5	146.06	364.48
Trade Receivables	6	139.59	209.74
Other Financial Assets	7	165.33	124.14
Deferred Tax Assets (Net)	8	41.14	205.50
Non Current Tax Assets (Net)	14	78.50	30.40
Other Non Current Assets	15	223.72	235.08
Total Non - Current Assets		3,092.37	3,332.46
Current Assets			
Inventories	9	526.80	514.83
Financial Assets			
Other Investments	4.2	15.03	-
Trade Receivables	10	2,520.60	2,408.26
Cash and Cash Equivalentents	11.1	169.56	85.34
Bank balances other than above	11.2	268.95	231.53
Loans	12	154.02	230.18
Other Financial Assets	13	149.01	114.28
Current Tax Assets (Net)	14.1	100.31	103.77
Other Current Assets	15.1	5,705.87	5,749.73
Total Current Assets		9,610.15	9,437.92
Total Assets		12,702.52	12,770.38

BALANCE SHEET AS AT MARCH 31, 2021 (contd.)

(₹ in crores)

	Note	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	16	121.97		121.97	
Other Equity	17	5,247.46		4,983.66	
Total Equity			5,369.43		5,105.63
Liabilities					
Non Current Liabilities					
Financial Liabilities					
Borrowings	18	98.60		173.67	
Trade Payables	19	22.96		46.62	
Provisions	20	44.98		37.41	
Total Non Current Liabilities			166.54		257.70
Current Liabilities					
Financial Liabilities					
Borrowings	21	1,427.91		1,477.86	
Trade Payables	22				
Total outstanding dues of micro and small enterprises		49.84		30.79	
Total outstanding dues of creditors other than micro and small enterprises		3,640.56		3,905.63	
Other Financial Liabilities	23	336.29		336.62	
Provisions	24	57.14		48.27	
Current Tax Liabilities (Net)	25	-		62.23	
Other Current Liabilities	26	1,654.81		1,545.65	
Total Current Liabilities			7,166.55		7,407.05
Total Equity and Liabilities			12,702.52		12,770.38

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

K. KRISHNA RAO
E.V.P (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 28, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crores)

	Note	YEAR ENDED MARCH 31, 2021		YEAR ENDED MARCH 31, 2020	
INCOME					
Revenue from Operations	27	7,255.67		8,218.80	
Other Income	28	115.60		151.27	
Total Income			7,371.27		8,370.07
EXPENSES					
Cost of Materials Consumed	29	2,377.87		2,944.69	
Construction Expenses	30	883.10		928.81	
Sub-Contractors Work Bills		2,611.49		2,621.36	
Employee Benefits Expense	31	349.35		435.23	
Finance Costs	32	457.78		517.87	
Depreciation and amortisation expenses (Refer note 3, 3.1 and 3.2)		174.09		177.52	
Other Expenses	33	179.38		258.56	
Total Expenses			7,033.06		7,884.04
Profit Before Exceptional Items and Tax			338.21		486.03
Exceptional Items (Net)	41		-		(32.67)
Profit Before Tax			338.21		453.36
Tax Expense					
Current Tax (including earlier year taxation)	34	7.37		100.05	
Deferred Tax		69.71		(28.73)	
			77.08		71.32
Profit for the year			261.13		382.04
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss					
Remeasurement gains / (losses) of the defined benefit plans			(12.05)		(11.84)
Income tax effect on the above			0.82		4.13
Items that may be reclassified to profit or loss					
Exchange differences in translating the financial statements of foreign operations			(0.44)		0.78
Other comprehensive income / (loss) for the year (net of taxes)			(11.67)		(6.93)
Total comprehensive income for the year			249.46		375.11
Earnings per share of face value of ₹ 2 each.					
Basic - ₹	38		4.28		6.34
Diluted - ₹	38		4.28		6.34

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

K. KRISHNA RAO
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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 28, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

	Number of shares	Amount (₹ in crores)
Balance as at April 01, 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
Add: Issue of Share Capital	-	-
Balance as at March 31, 2021	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 16.5 & 16.6)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange differences on translating financial statement of a foreign operations	
Balance as 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 as at April 01, 2020	5.44	2,639.62	-	922.00	1,435.82	(15.90)	(3.32)	4,983.66
Profit for the year	-	-	-	-	261.13	-	-	261.13
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(11.23)	(0.44)	(11.67)
Total comprehensive income for the year	-	-	-	-	261.13	(11.23)	(0.44)	249.46
Proceeds received against share warrants	-	-	26.55	-	-	-	-	26.55
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	(12.21)	-	-	(12.21)
Transfer to General Reserve	-	-	-	-	(200.00)	-	-	(200.00)
Transfer from Retained Earnings	-	-	-	200.00	-	-	-	200.00
Balance as at March 31, 2021	5.44	2,639.62	26.55	1,122.00	1,484.74	(27.13)	(3.76)	5,247.46

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

K. KRISHNA RAO
E.V.P (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 28, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash flows from operating activities		
Profit before tax	338.21	453.36
Adjustments for:		
Depreciation and amortisation expenses	174.09	177.52
Profit on sale of Property, Plant and Equipment and Investment Property	(19.37)	(41.17)
Finance costs	457.78	517.87
Interest income	(78.14)	(81.88)
Trade Receivables / Advances written off	3.40	-
Provision for doubtful trade receivables / advances / others	19.30	21.29
Expected credit loss for Unbilled revenue	10.36	46.60
Exceptional items (net)	-	32.67
Rental income from investment properties	(4.17)	(4.76)
Net foreign exchange (gain)	-	(1.37)
	563.25	666.77
Operating profit before working capital changes	901.46	1,120.13
Changes in working capital:		
Adjustments for (Increase) / Decrease in operating assets:		
(Increase) in Inventories	(11.97)	(1.88)
(Increase) / Decrease in Trade receivables	(86.34)	517.66
(Increase) / Decrease in Other financial assets	(16.97)	61.80
Decrease / (Increase) in Other assets	78.07	(212.00)
Adjustments for Increase / (Decrease) in operating liabilities:		
(Decrease) in Trade payables	(269.69)	(511.66)
Increase / (Decrease) in Other current liabilities	109.16	(213.15)
Increase in Provisions	4.39	12.16
	(193.35)	(347.07)
Cash generated from operations	708.11	773.06
Net income tax (paid)	(18.77)	(136.63)
Net cash flows from operating activities (A)	689.34	636.43
B. Cash flows from investing activities		
Capital expenditure for property , plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	(191.53)	(144.06)
Proceeds from disposal of Property, Plant and Equipment and Investment Property	39.92	56.21
Movement in Margin money deposits / other deposits	(78.63)	(99.11)
(Purchase) / sale of non current and current investments - Associates, Others	(15.03)	48.58
Loans given to subsidiaries, associates and others	(20.35)	(166.04)
Loans realised from subsidiaries, associates and others	281.87	57.62
Interest received	63.77	77.85
Rental income from investment properties	4.17	4.76
Net cash flows from / (used) in investing activities (B)	84.19	(164.19)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 (contd.)

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
C. Cash flows from financing activities		
Purchase of non current of investments - Subsidiaries	(120.55)	(0.70)
Proceeds received against share warrants	26.55	82.36
Proceeds from long term borrowings	260.98	147.54
Repayment of long term borrowings	(332.21)	(292.27)
Short term borrowings borrowed / repaid (net)	(49.95)	61.55
Finance costs paid	(461.92)	(472.81)
Dividend and Dividend Tax paid	(12.21)	(108.62)
Net cash flows (used) in financing activities (C)	(689.31)	(582.95)
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	84.22	(110.71)
Cash and cash equivalents at the beginning of the year	85.34	196.05
Cash and cash equivalents at the end of the year	169.56	85.34
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	169.56	85.34
Cash and cash equivalents at the end of the year	169.56	85.34

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

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

K. KRISHNA RAO
E.V.P (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 28, 2021

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.

With respect to the method for recognising revenue over time (i.e. the method for measuring progress towards complete

Notes forming part of the financial statements

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

Notes forming part of the financial statements

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

Foreign branches functional currency is other than reporting currency of its parent and foreign branch financial statements are translated into reporting currency of its parent using the following procedures.

Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate at the end of the respective month. All resulting exchange differences are recognised in other comprehensive income till the disposal of the net investment.

2.7 Borrowing Costs:

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

2.8 Employee Benefits:

2.8.1 Retirement benefit costs and termination benefits:

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

Superannuation

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

Provident Fund

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

Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit

method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) , is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in 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 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.

Notes forming part of the financial statements

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 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.

Notes forming part of the financial statements

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.

Notes forming part of the financial statements

- (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 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 :

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 with any option

Notes forming part of the financial statements

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.

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. 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.

Notes forming part of the financial statements

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 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, 2021.

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, 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
Additions	6.42	60.16	0.83	46.91	8.78	3.80	-	49.02	175.92
Disposals / Adjustments	0.21	11.63	0.11	4.10	2.64	0.38	0.11	37.15	56.33
As at March 31, 2021	68.34	885.65	13.62	223.76	92.07	55.33	16.08	791.65	2,146.50
Depreciation:									
Balance as at April 01, 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
Depreciation	5.08	56.58	1.06	16.67	8.17	4.39	3.54	77.94	173.43
Disposals / Adjustments	0.08	10.09	0.10	3.96	2.24	0.36	0.11	28.01	44.95
As at March 31, 2021	20.76	416.88	7.37	90.16	45.97	43.95	14.86	467.97	1,107.92
Net Block									
As at March 31, 2020	46.37	466.73	6.49	103.50	45.89	11.99	4.76	361.74	1,047.47
As at March 31, 2021	47.58	468.77	6.25	133.60	46.10	11.38	1.22	323.68	1,038.58

Capital work in progress ₹ 21.53 crores (31.03.2020: ₹ 14.83 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*	Total
Cost:			
Balance as at April 01, 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
Additions	20.07	24.83	44.90
Disposals / Adjustments	-	10.92	10.92
As at March 31, 2021	76.09	106.48	182.57
Depreciation:			
Balance as at April 01, 2019	-	4.88	4.88
Depreciation	-	0.49	0.49
Disposals / Adjustments	-	-	-
As at March 31, 2020	-	5.37	5.37
Depreciation	-	0.55	0.55
Disposals / Adjustments	-	1.74	1.74
As at March 31, 2021	-	4.18	4.18
Net Block			
As at March 31, 2020	56.02	87.20	143.22
As at March 31, 2021	76.09	102.30	178.39

*Cost includes given under operating lease ₹ 35.61 crores (31.03.2020: ₹ 30.77 crores).

Investment property under construction ₹ 68.10 crores (31.03.2020: ₹ 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, 2021 and March 31, 2020 are as follows:

(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2021	Fair value as at March 31, 2020
Land	Level 3	152.77	130.03
Buildings	Level 3	192.68	208.76
Investment property under construction	Level 3	82.86	82.86
Total		428.31	421.65

The internal technical team of the Company has valued for some of the properties at ₹ 319.90 crores (31.03.2020: ₹ 304.91 crores) and the balance properties have been valued by independent valuer at ₹ 108.41 crores (31.03.2020: ₹ 116.74 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, 2019	13.10	13.10
Additions	0.04	0.04
Disposals / Adjustments	-	-
As at March 31, 2020	13.14	13.14
Additions	0.02	0.02
Disposals / Adjustments	-	-
As at March 31, 2021	13.16	13.16
Amortisation:		
Balance as at April 01, 2019	12.03	12.03
Amortisation	0.31	0.31
Disposals / Adjustments	-	-
Depreciation and amortisation:		
As at March 31, 2020	12.34	12.34
Amortisation	0.11	0.11
Disposals / Adjustments	-	-
As at March 31, 2021	12.45	12.45
Net Block		
As at March 31, 2020	0.80	0.80
As at March 31, 2021	0.71	0.71

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
	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				
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
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)	445,874,458	457.91	445,324,458	457.36
Less: Provision for Impairment in value of Investments		69.38		69.38
		388.53		387.98
NCC Urban Infrastructure Limited	200,000,000	240.00	120,000,000	120.00
NCC Vizag Urban Infrastructure Limited	50,000,000	50.00	50,000,000	50.00
OB Infrastructure Limited (Valued at ₹ 6,000)	600	-	600	-
Patnitop Ropeway & Resorts Limited		-	2,255,300	1.07
Less: Provision for Impairment in value of Investments		-		1.07
		-		-
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
		-		-
Vaidehi Avenues Limited	5,163,422	5.16	5,163,422	5.16
Pachhwara Coal Mining Private Limited	102,000	0.10	102,000	0.10
Talaipalli Coal Mining Private Limited	45,900	0.05	45,900	0.05
In Equity Shares of ₹ 5/- each,, fully paid up				
Aster Rail Private Limited	3,098,800	1.55	3,098,800	1.55
In Shares of Omani Rials one each, fully paid up				
Nagarjuna Construction Company International LLC, Oman	12,818,000	193.37	12,818,000	193.37
Less: Provision for Impairment in value of Investments		78.52		59.99
		114.85		133.38
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

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
(ii) Investment in debentures				
0% Compulsory Convertible Debentures				
NCC Infrastructure Holdings Mauritius Pte. Ltd. (US \$ 1 each)	20,596,720	135.24	20,596,720	135.24
Total aggregate investments in Subsidiaries		976.48		874.46
C In Other entities				
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		0.01
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
Total aggregate investments in Other entities		3.70		3.70
Total aggregate investments in Subsidiaries and Other entities		980.18		878.16
4.2 Current Investments				
Investment at Fair Value through Profit and Loss Account				
In Mutual Funds (Quoted)				
Trust MF Banking & PSU Debt Fund	149,993	15.03		-
Grand Total		1,005.75		888.70
Aggregate market value of current Quoted Investments		15.03		-
Aggregate amount of Unquoted Investments		1,168.83		1,049.35
Aggregate amount of impairment in value of investments		178.11		160.65

4.3 Of these 374,412,894 (31.03.2020: 374,412,894) equity shares have been pledged with State Bank of India.

The carrying value of investment in 'NCCIHL' as at March 31, 2021 is higher by ₹ 144.53 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.

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
5 Loans				
Unsecured				
Loans to Related Parties				
Subsidiaries (Refer note 12.1)				
Considered Good	146.06		364.48	
Significant increase in credit risk	10.00		10.00	
	156.06		374.48	
Less : Allowance for significant increase in credit risk	10.00		10.00	
		146.06		364.48
Total		146.06		364.48
6 Trade Receivables				
Unsecured (Refer note 10.1 to 10.3)				
Considered Good	139.59		209.74	
Considered Doubtful	15.43		11.94	
	155.02		221.68	
Less : Allowance for doubtful trade receivables	15.43		11.94	
Total		139.59		209.74

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
7 Other Financial Assets		
Unsecured, Considered good		
Deposits with Customers and Others	0.25	0.25
Margin Money Deposits (Refer note 11.5)	71.25	30.38
In Deposit Accounts with remaining maturity more than 12 months	0.33	0.01
Interest accrued on loans	93.50	93.50
Total	165.33	124.14
8 Deferred Tax Assets (Net) (Refer note 43)		
Deferred Tax	41.14	82.34
MAT - Minimum Alternate Tax	-	123.16
Total	41.14	205.50
9 Inventories		
Raw Materials	510.87	495.48
Raw Material in Transit	0.51	3.93
Property Development Cost	15.42	15.42
Total	526.80	514.83
10 Trade Receivables		
Unsecured (Refer note 10.1 to 10.4)		
Considered Good	2,520.60	2,408.26
Considered Doubtful	29.71	33.30
	2,550.31	2,441.56
Less : Allowance for doubtful trade receivables	29.71	33.30
Total	2,520.60	2,408.26

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, 2021	As at March 31, 2020
Balance at beginning of the year	45.24	51.16
Add: Allowance for doubtful trade receivables	9.30	18.50
Less: Allowance written off during the year / transferred to contract asset	(9.40)	(24.42)
Balance at the end of the year	45.14	45.24

10.4 Trade receivables includes ₹ 29.23 crores (31.03.2020: ₹ 29.47 crores) from associates.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
11 Cash and Bank Balances				
11.1 Cash and Cash Equivalents				
Cash on hand (Refer note 11.3)	0.90		1.03	
Balances with Banks				
In Current Accounts (Refer note 11.4)	168.48		84.15	
In Deposit Accounts with original maturity less than 3 months	0.18		0.16	
		169.56		85.34
11.2 Other Bank Balances				
In Deposit Accounts				
Margin Money Deposits (Refer note 11.5)	251.67		213.49	
In Deposit Accounts with remaining maturity less than 12 months	16.74		17.48	
	268.41		230.97	
Earmarked balances with Banks				
Unpaid dividend accounts (Refer note 11.6)	0.54		0.56	
		268.95		231.53
Total		438.51		316.87

11.3 Cash on hand includes ₹ 0.19 crores (31.03.2020: ₹ 0.02 crores) held in foreign currency.

11.4 Current account balance includes ₹ Nil (31.03.2020: ₹ 0.02 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, 2020	Cash Flows	As at March 31, 2021
Current borrowings (including current maturity)	1,736.43	(46.11)	1,690.32
Non-current borrowings	173.67	(75.07)	98.60
Total	1,910.10	(121.18)	1,788.92

(₹ 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

Notes forming part of the financial statements

(₹ in crores)

		As at March 31, 2021		As at March 31, 2020	
12	Loans				
	Unsecured, considered good				
	Loans to Related Parties (Refer note 12.1)				
	Subsidiaries		149.49		202.66
	Loan to Other Body Corporate		-		19.60
	Loans and Advances to Employees		4.53		7.92
	Total		154.02		230.18

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, 2021	As at March 31, 2020	Maximum outstanding during the year (2020-21)	Maximum outstanding during the year (2019-20)
Subsidiaries:					
	NCC Urban Infrastructure Limited	149.49	414.58	434.83	414.58
	NCC Vizag Urban Infrastructure Limited	110.89	110.79	110.89	110.79
	NCC Infrastructure Holdings Mauritius Pte Limited	45.17	45.17	45.17	69.02
	Nagarjuna Construction Company International LLC, Oman	-	3.94	3.94	3.94
	NCC Infrastructure Holdings Limited	-	-	-	10.44
	Aster Rail Private Limited	-	2.66	2.66	2.66

(₹ in crores)

		As at March 31, 2021		As at March 31, 2020	
13	Other Financial Assets				
	Unsecured, considered good				
	Advances recoverable		115.26		94.90
	Interest Accrued on Deposits and others (₹ 2.59 crores (31.03.2020: ₹ 2.59 crores) from a subsidiary.)		33.75		19.38
	Total		149.01		114.28
14	Non Current Tax Assets (Net)				
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		78.50		30.40
14.1	Current Tax Assets (Net)				
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		100.31		103.77

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
15 Other Non - Current Assets				
Sales Tax / Value Added Tax credit receivable		113.55		113.53
Contract Asset				
Due on performance of future obligations				
Retention Money				
Considered Good	59.51		121.55	
Considered Doubtful	10.00		-	
	69.51		121.55	
Less : Allowance for doubtful retention money	10.00		-	
		59.51		121.55
Unbilled revenue (Refer note 15.4)				
Considered Good	50.66		-	
Considered Doubtful	4.00		-	
	54.66		-	
Less : Expected credit loss for unbilled revenue	4.00		-	
		50.66		-
Total		223.72		235.08
15.1 Other Current Assets				
Advances to Suppliers, Sub-contractors and Others (Refer note 15.2)				
Considered Good	987.42		908.60	
Considered Doubtful	17.95		39.04	
	1,005.37		947.64	
Less : Allowance for doubtful advances	17.95		39.04	
		987.42		908.60
Contract Asset				
Due on performance of future obligations				
Retention Money (Refer note 15.3)		2,029.49		2,206.78
Others		472.80		449.60
Unbilled revenue (Refer note 15.4)				
Considered Good	1,669.12		1,699.50	
Considered Doubtful	108.15		98.26	
	1,777.27		1,797.76	
Less : Expected credit loss for unbilled revenue	108.15		98.26	
		1,669.12		1,699.50
Prepaid Expenses		55.63		37.45
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		100.35		109.04
Goods and Service Tax credit receivable		391.06		338.76
Total		5,705.87		5,749.73

15.2 Advances to Suppliers, Sub-contractors and Others, includes advances to related parties of ₹ 32.61 crores (31.03.2020: ₹ 34.77 crores).

15.3 Retention money includes receivable from associate of ₹ 21.03 crores (31.03.2020: ₹ 21.03 crores).

15.4 Movement in the Expected credit loss for unbilled revenue:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	98.26	51.66
Add: Expected credit loss for unbilled revenue during the year / transferred from Trade Receivables	13.89	46.60
Balance at the end of the year	112.15	98.26

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
	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	609,846,588	121.97
Subscribed and Paid up :				
Equity Shares of ₹ 2 each	609,846,588	121.97	609,846,588	121.97
Total		121.97		121.97

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, 2021		Year Ended March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	609,846,588	121.97	600,646,588	120.13
Add: Issue of Share Capital (Refer note 16.5)	-	-	9,200,000	1.84
Balance at end of the year	609,846,588	121.97	609,846,588	121.97

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjhunwala	667,33,266	10.94	507,33,266	8.32
A V S R Holdings Private Limited	627,66,225	10.29	496,53,278	8.14
Aditya Birla Sun Life Trustee Private Limited	119,32,343	1.96	419,56,609	6.88
Reliance Capital Trustee Company Limited	-	-	324,84,585	5.33

16.3 Unclaimed equity shares of 25,984 (31.03.2020: 25,984) 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 During the previous 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 FY 2018-19 and the balance amount of ₹ 82.36 crores was received in previous year.

16.6 The Company had issued and allotted 18,000,000 Convertible Warrants on February 12, 2021 at a price of ₹ 59.00 per Warrant on preferential basis to the specified Promoters / Promoter Group of the Company, as per the provision of Chapter VII of the SEBI ICDR Regulations. The Company has received the part payment (25% of total consideration) of ₹ 26.55 crores. As per the said regulations the Warrants would be converted into equivalent number of equity shares of ₹ 2.00 each (at a premium of ₹ 57.00 per share) on payment of the balance amount prior to expiry of 18 months from the date of issue of convertible warrants.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
17 Other Equity				
17.1 Capital Reserve		5.44		5.44
17.2 Securities Premium				
Opening balance	2,639.62		2,531.65	
Add : Premium on Issue of Share Capital	-		107.97	
Closing balance		2,639.62		2,639.62
17.3 Money received against share warrants (Refer note 16.6)		26.55		-
17.4 General Reserve				
Opening balance	922.00		922.00	
Add : Transfer from Retained Earnings	200.00		-	
Closing balance		1,122.00		922.00
17.5 Retained Earnings (Refer note 17.5.a)				
Opening balance	1,435.82		1,162.40	
Add : Profit for the year	261.13		382.04	
	1,696.95		1,544.44	
Less : Appropriations				
Dividend distributed to equity shareholders (2020-21: ₹ 0.20 per share (2019-20: ₹ 1.50 per share))	12.21		90.10	
Tax on Dividend Paid	-		18.52	
Transfer to General Reserve	200.00		-	
	212.21		108.62	
Closing balance		1,484.74		1,435.82
17.6 Other Components of Equity				
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		(27.13)		(15.90)
Exchange differences in translating the financial statements of foreign operations (Net of tax)		(3.76)		(3.32)
Total		5,247.46		4,983.66

17.5.a For the year ended March 31, 2021, the Board of Directors have proposed a dividend of ₹ 0.80 per share. The dividend payable on approval of the shareholders is ₹ 48.79 crores.

Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current*	Non Current	Current*
18 Borrowings				
Term Loans				
Secured - at amortised cost				
From Banks (Refer note 18.1)	77.02	210.77	130.02	111.99
From Other Parties (Refer note 18.2)	17.36	34.55	27.71	110.59
Unsecured - at amortised cost				
From Other Parties (Refer note 18.3)	-	12.90	12.90	33.10
Vehicle Loans				
Secured - at amortised cost				
From Banks (Refer note 18.4)	2.73	2.45	1.42	1.27
From Others (Refer note 18.4)	1.49	1.74	1.62	1.62
Total	98.60	262.41	173.67	258.57

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

18.1 Term Loans from Banks:

- (i) Axis Bank Limited / Kotak Mahindra Bank Limited / 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
		31.03.2021	31.03.2020	31.03.2021	31.03.2020		31.03.2021	31.03.2020		
(i)	Axis Bank Limited	18	18	11.53	24.75	8.26 to 9.60	5 to 12	17 to 24	Monthly	October 10, 2017 to March 20, 2022
(ii)	Canara Bank	1	1	47.69	114.36	9.40	3	7	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	44	27	19.17	12.35	7.57 to 10.50	7 to 43	19 to 22	Monthly	December 20, 2018 to October 10, 2024
(iv)	Indus Ind Bank Limited	60	53	35.90	45.95	8.95 to 9.76	20 to 46	32 to 35	Monthly	February 01, 2019 to January 04, 2025
(v)	Bank of Bahrain and Kuwait	1	1	41.62	27.43	7.40 to 9.45	10	12	Quarterly	November 30, 2020 to August 31, 2023
(vi)	Yes Bank	42	20	20.90	17.17	8.05 to 10	12 to 45	24 to 26	Monthly	May 08, 2019 to December 15, 2024

Notes forming part of the financial statements

(iv) Covid Emergency Line Of Credit-Term Loans

- Extension of existing security offered to Working Capital Demand Loans and Cash Credit facilities availed from consortium of banks during the current year.

S.No.	Particulars	Outstanding balance As at (₹ in crores)	Interest Range % per annum	Balance number of Installments as at	Monthly Installments Commencing From- To
		31.03.2021		31.03.2021	
(i)	Allahabad Bank	4.32	7.50	2	December 31, 2020 to May 31, 2021
(ii)	Canara Bank	35.33	8.35	15	January 31, 2021 to June 30, 2022
(iii)	Punjab National Bank	4.44	8.10	16	February 28, 2021 to July 31, 2022
(iv)	State Bank Of India	44.43	7.25	13	November 30, 2020 to April 30, 2022
(v)	Union Bank Of India	15.38	8.00	13	November 30, 2020 to April 30, 2022
(vi)	Punjab & Sindh Bank	2.37	8.75	15	January 31, 2021 to June 30, 2022
(vii)	Punjab National Bank (e. OBC)	4.71	7.85	17	March 31, 2021 to August 31, 2022

18.2 i) Term Loans from Other 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
		31.03.2021	31.03.2020	31.03.2021	31.03.2020		31.03.2021	31.03.2020		
(i)	SREI Equipment Finance Limited	-	45	-	22.80	8.75 to 11	-	2 to 13	Monthly	September 05, 2017 to May 15, 2020
(ii)	Tata Capital Financial Services Limited*	4	8	32.04	46.28	7.60 to 10.50	1 to 33	8 to 28	Monthly / Quarterly	August 21, 2019 to December 03, 2023
(iii)	Daimler Financial Services India (Private) Limited	2	2	0.82	2.88	8.42	4 to 5	16 to 17	Monthly	October 13, 2018 to August 04, 2021
(iv)	Volvo Financial Services (India) Private Limited	42	37	19.05	25.34	8.04 to 9.16	12 to 33	24	Monthly	January 02, 2019 to December 07, 2023

* Term Loan from Tata Capital Financial Services Limited, for March 31, 2021 ₹ 32.04 crores, March 31, 2020 ₹ 46.28 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.

Notes forming part of the financial statements

ii) Term Loan from Hero Fincorp Ltd, for March 31, 2021 ₹ Nil, March 31, 2020 ₹ 41.00 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
		31.03.2021	31.03.2020	31.03.2021	31.03.2020		31.03.2021	31.03.2020		
(i)	Hewlett Packard Financial Services Limited	7	7	10.44	32.27	8.99 to 9.52	1 to 4	5 to 8	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	5	8	2.45	13.73	5.02 to 8.66	1 to 2	4 to 6	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 7.26 % to 9.37 % per annum. (₹ in crores)

		As at March 31, 2021	As at March 31, 2020
19	Trade Payables		
	Retention money	22.96	46.62
	Total	22.96	46.62
20	Provisions		
	Provision for Employee Benefits		
	Gratuity (Refer note 20.1)	44.98	37.41
	Total	44.98	37.41

Notes forming part of the financial statements

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

A Defined benefit plans

- (i) Liability for gratuity as on March 31, 2021 is ₹ 61.53 crores (31.03.2020: ₹ 48.16 crores) of which ₹ 2.31 crores (31.03.2020: ₹ 4.05 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 59.22 crores (31.03.2020: ₹ 44.11 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, 2021	As at March 31, 2020
Present Value of Funded Obligations	61.53	48.16
Fair Value of Plan Assets	(2.31)	(4.05)
Net Liability	59.22	44.11

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

	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Service Cost	5.37	6.31
Interest on Defined Benefit Obligation	3.04	2.34
Expected Return on Plan assets	(0.22)	(0.40)
Total included in "Employee Benefits Expense"	8.19	8.25

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

	Year Ended March 31, 2021	Year Ended March 31, 2020
Return on Plan Assets	0.02	0.41
Net Actuarial Losses / (Gains) Recognised in Year	12.03	11.43
Total included in "Other Comprehensive Income"	12.05	11.84

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

	Year Ended March 31, 2021	Year Ended March 31, 2020
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	48.16	32.88
Current Service Cost	5.37	6.31
Interest Cost	3.04	2.34
Actuarial Losses / (Gain)	12.03	11.43
Benefits Paid	(7.07)	(4.80)
Closing Defined Benefit Obligation	61.53	48.16

Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Fair Value of Plan assets	4.05	6.36
Expected Return on Plan Assets	0.20	(0.01)
Contributions	5.13	2.50
Benefits Paid	(7.07)	(4.80)
Closing Fair Value of Plan Assets	2.31	4.05
Expected Employer's Contribution Next Year	15.00	15.00

(vi) Asset information:

	As at March 31, 2021	As at March 31, 2020
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	2.31	4.05

(vii) Experience Adjustments:

(₹ in crores)

	2020-21	2019-20	2018-19	2017-18	2016-17
Defined Benefit Obligations (DBO)	61.53	48.16	32.88	21.08	14.32
Plan Assets	2.31	4.05	6.36	3.18	3.19
Surplus / (Deficit)	(59.22)	(44.11)	(26.52)	(17.90)	(11.13)
Experience Adjustments on Plan Assets	0.21	0.25	0.25	0.25	0.28

(viii) Sensitivity Analysis:

	Gratuity Plan	
	As at March 31, 2021	As at March 31, 2020
Assumptions		
Discount rate	6.91%	6.80%
Estimated rate of return on plan assets	6.84%	8.25%
Expected rate of salary increase	5.00%	0% to 7%
Attrition rate	18.61%	2% to 19%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	(3.50%)	(6.10%)
Discount rate - 100 basis points	3.80%	6.90%
Salary increase rate +1%	3.80%	6.70%
Salary increase rate -1%	(3.60%)	(6.10%)
Attrition rate +1%	0.20%	0.40%
Attrition rate -1%	(0.20%)	(0.50%)

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 financial statements

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

(₹ in crores)

Particulars	March 31, 2021
March 31, 2022	14.24
March 31, 2023	10.78
March 31, 2024	9.77
March 31, 2025	8.12
March 31, 2026	6.77

20.2 The Liability for Cost of Compensated absences is ₹ 42.90 crores (31.03.2020: ₹ 41.57 crores) has been actuarially determined and provided for in the books.

	As at March 31, 2021	As at March 31, 2020
21 Borrowings		
Loans repayable on demand		
Secured Loans - Banks		
Working Capital Demand Loan (Refer note 21.1)	1,223.54	1,231.87
Cash Credit (Refer note 21.1)	204.37	245.99
Total	1,427.91	1,477.86

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 (Hypothecation / Pledge) amongst the members of consortium on unencumbered movable of fixed assets of the Company at WDV and Shares of NCC Infrastructure Holdings Limited (Refer note 4.3).
- Equitable mortgage of eight properties (Land & Buildings).
- Personal Guarantee of Sri. A A V Ranga Raju.

These facilities carry an interest rate of 8.40% to 11.05% per annum.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
22 Trade Payables		
Micro and small enterprises	49.84	30.79
Other than micro and small enterprises		
Acceptances	377.71	455.01
Other than Acceptances (includes retention money payable)	3,262.85	3,450.62
	3,640.56	3,905.63
Total	3,690.40	3,936.42

Notes forming part of the financial statements

(₹ in crores)

		As at March 31, 2021		As at March 31, 2020	
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		49.84		30.79
b)	Interest due thereon		0.52		0.45
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)		262.41		258.57
	Interest Accrued but not due on borrowings and others		72.82		77.04
	Unpaid Dividend Accounts (Refer note 11.6)		0.54		0.56
	Other Payables				
	Interest Accrued on Trade Payables (Refer note 22.1)		0.52		0.45
	Total		336.29		336.62
24	Provisions				
	Provision for Employee Benefits				
	Compensated absences (Refer note 20.2)		42.90		41.57
	Gratuity (Refer note 20.1)		14.24		6.70
	Total		57.14		48.27
25	Current Tax Liabilities (Net)				
	Provision for Tax (Net of Advance Tax)		-		62.23
26	Other Current Liabilities				
	TDS / Service Tax / Other payable		23.00		26.42
	Goods and Service Tax payable		6.54		0.80
	Contract Liabilities				
	Mobilisation Advance from Customers		1,406.73		1,296.86
	Advances from Customers		109.96		130.69
	Advances from others		108.58		90.88
	Total		1,654.81		1,545.65

Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
27 Revenue from Operations		
Income from Contracts and Services	7,179.77	8,199.35
Other Operating Income	75.90	19.45
Total	7,255.67	8,218.80
28 Other Income		
Interest Income -		
On Deposits and Others	18.52	17.60
On Loans and Advances	45.03	47.51
On Income Tax refund	7.62	12.78
On Others	6.97	3.98
Net Gain / (Loss) on foreign currency transactions	1.14	1.50
Other Non-Operating Income		
Rental Income from operating lease on investment property	4.17	4.76
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)	19.37	41.17
Miscellaneous Income	12.78	21.97
Total	115.60	151.27
29 Cost of Materials Consumed		
Construction Materials, Stores and Spares		
Opening Stock	499.41	497.82
Add : Purchases	2,389.84	2,946.28
	2,889.25	3,444.10
Less : Closing Stock	511.38	499.41
Total Consumption	2,377.87	2,944.69
30 Construction Expenses		
Transport Charges	41.93	59.72
Operation and Maintenance		
Machinery	334.16	253.53
Others	15.51	16.19
	349.67	269.72
Hire Charges for Machinery and others	106.68	123.80
Power and Fuel	30.17	28.42
Technical Consultation	43.42	57.73
Royalties, Seigniorage and Cess	16.88	21.57
Other Expenses	283.99	321.25
Expected credit loss for unbilled revenue	10.36	46.60
	491.50	599.37
Total	883.10	928.81

Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
31 Employee Benefits Expense		
Salaries and Other Benefits	318.04	392.76
Contribution to Provident Fund and Other Funds (Refer note 20.1 and 31.1)	24.70	36.35
Staff Welfare Expenses	6.61	6.12
Total	349.35	435.23

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 ₹ 16.47 crores (31.03.2020: ₹ 18.54 crores) for Provident Fund contributions and ₹ 0.02 crores (31.03.2020: ₹ 9.59 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, 2021	Year Ended March 31, 2020
32 Finance Costs		
Interest Expense on		
Borrowings		
Term Loans	32.19	45.57
Working Capital Demand Loans and Cash Credit	163.34	190.93
Mobilisation Advance	116.00	139.26
Others	9.51	7.18
	321.04	382.94
Other Borrowing Costs		
Commission on - Bank Guarantees	110.60	109.32
- Letters of Credit	14.64	16.23
	125.24	125.55
Bank and Other Financial Charges	11.50	9.38
Total	457.78	517.87
33 Other Expenses		
Rent	49.01	58.39
Travelling and Conveyance	15.32	26.50
Office Maintenance	21.38	23.02
Electricity Charges	8.18	8.56
Rates and Taxes	4.49	5.35
Consultation Charges	6.43	12.15
Postage, Telegrams and Telephones	2.76	3.15
Insurance	8.94	17.01
Printing and Stationery	4.37	5.35
Legal and Professional Charges	11.85	12.12

Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Auditors' Remuneration (Refer note 33.1)	1.48	1.67
Directors' Sitting Fees	0.37	0.33
Trade Receivables / Advances written off	3.40	-
Provision for Doubtful Trade Receivables / Advances / Others	19.30	21.25
Tender Schedule Expenses	1.37	0.87
Donations and Electoral Bonds (Electoral Bonds for the year ended 31.03.2021: ₹ Nil (31.03.2020: ₹ 40.00 crores))	0.80	40.32
CSR Expenditure (Refer note 40)	12.60	8.38
Miscellaneous Expenses	7.33	14.14
Total	179.38	258.56
33.1 Auditors' Remuneration		
Statutory Audit fee	1.36	1.57
Certification fee	0.12	0.10
Total	1.48	1.67
34 Tax Expense		
Current Tax	84.07	174.26
Earlier year taxes (net)	(76.70)	(74.21)
Deferred Tax	69.71	(28.73)
Total	77.08	71.32

34.1 During the current year, based on its assessment of the availability of tax benefits considering the current status of the underlying projects, the Company has elected to follow the tax rates notified under section 115BAA of the Income tax act, 1961 and has filed the return of income accordingly for the previous year. Consequently, the Company has reversed current tax provision of ₹ 44.35 crores; reversed MAT credit of ₹ 26.71 crores; and reversed deferred tax asset by ₹ 23.25 crores. This matter has resulted in an increase of tax expense by ₹ 5.61 crores for the year ended March 31, 2021.

Tax expense for the year ended March 31, 2021 is after accounting of tax credit of ₹ 32.03 crores on receipt of intimation of assessment from department for earlier year. (year ended March 31, 2020 is after accounting of net tax credit of ₹ 86.54 crores on receipt of assessment orders of earlier years).

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

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Accounting profit before tax	338.21	453.36
Tax expense at statutory tax rate at 25.168% / 34.944%	85.12	158.42
Adjustments:		
Effect of income that is exempt from taxation	-	(2.39)
Adjustments recognised in the current year in relation to the current tax of prior years	(76.38)	(74.21)
Effect of expenses that are not deductible in determining taxable profit	6.74	15.82
Effect of capital gains set off with unused capital losses	(0.23)	(15.46)
Reversal of MAT credit due to adoption of new tax rate	26.71	-
Adjustments recognised in the current year in relation to the MAT credit / reversal of DTA of prior years	23.25	(13.45)
Others including effect of higher tax rate in joint operations	11.87	2.59
	(8.04)	(87.10)
Tax expense reported in the Statement of Profit and Loss	77.08	71.32

Notes forming part of the financial statements

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

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Tax effect on actuarial gains/losses on defined benefit obligations	0.82	4.13

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

(i) Contingent Liability

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Matters under litigation		
Claims against the company not acknowledged as debt*		
- Disputed sales tax / entry tax liability for which the Company preferred appeal	287.80	298.84
- 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	37.43	26.08
* interest, if any, not ascertainable after the date of order.		
(b) Guarantees		
Corporate Guarantees given to Banks for financial assistance extended to Subsidiaries.	157.53	214.42

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, 2021	As at March 31, 2020
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1.61	2.56
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	1.76	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	36	NJC Avenues Private Limited ^
A)	Subsidiaries	37	NCC WLL ^{@@}
1	NCC Infrastructure Holdings Limited	38	Al Mubarakia Contracting Co. L.L.C.
2	NCC Urban Infrastructure Limited	39	NCCA International Kuwait General Contracts Company L.L.C.
3	NCC Vizag Urban Infrastructure Limited	40	Samashti Gas Energy Limited
4	Nagarjuna Construction Co. Ltd and Partners L.L.C. [@]	41	NCC Infra Limited
5	NCC Infrastructure Holdings Mauritius Pte Limited	42	NCC Urban Homes Private Limited
6	Nagarjuna Construction Company International L.L.C.	43	NCC Urban Ventures Private Limited
7	Nagarjuna Contracting Co. L.L.C.	44	NCC Urban Meadows Private Limited ⁵
8	Patnitop Ropeway and Resorts Limited [#]	45	NCC Urban Villas Private Limited ⁵
9	Vaidehi Avenues Limited	46	Nagarjuna Suites Private Limited ⁵
10	NCC International Convention Centre Limited ⁵	47	OB Infrastructure Limited
11	NCC Oil & Gas Limited *	48	Savitra Agri Industrial Park Private Limited
12	Aster Rail Private Limited	B)	Associates
13	Pachhwara Coal Mining Private Limited	49	Paschal Form Work (India) Private Limited
14	Talaipalli Coal Mining Private Limited	50	Nagarjuna Facilities Management Services L.L.C.
	Step-Down Subsidiaries	51	Tellapur Technocity Private Limited ^{##}
15	Dhatri Developers & Projects Private Limited	52	Tellapur Technocity (Mauritius) ^{\$\$\$}
16	Sushanti Avenues Private Limited	53	Apollonius Coal and Energy Pte. Ltd.
17	Sushrutha Real Estate Private Limited	54	Ekana Sportz City Private Limited
18	PRG Estates LLP	55	Brindavan Infrastructure Company Limited
19	Thrilekya Real Estates LLP	56	Pondicherry Tindivanam Tollway Limited
20	Varma Infrastructure LLP	C)	Key Management Personnel
21	Nandyala Real Estates LLP	57	Sri. A.A.V. Ranga Raju
22	Kedarnath Real Estates LLP	58	Sri. A.S.N. Raju
23	AKHS Homes LLP	59	Sri. A.G.K. Raju
24	JIC Homes Private Limited	60	Sri. A.V.N. Raju
25	Sushanti Housing Private Limited	61	Sri. J.V. Ranga Raju
26	CSVS Property Developers Private Limited	62	Sri. Ramachandra Venkataraman Shastri ^{\$\$}
27	Vera Avenues Private Limited	63	Sri. Utpal Hemendra Sheth
28	Sri Raga Nivas Property Developers LLP	64	Smt. Renu Challu
29	VSN Property Developers LLP	65	Sri. Ravi Shankararamiah ^{***}
30	M A Property Developers Private Limited	66	Sri. Hemant Madhusudan Nerurkar
31	Vara Infrastructure Private Limited ⁵	67	Dr. Durga Prasad Subramanyam Anapindi
32	Sri Raga Nivas Ventures Private Limited ⁵	68	Sri. Om Prakash Jagetiya ^{**}
33	Mallelavanam Property Developers Private Limited	69	Sri. R.S. Raju ^{^^}
34	Sradha Real Estates Private Limited ⁵	70	Sri. K. Krishna Rao ^{@@@}
35	Siripada Homes Private Limited ⁵	71	Sri. M.V. Srinivasa Murthy

Notes forming part of the financial statements

S.No	Particulars	S.No	Particulars
D)	Relatives of Key Management Personnel	89	Sri. U. Sunil
72	Dr. A.V.S. Raju	90	Sri. P. Manoj Raj ^{^^}
73	Smt. A. Satyanarayanamma	91	Smt. A. Sravani
74	Sri. N.R. Alluri	E)	Enterprises owned or significantly influenced by key management personnel or their relatives
75	Sri. A. Srinivasa Rama Raju	92	NCC Blue Water Products Limited
76	Smt. BH. Kaushalya	93	NCC Finance Limited ###
77	Smt. J. Sridevi	94	Shyamala Agro Farms Private Limited
78	Smt. J. Sowjanya	95	Ranga Agri Impex LLP
79	Smt. A. Arundhati	96	NCC Foundation
80	Smt. M. Swetha	97	Sirisha Projects Private Limited
81	Sri. J. Krishna Chaitanya Varma	98	Narasimha Developers Private Limited
82	Smt. A. Subhadra Jyotirmayi	99	Avathesh Property Developers Private Limited
83	Smt. A. Shyama	100	Arnesh Ventures Private Limited
84	Smt. A. Suguna	101	AVSR Holdings Private Limited
85	Sri. A. Sri Harsha Varma	102	Sridevi Properties
86	Sri. S.R.K. Surya Srikrishna Raju	103	Matrix Security and Surveillance Private Limited
87	Sri. A. Vishnu Varma	104	Jampana Construction Private Limited
88	Smt. A. Nikitha	105	Shri Aruna Constructions Private Limited

- @ Liquidated with effect from June 19, 2019.
- # Liquidated (voluntary) with effect from February 12, 2021.
- \$ Applied for strike off of the name.
- * Struck off from the register of companies with effect from November 28, 2019.
- ^ Ceased to be Subsidiary with effect from July 27, 2020.
- @@ Liquidated with effect from June 18, 2019.
- ## Ceased to be associate with effect from November 16, 2019.
- ^^ With effect from August 14, 2020.
- \$\$ Key Management Person upto September 24, 2019.
- ** Key Management Person with effect from December 30, 2020.
- ^^ Key Management Person upto November 30, 2020.
- @@@ Key Management Person with effect from December 01, 2020.
- ### Liquidated with effect from February 19, 2021.
- \$\$\$ Under voluntary liquidation.
- *** Key Management Person upto November 9, 2020.

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	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Investment in Equity shares	120.55	1.89	-	-	-	-	-	-
2	Loan / Interest Accrued converted to Equity shares	-	10.99	-	-	-	-	-	-
3	Money received on reduction of share capital	-	1.19	-	-	-	-	-	-
4	Investments written-off	1.07	0.04	-	-	-	-	-	-
5	Loans granted	20.35	166.04	-	-	-	-	-	-
6	Loan repayment received	276.95	57.62	-	-	-	-	-	-
7	Advances granted	4.33	24.12	-	-	-	-	67.50	106.74
8	Advances Repayment received / adjusted	7.32	9.10	-	0.10	-	-	1.23	0.11
9	Advances repaid / adjusted	-	1.20	-	-	-	-	-	-
10	Mobilisation Advance recovered / adjusted by the Company	-	-	-	-	-	-	7.10	6.80
11	Interest received / adjusted	45.02	51.47	-	-	-	-	-	-
12	Remittance to Trade Payables	0.70	0.23	-	-	-	-	13.41	19.85
13	Trade / Accounts Receivables realised	-	-	0.24	2.35	-	-	-	-
14	Revenue from Operations	6.23	1.42	-	-	-	-	-	-
15	Material Purchase and Services	-	-	0.43	-	-	-	-	-
16	Purchase of Property Plant and Equipment / Investment Property	15.00	1.88	-	-	-	-	0.12	-
17	Sale of Property Plant and Equipment	-	0.03	0.16	-	-	-	-	-
18	Interest Income	45.03	47.51	-	-	-	-	-	-
19	Reimbursement of Expenses	1.10	2.91	-	0.06	0.02	0.02	2.68	2.66
20	Sub-Contractors work bills	7.18	18.40	-	-	-	-	76.58	154.36
21	Remuneration (Including commission)*								-
	Short-term employee benefits	-	-	-	-	17.72	21.58	-	-
	Post employee benefits	-	-	-	-	0.64	1.22	-	-
22	Directors sitting fee and commission	-	-	-	-	0.37	0.33	-	-
23	Rent income	0.05	0.05	-	-	-	-	-	-
24	Rent expenses	0.07	0.05	-	-	0.70	0.65	10.10	10.05
25	Dividend paid	-	-	-	-	0.82	7.77	1.58	8.50
26	Corporate Guarantees revoked / expired	109.21	452.06	-	-	-	-	-	-
27	Corporate Guarantees given	55.41	-	-	-	-	-	-	-

* 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1	Debit Balances outstanding								
	NCC Urban Infrastructure Limited	149.88	415.99	-	-	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	192.09	191.99	-	-	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte. Limited	57.49	57.49	-	-	-	-	-	-
	Nagarjuna Construction Company International L.L.C	12.53	19.75	-	-	-	-	-	-
	Vaidehi Avenues Limited	0.20	0.18	-	-	-	-	-	-
	Aster Rail Private Limited	4.31	6.14	-	-	-	-	-	-
	Pachhwara Coal Mining Private Limited	-	0.06	-	-	-	-	-	-
	Talaipalli Coal Mining Private Limited	0.12	0.12	-	-	-	-	-	-
	Paschal Form Work (India) Private Limited	-	-	0.08	0.08	-	-	-	-
	Brindavan Infrastructure Company Limited	-	-	-	0.24	-	-	-	-
	Ekana Sportz City Private Limited	-	-	50.25	50.25	-	-	-	-
	Sridevi Properties	-	-	-	-	-	-	0.19	0.19
	Jampana Construction Private Limited	-	-	-	-	-	-	11.30	0.95
	Shri Aruna Constructions Private Limited	-	-	-	-	-	-	5.65	15.00
	Matrix Security & Surveillance Pvt. Ltd	-	-	-	-	-	-	-	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	102.12	214.42	-	-	-	-	-	-
	NCC Urban Infrastructure Limited	55.41	-	-	-	-	-	-	-
2	Credit Balances outstanding								
	NCC Urban Infrastructure Limited	0.44	1.07	-	-	-	-	-	-
	Nagarjuna Facilities Management Services L.L.C	-	-	0.25	0.25	-	-	-	-
	Vaidehi Avenues Limited	0.02	0.03	-	-	-	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	-	-	0.05	0.05
	Jampana Construction Private Limited	-	-	-	-	-	-	0.83	1.92
	Shree Aruna Constructions Private Limited	-	-	-	-	-	-	12.75	9.20
	Sridevi Properties	-	-	-	-	-	-	0.13	0.03
	Matrix Security and Surveillance Private Limited	-	-	-	-	-	-	0.03	-
	Sri. A.A.V. Ranga Raju*	-	-	-	-	2.25	2.35	-	-
	Sri. A.S.N. Raju	-	-	-	-	1.11	1.37	-	-
	Sri. A.G.K. Raju*	-	-	-	-	1.12	1.31	-	-
	Sri. A.V.N. Raju	-	-	-	-	1.12	1.39	-	-
	Sri. J.V. Ranga Raju	-	-	-	-	0.39	0.36	-	-

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Sri. Hemant Madhusudan Nerurkar	-	-	-	-	0.09	0.09	-	-
	Smt. Renu Challu	-	-	-	-	0.05	0.05	-	-
	Dr. Durga Prasad Subramanyam Anapindi	-	-	-	-	0.09	0.09	-	-
	Sri. Ravi Shankararamiah	-	-	-	-	0.03	0.04	-	-
	Sri. Om Prakash Jagetiya	-	-	-	-	0.02	-	-	-
	Sri. R.S. Raju	-	-	-	-	0.05	0.15	-	-
	Sri. K. Krishna Rao	-	-	-	-	0.04	-	-	-
	Sri. M.V. Srinivasa Murthy	-	-	-	-	0.08	0.10	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	-	-	0.04	0.08	-	-
	Sri. A. Vishnu Varma	-	-	-	-	0.06	0.10	-	-
	Smt. A. Nikhita	-	-	-	-	0.03	0.02	-	-
	Sri. P. Manoj Raj	-	-	-	-	0.01	-	-	-
	Sri. A. Sri Harsha Varma	-	-	-	-	0.03	0.08	-	-
	Sri. U. Sunil	-	-	-	-	0.03	0.07	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	-	-	0.20	0.12	-	-
	Smt. J. Sowjanya	-	-	-	-	0.06	0.01	-	-
	Smt. J. Sridevi	-	-	-	-	0.03	0.01	-	-
	Smt. BH. Kaushalya	-	-	-	-	0.03	0.03	-	-

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

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	2020 - 21	2019 - 20
Investment in Equity shares		
- NCC Infrastructure Holdings Limited	-	1.89
- NCC Urban Infrastructure Limited	120.00	-
Loan/Interest Accrued converted to Equity shares		
- NCC Infrastructure Holdings Limited	-	10.99
Money received on reduction of share capital		
- Patnitop Ropeway and Resorts Limited	-	1.19
Investments written off		
- NCC Oil and Gas Limited	-	0.04
- Patnitop Ropeway and Resorts Limited	1.07	-
Loans Granted		
- NCC Urban Infrastructure Limited	20.25	164.00
Loan Repayment Received		
- NCC Urban Infrastructure Limited	270.35	32.75
- NCC Infrastructure Holdings Maurities Pte Limited	-	24.87
Advances Granted		
- Jampana Construction Private Limited	21.61	57.11
- Shri Aruna Constructions Private Limited	45.66	49.53
- Aster Rail Private Limited#	-	20.96
Advances Repayment Received / Adjusted		
- Nagarjuna Construction Company International L.L.C	4.61	2.64
- Pachhwarra Coal Mining Private Limited	-	1.37
- NCC Infrastructure Holdings Maurities Pte Limited	-	5.08
- Matrix Security and Surveillance Private Limited	1.13	-
- Aster Rail Private Limited	2.21	-
Advances Repaid / Adjusted		
- Patnitop Ropeway and Resorts Limited	-	1.20
Mobilisation Advance Recovered / Adjusted by the Company		
- Shri Aruna Constructions Private Limited	7.10	6.80
Interest Received		
- NCC Urban Infrastructure Limited	44.95	46.35
Remittance to Trade Payables		
- Jampana Construction Private Limited	3.51	14.21
- Shri Aruna Constructions Private Limited	9.91	5.63
Trade / Accounts Receivables realised		
- Ekana Sportz City Private Limited	-	2.00
- Brindavan Infrastructure Company Limited	0.24	0.35
Revenue From Operations		
- Pachhwarra Coal Mining Private Limited	6.23	1.42
Material Purchases and Services		
- Paschal Form Work (India) Private Limited	0.43	-

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	2020 - 21	2019 - 20
Purchase of Property Plant and Equipment / Investment Property		
- Nagarjuna Construction Company International LLC	-	1.88
- NCC Urban Infrastructure Limited	15.00	-
Sale of Property Plant and Equipment		
- NCC Urban Infrastructure Limited	-	0.03
- Paschal Form Work (India) Private Limited	0.16	-
Interest Income		
- NCC Urban Infrastructure Limited	44.95	46.35
Reimbursement of Expenses		
- Nagarjuna Construction Company International LLC	1.07	1.45
- Shri Aruna Constructions Private Limited	1.60	2.23
- Pachhvara Coal Mining Private Limited [#]	-	1.34
- Matrix Security and Surveillance Private Limited [§]	0.64	-
Sub-Contractors Work Bills		
- Aster Rail Private Limited [#]	-	18.40
- Jampana Construction Private Limited	11.85	77.21
- Shri Aruna Constructions Private Limited	64.61	77.15
Remuneration (Including Commission)		
- Sri A.A.V. Ranga Raju	5.01	6.33
- Sri A.S.N. Raju	2.57	3.20
- Sri A.G.K. Raju	2.56	3.20
- Sri A.V.N. Raju	2.53	3.13
Directors Sitting Fee and Commission		
- Sri. Hemant Madhusudan Nerurkar	0.09	0.07
- Smt. Renu Challu	0.08	0.07
- Sri. Utpal Sheth	0.06	0.05
- Dr. Durga Prasad Subramanyam Anapindi	0.10	0.08
- Sri. Ravi Shankararamiah [#]	-	0.04
Rent Income		
- NCC Urban Infrastructure Limited	0.05	0.05
Rent Expenses		
- Sirisha Projects Private Limited	9.33	9.32
Dividend Paid		
- AVSR Holdings Private Limited	1.22	6.07
- Sri A.A.V. Ranga Raju	0.27	2.03
- Sirisha Projects Private Limited	0.26	1.68
Corporate Guarantees Revoked / Expired		
- Nagarjuna Construction Company International LLC	109.21	407.41
- Nagarjuna Contracting Company LLC Dubai	-	44.65
Corporate Guarantees given		
- NCC Urban Infrastructure Limited	55.41	-

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

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

Notes forming part of the financial statements

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 13.01 % (March 31, 2020 : 11.30%) arising on account of Income from Contracts and Services.

38 Earnings per share:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Profit after tax available for equity shareholders (₹ in crores)	261.13	382.04
Weighted Average number of equity shares for Basic EPS (Nos)	609,846,588	602,280,468
Weighted Average number of equity shares for Diluted EPS (Nos)	610,598,660	602,280,468
Face value per share (₹)	2.00	2.00
Basic EPS (₹)	4.28	6.34
Diluted EPS (₹)	4.28	6.34

*The Company has no dilutive instruments during the year ended March 31, 2020. 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.

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, 2021	As at March 31, 2020
Equity	5,369.43	5,105.63
Short-term borrowings and current portion of long-term borrowings	1,690.32	1,736.43
Long-term borrowings	98.60	173.67
Cash and cash equivalents	(169.56)	(85.34)
Net debt	1,619.36	1,824.76
Total capital (equity + net debt)	6,988.79	6,930.39
Gearing ratio	0.30	0.36

Notes forming part of the financial statements

39.2 Categories of financial instruments

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mandatorily measured:		
Equity investments in other entities	3.70	3.70
Investments in Mutual funds	15.03	-
Measured at amortised cost		
Cash and bank balances	438.51	316.87
Other financial assets at amortised cost	3,274.61	3,451.08
Measured at cost		
Investments in equity instruments in subsidiaries and associates		
a) Equity shares	866.81	749.76
b) Debentures	135.24	135.24
	4,733.90	4,656.65
Financial liabilities		
Measured at amortised cost	5,576.16	5,971.19

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:

- 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 ₹ 1,788.92 crores (31.03.2020: ₹ 1,910.10 crores) as of 31.03.2021, the floating rate borrowings are ₹ 1,469.53 crores (31.03.2020: ₹ 1,505.29 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 ₹ 7.35 crores for the year ended March 31, 2021 (31.03.2020 : ₹ 7.53 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, 2021 and March 31, 2020.

Notes forming part of the financial statements

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

Currency	Liabilities		Assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD (crores)	4.14	4.47	5.74	5.72
INR (₹ in crores)	303.48	337.40	420.30	432.06
OMR (crores)	-	-	0.06	-
OMR (₹ in crores)	-	-	11.39	-

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

- (b) Foreign currency sensitivity analysis:

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

(₹ in crores)

Currency USD impact on:	As at March 31, 2021	As at March 31, 2020
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(1.60)	(1.25)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	1.60	1.25
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(1.60)	(1.25)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	1.60	1.25

- 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, 15 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, 2021:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	3,713.36	3,481.83	186.72	44.81	3,713.36
Borrowings and interest accrued	1,861.74	1,763.07	92.68	5.99	1,861.74
Other financial liabilities	1.06	1.06	-	-	1.06
Total	5,576.16	5,245.96	279.40	50.80	5,576.16

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	1,987.14	1,813.48	166.79	6.87	1,987.14
Other financial liabilities	1.01	1.01	-	-	1.01
Total	5,971.19	5,513.02	394.06	64.11	5,971.19

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, 2021	As at March 31, 2020		
Investments in Mutual funds at FVTPL	15.03	-	Level 1	Refer note 2
Investments in unquoted equity instruments at FVTPL	3.70	3.70	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, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	2,660.19	2,660.19	2,618.00	2,618.00
- Cash and cash equivalents	169.56	169.56	85.34	85.34
- Bank balances other than cash and cash equivalents	268.95	268.95	231.53	231.53
- Loans	300.08	300.08	594.66	594.66
- Other financial assets	314.34	314.34	238.42	238.42
Financial liabilities				
Financial liabilities at amortised cost:				
- Borrowings (excluding current maturity)	1,526.51	1,526.51	1,651.53	1,651.53
- Trade payables	3,713.36	3,713.36	3,983.04	3,983.04
- Other financial liabilities	336.29	336.29	336.62	336.62

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

40 Corporate Social Responsibility:

(₹ in crores)

	March 31, 2021	March 31, 2020
a) Gross amount required to be spent by the Company during the year	10.96	10.02
b) Amount approved by the Board to be spent during the year	13.17*	10.02

* Including the unspent amount pertains to the year ended March 31, 2020.

c) Amount spent during the year ended:

(₹ in crores)

Particulars	March 31, 2021			March 31, 2020		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
i) Construction/acquisition of any asset	0.26	-	0.26	-	-	-
ii) On purposes other than (i) above	4.14	-	4.14	8.38	-	8.38
Total	4.40	-	4.40	8.38	-	8.38

d) Details related to spent / unspent obligations:

(₹ in crores)

Particulars	March 31, 2021	March 31, 2020
i) Spent for CSR activities (for Ongoing project ₹ 2.96 crores during the year ended March 31, 2021)	4.10	3.69
ii) Contribution	0.30	4.69
iii) Unspent amount in relation to:		
- Ongoing project *	8.77	-
- Other than ongoing project	-	-
Total	13.17	8.38

* Unspent amount of ₹ 8.77 crores is deposited in the separate bank account on April 29, 2021.

Notes forming part of the financial statements

- 41** The exceptional items for the year ended March 31, 2021 is ₹ Nil (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).
- 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), NCC 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.

43 Deferred tax assets (Net):

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2021: (₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(12.51)	(15.06)
Provision for doubtful trade receivables, contract assets, advances and others	48.17	64.95
Provision for employee benefits	27.70	32.45
MAT Credit entitlement	-	123.16
Deferment in recognition of income	(22.22)	-
Total	41.14	205.50

43.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits: (₹ in crores)

	As at March 31, 2021	As at March 31, 2020
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	613.57	590.94

- 44** Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 721.14 crores (31.03.2020: ₹ 970.63 crores).

Change in the contract assets and contract liabilities as at March 31, 2021 from March 31, 2020 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 ₹ 36,239 crores (31.03.2020: ₹ 25,010 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 ₹ 254.15 crores (31.03.2020: ₹ 303.77 crores) (net of mobilisation advance and provision) 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 Company's operations recovered further from the economic slowdown caused by the COVID-19 pandemic. The Company expects to recover the carrying value of the assets basing on the information available upto the date. The Company continues to monitor the economic effects of the uncertainty arising from the second wave of the pandemic while taking steps to improve its scale of execution.

50 The Code on Social Security 2020 and The Code on Wages 2019 ("Code") received the Presidential Assent on September 28, 2020. The effective date and related rules of the Code have not been notified. The impact of the change, if any will be assessed and recognized post notification of the relevant provisions.

51 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 28, 2021.

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

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

K. KRISHNA RAO
E.V.P (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 28, 2021

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 30 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 2021, 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, 2021, 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 and its associates 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, 2021. 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>Total trade receivables and total contract assets of the Holding Company amounting to ₹ 2,660.19 crores and ₹ 4,281.58 crores respectively, represents approximately 51.27% of the total assets of the Group as at March 31, 2021.</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 as at year end 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 the year end. • We performed test of details and tested relevant contracts and documents with specific focus on measurement of work completed at the year end 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 completed 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 customers, 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 the 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"> • We obtained list of indirect tax litigations as at March 31, 2021 from the management. • We discussed the matters with the management to understand the possible outcome of these disputes. • We involved our experts to review the management's assessment of the possible outcome of the disputes relating to indirect tax litigations. • We 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 Ind AS 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, 2021 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, 9 joint operations and 4 branches, whose financial statements include total assets of ₹ 2,759.86 crores as at March 31, 2021, and total revenues of ₹ 1,086.11 crores and net cash outflows of ₹ 4.15 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 profit of ₹ 1.23 crores for the year ended March 31, 2021, 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 2 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 2 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ Nil as at March 31, 2021, and total revenues

of ₹ Nil and net cash outflows 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 profit of ₹ 0.06 crores for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of 2 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.

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;

- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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, 2021 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, 2021 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the branches, subsidiaries, associates and joint operations, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates 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, 2021.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 21102328AAAADO7589

Place of Signature: Hyderabad

Date: May 28, 2021

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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associates, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated Ind AS financial statements

included obtaining an understanding of internal financial controls 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 with reference to these consolidated Ind AS financial statements.

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

A company's internal financial control 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 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 With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls 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 Group and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these 26 subsidiaries and 2 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 21102328AAAADO7589

Place of Signature: Hyderabad

Date: May 28, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(₹ in crores)

	Note	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
ASSETS					
Non Current Assets					
Property, Plant and Equipment	3	1,124.08		1,142.90	
Capital Work in Progress	3	21.86		15.16	
Investment Property	3.1	223.47		200.86	
Investment Property under Construction	3.1	68.10		68.10	
Goodwill		0.63		0.63	
Other Intangible Assets	3.2	0.71		0.80	
Financial Assets					
Investments in Associates	4.1	122.00		120.94	
Other Investments	4.1	213.43		213.43	
Loans	5	-		-	
Trade Receivables	6	139.59		209.74	
Other Financial Assets	7	258.82		255.98	
Deferred Tax Assets (Net)	8	57.61		214.84	
Non Current Tax Assets (Net)	15	80.54		32.65	
Other Non Current Assets	9	459.91		471.27	
Total Non - Current Assets			2,770.75		2,947.30
Current Assets					
Inventories	10	1,222.21		1,391.29	
Financial Assets					
Other Investments	4.2	104.20		113.87	
Trade Receivables	11	2,739.62		2,728.28	
Cash and Cash Equivalents	12.1	191.64		114.44	
Bank balances other than above	12.2	312.94		274.30	
Loans	13	35.06		39.49	
Other Financial Assets	14	199.21		177.13	
Current Tax Assets (Net)	15.1	105.03		110.45	
Other Current Assets	16	5,859.22		5,915.34	
Total Current Assets			10,769.13		10,864.59
Total Assets			13,539.88		13,811.89

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021 (contd.)

(₹ in crores)

	Note	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	121.97	121.97
Other Equity	18	5,049.33	4,784.48
Equity Attributable to Shareholders of the Company		5,171.30	4,906.45
Non-Controlling Interests		298.11	252.84
Total Equity		5,469.41	5,159.29
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	19	169.61	239.82
Trade Payables	20	26.57	48.92
Provisions	21	50.10	112.08
Other Non Current Liabilities	22	-	90.90
Total Non Current Liabilities		246.28	491.72
Current Liabilities			
Financial Liabilities			
Borrowings	23	1,579.43	1,632.80
Trade Payables	24		
Total outstanding dues of micro and small enterprises		51.99	31.10
Total outstanding dues of creditors other than micro and small enterprises		3,776.53	4,088.95
Other Financial Liabilities	25	412.35	428.48
Provisions	26	123.23	48.32
Current Tax Liabilities (Net)	27	2.35	62.23
Other Current Liabilities	28	1,878.31	1,869.00
Total Current Liabilities		7,824.19	8,160.88
Total Equity and Liabilities		13,539.88	13,811.89

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached

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

For and on behalf of the Board

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

K. KRISHNA RAO
E.V.P (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 28, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crores)

	Note	YEAR ENDED MARCH 31, 2021	YEAR ENDED MARCH 31, 2020
INCOME			
Revenue from Operations	29	7,949.42	8,901.07
Other Income	30	115.91	112.98
Total Income		8,065.33	9,014.05
EXPENSES			
Cost of Materials Consumed	31	2,426.56	3,032.17
Construction Expenses	32	908.70	987.83
Changes in Inventories of Work in Progress	33	48.90	30.42
Sub-Contractors Work Bills		3,059.81	2,998.24
Employee Benefits Expense	34	380.50	483.69
Finance Costs	35	479.91	553.85
Depreciation and Amortization Expenses (Refer note 3, 3.1 and 3.2)		181.25	199.22
Other Expenses	36	205.87	281.47
Total Expenses		7,691.50	8,566.89
Profit Before Share of (Loss) from Associate Companies, and Tax		373.83	447.16
Share of Profit / (Loss) of Associate Companies		1.29	(10.62)
Profit Before Exceptional Items and Tax		375.12	436.54
Exceptional Items (Net)	52	(12.60)	(49.63)
Profit Before Tax		362.52	386.91
Tax Expense	37		
Current Tax (including earlier year taxation)		16.90	101.73
Deferred Tax		62.58	(28.93)
		79.48	72.80
Profit for the year		283.04	314.11
Attributable to			
Shareholders of the Company		268.31	336.53
Non-Controlling Interests		14.73	(22.42)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or (loss)			
Remeasurement gains / (losses) of the defined benefit plans		(12.03)	(12.16)
Income tax effect on the above		0.82	4.23
Items that may be reclassified to profit or (loss)			
Exchange differences in translating the financial statements of foreign operations		(2.46)	6.67
Other comprehensive income / (loss) for the year (net of taxes)		(13.67)	(1.26)
Total comprehensive income for the year		269.37	312.85
Attributable to			
Shareholders of the Company		254.63	335.31
Non-Controlling Interests		14.74	(22.46)
Earnings per equity share of face value of ₹ 2 each.			
Basic - ₹	50	4.40	5.59
Diluted - ₹	50	4.39	5.59

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

K. KRISHNA RAO
E.V.P (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 28, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

	Number of shares	Amount (₹ in crores)
Balance as at April 01, 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
Add: Issue of Share Capital	-	-
Balance as at March 31, 2021	609,846,588	121.97

B. Other Equity

(₹ 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 17.5 & 17.6)	General Reserve	Retained Earnings	Other items of other comprehensive income				Exchange Differences on translating the financial statements of a foreign operations
Balance as 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)

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 17.5 & 17.6)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations			
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(108.62)	-	-	(108.62)	-	(108.62)
Adjustment on account of Consolidation / Foreign currency fluctuation	-	-	-	2.03	-	-	-	-	-	-	2.03	(1.80)	0.23
Balance as at April 01, 2020	5.64	2,639.62	11.89	25.88	0.24	-	935.18	1,137.97	(16.28)	44.34	4,784.48	252.84	5,037.32
Profit for the year	-	-	-	-	-	-	-	268.31	-	-	268.31	14.73	283.04
Other Comprehensive Income / (Loss) for the year (net of taxes)	-	-	-	-	-	-	-	-	(11.22)	(2.46)	(13.68)	0.01	(13.67)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	268.31	(11.22)	(2.46)	254.63	14.74	269.37
Proceeds received against share warrants	-	-	-	-	-	26.55	-	-	-	-	26.55	-	26.55
Transferred to Retained earnings & Non-Controlling Interests	-	-	(11.89)	-	-	-	-	8.51	-	-	(3.38)	3.38	-
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	-	-	-	(12.21)	-	-	(12.21)	-	(12.21)

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 17.5 & 17.6)	General Reserve	Retained Earnings	Other items of other comprehensive income				Exchange Differences on translating the financial statements of a foreign operations										
														0.75	-	-	(0.74)	-	-	(0.75)	-	-	(0.74)
Adjustment on account of Consolidation / Foreign currency fluctuation																							
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(200.00)	-	-	(200.00)	-	-	-	-	(200.00)
Transfer from Retained Earnings	-	-	-	-	-	-	-	-	-	-	200.00	-	-	-	-	-	-	200.00	-	-	-	-	200.00
Balance as at March 31, 2021	6.39	2,639.62	-	25.14	0.24	26.55	1,135.18	1,201.83	(27.50)	41.88	5,049.33	298.11	5,347.44										

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W/E3000004
CHARTERED ACCOUNTANTS

For and on behalf of the Board

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

K. KRISHNA RAO
E.V.P (F&A) / CFO

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

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

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

Hyderabad, May 28, 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash flows from operating activities		
Profit before tax	362.52	386.91
Adjustments for:		
Depreciation and amortisation expenses	181.25	199.22
Share of loss from associate companies	(1.29)	10.62
Profit on sale of Property, Plant and Equipment and Investment Property	(24.26)	(11.07)
Finance costs	479.91	553.85
Interest income	(42.13)	(45.56)
Profit on sale of current & Non-Current investments (net)	(1.30)	(0.71)
Gain on remeasuring investment at FVTPL (net)	(8.96)	(9.37)
Trade Receivables / Advances written off	3.51	-
Provision for doubtful trade receivables / advances / others	19.39	22.04
Expected credit loss for Unbilled revenue	10.36	46.60
Exceptional items (net)	12.60	49.63
Rental income from investment properties	(5.47)	(7.23)
	623.61	808.02
Operating profit before working capital changes	986.13	1,194.93
Changes in working capital:		
Adjustments for (Increase) / Decrease in operating assets:		
Decrease in Inventories	162.39	34.12
Decrease in Trade receivables	14.54	576.62
Decrease in Other financial assets	39.60	115.06
Decrease / (Increase) in Other assets	69.75	(153.03)
Adjustments for Increase / (Decrease) in operating liabilities:		
(Decrease) in Trade payables	(313.92)	(456.88)
(Decrease) / Increase in Other financial liabilities	(15.56)	6.59
(Decrease) in Other current liabilities	(94.19)	(275.23)
(Decrease) / Increase in Provisions	(0.71)	30.25
	(138.10)	(122.50)
Cash generated from operations	848.03	1,072.43
Net income tax (paid)	(23.78)	(141.04)
Net cash flows from operating activities (A)	824.25	931.39
B. Cash flows from investing activities		
Capital expenditure for property , plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	(192.32)	(150.00)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	52.62	97.64
Movement in Margin Money Deposits / Other Deposits	(79.85)	(102.50)
Sale of Non current / current investments	19.51	77.96
Loans (given) / realised from Associates and others	(13.74)	40.14
Proceeds from sale of a subsidiary	0.05	-
Interest received	22.31	32.28
Rental income from investment property	5.47	7.23
Foreign Exchange translation adjustment (arising on consolidation)	(3.02)	7.80
Net cash flows (used) / from investing activities (B)	(188.97)	10.55

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
C. Cash flow from financing activities		
Proceeds from issue of Shares to Non-Controlling Interests	30.00	-
Proceeds received against share warrants	26.55	82.36
Redemption of debentures	(49.80)	(46.00)
Proceeds from long term borrowings	316.39	147.54
Repayment of long term borrowings	(332.65)	(370.69)
Short term borrowings borrowed / repaid (net)	(53.37)	(240.78)
Finance costs paid	(482.99)	(510.74)
Dividend and Dividend Tax paid	(12.21)	(108.62)
Net cash flows (used) in financing activities (C)	(558.08)	(1,046.93)
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	77.20	(104.99)
Cash and cash equivalents at the beginning of the year	114.44	219.43
Cash and cash equivalents at the end of the year	191.64	114.44
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	191.64	114.44
Cash and cash equivalents at the end of the year	191.64	114.44

Note: Figures in brackets represents cash outflows.

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached

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

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

K. KRISHNA RAO
E.V.P (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 28, 2021

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

Notes forming part of the consolidated financial statements

financial statements of the Company and its subsidiaries as disclosed in Note 40. Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting 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, 2021.
- 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.

Notes forming part of the consolidated financial statements

Project division

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

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

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

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

Real Estate

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

Contract costs

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

Provision for future losses

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

Contract balances

i) Contract assets

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

Notes forming part of the consolidated financial statements

2.9 Foreign exchange translation and foreign currency transactions:

These financial statements are presented in Indian rupees (rounded off to crores).

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

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to 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 benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to 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.

Notes forming part of the consolidated financial statements

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 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.

Notes forming part of the consolidated financial statements

2.14 Depreciation and Amortisation:

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

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

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

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

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

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

Notes forming part of the consolidated financial statements

2.20 Financial assets:

Financial asset is

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

2.21 Subsequent measurement of the financial assets:

(i) Financial assets carried at amortised cost

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

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

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

Notes forming part of the consolidated financial statements

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.

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:

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.

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.

Notes forming part of the consolidated financial statements

2.33 Exceptional Items:

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

2.34 Operating cycle:

The Group adopts operating cycle based on the project period (including 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, 2021.

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, 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
Additions	-	6.42	60.23	0.84	46.91	8.78	3.83	-	49.07	176.08
Disposals / Adjustments	-	0.21	33.74	0.22	6.92	6.82	2.16	0.11	40.89	91.07
Effect of Foreign Currency Exchange Differences	-	-	2.08	0.02	0.15	0.08	0.32	-	0.35	3.00
As at March 31, 2021	62.61	68.36	956.58	15.43	226.74	95.72	67.55	17.13	812.01	2,322.13
Depreciation:										
Balance as at April 1, 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
Depreciation	-	5.08	61.95	1.10	16.95	8.44	4.56	3.54	78.79	180.41
Disposals / Adjustments	-	0.08	29.38	0.19	6.59	6.17	2.04	0.11	31.37	75.93
Effect of Foreign Currency Exchange Differences	-	-	1.54	0.02	0.12	0.07	0.30	-	0.30	2.35
As at March 31, 2021	-	20.74	470.19	8.99	92.24	49.74	55.46	15.75	484.94	1,198.05
Net Block										
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
As at March 31, 2021	62.61	47.62	486.39	6.44	134.50	45.98	12.09	1.38	327.07	1,124.08

Capital work in progress ₹ 21.86 crores (31.03.2020: ₹ 15.16 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*	Total
Cost:			
Balance as at April 01, 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
Additions	11.75	24.83	36.58
Disposals / Adjustments	4.06	10.92	14.98
As at March 31, 2021	116.12	112.20	228.32
Depreciation:			
Balance as at April 01, 2019	-	5.19	5.19
Depreciation	-	0.67	0.67
Disposals / Adjustments	-	-	-
As at March 31, 2020	-	5.86	5.86
Depreciation	-	0.73	0.73
Disposals / Adjustments	-	1.74	1.74
As at March 31, 2021	-	4.85	4.85
Net Block			
As at March 31, 2020	108.43	92.43	200.86
As at March 31, 2021	116.12	107.35	223.47

*Cost includes given under operating lease ₹ 41.33 crores (31.03.2020: ₹ 36.49 crores).

Investment property under construction ₹ 68.10 crores (31.03.2020: ₹ 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, 2021 and March 31, 2020 are as follows:

(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2021	Fair value as at March 31, 2020
Land	Level 3	250.47	182.44
Buildings	Level 3	198.40	214.48
Investment property under construction	Level 3	82.86	82.86
Total		531.73	479.78

The internal technical team of the Company has valued for some of the properties at ₹ 377.47 crores (31.03.2020: ₹ 363.04 crores) and the balance properties have been valued by independent valuer at ₹ 154.26 crores (31.03.2020: ₹ 116.74 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, 2019	13.10	13.10
Additions	0.04	0.04
Disposals / Adjustments	-	-
As at March 31, 2020	13.14	13.14
Additions	0.02	0.02
Disposals / Adjustments	-	-
As at March 31, 2021	13.16	13.16
Amortisation:		
Balance as at April 01, 2019	12.03	12.03
Amortisation	0.31	0.31
Disposals / Adjustments	-	-
Depreciation and amortisation:		
As at March 31, 2020	12.34	12.34
Amortisation	0.11	0.11
Disposals / Adjustments	-	-
As at March 31, 2021	12.45	12.45
Net Block		
As at March 31, 2020	0.80	0.80
As at March 31, 2021	0.71	0.71

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
	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				
Paschal Form Work (India) Private Limited	6,549,892	-	6,549,892	0.53
Himalayan Green Energy Private Limited	1,000,000	-	1,000,000	-
Ekana Sportz City Private Limited (Refer note 19.2)	2,268,000	23.32	2,268,000	23.26
Brindavan Infrastructure Company Limited	8,643,036	12.46	8,643,036	12.46
Pondicherry Tindivanam Tollway Limited (Refer note 4.3)	3,388,040	-	3,388,040	-
Varapradha Real Estates Private Limited	13,344,973	78.67	13,344,973	76.91
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	3,778,757	15.55	3,778,757	15.78
Less: Provision for Impairment in value of Investments		8.00		8.00
		7.55		7.78
In Shares of 1000 Dirham each fully paid up				
Nagarjuna Facilities Management Services, L.L.C., Dubai	147	-	147	-
Total aggregate investments in Associates		122.00		120.94
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	-
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		0.01
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

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
d Investment in debentures (Fair value through Profit and Loss)				
0% Compulsory Convertible Debentures				
Gayatri Energy Ventures Private Limited (each ₹ 1,483)	1,619,928	240.24	1,619,928	240.24
Less: Provision for Impairment in value of Investments		30.51		30.51
		209.73		209.73
Total aggregate investments in Other entities		213.43		213.43
Total		335.43		334.36
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 4.4)	36,417,343	89.17	48,069,141	113.87
Trust MF Banking & PSU Debt Fund	149,993	15.03		-
Total		104.20		113.87
Grand Total		439.63		448.23
Aggregate market value of current Quoted Investments		104.20		113.87
Aggregate amount of Unquoted Investments		373.94		372.87
Aggregate amount of impairment in value of investments		38.51		38.51

4.3 Of these 1,853,656 shares (31.03.2020: 1,853,656 shares) are pledged with Axis Bank Limited & WITCO as security for term loans availed by Pondicherry Tindivanam Tollway Limited.

4.4 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 ₹ 56.00 crores.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
5 Loans				
Un-Secured, Considered good				
Loans and Advances to Related Parties				
Associate				
Considered Good	-		-	
Significant increase in credit risk	13.91		13.91	
	13.91		13.91	
Less : Allowance for significant increase in credit risk	13.91		13.91	
		-		-
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		-		-
6 Trade Receivables				
Unsecured (Refer note 11.1 to 11.3)				
Considered Good	139.59		209.74	
Considered Doubtful	15.43		11.94	
	155.02		221.68	
Less : Allowance for doubtful trade receivables	15.43		11.94	
Total		139.59		209.74
7 Other Financial Assets				
Un-Secured, Considered good				
Other Receivables		0.56		0.72
Margin Money Deposits (Refer note 12.4)		71.25		30.38
In Deposit Accounts with remaining maturity more than 12 months		0.33		0.01
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		4.39
Deposits - Joint Development (Refer note 7.1)		52.90		47.92
Receivable under service concession arrangement		129.39		172.56
Total		258.82		255.98

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 and refundable deposits, carried at amortised cost and the gross amount as at March 31, 2021 ₹ 56.86 crores (31.03.2020: ₹ 56.56 crores).

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
8 Deferred Tax Assets (Net) (Refer note 54)				
Deferred Tax	51.96		89.69	
MAT - Minimum Alternate Tax	5.65		125.15	
Total		57.61		214.84
9 Other Non - Current Assets				
Advance for Purchase of Land (Refer note 9.1)		2.27		2.27
GST / Sales Tax / Value Added Tax credit receivable		113.68		113.66
Contract Asset				
Due on performance of future obligations				
Retention Money				
Considered Good	59.70		121.74	
Considered Doubtful	10.00		-	
	69.70		121.74	
Less : Allowance for doubtful retention money	10.00		-	
Total		59.70		121.74
Unbilled revenue (Refer note 16.3)				
Considered Good	50.66		-	
Considered Doubtful	4.00		-	
	54.66		-	
Less : Expected credit loss for unbilled revenue	4.00		-	
		50.66		-
Advances to Suppliers, Sub-contractors, Capital Advances and Others (Refer note 9.2)		233.60		233.60
Total		459.91		471.27

9.1 Advances for Purchase of Land includes ₹ 2.24 crores (31.03.2020: ₹ 2.24 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 (31.03.2020: ₹ 233.60 crores).

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
10 Inventories				
Raw Materials	541.42		525.78	
Raw Material in Transit	0.51		3.93	
Work-in-progress	373.89		422.79	
Property Development Cost	306.39		438.79	
Total		1,222.21		1,391.29
11 Trade Receivables				
Unsecured (Refer note 11.1 to 11.4)				
Considered Good	2,739.62		2,728.28	
Considered Doubtful	29.71		33.30	
	2,769.33		2,761.58	
Less : Allowance for doubtful trade receivables	29.71		33.30	
Total		2,739.62		2,728.28

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, 2021	As at March 31, 2020
Balance at beginning of the year	45.24	51.16
Add: Allowance for doubtful trade receivables	9.30	18.50
Less: Allowance written off during the year / transferred to contract asset	(9.40)	(24.42)
Balance at the end of the year	45.14	45.24

11.4 Trade receivables includes ₹ 29.23 crores (31.03.2020: ₹ 29.47 crores) from associates.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
12 Cash and Bank Balances		
12.1 Cash and Cash Equivalents		
Cash on hand	1.00	1.24
Balances with Banks :		
In Current Accounts (Refer note 12.3)	190.46	113.04
In Deposit Accounts with original maturity less than 3 months	0.18	0.16
Total	191.64	114.44
12.2 Other Bank Balances		
In Deposit Accounts		
Margin Money Deposits (Refer note 12.4)	253.21	215.17
In Deposit Accounts with remaining maturity less than 12 months	50.57	51.12
Earmarked balances with Banks	303.78	266.29
Unpaid dividend accounts (Refer note 12.5)	0.54	0.56
Long Term Deposits (Refer note 12.6)	5.55	4.38
Escrow accounts (Refer note 38 (i) (a))	3.07	3.07
	9.16	8.01
Total	312.94	274.30

12.3 Current account balance includes ₹ Nil (31.03.2020: ₹ 0.02 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 ₹ 0.53 crores (31.03.2020: ₹ Nil), pursuant to the conditions of term loan agreement with Standard Chartered Bank.

12.7 Changes in liabilities arising from financing activities

(₹ in crores)

	Balance As at April 01, 2020	Cash Flows	As at March 31, 2021
Current borrowings (including current maturity)	1,941.65	(49.22)	1,892.43
Non-current borrowings	239.82	(70.21)	169.61
Total	2,181.47	(119.43)	2,062.04

(₹ in crores)

	Balance As at April 01, 2019	Cash Flows	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

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
13	Loans			
	Unsecured considered good			
	Loans to Related Parties			
	Associates	-		11.26
	Loans to Other Body Corporates	30.00		19.67
	Security Deposits	0.22		0.23
	Loans and Advances to Employees	4.84		8.33
	Total	35.06		39.49
14	Other Financial Assets			
	Unsecured, considered good			
	Advances recoverable	116.80		109.79
	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	31.63		16.84
	Unbilled Annuity Receivable	39.37		39.09
	Other Receivables	11.41		11.41
	Total	199.21		177.13
15	Non Current Tax Assets (Net)			
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	80.54		32.65
15.1	Current Tax Assets (Net)			
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	105.03		110.45

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
16 Other Current Assets				
Advances to Suppliers, Sub-contractors and Others (Refer note 16.1)				
Considered Good	1,000.75		930.58	
Considered Doubtful	17.95		20.51	
	1,018.70		951.09	
Less : Allowance for doubtful advances	17.95		20.51	
		1,000.75		930.58
Contract Asset				
Due on performance of future obligations				
Retention Money (Refer note 16.2)		2,067.67		2,238.98
Others		472.95		449.60
Unbilled revenue (Refer note 16.3)				
Considered Good	1,760.65		1,804.67	
Considered Doubtful	108.15		98.26	
	1,868.80		1,902.93	
Less : Expected credit loss for unbilled revenue	108.15		98.26	
		1,760.65		1,804.67
Prepaid Expenses		56.44		37.94
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		100.53		109.33
Goods and Service Tax credit receivable		400.23		344.24
Total		5,859.22		5,915.34

16.1 Advances to Suppliers, Sub-Contractors and Others, includes advances to related parties of ₹ 17.62 crores (31.03.2020: ₹ 16.57 crores).

16.2 Retention money receivable from associates for ₹ 21.03 crores (31.03.2020: ₹ 21.03 crores).

16.3 Movement in the Expected credit loss for unbilled revenue:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	98.26	51.66
Add: Expected credit loss for unbilled revenue during the year / transferred from Trade Receivables	13.89	46.60
Balance at the end of the year	112.15	98.26

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
17 Share Capital				
Authorised :				
Equity Shares of ₹ 2 each (Refer note 3.6)	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	609,846,588	121.97
Subscribed and Paid up :				
Equity Shares of ₹ 2 each	609,846,588	121.97	609,846,588	121.97
Total		121.97		121.97

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, 2021		Year Ended March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	609,846,588	121.97	600,646,588	120.13
Add: Issue of Share Capital (Refer note 17.5)	-	-	9,200,000	1.84
Balance at end of the year	609,846,588	121.97	609,846,588	121.97

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjunwala	667,33,266	10.94	507,33,266	8.32
A V S R Holdings Private Limited	627,66,225	10.29	496,53,278	8.14
Aditya Birla Sun Life Trustee Private Limited	119,32,343	1.96	419,56,609	6.88
Reliance Capital Trustee Company Limited	-	-	324,84,585	5.33

17.3 Unclaimed equity shares of 25,984 (31.03.2020: 25,984) 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 During the previous 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 FY 2018-19 and the balance amount of ₹ 82.36 crores was received in previous year.

17.6 The Company had issued and allotted 18,000,000 Convertible Warrants on February 12, 2021 at a price of ₹ 59.00 per Warrant on preferential basis to the specified Promoters / Promoter Group of the Company, as per the provision of Chapter VII of the SEBI ICDR Regulations. The Company has received the part payment (25% of total consideration) of ₹ 26.55 crores. As per the said regulations the Warrants would be converted into equivalent number of equity shares of ₹ 2.00 each (at a premium of ₹ 57.00 per share) on payment of the balance amount prior to expiry of 18 months from the date of issue of convertible warrants.

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
18 Other Equity				
18.1 Capital Reserve				
Opening balance	5.64		5.64	
Add / (Less) : Arising on account of Consolidation	0.75		-	
Closing balance		6.39		5.64
18.2 Securities Premium				
Opening balance	2,639.62		2,531.65	
Add : Premium on Issue of Share Capital	-		107.97	
Closing balance		2,639.62		2,639.62
18.3 Debenture Redemption Reserve				
Opening balance	11.89		11.89	
Less : Transfer to Retained Earnings	8.51		-	
Less : Transfer to Non Controlling Interests	3.38		-	
Closing balance		-		11.89
18.4 Legal / Statutory Reserve (Refer note 43)				
Opening balance	25.88		23.85	
Add / (Less): On account of Foreign Currency Fluctuation	(0.74)		2.03	
Closing balance		25.14		25.88
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)		26.55		-
18.7 General Reserve				
Opening balance	935.18		935.18	
Add : Transfer from Retained Earnings	200.00		-	
Closing balance		1,135.18		935.18
18.8 Retained Earnings (Refer note 18.8.a)				
Opening balance	1,137.97		910.06	
Add : Debenture Redemption Reserve (Reclassification)	8.51		-	
Add : Profit for the year	268.31		336.53	
	1,414.79		1,246.59	
Less : Appropriations				
Dividend distributed to equity shareholders (2020-21: ₹ 0.20 per share (2019-20: ₹ 1.50 per share))	12.21		90.10	
Tax on Dividend	-		18.52	
Transfer to General Reserve	200.00		-	
Transfer to Capital Reserve	0.75		-	
	212.96		108.62	
Closing balance		1,201.83		1,137.97
18.9 Other Components of Equity				
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		(27.51)		(16.29)
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		41.88		44.34
Total		5,049.33		4,784.48

18.8.a For the year ended March 31, 2021, the Board of Directors have proposed a dividend of ₹ 0.80 per share. The dividend payable on approval of the shareholders is ₹ 48.79 crores.

Notes forming part of the consolidated financial statements

(₹ in crores)

		As at March 31, 2021		As at March 31, 2020	
		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	15.60	30.00
	11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	10.60	34.80	45.40	19.80
	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)	132.43	210.77	130.02	111.99
	From Other Parties (Refer note 19.4)	17.36	34.55	27.71	110.59
	Unsecured - at amortised cost				
	From Other Parties (Refer note 19.5)	-	12.90	12.90	33.10
	Vehicle Loans				
	Secured - at amortised cost				
	From Banks (Refer note 19.6)	2.73	2.64	1.57	1.75
	From Others (Refer note 19.6)	1.49	1.74	1.62	1.62
	Total	169.61	313.00	239.82	308.85

* 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 NHA1 of the Project, whatsoever nature both present and future subject to the provisions of the Transaction Documents.
- 5) Assignment by way of security, in :
 - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in the Project Agreements;
 - All the rights, title and interest of OBIL in, to and all the Clearances;
 - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
 - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL under all insurance contracts;
- 6) A pledge on 54% (March 31, 2020: 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 Limited / 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
		31.03.2021	31.03.2020	31.03.2021	31.03.2020		31.03.2021	31.03.2020		
(i)	Axis Bank Limited	18	18	11.53	24.75	8.26 to 9.60	5 to 12	17 to 24	Monthly	October 10, 2017 to March 20, 2022
(ii)	Canara Bank	1	1	47.69	114.36	9.40	3	7	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	44	27	19.17	12.35	7.57 to 10.50	7 to 43	19 to 22	Monthly	December 20, 2018 to October 10, 2024
(iv)	Indus Ind Bank Limited	60	53	35.90	45.95	8.95 to 9.76	20 to 46	32 to 35	Monthly	February 01, 2019 to January 04, 2025
(v)	Bank of Bahrain and Kuwait	1	1	41.62	27.43	7.40 to 9.45	10	12	Quarterly	November 30, 2020 to August 31, 2023
(vi)	Yes Bank	42	20	20.90	17.17	8.05 to 10	12 to 45	24 to 26	Monthly	May 08, 2019 to December 15, 2024

(iv) Covid Emergency Line Of Credit-Term Loans

- Extension of existing security offered to Working Capital Demand Loans and Cash Credit facilities availed from consortium of banks during the current year.

S.No.	Particulars	Outstanding balance As at (₹ in crores)	Interest Range % per annum	Balance number of Installments as at	Monthly Installments Commencing From- To
		31.03.2021		31.03.2021	
(i)	Allahabad Bank	4.32	7.50	2	December 31, 2020 to May 31, 2021
(ii)	Canara Bank	35.33	8.35	15	January 31, 2021 to June 30, 2022
(iii)	Punjab National Bank	4.44	8.10	16	February 28, 2021 to July 31, 2022
(iv)	State Bank Of India	44.43	7.25	13	November 30, 2020 to April 30, 2022
(v)	Union Bank Of India	15.38	8.00	13	November 30, 2020 to April 30, 2022
(vi)	Punjab & Sindh Bank	2.37	8.75	15	January 31, 2021 to June 30, 2022
(vii)	Punjab National Bank (e. OBC)	4.71	7.85	17	March 31, 2021 to August 31, 2022

Notes forming part of the consolidated financial statements

- (v) Loan of NCC Urban infrastructure Limited (NCC Urban) of ₹ 55.41 (March 31, 2020: ₹ Nil)
- NCC Urban entered into a Facility Agreement with Standard Chartered Bank for availing term loan aggregating to ₹ 65.00 crores to be utilised towards project development expenses of NCC Urban Mayfair Project, Yelhanka, Bengaluru North Taluk, Karnataka.
 - The Loan has a tenor of 60 months with moratorium of 30 months followed by equated quarterly repayments commencing from 21st April 2023. The rate of interest, as at 31.03.2021 aggregates to 10.50%.
 - First and Exclusive charge on Developer's share of land and constructed property of the Project NCC Urban Mayfair situated at Puttenahalli Village, Yelhanka, Bengaluru North Taluk, Karnataka.
 - Exclusive charge on cash flows (receivables) generated from developer's share of the Project.
 - Corporate Guarantee of NCC Limited to the extent of ₹ 65.00 crores.
 - ISRA in the form of lien-marked Fixed Deposit of an amount equivalent to 1 month interest of the total facility.

19.4 i) Term Loans from Other 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
		31.03.2021	31.03.2020	31.03.2021	31.03.2020		31.03.2021	31.03.2020		
(i)	SREI Equipment Finance Limited	-	45	0.00	22.80	8.75 to 11	-	2 to 13	Monthly	September 05, 2017 to May 15, 2020
(ii)	Tata Capital Financial Services Limited*	4	8	32.04	46.28	7.60 to 10.50	1 to 33	8 to 28	Monthly / Quarterly	August 21, 2019 to December 03, 2023
(iii)	Daimler Financial Services India (Private) Limited	2	2	0.82	2.88	8.42	4 to 5	16 to 17	Monthly	October 13, 2018 to August 04, 2021
(iv)	Volvo Financial Services (India) Private Limited	42	37	19.05	25.34	8.04 to 9.16	12 to 33	24	Monthly	January 02, 2019 to December 07, 2023

*** Term Loan from Tata Capital Financial Services Limited, for March 31, 2021 ₹ 32.04 crores, March 31, 2020 ₹ 46.28 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 Hero Fincorp Ltd, for March 31, 2021 ₹ Nil, March 31, 2020 ₹ 41.00 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
		31.03.2021	31.03.2020	31.03.2021	31.03.2020		31.03.2021	31.03.2020		
(i)	Hewlett Packard Financial Services Limited	7	7	10.44	32.27	8.99 to 9.52	1 to 4	5 to 8	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	5	8	2.45	13.73	5.02 to 8.66	1 to 2	4 to 6	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 7.26 % 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, 2021	As at March 31, 2020
20	Trade Payables		
	Retention Money	26.57	48.92
21	Provisions		
	Provision for Employee Benefits		
	Compensated absences	1.50	1.41
	Gratuity (Refer note 21.1)	48.60	48.87
	Provision for contractual obligations (Refer note 26.1)	-	61.09
	Provision on Standard Assets as per RBI Circular	-	0.71
	Total	50.10	112.08

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, 2021 is ₹ 65.22 crores (31.03.2020: ₹ 59.72 crores) of which ₹ 2.36 crores (31.03.2020: ₹ 4.10 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 62.86 crores (31.03.2020: ₹ 55.62 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, 2021	As at March 31, 2020
Present Value of Funded Obligations	65.22	59.72
Fair Value of Plan Assets	(2.36)	(4.10)
Net Liability	62.86	55.62

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

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Service Cost	5.64	6.50
Interest on Defined Benefit Obligation	3.19	2.46
Expected Return on Plan assets	(0.21)	(0.33)
Total included in "Employee Benefits Expense"	8.62	8.64

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

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Return on Plan Assets	0.02	0.42
Net Actuarial Losses / (Gains) Recognised in Year	12.01	11.74
Total included in "Other Comprehensive Income"	12.03	12.16

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

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	59.72	46.18
Current Service Cost	5.64	6.50
Interest Cost	3.19	2.46
Actuarial Losses / (Gain)	12.00	11.74
Benefits Paid	(15.33)	(7.16)
Closing Defined Benefit Obligation	65.22	59.72
Opening Fair Value of Plan assets	4.10	6.49
Expected Return on Plan Assets	0.19	(0.08)
Contributions	13.40	4.85
Benefits Paid	(15.33)	(7.16)
Closing Fair Value of Plan Assets	2.36	4.10
Expected Employer's Contribution Next Year	15.00	15.00

Notes forming part of the consolidated financial statements

(vi) Asset information:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	2.36	4.10

(vii) Experience Adjustments:

(₹ in crores)

	2020 - 21	2019 - 20	2018 - 19	2017 - 18	2016 - 17
Defined Benefit Obligations (DBO)	65.22	59.72	46.18	37.33	34.17
Plan Assets	2.36	4.10	6.49	3.35	3.42
Surplus/(Deficit)	(62.86)	(55.62)	(39.69)	(33.98)	(30.75)
Experience Adjustments on Plan Assets	0.21	0.33	0.36	0.21	0.25

(viii) Sensitivity Analysis:

(₹ in crores)

	Gratuity Plan	
	As at March 31, 2021	As at March 31, 2020
Assumptions		
Discount rate	6.91%	6.80%
Estimated rate of return on plan assets	6.84%	8.25%
Expected rate of salary increase	5.00%	0% to 7%
Attrition rate	18.61%	2% to 19%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	(3.50%)	(6.10%)
Discount rate - 100 basis points	3.80%	6.90%
Salary increase rate +1%	3.80%	6.70%
Salary increase rate -1%	(3.60%)	(6.10%)
Attrition rate +1%	0.20%	0.40%
Attrition rate -1%	(0.20%)	(0.50%)

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, 2021
March 31, 2022	14.24
March 31, 2023	10.78
March 31, 2024	9.77
March 31, 2025	8.12
March 31, 2026	6.77

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
22 Other Non-Current Liabilities		
Advance from Associate	-	90.90

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
23 Borrowings		
Loans repayable on demand		
Secured Loans - Banks		
Working Capital Demand Loan (Refer note 23.1)	1,223.54	1,231.87
Cash Credits and Overdrafts (Refer note 23.1)	256.43	346.85
From Others (Refer note 23.2)	15.74	15.12
Unsecured Loans		
From Others (Refer note 23.3)	83.72	38.96
Total	1,579.43	1,632.80

23.1 Working Capital Demand Loans of ₹ 1,223.54 crores (March 31, 2020: ₹ 1,231.87 crores) and Cash Credit facilities of ₹ 204.37 crores (March 31, 2020: ₹ 245.99 crores) availed from consortium of banks are secured by:

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

These facilities carry an interest rate of 8.40% to 11.05% per annum.

- e) Loans of NCC Urban Infrastructure Limited

Cash credit facilities of ₹ Nil (March 31, 2020: ₹ 3.85 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.

- f) Loans of ₹ 52.06 crores (March 31, 2020: ₹ 97.01 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.

Notes forming part of the consolidated financial statements

23.2 Loans of ₹ 15.74 crores (March 31, 2020: ₹ 15.12 crores) of NCC Urban Infrastructure Limited.

NCC Urban Infrastructure Limited has entered into a Loan Agreement with Aditya Birla Finance Limited for availing term loan aggregating to ₹ 15.74 crores (March 31, 2020: ₹ 15.12 crores). This facility carry an interest rate of 11.50% as at 31.03.2021 by securing NCC Limited Shares.

23.3 Unsecured - term loans from Others:

Includes loans of NCC Urban Infrastructure Limited taken from Other Corporates and Directors having a maturity of less than one year and outstanding balance of ₹ 83.72 crores (31.03.2020: ₹ 38.96 crores) and carry interest rate of 11.00 % per annum.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
24 Trade Payables		
Micro and small enterprises	51.99	31.10
Other than micro and small enterprises		
Acceptances	377.71	455.00
Other than Acceptances (includes retention money payable)	3,398.82	3,633.95
	3,776.53	4,088.95
Total	3,828.52	4,120.05
25 Other Financial Liabilities		
Current maturities of Long Term Borrowings (Refer note 19)	313.00	308.85
Interest Accrued but not due on borrowings and others	73.68	78.45
Unpaid Dividend Accounts (Refer note 12.5)	0.54	0.56
Other Payables		
Interest Accrued on Trade Payables	0.52	0.45
Other Liabilities	24.61	40.17
Total	412.35	428.48
26 Provisions		
Provision for Employee Benefits		
Compensated absences	42.96	41.57
Gratuity (Refer note 21.1)	14.26	6.75
Provision for contractual obligations (Refer note 26.1)	66.01	-
Total	123.23	48.32

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, 2021	As at March 31, 2020
Balance at beginning of the year	61.09	37.38
Additions (including Unwinding Interest)	7.23	24.24
Incurred during the year	2.31	0.53
Balance at the end of the year*	66.01	61.09

* Includes ₹ Nil (31.03.2020: ₹ 61.09 crores) Long Term Provision (Refer note 21).

Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
27	Current Tax Liabilities (Net)			
	Provision for Tax (Net of Advance Tax)	2.35		62.23
28	Other Current Liabilities			
	TDS / Service Tax / Other payable	28.85		32.22
	Goods and Service Tax payable	7.08		1.80
	Contract Liabilities			
	Mobilisation Advance from Customers	1,408.93		1,311.08
	Advances from Customers	204.01		262.67
	Advances from others	119.13		163.51
	Other Liabilities	110.31		97.72
	Total	1,878.31		1,869.00

(₹ in crores)

	Year Ended March 31, 2021		Year Ended March 31, 2020	
29	Revenue from Operations			
	Income from Contracts and Services	7,672.21		8,679.49
	Income from Real Estate Projects	198.62		186.44
	Other Operating Income	78.59		35.14
	Total	7,949.42		8,901.07
30	Other Income			
	Interest Income -			
	On Deposits and Others	25.72		22.74
	On Loans and Advances	0.99		5.83
	On Income Tax refund	8.44		13.02
	On Others	6.98		3.98
	Profit on Sale of Investment (Net)	1.30		0.71
	Gain on remeasuring investment at FVTPL (Net)	8.96		9.37
	Net Gain / (loss) on foreign currency transactions	1.15		(0.03)
	Other Non-Operating Income			
	Rental Income from operating lease on investment property	5.47		7.23
	Profit on Sale of Property, Plant and Equipment / Investment Property (Net)	24.26		11.07
	Miscellaneous Income	32.64		39.06
	Total	115.91		112.98
31	Cost of Materials Consumed			
	Construction Materials, Stores and Spares			
	Opening Stock	529.71		533.70
	Add : Purchases	2,438.78		3,028.18
		2,968.49		3,561.88
	Less : Closing Stock	541.93		529.71
	Total Consumption	2,426.56		3,032.17

Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
32 Construction Expenses		
Transport Charges	42.38	61.01
Operation and Maintenance		
Machinery	334.37	254.16
Others	15.98	16.94
	350.35	271.10
Hire Charges for Machinery and others	107.38	125.09
Power and Fuel	31.74	30.12
Technical Consultation	50.80	61.34
Royalties, Seigniorage and Cess	16.88	21.66
Property Development Cost	0.86	0.78
Other Expenses	297.95	370.13
Expected credit loss for unbilled revenue	10.36	46.60
	515.97	655.72
Total	908.70	987.83
33 Changes in Inventories of Work in Progress		
Opening Balance	422.79	453.21
Closing Balance	373.89	422.79
Total	48.90	30.42
34 Employee Benefits Expense		
Salaries and Other Benefits	347.10	437.91
Contribution to Provident Fund and Other Funds	26.62	39.40
Staff Welfare Expenses	6.78	6.39
Total	380.50	483.69
34.1 Refer note 21.1 for expenses recognised for gratuity of employees.		
35 Finance Costs		
Interest Expense on		
Borrowings		
Debentures	9.45	14.83
Term Loans	35.88	46.55
Working Capital Demand Loans and Cash Credit	163.87	191.76
Mobilisation Advance	116.00	139.26
Others	17.26	24.87
	342.46	417.27
Other Borrowing Costs		
Commission on - Bank Guarantees	111.15	110.54
- Letters of Credit	14.64	16.24
	125.79	126.78
Bank and Other Financial Charges	11.66	9.80
Total	479.91	553.85

Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
36 Other Expenses		
Rent	51.05	60.82
Travelling and Conveyance	16.30	28.41
Office Maintenance	21.83	23.48
Electricity Charges	9.28	9.19
Rates and Taxes	7.79	6.88
Consultation Charges	7.44	12.83
Postage, Telegrams and Telephones	2.97	3.42
Insurance	9.75	17.47
Printing and Stationery	4.52	5.64
Legal and Professional Charges	15.23	14.57
Auditors' Remuneration	1.48	1.67
Directors' Sitting Fees	0.54	0.52
Trade Receivables / Advances Written off	3.51	-
Provision for Doubtful Trade Receivables / Advances / Others	19.39	22.04
Tender Schedule Expenses	1.37	0.87
Donations and Electoral Bonds (Electoral Bonds for the year ended 31.03.2021: ₹ Nil (31.03.2020: ₹ 40.00 crores))	0.80	40.32
CSR Expenditure (Refer note 51)	12.60	8.38
Miscellaneous Expenses	20.02	24.96
Total	205.87	281.47
37 Tax Expense		
Current Tax	93.65	175.24
Earlier year taxes (net)	(76.75)	(73.51)
Deferred Tax	62.58	(28.93)
Total	79.48	72.80

37.1 During the current year, based on its assessment of the availability of tax benefits considering the current status of the underlying projects, the Company has elected to follow the tax rates notified under section 115BAA of the Income tax act, 1961 and has filed the return of income accordingly for the previous year. Consequently, the Company has reversed current tax provision of ₹ 44.35 crores; reversed MAT credit of ₹ 26.71 crores; and reversed deferred tax asset by ₹ 23.25 crores. This matter has resulted in an increase of tax expense by ₹ 5.61 crores for the year ended March 31, 2021.

Tax expense of the Company for the year ended March 31, 2021 is after accounting of tax credit of ₹ 32.03 crores on receipt of intimation of assessment from department for earlier year. (year ended March 31, 2020 is after accounting of net tax credit of ₹ 86.54 crores on receipt of assessment orders of earlier years).

Notes forming part of the consolidated financial statements

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

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Accounting profit before tax	362.52	386.91
Tax expense at statutory tax rate at 25.168% / 34.944%	91.24	135.20
Adjustments:		
Effect of income that is exempt from taxation	(0.49)	(2.39)
Adjustments recognised in the current year in relation to the current tax of prior years	(76.43)	(73.51)
Effect of expenses that are not deductible in determining taxable profit	6.88	1.84
Effect of capital gains set off with unused capital losses	(0.23)	(15.46)
Reversal of MAT credit due to adoption of new tax rate	26.71	-
Adjustments recognised in the current year in relation to the MAT credit / reversal of DTA of prior years	23.25	(13.48)
Losses and tax offsets not considered for deferred tax asset	7.04	39.25
Others including effect of different tax rate in joint operations and Subsidiaries	1.51	1.35
	(11.76)	(62.40)
Tax expense reported in the Statement of Profit and Loss	79.48	72.80

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

(₹ in crores)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Tax effect on actuarial gains/losses on defined benefit obligations	0.82	4.23

Notes forming part of the consolidated financial statements

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

(i) Contingent Liability

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(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	287.82	298.86
- 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	96.31
- Others	40.50	29.15
(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 (31.03.2020: ₹ 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) Share of group in contingent liabilities of Associates.	0.02	0.02
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, 2021	As at March 31, 2020
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1.61	2.56
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme.	1.76	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)	36	NCC Blue Water Products Limited
C)	Key Management Personnel	37	NCC Finance Limited ^
1	Sri. A.A.V. Ranga Raju	38	Shyamala Agro Farms Private Limited
2	Sri. A.S.N. Raju	39	Ranga Agri Impex LLP
3	Sri. A.G.K. Raju	40	NCC Foundation
4	Sri. A.V.N. Raju	41	Sirisha Projects Private Limited
5	Sri. J.V. Ranga Raju	42	Narasimha Developers Private Limited
6	Sri. Ramachandra Venkataraman Shastri@	43	Avathesh Property Developers Private Limited
7	Sri. Utpal Hemendra Sheth	44	Arnesh Ventures Private Limited
8	Smt. Renu Challu	45	AVSR Holdings Private Limited
9	Sri. Ravi Shankaramiah@@	46	Sridevi Properties
10	Sri. Hemant Madhusudan Nerurkar	47	Matrix Security and Surveillance Private Limited
11	Dr. Durga Prasad Subramanyam Anapindi	48	Jampana Construction Private Limited
12	Sri. Om Prakash Jagetiya#	49	Shri Aruna Construction Private Limited
13	Sri. R.S. Raju\$	50	NCC Urban Infrastructure Company Limited, Dubai
14	Sri. K. Krishna Rao*		
15	Sri. M.V. Srinivasa Murthy		
D)	Relatives of Key Management Personnel		
16	Dr. A.V.S. Raju		
17	Smt. A. Satyanarayanamma		
18	Sri. N.R. Alluri		
19	Sri. A. Srinivasa Rama Raju		
20	Smt. BH. Kaushalya		
21	Smt. J. Sridevi		
22	Smt. J. Sowjanya		
23	Smt. A. Arundhati		
24	Smt. M. Swetha		
25	Sri. J. Krishna Chaitanya Varma		
26	Smt. A. Subhadra Jyotirmayi		
27	Smt. A. Shyama		
28	Smt. A. Suguna		
29	Sri. A. Sri Harsha Varma		
30	Sri. S.R.K. Surya Srikrishna Raju		
31	Sri. A. Vishnu Varma		
32	Smt. A. Nikitha		
33	Sri. U. Sunil		
34	Sri. P.Manoj Raj##		
35	Smt. A. Sravani		

@ Key Management Person up to September 24, 2019.

^ Liquidated with effect from February 19, 2021.

Key Management Person with effect from December 30, 2020.

@@ Key Management Person upto November 9, 2020.

\$ Key Management Person upto November 30, 2020.

With effect from August 14, 2020

* Key Management Person with effect from December 01, 2020.

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	
		2020 - 21	2019 - 20	2020 - 21	2019 - 20	2020 - 21	2019 - 20
1	Loans received	60.00	-	45.00	-	-	32.00
2	Loan repaid	7.28	-	30.50	7.90	17.46	62.64
3	Advances granted	-	-	-	-	67.50	106.74
4	Advances Repayment received / Adjusted	11.26	40.20	-	-	1.23	0.11
5	Mobilisation Advance recovered / adjusted by the Group	-	-	-	-	7.10	6.80
6	Remittance to Trade Payables	-	-	-	-	13.41	19.85
7	Trade/Accounts Receivables realised	0.24	2.35	-	-	-	-
8	Material Purchase & Services	0.43	-	-	-	-	-
9	Purchase of Property Plant and Equipment	-	-	-	-	0.12	-
10	Sale of Property Plant and Equipment	0.16	-	-	-	-	-
11	Interest Income on loans given	1.23	3.96	-	-	-	-
12	Interest Expense	0.31	-	0.59	0.13	0.22	3.62
13	Reimbursement of Expenses	-	0.06	0.02	0.02	2.68	2.66
14	Sub-Contractors work bills	-	-	-	-	76.58	154.36
15	Remuneration (Including commission)*						
	Short-term employee benefits	-	-	19.06	22.96	-	-
	Post employee benefits	-	-	0.64	1.22	-	-
16	Directors sitting fee and commission	-	-	0.37	0.33	-	-
17	Rent expenses	-	-	0.70	0.65	10.47	10.42
18	Dividend paid	-	-	0.81	7.77	1.58	8.50

* 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1	Debit Balances outstanding						
	Paschal Form Work (India) Private Limited	0.08	0.08	-	-	-	-
	Varaprada Real Estates Private Ltd	-	11.26	-	-	-	-
	Brindavan Infrastructure Company Limited	-	0.24	-	-	-	-
	Ekana Sportz City Private Limited	50.25	50.25	-	-	-	-
	NCC Urban Infrastructure Company Limited, Dubai	-	-	-	-	233.60	233.60
	Sridevi Properties	-	-	-	-	0.19	0.19
	Jampana Construction Private Limited	-	-	-	-	11.30	0.95
	Shri Aruna Constructions Private Limited	-	-	-	-	5.65	15.00
	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	-	-	-	-
	Varaprada Real Estates Private Limited	52.72	-	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	0.05	0.05
	Sirisha Projects Private Limited	-	-	-	-	-	10.00
	Jampana Construction Private Limited	-	-	-	-	0.83	1.92
	Shri Aruna Constructions Private Limited	-	-	-	-	12.75	9.20
	Sridevi Properties	-	-	-	-	0.13	0.03
	AVSR Holdings Private Limited	-	-	-	-	-	7.46
	Matrix Security and Surveillance Private Limited	-	-	-	-	0.03	-
	Sri. A.A.V. Ranga Raju*	-	-	2.25	2.35	-	-
	Sri. A.S.N. Raju	-	-	1.11	1.37	-	-
	Sri. A.G.K. Raju*	-	-	1.12	1.31	-	-
	Sri. A.V.N. Raju	-	-	1.12	1.39	-	-
	Sri. J.V. Ranga Raju	-	-	0.39	0.36	-	-
	Sri. N.R. Alluri	-	-	14.50	-	-	-
	Sri. Hemant Madhusudan Nerurkar	-	-	0.09	0.09	-	-
	Smt. Renu Challu	-	-	0.05	0.05	-	-

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Dr. Durga Prasad Subramanyam Anapindi	-	-	0.09	0.09	-	-
	Sri. Ravi Shankaramiah	-	-	0.03	0.04	-	-
	Sri. Om Prakash Jagetiya	-	-	0.02	-	-	-
	Sri. R.S. Raju	-	-	0.05	0.15	-	-
	Sri. K. Krishna Rao	-	-	0.04	-	-	-
	Sri. M.V. Srinivasa Murthy	-	-	0.08	0.10	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	0.04	0.08	-	-
	Sri. A. Vishnu Varma	-	-	0.06	0.10	-	-
	Smt. A. Nikhita	-	-	0.03	0.02	-	-
	Sri. A. Sri Harsha Varma	-	-	0.03	0.08	-	-
	Sri. U. Sunil	-	-	0.03	0.07	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	0.20	0.12	-	-
	Smt. J. Sowjanya	-	-	0.06	0.01	-	-
	Smt. J. Sridevi	-	-	0.03	0.01	-	-
	Smt. BH. Kaushalya	-	-	0.03	0.03	-	-
	Sri. P. Manoj Raj	-	-	0.01	-	-	-

*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.

(₹ in crores)

Particulars	2020 - 21	2019 - 20
Loans Received		
- AVSR Holdings Private Limited	-	22.00
- Varaprada Real Estates Private Limited	-	10.00
- Sirisha Projects Private Limited	60.00	-
- Sri. N.R. Alluri	45.00	-
Loan Repaid		
- AVSR Holdings Private Limited	7.46	62.64
- Varaprada Real Estates Private Limited	7.28	-
- Sirisha Projects Private Limited	10.00	-
- Sri. N.R. Alluri	30.50	-
Advances Granted		
- Jampana Construction Private Limited	21.61	57.11
- Shri Aruna Constructions Private Limited	45.66	49.53
Advances Repayment Received / Adjusted		
- Varaprada Real estates Private Limited	11.26	40.16
Mobilisation Advance Recovered / Adjusted by the Group		
- Shri Aruna Constructions Private Limited	7.10	6.80
Remittance to Trade Payables		
- Jampana Construction Private Limited	3.51	14.21
- Shri Aruna Constructions Private Limited	9.91	5.63
Trade / Accounts Receivables realised		
- Ekana Sportz City Private Limited	-	2.00
- Brindavan Infrastructure Company Limited	0.24	0.35
Material Purchases & Services		
- Paschal Form Work (India) Private Limited	0.43	-
Purchase of Property Plant and Equipment		
- Matrix Security and Surveillance Private Limited	0.12	-
Sale of Property Plant and Equipment		
- Paschal Form Work (India) Private Limited	0.16	-
Interest Income on loans given		
- Varaprada Real estates Private Limited	1.23	3.96
Interest Expense		
- AVSR Holdings Private Limited	0.22	3.57
- Varaprada Real estates Private Limited	0.31	-
- Sri. N.R. Alluri	0.59	-
Reimbursement of Expenses		
- Shri Aruna Constructions Private Limited	1.60	2.23
- Matrix Security and Surveillance Private Limited	0.64	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	2020 - 21	2019 - 20
Sub Contract Work Bills		
- Jampana Construction Private Limited	11.85	77.21
- Shri Aruna Constructions Private Limited	64.61	77.15
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	5.02	6.33
- Sri. A.S.N. Raju	2.57	3.20
- Sri. A.G.K. Raju	2.56	3.20
- Sri. A.V.N. Raju	2.53	3.13
Directors Sitting Fee and Commission		
- Sri. Hemanth M Nerurkar	0.09	0.07
- Smt. Renu Challu	0.08	0.07
- Sri. Utpal Sheth	0.06	0.05
- Sri. Ravi Shankaramiah#	-	0.04
- Dr. Durga Prasad Subramanyam Anapindi	0.10	0.08
Rent Expenses		
- Sirisha Projects Private Limited	9.70	9.69
Dividend Paid		
- AVSR Holdings Private Limited	1.22	6.07
- Sri. A.A.V. Ranga Raju	0.27	2.03
- Sirisha Projects Private Limited	0.26	1.68

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, 2021	As at March 31, 2020
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	62.84%	62.82%
NCC Vizag Urban Infrastructure Limited	India	95%	95%
Patnitop Ropeway & Resorts Limited#	India	-	100%
NCC International Convention Centre Limited \$	India	100%	100%
Vaidehi Avenues Limited	India	100%	100%
Aster Rail Private Limited	India	100%	100%
Pachhwarra Coal Mining Private Limited	India	51%	51%
Talaipalli Coal Mining Private Limited	India	51%	51%
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%

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, 2021	As at March 31, 2020
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\$	India	100%	100%
Sri Raga Nivas Ventures Private Limited\$	India	100%	100%
Mallelavanam Property Developers Private Limited	India	100%	100%
Sradha Real Estates Private Limited\$	India	100%	100%
Siripada Homes Private Limited\$	India	100%	100%
NJC Avenues Private Limited (Refer note 40.2 (a))	India	-	100%
Nagarjuna Suites Private Limited\$	India	100%	100%
NCC Urban Homes Private Limited	India	100%	100%
NCC Urban Ventures Private Limited	India	100%	100%
NCC Urban Meadows Private Limited\$	India	100%	100%
NCC Urban Villas Private Limited\$	India	100%	100%
Subsidiaries of NCC Infrastructure Holdings Limited			
OB Infrastructure Limited	India	64.02%	64.02%
NCC Infra Limited	India	100%	100%
Samashti Gas Energy Limited	India	100%	100%
Savitra Agri Industrial Park Private Limited**	India	100%	100%
Subsidiaries of NCC Infrastructure Holdings Mauritius Pte. Limited			
Al Mubarakia Contracting Co. L.L.C.	Dubai	100%	100%
Subsidiary of Nagarjuna Construction Company International L.L.C.			
NCCA International Kuwait General Contracts Company L.L.C.	Kuwait	100%	100%
Partnership Firm of NCC Urban Infrastructure Limited			
NR Avenues (Refer note 40.2 (b))	India	-	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, 2021	As at March 31, 2020
Associates of the NCC Limited			
Brindavan Infrastructure Company Limited	India	33.33%	33.33%
Paschal Form Work (India) Private Limited	India	23.35%	23.35%
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%

** 42% of share holding is held by Vaidehi Avenues Limited.

Liquidated (voluntary) with effect from February 12, 2021.

\$ 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 NCC Limited.

40.1 List of entities not considered for consolidation

- (a) In respect of a step subsidiary company, NCC Urban Lanka (Private) Limited, there are no transactions since incorporation, hence not considered for consolidation.

40.2 Change in the Group's ownership interest

- (a) Ceased to be Subsidiary with effect from July 27, 2020.
- (b) Investment in NR Avenues was divested on July 27, 2020.

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:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	0.48	0.48
Profit / (loss) for the year	(18.63)	(73.92)
Total comprehensive income	(18.63)	(73.92)
Add: Consolidation adjustment	-	12.49
Total comprehensive income after consolidation adjustment	(18.63)	(61.43)
Non-controlling interest %	37.16%	37.18%
Profit / (loss) allocated to non-controlling interests	(6.92)	(22.84)

(ii) Summarised Balance Sheet:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	As at March 31, 2021	As at March 31, 2020
Current assets (a)	12.91	12.61
Current liabilities (b)	105.84	93.54
Net current Assets (c) = (a) - (b)	(92.93)	(80.93)
Non-current assets (d)	481.20	488.01
Non-current liabilities (e)	-	0.73
Net non-current Assets (f) = (d) - (e)	481.20	487.28
Net assets (g)=(c)+(f)	388.28	406.35
Add: Consolidation adjustment	-	28.49
Net assets after consolidation adjustment	388.28	434.84
Non-controlling interest %	37.16%	37.18%
Accumulated non-controlling interests	144.28	161.67

(iii) Summarised Cash Flow:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities	(4.72)	(3.73)
Cash flows from investing activities	4.32	-
Cash flows from financing activities	0.47	3.60
Net increase/(decrease) in cash and cash equivalents	0.07	(0.13)

40.4 Financial information in respect of individually immaterial associates:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2021	Year ended March 31, 2020
Aggregate carrying amount of investments in individually immaterial associates as at	122.00	120.94
Aggregate group share of		
Profit for the year	1.29	(10.62)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1.29	(10.62)

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, 2021							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ crores)	As % of Consolidated profit or loss	Amount (₹ crores)	As % of Consolidated other comprehensive income	Amount (₹ crores)	As % of Consolidated total comprehensive income	Amount (₹ crores)
NCC Limited	103.83%	5,369.43	97.32%	261.13	85.31%	(11.67)	97.97%	249.46
Subsidiaries								
Indian								
NCC Urban Infrastructure Limited	6.20%	320.74	3.48%	9.33	-0.07%	0.01	3.67%	9.34
NCC Infrastructure Holdings Limited	7.51%	388.27	-6.94%	(18.63)	0.00%	-	-7.32%	(18.63)
Samashiti Gas Energy Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NCC Infra Limited	0.34%	17.70	0.00%	-	0.00%	-	0.00%	-
NCC Vizag Urban Infrastructure Limited	0.52%	26.74	-0.04%	(0.12)	0.00%	-	-0.05%	(0.12)
OB Infrastructure Limited	3.20%	165.28	10.30%	27.64	-0.07%	0.01	10.86%	27.65
Patnitop Ropeway & Resorts Limited	0.00%	-	0.39%	1.05	0.00%	-	0.41%	1.05
NCC International Convention Centre Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Vaidehi Avenues Limited	0.10%	5.13	0.02%	0.05	0.00%	-	0.02%	0.05
Aster Rail Private Limited	-0.06%	(3.19)	0.12%	0.32	0.00%	-	0.13%	0.32
Pachhvara Coal Mining Private Limited	0.18%	9.31	3.08%	8.27	0.00%	-	3.25%	8.27
Talaipalli Coal Mining Private Limited	0.00%	(0.25)	0.00%	-	0.00%	-	0.00%	-
Savitra Agri Industrial Park Private Limited	1.22%	62.97	-0.04%	(0.12)	0.00%	-	-0.05%	(0.12)
CSVS Property Developers Private Limited	0.04%	1.83	0.00%	-	0.00%	-	0.00%	-
Dhatri Developers & Projects Private Limited	0.12%	6.39	0.00%	-	0.00%	-	0.00%	-
JIC Homes Private Limited	0.04%	1.82	0.00%	-	0.00%	-	0.00%	-
M A Property Developers Private Limited	0.03%	1.74	0.00%	-	0.00%	-	0.00%	-
Mallelavanam Property Developers Private Limited	0.02%	0.98	0.00%	-	0.00%	-	0.00%	-
Sushanti Housing Private Limited	0.03%	1.74	0.00%	-	0.00%	-	0.00%	-
Sradha Real Estates Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sushrutha Real Estate Private Limited	0.04%	2.26	0.00%	-	0.00%	-	0.00%	-
Sri Raga Nivas Ventures Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sushanti Avenues Private Limited	0.09%	4.66	0.00%	-	0.00%	-	0.00%	-
Vera Avenues Private Limited	0.03%	1.40	0.00%	-	0.00%	-	0.00%	-
Vara Infrastructure Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NJC Avenues Private Limited	0.00%	-	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%	-
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%	-

Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the year March 31, 2021							
	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)
Foreign								
Nagarjuna Construction Company International L.L.C.	1.51%	78.25	-0.23%	(0.63)	-63.38%	8.67	3.16%	8.04
NCC Infrastructure Holdings Mauritius Pte Limited	1.05%	54.49	-1.70%	(4.55)	-119.66%	16.37	4.64%	11.82
Al Mubarakia Contracting Co. L.L.C.	0.00%	-	0.00%	-	-0.51%	0.07	0.03%	0.07
Nagarjuna Contracting Co. L.L.C.	0.00%	-	0.01%	0.02	-0.22%	0.03	0.02%	0.05
NCCA International Kuwait General Contracts Company L.L.C.	0.06%	3.08	0.00%	-	-0.22%	0.03	0.01%	0.03
Partnership Firm								
AKHS Homes LLP	0.00%	0.03	0.00%	-	0.00%	-	0.00%	-
Kedarnath Real Estates LLP	0.03%	1.43	0.18%	0.48	0.00%	-	0.19%	0.48
Sri Raga Nivas Property Developers LLP	0.00%	0.03	0.00%	-	0.00%	-	0.00%	-
VSN Property Developers LLP	0.00%	0.03	0.00%	-	0.00%	-	0.00%	-
Nandyala Real Estates LLP	0.05%	2.84	0.22%	0.58	0.00%	-	0.23%	0.58
PRG Estates LLP	0.03%	1.34	0.75%	2.02	0.00%	-	0.79%	2.02
Thrilekya Real Estates LLP	0.03%	1.60	0.15%	0.41	0.00%	-	0.16%	0.41
Varma Infrastructure LLP	0.03%	1.42	0.31%	0.83	0.00%	-	0.33%	0.83
NR Avenues	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interest	-5.76%	(298.11)	-5.49%	(14.73)	0.07%	(0.01)	-5.79%	(14.74)
Associates								
(Investment as per equity method)								
Indian								
Jubilee Hills Landmark Projects Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Himalayan Green Energy Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Paschal Form Work (India) Private Limited	0.00%	-	-0.20%	(0.53)	0.00%	-	-0.21%	(0.53)
Ekana Sportz city Private Limited	0.45%	23.32	0.02%	0.06	0.00%	-	0.02%	0.06
Brindavan Infrastructure Company Limited	0.24%	12.46	0.00%	-	0.00%	-	0.00%	-
Pondicherry Tindivanam Tollway Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Varapradha Real Estates Private Limited	1.52%	78.67	0.66%	1.76	0.00%	-	0.69%	1.76
Foreign								
Nagarjuna Facilities Management Services L.L.C.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Apollonius Coal and Energy Pte. Ltd.	0.15%	7.55	0.00%	-	0.00%	-	0.00%	-
Total before CFS adjustments & eliminations		6,353.40		274.64		13.51		288.15
CFS adjustments & eliminations	-22.86%	(1,182.10)	-2.36%	(6.33)	198.76%	(27.19)	-13.16%	(33.52)
Total	100.00%	5,171.30	100.00%	268.31	100.00%	(13.68)	100.00%	254.63

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, 2021	As at March 31, 2020
Equity	5,469.41	5,159.29
Short-term borrowings and current portion of long-term borrowings	1,892.43	1,941.65
Long-term borrowings	169.61	239.82
Cash and cash equivalents	(191.64)	(114.44)
Net debt	1,870.40	2,067.03
Total capital (equity + net debt)	7,339.81	7,226.32
Gearing ratio	0.34	0.40

42.2 Categories of financial instruments

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mandatorily measured:		
Equity investments in other entities	213.43	213.43
Investments in Mutual funds	104.20	113.87
Measured at amortised cost		
Cash and bank balances	504.58	388.74
Other financial assets at amortised cost	3,372.30	3,410.62
Measured at cost		
Investments in equity instruments in associates		
Equity shares	122.00	120.94
	4,316.51	4,247.60
Financial liabilities		
Measured at amortised cost	6,016.48	6,470.07

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 (WC DL) and the interest rate primarily basing on the Group's credit rating and also the changes in the financial market. Group continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

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 ₹ 2,062.04 crores (31.03.2020: ₹ 2,181.47 crores) as of 31.03.2021, the floating rate borrowings are ₹ 1,485.46 crores (31.03.2020: ₹ 1,524.89 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 ₹ 7.43 crores for the year ended March 31, 2021 (31.03.2020: ₹ 7.62 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, 2021 and March 31, 2020.

(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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD (crores)	4.14	4.47	5.09	5.09
INR (₹ in crores)	303.48	337.40	372.81	384.57

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, 2021	As at March 31, 2020
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(0.95)	(0.62)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	0.95	0.62
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(0.95)	(0.62)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	0.95	0.62

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, 9, 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, 2021:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	3,855.09	3,623.56	186.72	44.81	3,855.09
Borrowings and interest accrued	2,135.72	1,966.04	125.88	43.80	2,135.72
Other financial liabilities	25.67	25.67	-	-	25.67
Total	6,016.48	5,615.27	312.60	88.61	6,016.48

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	2,259.92	2,020.11	232.94	6.87	2,259.92
Other financial liabilities	41.18	41.18	-	-	41.18
Total	6,470.07	5,945.75	460.21	64.11	6,470.07

42.4 Fair value measurements

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

(₹ in crores)

Financial assets / financial liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2021	As at March 31, 2020		
Investments in Mutual funds at FVTPL	104.20	113.87	Level 1	Refer note 2
Investments in unquoted equity instruments at FVTPL	3.70	3.70	Level 2	Refer note 3(a)
Investments in unquoted equity instruments at FVTPL	209.73	209.73	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, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	2,879.21	2,879.21	2,938.02	2,938.02
- Cash and cash equivalents	191.64	191.64	114.44	114.44
- Bank balances other than cash and cash equivalents	312.94	312.94	274.30	274.30
- Loans	35.06	35.06	39.49	39.49
- Other financial assets	458.03	458.03	433.11	433.11
Financial liabilities				
Financial liabilities at amortised cost:				
- Borrowings (excluding current maturity)	1,749.04	1,749.04	1,872.62	1,872.62
- Trade payables	3,855.09	3,855.09	4,168.97	4,168.97
- Other financial liabilities	412.35	412.35	428.48	428.48

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/HSPL have filed a petition in Delhi High Court in March, 2018 for enforcement of SIAC Award dt. January 24, 2018. NCCIHL filed an application stating Delhi High Court does not have jurisdiction since NCCIHL does not have any assets in Delhi. While several applications were made before the Court and Orders were also made on them, nothing concrete has been heard thus far on the main enforcement matter. The next date of hearing is July 15, 2021.

Further, TAQA/HSPL and NCCIHL have filed setting aside (of award) applications in Singapore High Court in May 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 final hearing was held on September 23, 2020. The judgement/Order is awaited.

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. After the conclusion of hearings and written submission, one of the Members got transferred before the Judgement was pronounced. The matter was again heard by the new Bench and final hearing was held on September 29, 2020. Subsequently, the technical member of the New Bench has demitted office and the matter is now posted for clarifications on April 05, 2021. All The hearings completed and reserved for order.

During the Current Financial Year 2020-21, 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 ₹ 12.60 crores is provided under "Other Current Liabilities" in addition to the provision made in previous years.

- 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, 2021, the Entity has ongoing law suit with a customer and the matter is pending before the courts. During the FY 2018-19 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:

- Business segment: The Group has considered business segment as primary segment for disclosure. The Group's operations predominantly consist of construction / project activities, which in the context of Ind AS 108 "Operating Segments" is considered the only business segment.
- Geographical segment: The Group has operations within India and outside India and the disclosures in respect of the geographical segment are given below:

(₹ in crores)

Geographical Segment	Revenue for the year ended	Segment assets as at *
Within India		
March 31, 2021	7,761.29	1,730.93
March 31, 2020	8,584.47	1,675.74
Outside India		
March 31, 2021	188.13	248.36
March 31, 2020	316.60	256.63

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

Customer Concentration

Revenue from one customer amounted to 11.87 % (March 31, 2020: 10.43%) arising on account of Income from Contracts and Services.

50 Earnings per share:

	March 31, 2021	March 31, 2020
Net Profit after tax available for equity shareholders (₹ in crores)	268.31	336.53
Weighted Average number of equity shares for Basic EPS (Nos)	609,846,588	602,280,468
Weighted Average number of equity shares for Diluted EPS (Nos)	610,598,660	602,280,468
Face value per share (₹)	2.00	2.00
Basic EPS (₹)	4.40	5.59
Diluted EPS (₹)	4.39	5.59

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

Notes forming part of the consolidated financial statements

51 Corporate Social Responsibility:

(₹ in crores)

	March 31, 2021	March 31, 2020
a) Gross amount required to be spent by the Company during the year	10.96	10.02
b) Amount approved by the Board to be spent during the year	13.17*	10.02

* Including the unspent amount pertains to the year ended March 31, 2020.

c) Amount spent during the year ended:

(₹ in crores)

Particulars	March 31, 2021			March 31, 2020		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
i) Construction/acquisition of any asset	0.26	-	0.26	-	-	-
ii) On purposes other than (i) above	4.14	-	4.14	8.38	-	8.38
Total	4.40	-	4.40	8.38	-	8.38

d) Details related to spent / unspent obligations:

(₹ in crores)

Particulars	March 31, 2021	March 31, 2020
i) Spent for CSR activities (for Ongoing project ₹ 2.96 crores during the year ended March 31, 2021)	4.10	3.69
ii) Contribution	0.30	4.69
iii) Unspent amount in relation to:		
- Ongoing project *	8.77	-
- Other than ongoing project	-	-
Total	13.17	8.38

* Unspent amount of ₹ 8.77 crores is deposited in the separate bank account on April 29, 2021.

52 The exceptional items for the year ended March 31, 2021 is ₹ 12.60 crores towards provision made on obligation on sale of investment.

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.

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.

Notes forming part of the consolidated financial statements

54 Deferred tax assets (Net):

Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2021:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(11.55)	(15.12)
Provision for doubtful trade receivables, contract assets, advances and others	48.17	64.95
Provision for employee benefits	28.85	33.50
MAT Credit entitlement	5.65	125.15
Deferment in recognition of income	(22.22)	-
Others	8.71	6.36
Total	57.61	214.84

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

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
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	1,043.24	1,020.61
- Unused tax credits	134.33	148.77
Total	1,177.57	1,169.38

55 Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 799.92 crores (31.03.2020: ₹ 1,092.12 crores).

Change in the contract assets and contract liabilities as at March 31, 2021 from March 31, 2020 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) ₹ 37,911 crores (31.03.2020: ₹ 26,572 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 ₹ 254.15 crores (31.03.2020: ₹ 303.77 crores) (net of mobilisation advance and provision) 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 consolidated financial statements

60 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Group's operations recovered further from the economic slowdown caused by the COVID-19 pandemic. The Group expects to recover the carrying value of the assets basing on the information available upto the date. The Group continues to monitor the economic effects of the uncertainty arising from the second wave of the pandemic while taking steps to improve its scale of execution.

61 The Code on Social Security 2020 and The Code on Wages 2019 ("Code") received the Presidential Assent on September 28, 2020. The effective date and related rules of the Code have not been notified. The impact of the change, if any will be assessed and recognized post notification of the relevant provisions.

62 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 28, 2021.

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

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

K. KRISHNA RAO
E.V.P (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 28, 2021

**Statement containing salient features of the financial statements of subsidiaries/associate companies
[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]**

PART A: Subsidiaries

(₹ in crores)

Sl. No.	Name of the Subsidiary	Date of becoming subsidiary	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	250.00	70.74	457.54	778.28	778.28	113.02	228.24	11.29	(2.36)	13.65	80%
2	NCC Infrastructure Holdings Limited	27-May-2005	INR	709.49	(321.22)	105.84	494.11	494.11	480.89	0.48	(18.63)	0.00	(18.63)	62.84%
3	Samashti Gas Energy Limited	29-Sep-2010	INR	0.05	(0.05)	-	-	-	-	-	-	-	-	100%
4	NCC Infra Limited	28-Nov-2011	INR	17.90	(0.20)	5.00	22.70	22.70	22.68	-	(0.00)	-	(0.00)	100%
5	NCC Vizag Urban Infrastructure Limited	25-Jan-2006	INR	52.63	(25.88)	192.48	219.22	219.22	-	-	(0.12)	-	(0.12)	95%
6	OB Infrastructure Limited	31-Mar-2006	INR	14.01	151.27	139.91	305.19	305.19	89.17	89.64	27.64	0.00	27.64	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	Vaidehi Avenues Limited	1-Apr-2011	INR	5.16	(0.03)	0.20	5.33	5.33	0.05	-	0.05	-	0.05	100%
10	Aster Rail Private Limited	30-Jul-2013	INR	3.10	(6.29)	5.24	2.05	2.05	-	7.53	0.82	0.50	0.32	100%
11	Pachhware Coal Mining Private Limited	1-Jun-2016	INR	0.20	9.11	43.63	52.95	52.95	-	294.55	11.06	2.78	8.27	51%
12	Talaipalli Coal Mining Private Limited	25-Dec-2017	INR	0.09	(0.34)	0.25	0.01	0.01	-	-	(0.00)	-	(0.00)	51%
13	Savitra Agri Industrial Park Private Limited	17-Feb-2017	INR	0.12	62.85	0.01	62.98	62.98	-	-	(0.00)	0.12	(0.12)	100%
14	CSVs Property Developers Private Limited	13-Feb-2007	INR	0.05	1.78	0.00	1.83	1.83	-	-	(0.00)	-	(0.00)	100%
15	Dhatri Developers & Projects Private Limited	13-Feb-2006	INR	0.10	6.29	0.00	6.39	6.39	-	-	(0.00)	-	(0.00)	100%
16	JIC Homes Private Limited	12-Feb-2007	INR	0.05	1.77	0.00	1.82	1.82	-	-	(0.00)	-	(0.00)	100%
17	M A Property Developers Private Limited	17-Feb-2007	INR	0.05	1.69	0.00	1.74	1.74	-	-	(0.00)	-	(0.00)	100%
18	Malleavanam Property Developers Private Limited	15-Mar-2007	INR	0.05	0.93	0.00	0.98	0.98	-	-	(0.00)	-	(0.00)	100%
19	Sushanti Housing Private Limited	12-Feb-2007	INR	0.05	1.69	0.00	1.74	1.74	-	-	(0.00)	-	(0.00)	100%
20	Siadha Real Estates Private Limited	16-Mar-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	-	-	-	100%

Sl. No.	Name of the Subsidiary	Date of becoming subsidiary	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)
21	Sushrutha Real Estate Private Limited	13-Feb-2006	INR	0.10	2.16	0.00	2.26	2.26	-	-	(0.00)	-	(0.00)	100%
22	Sri Raga Nivas Ventures Private Limited	7-Mar-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	-	-	-	100%
23	Sushanti Avenues Private Limited	13-Feb-2006	INR	0.10	4.56	0.00	4.66	4.66	-	-	(0.00)	-	(0.00)	100%
24	Veera Avenues Private Limited	13-Feb-2007	INR	0.05	1.35	0.00	1.40	1.40	-	-	(0.00)	-	(0.00)	100%
25	Vara Infrastructure Private Limited	9-Mar-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	-	-	-	100%
26	NJC Avenues Private Limited	9-Apr-2007	INR	-	-	-	-	-	-	-	-	-	-	100%
27	Siripada Homes Private Limited	3-Apr-2007	INR	0.05	(0.05)	0.00	0.00	0.00	-	-	-	-	-	100%
28	Nagarjuna Suites Private Limited	14-Sep-2011	INR	0.01	(0.01)	0.00	0.00	0.00	-	-	-	-	-	100%
29	NCC Urban Ventures Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%
30	NCC Urban Homes Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%
31	NCC Urban Meadows Private Limited	11-Sep-2012	INR	0.01	(0.01)	0.00	0.00	0.00	-	-	-	-	-	100%
32	NCC Urban Villas Private Limited	11-Sep-2012	INR	0.01	(0.01)	0.00	0.00	0.00	-	-	-	-	-	100%
33	Nagarjuna Construction Company International L.L.C.	17-Jan-2007	OMR	244.11	(165.86)	226.96	305.21	305.21	3.30	134.92	(0.63)	-	(0.63)	100%
34	NCC Infrastructure Holdings Mauritius Pte Limited	27-Apr-2006	USD	196.81	(142.32)	264.08	318.57	318.57	7.55	-	(6.17)	-	(6.17)	100%
35	Al Mubarakia Contracting Co. L.L.C.	7-Jul-1997	AED	1.99	(1.99)	-	-	-	-	-	-	-	-	100%
36	Nagarjuna Contracting Co. L.L.C.	20-Jun-2005	AED	0.60	(0.60)	-	-	-	-	-	0.02	-	0.02	100%
37	NCCA International Kuwait General Contracts Company L.L.C.	10-Jan-2017	KWD	6.03	(2.96)	-	3.08	3.08	-	-	-	-	-	100%

Note:

- Exchange rate as on 31.03.2021: Omani Rial = ₹ 190,441, AED = ₹ 19.94, US\$ = ₹ 73.23, KWD = ₹ 241.39, QAR = ₹ 20.12.
- Reporting period for all subsidiaries is same as of holding company i.e., 1st April to 31st March.
- Patnitop Ropeway & Resorts Limited, got liquidated (voluntary) with effect from February 12, 2021.
- NJC Avenues Private Limited ceased to be Subsidiary with effect from July 27, 2020.
- Proposed dividend from the subsidiaries is NIL.
- Percentage of ownership interest in step down subsidiaries and associates reported above represents ownership interest of the immediate holding company and not the effective interest of NCC Limited.

Part B: Associates

(₹ in crores)

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-21	8,643,036	3.46	33.33%	Significant influence due to % of Share capital	NA	12.45	-
2	Paschal Form Work (India) Private Limited	31-Mar-21	6,549,892	6.91	23.35%	Significant influence due to % of Share capital	NA	0.40	(0.53)
3	Nagarjuna Facilities Management Services L.L.C.	31-Mar-21	147	0.17	49.00%	Significant influence due to % of Share capital	NA	-	-
4	Himalayan Green Energy Private Limited	31-Mar-21	1,000,000	-	50.00%	Significant influence due to % of Share capital	NA	-	-
5	Apollonius Coal and Energy Pte. Ltd.	31-Mar-21	3,778,757	7.55	44.22%	Significant influence due to % of Share capital	NA	12.51	-
6	Pondichery Tindivanam Tollway Limited	31-Mar-21	3,388,040	33.51	47.80%	Significant influence due to % of Share capital	NA	-	-
7	Ekana Sportz City Private Limited	31-Mar-21	2,268,000	22.68	26.00%	Significant influence due to % of Share capital	NA	23.05	0.06
8	Varapradha Real Estates Private Limited	31-Mar-21	13,344,973	71.50	40.00%	Significant influence due to % of Share capital	NA	75.94	1.76

For and on behalf of the Board

K. KRISHNA RAO
E.V.P (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 28, 2021

REGIONAL OFFICES

- 1 **Ahmedabad**
211-212, Sarthik - II
Opp: Rajpath Club
Sarkhej - Gandhinagar Highway
Ahmedabad - 380 054
T : +91 79 26871478/69
E : ro.ahmd@nccltd.in
- 2 **Bengaluru**
301, Batavia Chambers
8, Kumara Krupa Road
Kumara Park East Bangalore -560 001
T : +91 80 22258991/ 3309
E : ro.blr@nccltd.in
- 3 **Chennai**
5B Kences Towers
No.1 Ramakrishna Street
Off : North Usman Road
Land Mark Croma Electronics
T.Nagar Chennai – 600017
T : +91 44 28143051/52
E : ro.chennai@nccltd.in
- 4 **Delhi**
PHD House 4/2
Siri institutional area
August kranti Marg
New Delhi -110016
T : +91 11 40325300
E : bldgs.rodelhi @nccltd.in
- 5 **Kochi**
Sherwali, CC 44/1725-A
Perandoor Road
Opp Masthan Tower
Kaloor Cochin – 682017
T : +91 484 2530160
E : ncckochi@vsnl.net
- 6 **Kolkata**
ECO Space Business Park
Block No-4A, 5th Floor
New Town Action Area – II,
Kolkata - 700156
T :+ 91 33 40298888
E : ro.kolkatta@nccltd.in
- 7 **Lucknow**
House No.: C-2-183
Ansal Golf City Shaheed Path
Near SJ International School
Lucknow - 226030
T : +91 88 60075625
E : ro.lucknow@nccltd.in
- 8 **Mumbai**
A-914 Kanakia Wall Street
Andheri Kurla Road
Chakala Andheri (East)
Mumbai 400 093
T : 022-62988000
E : ro.mumbai@nccltd.in

