

The background of the entire page is a composite image. It features a close-up profile of a man wearing a white hard hat, looking towards the right. Behind him is a city skyline at night, with numerous skyscrapers illuminated. A bright sun or light source is visible on the left side, creating a lens flare effect. There are several circular graphic elements scattered across the page, including a large one on the left and several smaller ones on the right and bottom.

**BUILT-IN RESILIENCE  
DELIVERING GROWTH**

**NCC LIMITED**  
Annual Report 2021-22

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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.



# BUILT-IN RESILIENCE DELIVERING GROWTH

“ Over the years we have set NCC as a benchmark among construction companies with our unique business model and operational approach. During the tough years in the past, we focused on making NCC’s internal environment more resilient

**Hemant M Nerurkar**

Chairman

*Chairman’s Message on Page 06*

“ We have maintained our strength and decisive attitude, strong execution skills, capabilities, diverse order booking and debt reduction in the year under review

**A A V Ranga Raju**

Managing Director

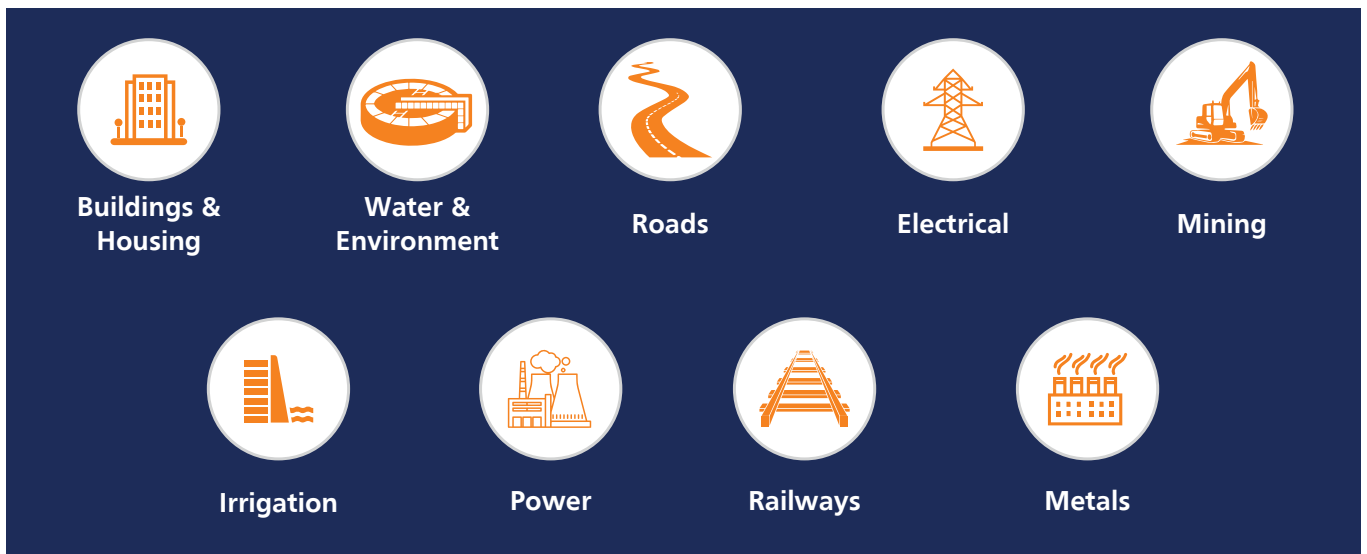
*Discussion with MD on page 08*



# ABOUT US

Established in 1978 as a partnership firm and converted into a limited company in 1990, NCC has progressed consistently and is now in its 44<sup>th</sup> year. We are one of the leading construction companies in terms of revenue. NCC is entrenched in its values of openness and trust, integrity and reliability, teamwork and collaboration, commitment and creativity.

## NCC undertakes construction in segments such as:



### 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 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 of NCC and be made available to other interested parties, as required.



### OUR PEOPLE

Experienced human capital of 5109 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  
Karnataka Bank

**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**  
KFin Technologies 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

**32<sup>nd</sup> Annual General Meeting**  
Monday, 22<sup>nd</sup> August 2022  
at 3.00 p.m. (IST) through VC/OAVM

## OUR MAJOR CLIENTS

Airports Authority of India, New Delhi  
Allahabad Development Authority Limited  
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  
Central Public Works Department  
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  
Engineers India Limited  
Greater Hyderabad Municipal Corporation, Hyderabad, Telangana  
Greater Visakhapatnam Municipal Corporation, Visakhapatnam, AP  
Gujarat Water Supply and Sewerage Board  
Hindustan Aeronautics Limited  
Hindustan Steelworks Construction Limited  
HLL Infra Tech Services Limited  
Hyderabad Growth Corridor Limited, Hyderabad  
Hyderabad Metropolitan Water Supply and Sewerage Board  
Indian Institute of Technology, Jodhpur  
Irrigation and CAD departments (of various States)  
Jharkhand Bijili Vitaran Nigam Limited  
Jharkhand Urban Infrastructure Development Company Limited  
Karnataka Housing Board  
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  
Military Engineer Services  
Ministry of Transport & Communication - Govt. of Oman  
Mumbai Metropolitan Region Development Authority, Mumbai  
Municipal Corporation of Greater Mumbai  
Muscat Municipality, Sultanate of Oman  
Nagpur Metro Rail Corporation Ltd. Nagpur  
Nalanda University, Rajgir, Bihar  
National Highways Authority of India (NHAI)  
National Institute of Technology  
National Mineral Development Corporation Limited  
National Thermal Power Corporation  
Navi Mumbai Municipal Corporation  
Naya Raipur Atal Nagar Vikas Pradikaran  
NBCC Limited  
Odisha Bridge & Construction Corporation Limited  
Pacschimanchal Vidyut Vitran Nigam Limited  
Patni Computers  
Public Health Engineering Department (of various states)  
Purvanchal Vidyut Vitran Nigam Limited  
Rail Vikas Nigam Limited  
Rajiv Gandhi Rural Housing Corporation Limited, Bangalore  
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  
Telangana Sate Power Generation Corporation Limited  
The Project Seabird, New Delhi  
The West Bengal Power Development Corporation Limited  
Transmission Corporation of Telangana Limited  
UP Expressway Industrial Development Authority  
Uttar Pradesh Housing & Development Board, Lucknow  
West Bengal Housing Infrastructure Limited  
Western Coalfields Limited

# MESSAGE FROM THE FOUNDER & CHAIRMAN EMERITUS

Dear Shareholders,

At the outset, I am delighted that FY22 has been a remarkable year concerning revenue growth and strong Balance Sheet performance. I would primarily attribute this success to the hard work of our people and as an outcome of our management's operational skills. Our national and local political leaderships are relentlessly pursuing various developmental activities to take this country to the next level.

NCC continue to be a key constituent in building the country's infrastructure, which is akin to our vision and mission. Through diversified construction abilities and strong execution skills we have been creating value for all our stakeholders as well as for the country as a whole.

I thank you all – our valued shareholders for their continued patronage.

Warm Regards

**Dr. AVS Raju**  
Founder & Chairman Emeritus



## VISION

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



## MISSION

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

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

To encourage innovation, professional integrity, upgradation of knowledge and skills of employees and a safe working environment

To be a responsible corporate citizen committed to the social cause



## VALUES

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

# CHAIRMAN'S MESSAGE



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,

FY22 year's performance is yet again a testimonial of our company's ability to remain resilient during difficult times. This year has been relatively a good year for our Company. I congratulate the management and our strong team of employees for tirelessly working for this success.

### A Resilient NCC

It's a known fact that macro-economic volatilities make an adverse impact on businesses. The outcome of such shocks can at times be detrimental for many, yet few remain resilient during these adverse times as they learn, adapt, change and emerge stronger. To remain strong has its foundation on the quality of corporate governance, capabilities such as strategic agility, risk management and focus on quality. At NCC since its inception, the company has gone through many economic upheavals. Over the years we have set NCC as a benchmark among construction companies with our unique business model and operational approach. During the tough years in the past, we focused on making NCC's internal environment more resilient.

## On Performance

Performance in FY22 is an outcome of our key strategies i.e to remain asset light, strong execution coupled with our financial discipline. We increased our revenue across our key business verticals. Margins during the year were subdued because of higher commodity prices. On a standalone basis our revenue during the year under review is ₹ 9,930 crore as against ₹ 7256 crore in FY21. Segment diversity across building, mining, railways, electrical, water & environment is one of the key differentiators at NCC. Our diversified order book asset is at ₹ 39,361 crore as of March 31, 2022. This includes new orders of ₹ 12,158 crore received during FY 22. I am happy that we considerably reduced our debts during the year.

## External environment

We have stepped into FY23 amidst mounting global economic challenges and fiscal measures by our country to contain the impact. Retail inflation increased to an eight-year high of 7.79% in April, 2022. The RBI's twice hike in repo rate was impending due to the inflation spike and global macroeconomic scenarios.



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At NCC since its inception, the company has gone through many economic upheavals. Over the years we have set NCC as a benchmark among construction companies with our unique business model and operational approach. Performance in FY22 is an outcome of our key strategies i.e to remain asset light, strong execution coupled with our financial discipline.

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Increased interest rates will certainly make the cost of borrowing increase and impact the overall feasibility of large infrastructure projects. However, with inflation lingering persistently high, RBI had little choice. I hope the hike in the repo rate would contain rising commodity prices and ensure sustainable growth in the long term. The cost of construction input materials like steel and cement had gone up significantly in the last six months, resulting in construction costs going up substantially. After the repo rate hikes announced by RBI, I hope, going forward commodities prices for items like steel and cement to come down. The government in May, 22 had imposed a 15% tax on exports of several key categories of steel in a bid to control the increasing price of the alloy in the domestic market. There was no duty on steel exports earlier. This initiative has resulted in the steel prices coming down in early June,22.

At NCC, the management is keenly watching all the opportunities and challenges for evaluating and exploring opportunities and containing margin risks.

#### Key Drivers of the Business

- The country's infrastructure development plans are intact despite these challenges
- In recent years, there has been a significant clean-up happening in the banking as well as public infrastructure ecosystems. NPAs have significantly come down since 2018. The Banks are in a position to support the infrastructure sector.
- There is an increase in the FY23 budget allocation for capital expenditure from ₹ 6.02 lakh crore in FY22 to ₹ 7.5 lakh crore.

- The finance ministry has asked key infrastructure ministries and departments to speed up the project with a 60% CAPEX expenditure i.e ₹ 4.45 Lakh crore target to reach by end of September, 2022. The government has put in a monitoring mechanism to check the progress of the projects.

#### Dividend

The Board of Directors of NCC Limited at its meeting held on May 11, 2022, has recommended a Dividend of ₹ 2/- (100%) per share on the Equity Share of face value of ₹ 2/- each, for the Financial Year 2021-22, subject to the approval of the Members at the ensuing Annual General body meeting.

#### Corporate Social Responsibility

We continue to uphold our founding legacy of commitment towards society and channelling resources for holistic social upliftment. During the year our key social interventions were in the areas of rural housing, education, healthcare and women and childcare. During the year the company spent an amount of ₹ 854 Lakhs towards 20 social projects in the states of Andhra Pradesh, Telangana, Maharashtra and Uttar Pradesh.

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

Yours truly

**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 FY 2022-23 and beyond we are on a strong position aided by our existing order book as well as the new emerging opportunities.



## Dear Shareholders,

We began the year amidst a huge wave of the pandemic which took a severe toll on lives and livelihoods both in our country and the world over. As the world was witnessing the disruptions brought by the pandemic, economic activity continued to experience severe volatility and uncertainty. Your company too was affected particularly in the first half year of the year under review due to the disruptions caused by the pandemic and as a result of the pragmatic steps taken by the management, the situation gradually improved especially in the 3<sup>rd</sup> & 4<sup>th</sup> quarters. We have maintained our strength and decisive attitude, strong execution skills, capabilities, diverse order booking and debt reduction in the year under review.

The ongoing geopolitical conflict, re-imposition of lockdown in China on account of fresh COVID-19 cases, global inflation and continuing supply shortages are expected to adversely impact the global GDP growth in 2022-23. The world bank expects global growth to decelerate from an estimated 5.5% to 3.25%. The Govt. of India's decision to lower fuel prices is one of the important steps to contain the increasing burden on the

economy. Amidst external challenges, as per the initial estimates, India's GDP is expected to grow in the range of 7.5% in FY 2022-23. With low non-performing assets (NPAs) and healthy balance sheets, the Indian banking system is well positioned to offer much needed support to businesses. As a result, despite certain setbacks, I am optimistic that India's growth story will continue.

## Overview of FY 2021-22

I had projected in my previous letter about improving our order book and a strong FY 2021-22. I am happy to inform you that with the relentless pursuit of our team with support from our clients, we have achieved good growth in Turnover of the Company besides good collections from the clients including Andhra Pradesh which led to a steep reduction in the debt of the Company. The margins were affected in the year under review because an increase in the input costs. An order book to sales ratio of 4x provides strong visibility in revenue growth in the near term future. We have a strong order book from buildings, water, environment, railways, electricals and mining segments. Some of our major clients in buildings include UP Housing Development Board, AAI, AIIMS, NBCC, BMRL and MMRDA. Our water and

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NCC will continue playing an essential role in the advancement of various infrastructure sectors of the country. The same can be seen in our order book. Our strong revenue visibility in FY 2022-23 and beyond is attributable to our dynamic order book and exceptional execution skills.

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environment order book is well diversified across proactive and growth-oriented states such as Gujarat, Telangana, Uttar Pradesh, Odisha, Jharkhand and Rajasthan. Similarly, our clients and project locations are well diversified across all other business segments.

On a standalone basis our revenue increased by 37% year on year i.e from ₹ 7256 Crores to ₹ 9930 crores. It may be noted that commodity price increase during the financial year had an impact on the margins. Despite such an increase, the Company posted a Net Profit of ₹ 490 crore as compared to ₹ 261 crore the previous year. We continue to closely watch the commodity rates. I must say that the RBI's decision to increase the repo rate was an expected measure. We would continue to focus on orders with our benchmark margins and cost control initiatives while going forward.

#### **Situational Analysis:**

By 2022, India is predicted to overtake China as the world's third largest market. India's GDP is expected to double in the next 7-8 years, which will demand a huge thrust on infrastructure expenditure. For India's development to be accelerated, it will require investments of about ₹ 50 trillion across all sectors of public and private infrastructure.

The Union Government has reaffirmed its commitment to utilize infrastructure as a force multiplier for sustainable economic growth in Budget 2022-23, with a budgeted infrastructure investment of over ₹ 10 lakh crore and a CAPEX increase of over 35% year-on-year. One of the primary focus areas in infrastructure is using multimodal transportation infrastructure to minimize logistics costs and improve India's overall competitiveness. Similarly, the budget has emphasized the importance of collaboration across several Ministries/Agencies to identify and complete important projects on time.

The Gati Shakti initiative is one of the centerpieces of the Budget 2022-23. Roads and railways have seen a large increase in outlays, with a year-on-year increase of more than 50%. Over the next three years, 100 PM Gati Shakti Cargo terminals are envisioned as part of the rail connection. Similarly, it is suggested that the National Highways network be expanded by 25,000 kilometres this year, about double the maximum accomplished in any of the previous five years. The proposed budget for urban infrastructure, housing and ports has been kept at FY 2021-22 levels with the Jal Jeevan Mission budget being increased by 20%.

I am pleased that State Governments are giving the required importance to areas where they have jurisdiction, including urban infrastructure, irrigation, health and education. The budget has increased the outlay for "State Government Support for Capital Expenditure" from ₹ 15,000 crore in 2021-22 to ₹ 1 lakh crore in 2022-23 to improve the infrastructure in these sectors. NCC is poised to encash new opportunities and I am confident that NCC will keep up its frontline position in the infrastructure construction segment.

#### **Remarks at the end**

NCC will continue playing an essential role in the advancement of various infrastructure sectors of the country. The same can be seen in our order book. Our strong revenue visibility in FY 2022-23 and beyond is attributable to our dynamic order book and exceptional execution skills.

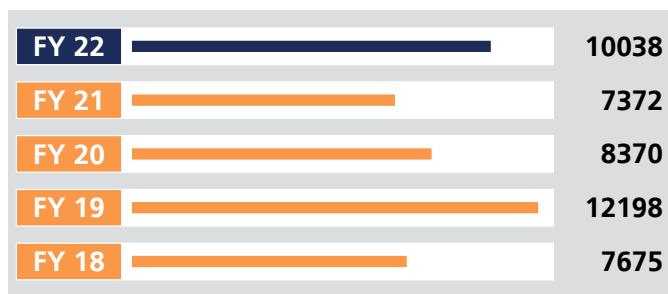
Regards

**A A V Ranga Raju**  
Managing Director

# KEY PERFORMANCE INDICATORS

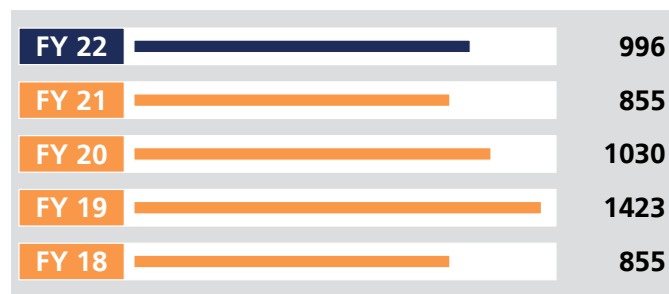
## TURNOVER

(₹ in crore)



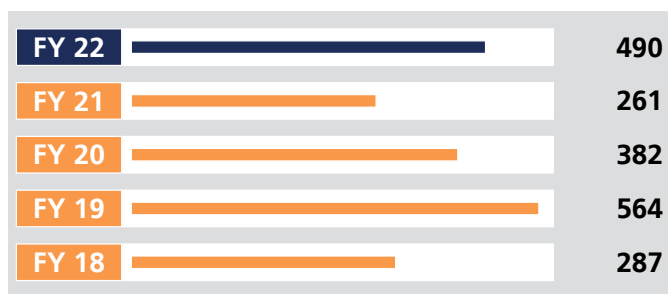
## EBIDTA

(₹ in crore)



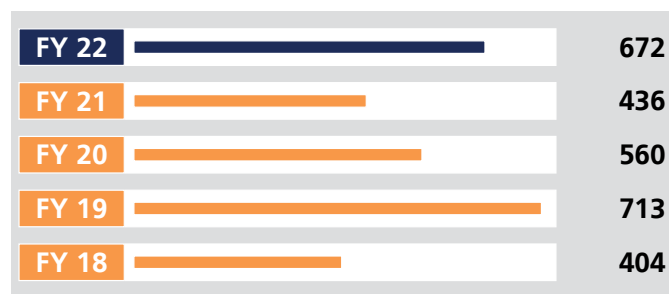
## PAT

(₹ in crore)



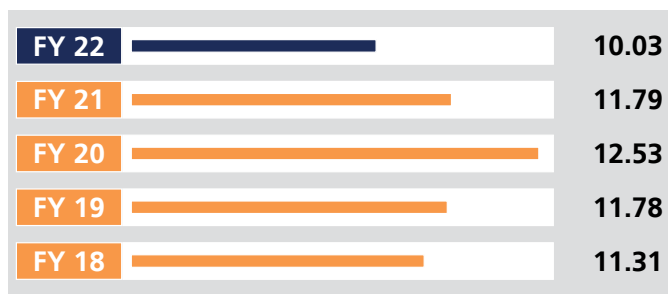
## CASH PROFIT

(₹ in crore)



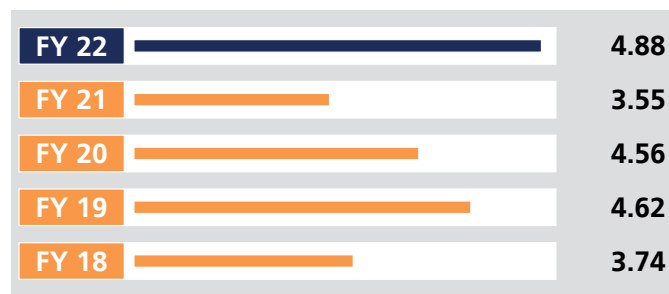
## EBIDTA

(%)



## PAT

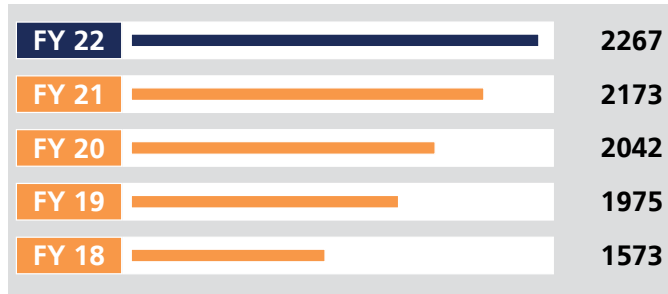
(%)





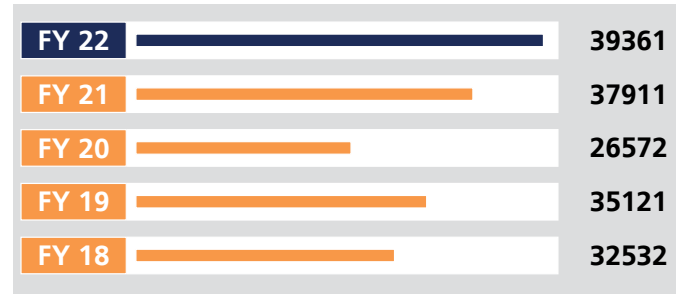
## GROSS BLOCK

(₹ in crore)

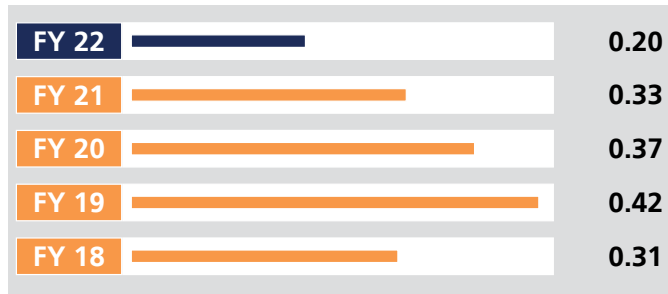


## ORDER BOOK

(₹ in crore)

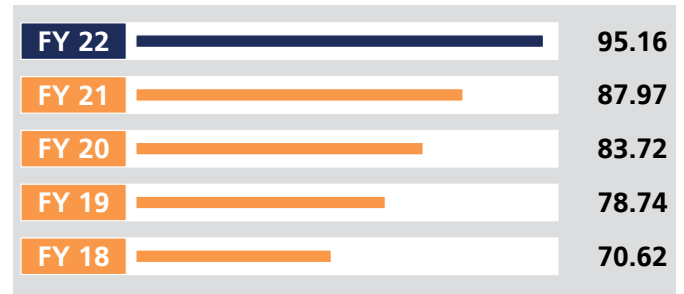


## DEBT EQUITY - RATIO



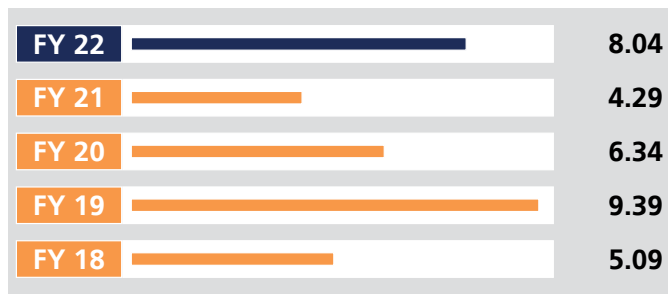
## BOOK VALUE PER SHARE

(₹)



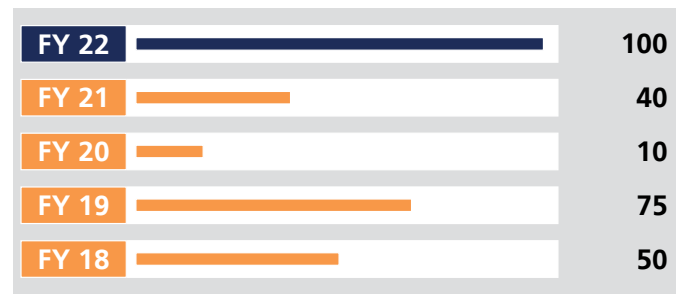
## BASIC EPS

(₹)



## DIVIDEND

(%)



# CORPORATE SOCIAL RESPONSIBILITY

Shared responsibility and generosity for society have long been part of the Indian tradition. The tradition continues at NCC, where Corporate Social Responsibility (CSR) is etched in the organisational DNA. It is therefore no surprise that at NCC, we continuously think of ways to give back to society from successful business endeavours towards Community Development. During the financial year 2021-22, NCC undertook a wide range of socio-economic, healthcare, and educational initiatives under its CSR Programme touching the lives of the marginalized population.

## HEALTH CARE

Mobile Milk Bank for Dhaatri Mother's Milk Bank, Hyderabad



Mid-Day Meal Van to Akshaya Patra Foundation, Lucknow



## RURAL DEVELOPMENT

Skill Development Center at Antarvedipalem, East Godavari District, Andhra Pradesh



Rural Housing at Antarvedipalem, East Godavari District, Andhra Pradesh



## EDUCATION

Robotics in Academics - hands-on-training for children from government schools in the latest Robotics technologies, Hyderabad



Online education for the dropouts & unschooled students in Secondary grades through AAS Vidyalaya at its Nagpur Centre



# BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 32<sup>nd</sup> Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2022.

## Standalone Financial Results

(₹ in crores)

Particulars	2021-22	2020-21
Revenue from Operations	9930.03	7256.02
Other Income	108.21	115.60
<b>Total Income</b>	<b>10038.24</b>	<b>7371.62</b>
Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT)	1104.32	970.97
Less: Finance Costs	459.60	457.81
Profit before Depreciation, Exceptional Items and Tax	644.72	513.16
Less: Depreciation and Amortisation Expenses	182.34	174.09
<b>Profit before exceptional item &amp; tax</b>	<b>462.38</b>	<b>339.07</b>
<b>Exceptional items (Net)</b>	<b>145.64</b>	<b>-</b>
<b>Profit before tax</b>	<b>608.02</b>	<b>339.07</b>
Provision for Tax(Including earlier Year Taxation)	117.90	77.58
<b>Profit after Tax</b>	<b>490.12</b>	<b>261.49</b>
Other comprehensive income / (loss) for the year	(2.82)	(11.67)
<b>Total comprehensive income for the year</b>	<b>487.30</b>	<b>249.82</b>
<b>Retained earnings- Opening Balance</b>	<b>1478.42</b>	<b>1429.14</b>
Add: Profit for the Year	490.12	261.49
Less: Transferred to General Reserve	250.00	200.00
Less: Dividend paid during the year	48.79	12.21
<b>Retained earnings - Closing Balance</b>	<b>1669.75</b>	<b>1478.42</b>
<b>Paid up Capital</b>	<b>121.97</b>	<b>121.97</b>

## Operational performance

### A. Standalone

Your Board takes pleasure in reporting that the Revenue from Operations of the Company for the Financial Year ended 31<sup>st</sup> March 2022 amounted to ₹ 9930.03 crores as against ₹ 7256.02 crores in FY 2020-21 and earned a Profit before Interest, Depreciation, Exceptional Items and Tax (PBIDT) of ₹ 1104.32 crores for the F.Y 2021-22 as against ₹ 970.97 crores in the previous year. After deducting financial charges of ₹ 459.60 crores, providing a sum of ₹ 182.34 crores towards depreciation, ₹ 117.90 crores for income tax and after exceptional items of ₹ 145.64 crores, the operations of the Company resulted in a net profit of ₹ 490.12 crores for the F.Y 2021-22 as against ₹ 261.49 crores in F.Y 2020-21.

### B. Consolidated

During the year under review, the Revenue from Operations of the Company on a consolidated basis amounted to ₹ 11137.96 crores as against ₹ 7949.42 crores in the previous fiscal. Your Company has earned a PBIDT of ₹ 1094.52 crores for the F.Y 2021-22 as against ₹ 1034.99 crores in the previous Financial

year. The operations resulted in a net profit attributable to the shareholders of the Company of ₹ 482.41 crores as against ₹ 268.31 crores in the previous financial year.

During the year the Company, on consolidated basis, bagged new orders valued around ₹ 12158 crores (including change in scope of work) and after deducting the Orders executed, the order Book of the company as on March 31, 2022 stood at ₹ 39361 crores.

Aftermath of COVID 19 in the FY 2020-21 and the first half of the FY under review, there has been a gradual improvement in the operations of the Company consequent to the proactive steps taken by the Company. The Company is putting in all efforts to achieve higher levels of growth and post a further improvement in its performance in the FY 2022-23.

### Dividend

Your Board takes pleasure in recommending payment of Dividend of ₹ 2/- (100%) per Equity Share of ₹ 2/- each as against ₹ 0.80 per Equity Share in the previous year 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 ₹ 1919.75 crores available for appropriation your Board approved transfer of ₹ 250.00 crores to the Reserves and the remaining amount of ₹ 1669.75 crores in the retained earnings.

### Management Discussion and Analysis

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

### Change in nature of business

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

### Material Changes and Commitments affecting the financial position of the Company

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

### Merger

NCC Limited and two of its Wholly Owned Subsidiary Companies (WOSs) viz., 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 1<sup>st</sup> April, 2019. NCLT vide its Order dated 26<sup>th</sup> August 2021 has approved the merger with revised appointed date as 1<sup>st</sup> April 2020. The Effective date, being the date of filing of Form INC-28 was 30<sup>th</sup> September 2021. All the formalities relating to the merger have been completed.

## Share Capital

During the financial year under review the Authorised Share Capital of the Company increased from ₹ 150.00 Crores to ₹ 161.50 Crores consequent to the Merger of two Wholly-owned Subsidiaries with the Company as indicated above. There has however been no change in the 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 the Promoters / Promoter Group Shareholders 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 12<sup>th</sup> February 2021. These warrants are due for conversion into equity shares of the Company within 18 months from the date of Allotment i.e. on or before 11<sup>th</sup> August 2022, 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://nclimited.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, if any;
- (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 31<sup>st</sup> March, 2022 and of the profit of the Company for the financial year ended 31<sup>st</sup> March, 2022;
- (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 / Joint venture Companies:

The Company has 24 subsidiaries (including step down subsidiaries) as on 31<sup>st</sup> March 2022. During the financial year the entire equity stake held in NCC Vizag Urban Infrastructure Ltd (NCCVUIL), a subsidiary was divested and NCCVUIL ceased to be a subsidiary of the Company. Further, 7 step-down subsidiaries Viz. Vara Infrastructure Private Limited, Sradha Real Estates Private Limited, Siripada Homes Private Limited, NCC Urban Meadows Private Limited, NCC Urban Villas Private Limited, Sri Raga Nivas Ventures Private Limited and Nagarjuna Suites Private Limited and one Subsidiary Viz. NCC International Convention Centre Limited which were not having operations, on application from the respective companies, were Struck-off by the Registrar of Companies during the FY under review.

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 2021-22 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, 2022, 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 2021-22  
Foreign exchange earnings - ₹ 6.97 crores  
Foreign exchange outgo:
- Towards travel ₹ 0.10 crores
  - Towards import of capital goods & material supplies ₹ 59.93 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 31<sup>st</sup> March, 2022 form part of the Notes to the financial statements provided in this Annual Report.

## Directors:

In pursuance of Section 152 of the Companies Act, 2013 and the rules framed there under, Sri J V Ranga Raju (DIN 00020547), Whole-time Director, and Sri Utpal Sheth (DIN 00081012) 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 8<sup>th</sup> February 2022 have approved the re-appointment of Sri A A V Ranga Raju as the Managing Director, Sri A G K Raju as the Executive Director and Sri J V Ranga Raju, as a Whole-time Director of the Company for another term of five (5) years w.e.f. 1<sup>st</sup> April 2022.

The Independent Directors have submitted the requisite 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 31<sup>st</sup> March 2022 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 Directors, Sri K Krishna Rao, EVP (F&A) and CFO and Sri M V Srinivasa Murthy, Company Secretary & EVP (Legal) continued as the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 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 7 times i.e. on April 28, 2021, May 28, 2021, August 5, 2021, October 25, 2021, November 9, 2021, February 8, 2022 and March 31, 2022. The details with respect to the Board and 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://nclimited.com/corporate\\_governance.html](http://nclimited.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://nclimited.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 31<sup>st</sup> March 2022 has been placed on the website of the Company at [http://nclimited.com/AGM\\_EGM\\_Info.html](http://nclimited.com/AGM_EGM_Info.html).

### **Statutory Auditors and their report**

M/s. S R Batliboi & Associates LLP Chartered Accountants (Firm Registration No.101049W/ E300004), who were appointed by the Members of the Company as the Statutory Auditors of the Company for a term of five years from the conclusion of the 27<sup>th</sup> Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting conducted the Statutory Audit for the FY- 2021-22. 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, 2022 form part of this Annual Report and do not contain any qualification(s) or adverse observations.

The present Statutory Auditors are eligible for reappointment for a second term of 5 consecutive years. The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. The Board is of the opinion that continuation of M/s. S R Batliboi & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company will be in the best interest of the Company and therefore, the members are requested to consider their re-appointment as the Statutory Auditors of the Company, for second term of five consecutive years, from the conclusion of the ensuing Annual General Meeting, till the Annual General Meeting to be held in the year 2027, at such remuneration mutually agreed and approved by the Board.

### **Secretarial Audit Report**

As per the provisions of Section 204(1) of the Companies Act, 2013 and the Rules framed there under, 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 2021-22. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2022 in Form MR-3 is annexed here 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, 2022 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 May 28, 2021 had appointed M/s. Vajralingam & Co., Cost Accountants (Firm Registration No.101059) as the Cost Auditors of the Company for the FY 2021-22 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-2021-22.

### **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 members of the Company. 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 hereto 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://nclimited.com/Policies.html>. As per the provisions of the Companies Act, 2013 and the Rules framed thereunder during the F.Y 2021-22 the Company was required to spend an amount of ₹ 10.68 Crore towards CSR activities. During the F.Y 2021-22 the Company had spent an amount of ₹ 8.54 crores towards CSR expenditure upto 31<sup>st</sup> March, 2022 as per details given in the said **Annexure-II**. The shortfall in the expenditure was mainly due to delay in finalisation of the drawings and local issues. In compliance with the applicable statutory provisions the unspent CSR amount of ₹ 2.14 crores 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 the remuneration paid to the 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 31<sup>st</sup> March, 2022, the Company has not received any complaints pertaining to Sexual Harassment.

### Details of any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

During the year, no corporate insolvency resolution process was initiated under the Insolvency and Bankruptcy Code, 2016, either by or against the Company, before National Company Law Tribunal;

### 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: May 11, 2022

# 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, 2022

To,  
The Members,  
**NCC Limited**  
Hyderabad

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NCC Limited** (hereinafter referred to 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, 2022 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, 2022**, 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 (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 the following major event:

1. Pursuant to the NCLT Order dated 26.08.2021, M/s. Vaidehi Avenues Limited (a Subsidiary of the Company) and M/s. Aster Rail Private Limited (a Subsidiary of the Company), under a scheme of arrangement have merged with M/s. NCC Limited.
2. Mr. Anantha Venkata Ranga Raju Alluri was re-appointed as the Managing Director of the Company for the period of 5 years.
3. Mr. Gopala Krishnam Raju Alluri and Mr. Jampana Venkata Ranga Raju were re-appointed as the Whole Time Directors of the Company for the period of 5 years.
4. Mr. Alluri Venkata Narasimha Raju was re-appointed as the Whole Time Director of the Company for the period of 5 years.

**For BS & Company Company Secretaries LLP**

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

**Date: May 11, 2022**

**Place: Hyderabad**

**UDIN: F005400D000298000**

**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**

**Date: May 11, 2022**  
**Place: Hyderabad**

**K.V.S. Subramanyam**  
**FCS No.: 5400**  
**C P No.: 4815**  
**UDIN: F005400D000298000**

# ANNEXURE – II

## ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-22

### 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	3
2	Sri Hemant M Nerurkar	Member	3	3
3	Dr. A S Durga Prasad	Member	3	3
4	Sri O P Jagetiya	Member	3	3
5	Sri A G K Raju	Member	3	3

- 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): ₹ 53347.74 Lakh
- Two percent of average net profit of the Company as per section 135(5): ₹ 1066.95 Lakh.
  - Surplus arising out of the CSR projects/ programmes or activities of the previous financial years: NIL
  - Amount required to be set off for the financial year, if any: NIL
  - Total CSR obligation for the financial year :(7a+7b- 7c): ₹ 1066.95 Lakh (Budgeted for ₹ 1067.71 Lakh)
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	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 (₹ Lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
853.81	213.90	30 <sup>th</sup> April 2022	N.A.	N.A.	N.A.

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹ Lakhs).	(8) Amount spent in the current financial Year (in ₹ Lakhs).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Construction of Toilets for Boys and Girls at Govt. School, Pulicharla, Nalgonda, Telangana	I	N	Telangana	Nalgonda	2 Months	35.00	4.10	30.90	Yes	-	-
2.	Construction of Comfort Rooms in Govt. Schools & Colleges	I	Y	Uttar Pradesh		6 Months	183.00	0	183.00	Yes	-	-
<b>TOTAL</b>							<b>218.00</b>	<b>4.10</b>	<b>213.90</b>			

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Lakhs)	(7) Mode of implementation on- Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Education facility (Computers, Projector, Uniform and Sports Equipment's, Desk etc., for students) at MPPS and ZPHS School, Kothapeta	II	Y	Telangana	Hyderabad	5.86	Yes	-	-
2.	Provision of Furniture and Fittings for Multipurpose Hall to be user for Training & other activities, Chityal, Nalgonda	I, II & III	N	Telangana	Nalgonda Dist	3.46	No	The Mahatma Charitable Trust	CSR00007903
3.	Construction of Hall for Orphanage	III	Y	Telangana	Hyderabad	10.00	No	Karunasri Seva Samiti	CSR00005551
4.	Comprehensive Lactation Management Center (CLMC) and Mothers Milk Bank (MKB) at Govt. General Hospital	I	N	Andhra Pradesh	Kakinada	25.00	No	Sushena Health Foundation	CSR00005664
5.	Dhaatri Mother's Milk Bank – Mobile Milk for community outreach to decrease infant mortality and morbidity	I	Y	Telangana	Hyderabad	11.92	No	Sushena Health Foundation	CSR00005664
6.	Delivery Vehicle for Transportation of Cooked Food	I	Y	Uttar Pradesh	Lucknow	13.40	No	Akshaya Patra Foundation	CSR00000286

7	Isolation Center for Police personnel and their families infected with COVID 19 – HCSC	I	Y	Telangana	Hyderabad	20.00	No	Nirmaan Organisation	CSR00000146
8	AAS Vidyalaya Online education for the dropouts, partially schooled & unschooled students in Secondary grades	II	N	Maharashtra	Nagpur	8.70	No	Avileen Education Foundation	CSR00000634
9	Maintenance expenses of the buildings and the infrastructure created at Antervedipalem, E G Dist	III	N	Andhra Pradesh	Antervedipalem, E G Dist	8.00	No	NCC Foundation	CSR00004366
10	One time Capex for setting up Comprehensive Lactation Management Center (CLMC) in Lucknow	I	Y	Uttar Pradesh	Lucknow	60.00	No	Sushena Health Foundation	CSR00005664
11	2nd Year Operational Expenses of Dhatri's Milk Bank at Niloufer Hospital	I	Y	Telangana	Hyderabad	10.66	No	Sushena Health Foundation	CSR00005664
12	2nd Year support funds for implementing Aaryajanani Program	I	N	Maharashtra	Nagpur	19.00	No	Saksham	CSR00004963
13	Corneal topographer – IERTLI Phaco Emulsification Model Catarhex CR3 for treatment of corneal blindness at Pushpagiri Eye Hospital	I	Y	Telangana	Hyderabad	15.00	No	Pushpagiri Vitreo Retina Institute	CSR00000138
14	Purchase and supply of Oxygen concentrators to the Government Hospital at Chittor, AP for treating the patients who had contracted COVID 19	I	N	Andhra Pradesh	Chittor	36.69	Yes	-	N.A
15	Robotics in Academics – hands on training to 500 Children from Govt. Schools in the latest Robotics Technologies	II	Y	Telangana	Hyderabad	5.19	No	Soham Academy of Human Excellence	CSR00011394
16	Construction of Road Dam at Thallacheruvu Alugu in Wanaparthi Mandal	X	N	Telangana	Wanaparthi	29.00	No	NCC Foundation	CSR00004366
17	Robotics in Academics – hands on training to 1000+ Children from Govt. Schools in the latest Robotics Technologies	II	Y	Telangana	Hyderabad	10.26	No	Soham Academy of Human Excellence	CSR00011394
18	Education for children of deceased employees	II	Y	Telangana	Hyderabad	4.26	No	NCC Foundation	CSR00004366
19	Construction of Rural Housing and other Rural Development Projects	X	N	Andhra Pradesh	Antervedipalem, E G Dist	500.00	No	NCC Foundation	CSR00004366
	<b>TOTAL</b>					<b>796.40</b>			

(d) Amount spent in Administrative Overheads: ₹ 53.31 Lakh

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 853.81 Lakh



(g) Excess amount for set off, if any : NIL

Sl. No.	Particular	Amount (in ₹ Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	1066.95
(ii)	Total amount spent for the Financial Year	853.81
(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: FY 2020-21 – ₹ 876.58 Lakh  
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): ₹ 660.87 Lakh
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: NIL
- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.:  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):
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 ₹ 1067.71 Lakh required to be spent towards CSR expenditure during the F.Y. 2021-22, the Company has spent an amount of ₹ 853.81 Lakh. The shortfall in the expenditure was mainly on account of inability of the Company to execute 2 of the approved CSR Projects because of delay in the finalization of the drawings and due to election in the State of Uttar Pradesh. The unspent CSR amount has been transferred to the Unspent CSR Account of the FY 2021-22.

**For and on behalf of Corporate Social Responsibility Committee**

**Place: Hyderabad**  
**Date: May 11, 2022**

**A A V Ranga Raju**  
**Managing Director**  
**(DIN-00019161)**

**A S N Raju**  
**Chairman, CSR Committee**  
**(DIN-00017416)**

# 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 2021-22.:

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Sri Hemant M Nerurkar	4.6:1
2	Smt. Renu Challu	3.4:1
3	Dr. A S Durga Prasad	4.8:1
4	Sri O P Jagetiya	3.4:1
5	Sri Utpal Sheth	1:1
6	Sri A A V Ranga Raju	129:1
7	Sri A G K Raju	66:1
8	Sri A S N Raju	66:1
9	Sri J V Ranga Raju	33:1
10	Sri A V N Raju	65:1

- (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	(*)
2	Sri K Krishna Rao, EVP (F&A) & CFO	7.3
3	Sri M V Srinivasa Murthy, CS & EVP (Legal)	7.4

(\*) There is no increase in the remuneration of the Directors during the F.Y 2021-22. However, there has been an increase in the remuneration of the Working Directors on account of increase in the commission linked to the profit earned by the Company during the Financial Year 2021-22.

- (iii) The percentage increase in the median remuneration of employees in the financial year 11.60%
- (iv) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March 2022 stood at 5109 employees.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year was 11.50% and there has been no increase in the managerial remuneration (other than on account of Commission on Profits) during the last financial year.
- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

**For and on behalf of the Board**

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

**Place: Hyderabad**  
**Date: May 11, 2022**

# MANAGEMENT DISCUSSION & ANALYSIS

## Global Economy:

The last two years have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection, supply-chain disruptions and, more recently, inflation have created particularly challenging times for policymaking. Global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth.

Numerous risks could further derail what is now a precarious recovery. Among them is the possibility of stubbornly high global inflation accompanied by tepid growth, reminiscent of the stagflation of the 1970s. This could eventually result in a sharp tightening of monetary policy in advanced economies to rein in inflation, lead to surging borrowing costs, and possibly culminate in financial stress in some emerging market and developing economies. A forceful and wide-ranging policy response is required by the global community to boost growth, bolster macroeconomic frameworks, reduce financial vulnerabilities, provide support to vulnerable population groups, and attenuate the long-term impacts of the global shocks of recent years.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

## India Economy:

India has emerged as 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.

## Market Size:

- India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY22.
- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030, for productivity and economic growth according to McKinsey Global Institute. The 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.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.

## Recent economic developments in India are as follows:

- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 5.8 billion across 117 deals in February 2022, 24% higher than in January 2022. Some of the important recent developments in the Indian economy are as follows:
- India's merchandise exports were at an all-time high of US\$ 417.81 billion in FY22. In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.
- The gross Goods and Services Tax (GST) revenue collection hit an all-time high of ₹ 1.68 trillion (US\$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.
- India's Index of Industrial Production (IIP) for January 2022 stood at 138.4 against 136.6 for January 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.
- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21
- Foreign portfolio investors (FPIs) invested ₹ 50,009 crore (US\$ 6.68 billion) in the Calendar year 2021.
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of ₹ 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

## Government Initiatives

- The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (Ind Aus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM Gati Shakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth ₹ 20,000 crore (US\$ 2.67 billion). In 2022-23 increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of ₹ 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of ₹ 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of ₹ 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated ₹ 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman allocated ₹ 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got ₹ 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of ₹ 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth ₹ 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of ₹ 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- To boost the overall audit quality and transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives, and large non-banks and housing finance firms.
- In May 2021, the Government of India allocated ₹ 2,250 crore (US\$ 306.80 million) for the development of the horticulture sector in 2021-22.
- In November 2020, the Government of India announced ₹ 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~ ₹ 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to

boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to ₹ 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise ₹ 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures, including ₹ 15,000 crores (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India by increasing foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for the second tranche of EUR 150 million (US\$ 182.30 million) for the Pune Metro Rail project.

- According to an official source, as of September 15, 2021, 52 companies have filed applications under the ₹ 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

### Opportunities and Strengths

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

### I. OPERATIONAL PERFORMANCE - Consolidated

- Revenue from Operations:** The Group reported a Revenue from Operations of ₹ 11137.96 crores during the year 2021-22 as against ₹ 7949.42 crores in the previous year, resulting in an increase of 40%.
- EBIDTA:** The Group reported an EBIDTA of ₹ 1023.80 crores as against ₹ 919.08 crores in the previous year. The increase is primarily on account of increase in Turnover during the year. There is a decline in EBIDTA margin from 11.56% to 9.19%. The decrease is mainly on account of increase in the input cost.



- c. **Net profit:** The Group reported a Net Profit Attributable to Shareholders of the Company of ₹ 482.41 crores as against ₹ 268.31 crores in the previous year and reported a growth of 80%. The Increase is mainly increase in volume of operations and profit of ₹ 149.50 crores on account of stake sale in one of the subsidiary companies.

## II. OPERATIONAL AND FINANCIAL PERFORMANCE - Standalone

- a. **Revenue from Operations:** The Company has reported a Revenue from Operations of ₹ 9930.03 crores during the year 2021-22 as against ₹ 7256.02 crores in the previous year, resulting an increase of 37%.
- b. **Other Income:** The other income of the company for the year is ₹ 108.21 crores as against ₹ 115.60 crores of previous year. Other income comprises of Interest on loans & advances, Interest on Bank Margin Money deposits, interest on income tax refund, Profit on Sale of Property, Plant and Equipment, Investment Property(net) and miscellaneous income.
- c. **Direct cost:** The direct cost for the year under review works out to 83.31% of the turnover as against 80.83% last year. The increase is primarily on account of increase in input costs.
- d. **Overheads:** Overheads comprising salaries and administrative expenses, is ₹ 661.70 crores for the year under review as against ₹ 535.80 crores in the previous year. The increase of 23% amounting to ₹ 125.90 crores over the previous year, is mainly increase in volume of operations.
- e. **Finance cost:** The Finance cost during the year is ₹ 459.60 crores as against ₹ 457.81 crores of previous year and there is no change despite the steep increase in the volume of operation. There is an increase in the finance cost on account of increase in utilization BGs & LCs and there is a decrease in finance cost on borrowings due to decrease in borrowings and also decline in the average cost of borrowings from 9.22% of 2020-21 to 8.77% in 2021-22.
- f. **Depreciation:** The Company's depreciation for the year has increased from ₹ 174.09 crores to ₹ 182.34 crores.
- g. **Tax Expense:** The tax expense of the company for the year 2021-22 is ₹ 117.90 crores as against ₹ 77.58 crores of previous year.
- h. **EBIDTA:** The Company has reported an EBIDTA of ₹ 996.11 crores as against ₹ 855.37 crores in the previous year. The increase is primarily on account of increase in Turnover during the year. There is a decline in EBIDTA margin from 11.79% to 10.03%.
- d. **Net profit:** The Company has reported a Net Profit of ₹ 490.12 crores as against ₹ 261.49 crores in the previous year, an increase of 87%. The Increase is mainly increase in

volume of operations and profit of ₹ 149.50 crores on account of stake sale in one of the subsidiary companies.

- i. **Total Comprehensive Income:** The Company has reported a Total Comprehensive Income of ₹ 487.30 crores as against ₹ 249.82 crores in the previous year.
- j. **Dividend:** The Board of Directors have recommended a dividend of ₹ 2.00/- per share (100%) for the year under review and the dividend works out to ₹ 121.97 crores as against ₹ 48.79 crores in the previous year.
- k. **Return on Equity:** The Company has reported return on equity at 8.78% for the year under review as against 5.00% reported in the year 2020-21. The increase is partly on account of increase in volume of operations and partly on account of profit on stake sale in one of the subsidiary companies.

### Equity & Liabilities:

- a. **Net worth:** The Company's net worth increased from ₹ 5364.66 crores to ₹ 5803.17 crores. The increase of ₹ 438.51 crores is primarily on account of internal generation of profits.
- b. **Borrowings (Long-Term & Short-Term):** During the year under review the borrowings decreased by ₹ 604.84 crores from ₹ 1788.92 crores to ₹ 1184.08 crores.

### Assets:

- a. **Property, Plant & Equipment (PPE):** The Company's PPE (gross block plus Capital WIP) increased by ₹ 93.81 crores (net) in 2021-22 from ₹ 2173.16 crores to ₹ 2266.97 crores.
- b. **Investments:** The investments decreased by ₹ 104.60 crores, from ₹ 999.09 crores to ₹ 894.49 crores during the year 2021-22. The decrease is primarily on account of stake sale in one of the subsidiary Companies.
- c. **Inventories:** The Company's inventories stands at ₹ 787.78 crores as against of ₹ 526.80 crores of previous year.
- d. **Trade Receivables (Current & Non-Current):** The Company's trade receivables decreased by ₹ 168.04 crores in 2021-22 from ₹ 2660.27 crores to ₹ 2492.23 crores.
- e. **Loans (Current & Non-Current):** Loans comprises loans given to group companies and other corporates. Loans given to group companies & other corporates increased from ₹ 329.99 crores to ₹ 407.81 crores during the year under review. Increase is mainly on account of loan given to NCC Vizag Urban Infrastructure Limited.

### Cash Flow

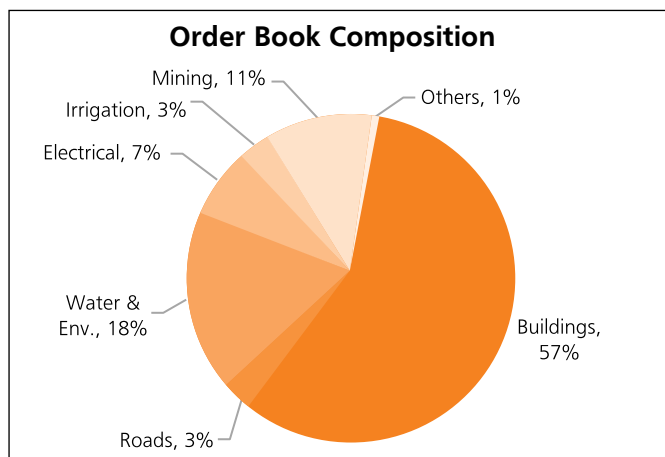
During the year the Company reported Net cash inflows from operating activities of ₹ 1295.98 crores as against ₹ 709.73 crores, Net cash used in investing activities ₹ 131.06 crores as against Net cash inflow from investing activities ₹ 63.88 crores and Net cash used in financing activities ₹ 1099.19 crores as against ₹ 689.34 crores in the previous year.

## Key Financial Ratios

S. No	Ratio	FY 2021-22	FY 2020-21	% of change	Reasons for change in the ratio by more than 25%
i)	Trade Receivables turnover days	3.85	2.75	40%	The increase mainly on account of good collections from the client in FY 2021-22.
ii)	Inventory turnover days	15.11	13.93	8%	-
iii)	Interest Coverage Ratio	4.84	3,23	50%	The collections from clients are improved and used for repayment of working capital loans, resulted in decline in debt.
iv)	Current Ratio	1.36	1.34	2%	-
v)	Debt-Equity Ratio	0.20	0.33	(39%)	The collections from clients are improved and used for repayment of working capital loans, resulted in decline in debt.
vi)	Operating Profit Margin (%)	10.03%	11.79%	(15%)	-
vii)	Net profit ratio	4.94%	3.60%	37%	Net Profit increased primarily on account of profit on sale of investment in Subsidiary Company.
viii)	Return on Net Worth	8.78%	5.00%	76%	Increased partly on account of profit from operations due to higher turnover and partly on account of profit on sale of investment in Subsidiary Company.

### III. Order Inflow and Order Book

During the year the Company received order inflow of ₹ 12158 crores as against ₹ 18943 crores received in previous year 2020-21. The group order book stands at ₹ 39361 crores as at the end of the year registering a growth of 4% 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 from the Clients lead to an increase in working capital requirement. There is a process of close monitoring & follow-up with the Clients for the timely approvals and payments for better working capital management.

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

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

**COVID-19:** 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 Resources

At NCC, the biggest asset is our employees. We have always aspired to be an organisation and a workplace committed to helping its people gain varied experiences, accomplish challenging assignments, learn continuously and build their careers while

delivering for stakeholders. Our philosophy of building leaders from within continues to guide our actions towards identifying, developing, and nurturing talent. With greater emphasis on futuristic thinking, digital mindset and commitment to nation building, we have made significant shifts towards developing our people for the future. The Company provides an environment that helps individuals to showcase their talents and rewards performance and results. This challenging workplace has helped NCC attract, develop, and retain talent, and we have done this successfully for over 43 years.

The total human capital base of the company as of 31st March 2022 stood at 5109 employees, consisting a mix of people from diverse backgrounds, educational qualifications and a wealth of experience from across the Industry.

### Learning & Development

The L&D interventions at NCC are geared towards providing employees a platform for continuous learning opportunities, motivate people to seize learning opportunities, and focus on helping people identify and develop new and needed skills. L&D offers a variety of programs on personal effectiveness, digital capability, functional, technical, Environmental, Health, Safety and a wide range of Supervisory and leadership development programs. Our comprehensive learning model combining face-to-face, on-the-job-training, workshops, case studies, classroom sessions and online learning modules where employees are provided opportunities for self-learning through a digital interface, which hosts a variety of content. During the Financial Year 2021-22, a total of 613 training programs were organised at Various project sites, HO and external venues. A special emphasis on training & awareness towards COVID-19 and its appropriate behaviour was given to employees.

### Employee Engagement:

We believe that our employees are partners in our progress. The structure of our working lives encourages innovation, knowledge sharing and collaboration for long-term success. Our core values: Openness and Trust; Integrity and Reliability; Teamwork and Collaboration; Commitment; Creativity is our guiding principle and defines our identity.

Our employees are encouraged to share ideas, work together, and understand that it is the collective strength of a team that makes us successful.

The well-being of the employees at all project locations is a central concern. NCC Ltd has always focused on various employee engagement initiatives for the benefit of employees and their families.

# 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, 2022, the Company's Board of Directors comprised of a judicious mix of Ten Directors consisting of Five Executive Directors, One Non-Executive Director and Four Independent Directors one among them is a Woman Director as stipulated under the Companies Act, 2013 and the Listing Regulations. 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 the Companies Act, 2013 and the rules made thereunder relating to appointment of Directors.

### Composition of the Board of Directors as on March 31, 2022

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 27, 2021	Number of other Director Ship(s) as on 31-03-2022 (#)	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	7	Yes	8	7 (including 3 as Chairman)	1. Igarashi Motors India Ltd – Non-Executive & Non Independent Director 2. Adani Enterprises Ltd - Non-Executive & Independent Director - Chairperson 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	7	Yes	3	2	Nil
Smt Renu Challu	Non-Executive and Independent	7	Yes	2	3 (including 2 as Chairperson)	1. Schaeffler India Ltd - Non-Executive & Independent Director 2. Ceinsys Tech Ltd - Non-Executive & Independent Director
Sri O P Jageitya	Non-Executive and Independent	7	No	1	Nil	Nil

Sri Utpal Sheth	Non-Executive and non-Independent	7	Yes	16	1	1. Aptech Ltd - Non-Executive & Non-Independent Director 2. Star Health Allied Insurance Company Ltd - Nominee Director 3. Kabra Extrusion Technik Ltd - Independent Director
Sri A A V Ranga Raju (Managing Director)	Promoter and Executive	7	Yes	1	Nil	Nil
Sri A G K Raju (Executive Director)	Promoter and Executive	7	Yes	1	1	Nil
Sri A S N Raju (Wholetime Director)	Promoter and Executive	7	Yes	1	1 (as Chairman)	Nil
Sri J V Ranga Raju (Wholetime Director)	Promoter and Executive	6	Yes	Nil	Nil	Nil
Sri A V N Raju (Wholetime Director)	Promoter and Executive	6	Yes	2	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:

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, 2022.

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 FY2021-22:

During the Financial Year - 2021-22, The Board met seven 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	April 28, 2021	10	10
2	May 28, 2021	10	10
3	August 5, 2021	10	10
4	October 25, 2021	10	10
5	November 9, 2021	10	9
6	February 8, 2022	10	10
7	March 31, 2022	10	9

#### 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](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://nclimited.com/code\\_of\\_conduct.html](http://nclimited.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, Accounting & Finance.

Name of the Director	Skills/ Expertise/ Competencies
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 31<sup>st</sup> March 2022 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 Accounting & 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 eight times during the Financial Year i.e. on May 28, 2021, August 5, 2021, October 25, 2021, November 9, 2021, December 9, 2021, February 8, 2022 March 25, 2022 and March 31, 2022. 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, 2022 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	8	8
Sri. Hemant M Nerurkar	Member	8	8
Smt. Renu Challu	Member	8	8
Sri O P Jagetiya	Member	8	8
Sri A G K Raju	Member	8	8

### Terms of reference of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the Statutory and the Internal Auditors of the company;
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinions if any in the draft Audit Report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. 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.
22. 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 three times i.e., on May 27, 2021, November 09, 2021 and February 8, 2022. 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	3	3
Sri Hemant M Nerurkar	Member	3	3
Dr. A S Durga Prasad	Member	3	3
Sri Utpal Sheth	Member	3	3

#### 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 twice during the Financial Year i.e. on May 27, 2021 and November 8, 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	2	2
Dr. A S Durga Prasad	Member	2	2
Sri O P Jagetiya	Member	2	2
Sri A G K Raju	Member	2	2

During the Financial Year 2021-22, the Company has received 12 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, 2022. 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, 2022. 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 thrice during the year on July 30, 2021, January 13, 2022 and February 4, 2022.

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	Designation	No. of meetings held	No. of meetings attended
Dr. A S Durga Prasad	Chairperson	3	3
Sri O P Jagetiya (*)	Member	1	1
Sri A A V Ranga Raju	Member	3	3
Sri K Krishna Rao-CFO	Member	3	3

(\*) Appointed with effect from 8<sup>th</sup> February, 2022

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

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2022 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	1,63,20,000	20,77,039	14,40,000	Nil	4,43,20,000	6,41,57,039
Sri. A G K Raju Executive Director	81,60,000	16,77,583	7,20,000	Nil	2,21,60,000	3,27,17,583
Sri. A S N Raju Wholetime Director	81,60,000	18,26,029	7,20,000	Nil	2,21,60,000	3,28,66,029
Sri. J V Ranga Raju Wholetime Director	1,42,80,000	10,08,000	12,60,000	Nil	Nil	1,65,48,000
Sri. A V N Raju Wholetime Director	81,60,000	11,91,537	7,20,000	Nil	2,21,60,000	3,22,31,537

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.

The details of sitting Fee and commission paid to the Non-Executive Directors (including Independent Directors) for the Financial Year 2021-22 is detailed below:

(Amount in ₹)

Sl	Name of the Director	Sitting Fees	Commission	Total
1	Sri. Hemant M Nerurkar	7,75,000	15,00,000	22,75,000
2	Dr. A S Durga Prasad	9,00,000	15,00,000	24,00,000
3	Smt. Renu Challu	6,75,000	10,00,000	16,75,000
4	Sri O P Jagetiya	6,75,000	10,00,000	16,75,000
5	Sri. Utpal Sheth	5,00,000	Nil	5,00,000

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 2021-22 was held on February 8, 2022.

### 7. General Body Meetings

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

Year	Location	AGM Date & Time	Special Resolutions passed
2019	<b>Avasa Hotel,</b> Constellation Hall, 1 <sup>st</sup> 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 <b>Video Conferencing</b>	Friday 25, September, 2020 at 3.00 p.m.	1) Re-appointment of Dr. A S Durga Prasad (DIN.00911306) as an Independent Director.
2021	Held through <b>Video Conferencing</b>	Friday 27, August, 2021 at 3.00 p.m.	1) Re-appointment of Sr A V N Raju (DIN-00018965) as a Wholetime Director of the Company and Remuneration payable to him.

### Postal Ballot

During the year no resolution was passed through Postal Ballot, under the provisions of the Companies Act, 2013.

Currently, there is no proposal to pass any resolution through Postal Ballot.

### 8. Means of Communication

The Company was having 3,38,342 shareholders as on March 31, 2022. 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.nclimited.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/Eanadu/Andhra Jyothi / Saakshi (regional language), along with the official press releases and are also hosted on the Company's website.

#### 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.

#### Reminder Letters to Investors

- Reminder Letter dated 22<sup>nd</sup> July 2021 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.
- As per SEBI Circular dated 3<sup>rd</sup> November 2021, the Company has sent letters to the physical shareholders on 11<sup>th</sup> January 2022 requesting them to update their KYC (PAN, Aadhar, Bank Account, Email ID, Mobile No. and Nominee details).

#### 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 32<sup>nd</sup> Annual General Meeting

32<sup>nd</sup> Annual General Meeting of the Members of the Company is scheduled to be held on Monday, 22<sup>nd</sup> August 2022 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 5<sup>th</sup> May, 2020 & 5<sup>th</sup> May 2022.

#### (b) Financial calendar (Tentative) for the Financial Year 2022-23.

Quarter ending	Financial Results release	Trading window closure
June 30, 2022	August 9, 2022	July 01, 2022 to August 11, 2022
September 30, 2022	November 8, 2022	October 01, 2022 to November 11, 2022
December 31, 2022	February 8, 2023	January 01, 2023 to February 10, 2023
March 31, 2023	May 16, 2023	April 01, 2023 to May 18, 2023

**Record Date:** 12<sup>th</sup> August 2022 for payment of dividend.

#### (c) Dividend payment date: (subject to approval of shareholders at the AGM) on or before 15<sup>th</sup> September 2022.

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

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001	<b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
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Listing fee for the financial year 2022-23 has been paid to BSE Limited and National Stock Exchange of India Ltd in the month of April, 2022.

**(a) Stock codes Equity shares**

BSE Code: 500294, NSE Symbol: NCC

**(b) 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 2021	82.65	69.10	50375.77	47204.50	82.60	69.20	15044.35	14151.40
May 2021	89.40	72.75	52013.22	48028.07	89.50	72.65	15606.35	14416.25
June 2021	94.00	77.65	53126.73	51450.58	94.00	77.60	15915.65	15450.90
July 2021	98.45	84.60	53290.81	51802.73	98.50	84.50	15962.25	15513.45
August 2021	90.40	69.95	57625.26	52804.08	90.40	70.00	17153.50	15834.65
September 2021	87.45	75.80	60412.32	57263.90	87.50	75.05	17947.65	17055.05
October 2021	85.45	69.50	62245.43	58551.14	85.50	69.50	18604.45	17452.90
November 2021	83.85	69.15	61036.56	56382.93	83.90	69.00	18210.15	16782.40
December 2021	77.75	66.30	59203.37	55132.68	77.75	66.20	17639.50	16410.20
January 2022	79.85	68.10	61475.15	56409.63	79.90	68.10	18350.95	16836.80
February 2022	78.50	55.80	59618.51	54383.20	78.50	55.75	17794.60	16203.25
March 2022	64.50	57.45	58890.92	52260.82	65.00	57.40	17559.80	15671.45

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

M/s. KFin Technologies 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>

**(b) 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. KFin Technologies Limited is the 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.

**(c) Distribution of shareholding as on March 31, 2022.**

Number of shares held	Number of shareholders*		Total Shares of ₹ 2/-each	Details of shareholding	
	No	%		Value of shares of (₹)	%
1 - 5,000	325910	96.33	86730915	173461830	14.22
5,001 - 10,000	6825	2.01	25096269	50192538	4.12
10,001 - 20,000	3047	0.90	22508468	45016936	3.69
20,001 - 30,000	904	0.27	11288254	22576508	1.85
30,001 - 40,000	462	0.13	8304224	16608448	1.36
40,001 - 50,000	254	0.08	5840401	11680802	0.96
50,001 - 100,000	458	0.14	16406376	32812752	2.69
100,001 and above	482	0.14	433671681	867343362	71.11
<b>Total</b>	<b>338342</b>	<b>100.00</b>	<b>60,98,46,588</b>	<b>1,21,96,93,176</b>	<b>100.00</b>

\*After clubbing the common PAN

(a) Shareholding Pattern as on March 31, 2022

Category	No. of Shares of ₹ 2/- each	%
Promoters & Promoters Group	120046680	19.68
Domestic Institutional Investors/Banks	3168	0.00
Bodies Corporate	50422962	8.27
Foreign Portfolio Investors	54193741	8.89
NRIs	8477845	1.39
Mutual Funds	74704841	12.25
Indian Public	301492328	49.44
IEPF	479039	0.08
Unclaimed Suspense Account	25984	0.00
<b>Total</b>	<b>609846588</b>	<b>100.00</b>

(b) Dematerialization.

Over 99.86% of the outstanding shares were dematerialized up to March 31, 2022. The Company's shares are liquid and actively traded.

Category	No. of Shareholders*	Number of Shares	%
NSDL	126,756	402,635,827	66.02
CDSL	219,302	206,361,254	33.84
Physical	814	849,507	0.14
<b>Total</b>	<b>346,872</b>	<b>609,846,588</b>	<b>100</b>

\* without Clubbing the common PAN

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

(d) Address for Correspondence Physical / Electronic mode

<b>M/s. KFin Technologies Limited (Unit: NCC Limited)</b> Selenium Tower B, Plot No.31 & 32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 <b>Email: einward.ris@kfintech.com</b> <b>https://www.kfintech.com</b> Toll Free No.1800-309-4001	<b>Shareholders General Correspondence</b> Company Secretary & Compliance Officer <b>NCC Limited</b> 9 <sup>th</sup> Floor, NCC House, Madhapur, Hyderabad - 500 081 Phone : 040-23268888 / 23268942 E-Mail : <b>ho.secr@nccltd.in</b> <b>www.ncclimited.com</b>
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(e) 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 31<sup>st</sup> March 2022. Vide their letter dated 29<sup>th</sup> March 2022, the agency affirmed the Company's Long-Term Issuer Rating at 'IND A'. The Outlook is Positive. The instrument-wise rating actions are as follows:

Instrument Type	Rating/Outlook	Rating Action
Fund Based working capital limits	IND A/Positive/IND A1	Affirmed
Non-Fund based limits	IND A/Positive/IND A1	Affirmed
Term Loans	IND A/Positive/IND A1	Affirmed

### 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 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 ₹ 2,11,336/- (Rupees Two Lakhs Elven Thousand Three Hundred Thirty-Six only) (Final Dividend) pertaining to the year 2013-2014 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, 2022 (₹)	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2014-15	Final	24.08.2015	4,21,658.40	30.09.2022	29.10.2022
2015-16	Final	24.08.2016	6,14,298.60	30.09.2023	29.10.2023
2016-17	Final	24-08-2017	4,32,844.00	30-09-2024	29-10-2024
2017-18	Final	10-08-2018	10,50,698.00	16-09-2025	15-10-2025
2018-19	Final	06-09-2019	12,34,444.50	12-10-2026	11-11-2026
2019-20	Final	25-09-2020	3,64,249.20	30-10-2027	28-11-2027
2020-21	Final	27-08-2021	10,85,305.20	02-10-2028	01-11-2028

### 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://ncclimited.com/Policies.html>

### 10. Other Disclosures

- During 2021-22 certain transactions were entered into with related parties. The details thereof are given in note number 35 of the Standalone 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://ncclimited.com/images/PDF/Policies/Policy on Material Subsidiary\(s\).pdf](http://ncclimited.com/images/PDF/Policies/Policy on Material Subsidiary(s).pdf)
- Policy on Related party transactions is hosted in our website [www.ncclimited.com](http://www.ncclimited.com), the following is the web link;  
<http://ncclimited.com/images/PDF/Policies/Policy on Related Party Transactions.pdf>
- Details of utilization of funds raised through preferential allotment or QIP as specified under Regulation 32 (7A):  
During the Financial Year 2021-22 the Company has not raised any fund either through preferential allotment or QIP.

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 2021-22 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 2021-22 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 11th May 2022.

### **Recommendations of Committees of the Board**

There were no instances during the financial year 2021-22, 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, 2021	29	25984
Unclaimed shares Credited to the Account during the year	-	-
Number of shareholders approached the Company for transfer of shares from Unclaimed Suspense Account during the year	-	-
No. of Shares transferred to IEPF Account	-	-
Aggregate Number of Shareholders and outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2022	29	25984
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 27185 (Twenty-Seven Thousand One Hundred Eight Five only) Equity Shares of ₹ 2/- each during the Financial Year 2021-22 to the credit of IEPF Authority. As on 31<sup>st</sup> March, 2022, the Company has cumulatively transferred 479929 (Four Lakhs Seventy-Nine Thousand Nine Hundred Twenty-Nine 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 2014-15.

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 ₹ 2,99,527.20 (Rupees Two Lakhs Ninety-Nine Thousand Five Hundred Twenty-Seven Paise Twenty only) to the Investor Education and Protection Fund (IEPF) during the Financial Year 2021-22 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. August 27, 2021) and details of shares transferred to IEPF. The aforesaid details are put on the Company's website and can be accessed at: <http://ncclimited.com/UDI.html>

The Company has also uploaded these details on the website of the IEPF Authority ([www.iepf.gov.in](http://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/E300004 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)	1.70
Certification fee	0.18
<b>Total</b>	<b>1.88</b>

#### 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 of 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, 2022.

Place: Hyderabad  
Date: May 11, 2022

**For NCC Limited**

**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 **1<sup>st</sup> April, 2021** and ended on **31<sup>st</sup> March, 2022**. 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 31<sup>st</sup> March, 2022.

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**

**D Soumya**  
**Designated Partner**  
**FCS No.: 11754**  
**C.P. No: 13199**

**UDIN: A029312D000305665**

**Date: May 11, 2022**  
**Place: Hyderabad**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**NCC Limited**  
NCC House, Madhapur,  
Hyderabad – 500081.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NCC Limited** having CIN L72200TG1990PLC011146 and having registered office at NCC House, Madhapur, Hyderabad - 500081 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

S. No.	Name of Directors	DIN	Date of Appointment in the Company
1	Sri Srimanarayana Raju Alluri	00017416	22/03/1990
2	Sri Alluri Venkata Narasimha Raju	00018965	01/06/1999
3	Sri Gopala Krishnam Raju Alluri	00019100	22/03/1990
4	Sri Anantha Venkata Ranga Raju Alluri	00019161	22/03/1990
5	Sri Jampana Venkata Ranga Raju	00020547	23/03/1990
6	Sri Utpal Hemendra Sheth	00081012	11/10/2013
7	Smt Renu Challu	00157204	13/08/2014
8	Sri Hemant Madhusudan Nerurkar	00265887	09/04/2014
9	Dr Durga Prasad Subramanyam Anapindi	00911306	24/05/2016
10	Sri Om Prakash Jagetiya	00546495	30/12/2020

Ensuring the eligibility of Directors, for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For BS & Company, Company Secretaries LLP**

**D Soumya**  
**Designated Partner**

**FCS No.: 11754**

**C.P. No: 13199**

**UDIN:A029312D000305643**

**Date: May 11, 2022**

**Place: Hyderabad**

# 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: 2021-22
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 2021-22

1. Paid up capital (INR): ₹ 121.97 Crore
2. Total Income (INR): ₹ 10038.24 Crore
3. Total profit after taxes (INR): ₹ 490.12 Crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :  
As stipulated under section 135 of the Companies Act, 2013, on the basis of 2% of the average net profits of the previous three financial years the Company budgeted to spend ₹ 10.68 Crores in the Financial Year 2021-22, out of which an amount of ₹ 8.54 Crores was spent on various CSR activities. The shortfall in the expenditure was mainly on account of inability of the Company to execute 2 of the approved CSR Projects was mainly because of delay in the finalization of the drawings and due to election in the State of Uttar Pradesh.
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

## SECTION C: OTHER DETAILS

1	Does the Company have Subsidiary Companies	Yes, as on 31 <sup>st</sup> March 2022, the Company has 24 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 percentage	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 <a href="http://ncclimited.com/images/PDF/Policies">http://ncclimited.com/images/PDF/Policies</a> 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	<a href="http://ncclimited.com/images/PDF/Policies">http://ncclimited.com/images/PDF/Policies</a>
	How frequently it is published?	Annually

### E: PRINCIPLE-WISE PERFORMANCE

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

1	Coverage of policy relating to ethics, bribery and corruption (e.g. Joint Ventures, Suppliers, Contractors, NGOs etc.).	The policy is basically applicable to the Company. The group Companies have adopted similar policies
2	How many stake holder complaints have been received in the Financial Year 2021-22?	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 31.03.2022	5109
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 (79 as on 31st March 2022)
3	Number of permanent women employees	83
4	Number of permanent employees with disabilities	05
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 2021-22 for the employees including with regard to Safety, Skill Development / Up-gradation Programs. Programs held for exclusively for the women employees:	<p><b>Learning &amp; Development</b>  During the financial year 2021-22, a total of 613 Training Programs were organized through virtual and classroom mode. Out of these, 113 training programmes were organized through virtual mode covering the aspects of Technical, Functional, Behavioural, Environment, Wellness and Safety. A Special emphasis on training &amp; awareness towards Covid-19 and its appropriate behaviour was given widely in the office. A total of 2452 employees attended the training programs.  In total 3055 man-days were achieved during the period on the various training aspects like Behavioural, Managerial, Leadership, Technical / Functional, Environment, Health &amp; Safety Awareness (EHS) and other topics too.</p> <p><b>ISO</b>  ISO A total of 33 (internal &amp; External) IMS &amp; QMS audits and 3 sessions on ISO awareness programs were organized virtually for the employees at sites during the year to fulfil the audit requirements.</p> <p><b>Employee Engagement</b>  We believe that our employees are partners in our progress. The structure of our working lives encourages innovation, knowledge sharing and collaboration for long-term success. Our core values: Openness and Trust; Integrity and Reliability; Teamwork and Collaboration; Commitment; Creativity is our guiding principle and defines our identity.  Our employees are encouraged to share ideas, work together, and understand that it is the collective strength of a team that makes us successful.  The well-being of the employees at all project locations is a central concern. NCC Ltd has always focused on various employee engagement initiatives for the benefit of employees and their families.  NCC communicates and connects with employees working in multiple locations across projects through our in-house magazine "Samasthi".</p> <p><b>Measures taken during COVID-19:</b></p> <ul style="list-style-type: none"> <li>Control measures implemented at the early stages during the first wave of COVID-19 helped in the successful mitigation of virus spread during 2nd and 3rd Wave. Amid the ensuing chaos due to COVID19, NCC has gone the extra mile to keep its staff protected by organizing vaccination drives to precautionary medication.</li> <li>NCC has provided free vaccination to employees and their families, 24/7 assistance to employees and their family members by working closely with Hospitals managements, testing labs and team of Doctors for securing Oxygen and beds, also ensuring sufficient supply of PPE kits and sanitizers for the affected staff has made life easy for everyone.</li> <li>For NCC, employees are top priority and we took all possible steps to help them through this crisis. Over &amp; above Company taking regular medical insurance and any excess amount incurred by employee was reimbursed during Covid time.</li> <li>NCC has procured Ambulance for providing 24/7 service for meeting any emergency crisis. It is equipped with advance Medical equipment and tools with lifesaving services, It will be handled by medical Technician for supporting patients requiring more specialized care and transferring for more emergency treatment cases.</li> <li>NCC has displayed unmatched commitment to the health and safety of their employees.</li> <li>Sanitization, temperature checking of all the people entering the building, project sites compulsory Masks, refrain from in-person meetings</li> <li>Replacement of thumb based attendance system with Facial Recognition attendance system helped ensure touchless safety containing spread of virus.</li> </ul>

	<ul style="list-style-type: none"> <li>• COVID Task Force consisting of Senior Management and HOD's &amp; COVID Action team with Front Line Covid Team was put in place to help employees in every way possible.</li> <li>• Awareness Training Programmes with help of panel of doctors.</li> <li>• Social 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.</li> <li>• 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.</li> </ul>
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**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 2021-22?	Nil
3	Percentage of satisfactory resolution of Stake Holders complaints?	Not Applicable as the Company has not received any complaints

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

1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?	The policy is basically applicable to the Company. The group companies have adopted similar policies
2	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed of 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. Federation of Telangana Chamber 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?	₹ 8.01 Crore
5	Has the Company taken any steps to ensure that that the above initiatives are successfully adopted by the community?	Yes

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**NCC Limited**

## **Report on the Audit of the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of NCC Limited ("the Company"), which includes 5 branches and 30 joint operations comprising the Balance sheet as at March 31, 2022, 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 on the 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, 2022, its profit including other comprehensive loss, 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.

### **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, 2022. 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><b>Trade receivables and contract assets</b></p> <p>Total trade receivables and total contract assets amounting to ₹ 2,492.23 crores and ₹ 4,628.25 crores respectively, represents approximately 51.50% of the total assets of the Company as at March 31, 2022.</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.</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"> <li>• 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.</li> <li>• 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.</li> <li>• We tested the aging of trade receivables at the year end.</li> <li>• 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.</li> <li>• 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.</li> <li>• We evaluated the competence, capabilities and objectivity of the aforesaid legal experts.</li> <li>• We performed additional procedures in respect of balances disclosed in note 47, which include review of communications to/ from customers, physical inspection of work done in respect of unbilled revenue, verification of last bills certified, etc.</li> <li>• We assessed the allowance for expected credit loss made by management.</li> </ul>
<p><b>Carrying value of investment made in a subsidiary</b></p> <p>The Company's carrying value of investment in NCC Infrastructure Holdings Limited ('NCCIHL'), a subsidiary, as at March 31, 2022 is ₹ 388.53 crores which is higher by ₹ 176.28 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"> <li>• We obtained and read management's assessment of the recoverable amount of the investment.</li> <li>• We traced the net worth of NCCIHL to the audited financial statements of NCCIHL as at and for the year ended March 31, 2022, audited by another firm of chartered accountants.</li> <li>• 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.</li> <li>• We obtained and read the arbitration orders received in favor of NCCIHL.</li> <li>• We evaluated the competence, capabilities and objectivity of the aforesaid expert.</li> <li>• We assessed the allowance for impairment made by management.</li> </ul>

Key audit matters	How our audit addressed the key audit matters
<p><b>Indirect tax litigations</b></p> <p>The Company is subject to assessments by tax authorities on various indirect tax matters resulting into litigations/disputes (refer note 34(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"> <li>• We obtained list of indirect tax litigations as at March 31, 2022 from the management.</li> <li>• We discussed the matters with the management to understand the possible outcome of these disputes.</li> <li>• We involved our experts to review the management’s assessment of the possible outcome of the disputes relating to indirect tax litigations.</li> <li>• We assessed management’s assumptions and estimates in respect of contingent liability disclosure in note 34(i)(a) to the accompanying standalone Ind AS financial statements.</li> </ul>

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 loss, 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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

We did not audit the financial statements and other financial information of 4 branches and 11 joint operations included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information reflect total assets of ₹ 185.06 crores as at March 31, 2022 and the total revenues of ₹ 286.85 crores and net cash inflows of ₹ 1.85 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, 2020 ("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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 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, 2022 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 34(i) and 41 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;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. a) The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Navneet Rai Kabra**  
Partner  
Membership Number: 102328  
UDIN: 22102328AITLHW4991

Place of Signature: Hyderabad  
Date: May 11, 2022

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

### Re: NCC Limited ('The Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.

- (i) (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 and no material discrepancies were identified on such verification.
- (i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3.4 to the financial statements are held in the name of the Company except two immovable properties as indicated in the below mentioned cases:

Description of the item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter/ director or employee of promoter/director	Period held – Indicate range, where Appropriate	Reason for not being held in name of company*
Land	₹ 15.00 crores	NCC Urban Infrastructure Limited (subsidiary of the Company)	No	From December 31, 2020 to till date*	Refer Note 3.4 of the financial statements
Land	₹ 5.13 crores	Vaidehi Avenues Limited (subsidiary of the Company merged with effect from April 01, 2020)	No	From April 01, 2020 till date*	Refer Note 3.4 of the financial statements

\*the above dates are date of purchase of the property by the Company.

- (i) (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.
- (i) (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
- (ii) (b) As disclosed in note 21.3 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and/ or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

- (iii) (a) During the year, the Company has provided loans and stood guarantee to other entities, the details of which are tabulated below:

(₹ in crores)

Particulars	Loans	Guarantees (Financial guarantees)
Aggregate amount granted / provided during the year		
- Subsidiaries	105.35	31.48
- Others	41.16	-
Balance outstanding as at the balance sheet date in respect of above cases		
- Subsidiaries	81.04	31.97
- Others	330.04	-

- (iii) (b) During the year, the investments made, guarantees provided, securities given and the terms and conditions of all loans granted are not prejudicial to the Company's interest.

(iii) (c) The Company has granted loans during the year to companies, where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in case of repayment of principal (refer clause iii(e) below for principal amount of loans renewed/extended) and payment of interest dues by NCC Vizag Urban Infrastructure Private Limited and NCC Infrastructure Holdings Mauritius Pte. Ltd. where the Company has waived off the interest receivable.

(iii) (d) There are no amounts of loans and advance in the nature of loans granted which are overdue for more than ninety days.

(iii) (e) The Company had granted loans to companies which had fallen due during the year. The Company had renewed loans during the year to the respective parties to settle the dues which had fallen due for the existing loans.

The aggregate amount of such loans renewed and the percentage of the aggregate to the total loans granted during the year are as follows:

(₹ in crores)

Name of Parties	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
NCC Infrastructure Holdings Mauritius Pte. Ltd. (Subsidiary of the Company)	57	100%
NCC Vizag Urban Infrastructure Limited (Subsidiary of the Company till March 30, 2022)	192	66%

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, Value added tax, cess and other statutory dues have been applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(b) 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	12.47	8.27
	VAT	Additional Commissioner, Grade-2 (Appeals), Commercial Tax, Range-5 Lucknow	2006-07	1.55	0.16

(₹ in crores)

Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount paid under protest
Sales tax and VAT Law	VAT	Additional Commissioner (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	Joint Commissioner, (Appeals), SGST, Kerala	2012-13	7.81	2.74
	VAT	Commissioner of Commercial Taxes, Ranchi, Jharkhand	2014-15	0.32	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	11.99	13.13
	VAT	Sales Tax Tribunal, Mumbai.	2010-15	36.64	5.77
	VAT	Sr. Joint Commissioner (Appeals), West Bengal	2008-10 & 2012-13	31.93	0.94
	VAT	Appellate Deputy Commissioner, Hyderabad	2007-10 & 2013-14 to 2015-17	39.74	39.74
	VAT	Sales Tax Appellate Joint Commissioner, Andhra Pradesh	2010-12	14.76	14.76
	VAT	Joint Commissioner, Lucknow	2013 -17	44.32	29.48
	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	2.95	2.29
	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
Entry Tax		Hon'ble High Court of Orissa	2007-12	0.74	-
Sales Tax		High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	1994-95	0.44	0.27
Sales Tax		Sales Tax Appellate Tribunal, Andhra Pradesh	2000-01	0.69	0.10
Finance Act 1994	Excise Duty	CESTAT, Bangalore	2007-08	0.46	0.10
	Service Tax	CESTAT, Bangalore	2005-12	75.03	0.80
	Service Tax	CESTAT, Hyderabad	2010-15	7.87	0.48
	Service Tax	Commissioner (Appeals), Service Tax	2005-08	0.39	0.10
	Service Tax	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh	2007-09	13.02	-

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- (ix) (c) Term loans were applied for the purpose for which the loans were obtained.
- (ix) (d) On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix) (e) On an overall examination of the balance sheet of the Company/ examination of the cash flow statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (ix) (f) The Company has raised loans on the pledge of securities held in its subsidiaries as per details below. Further, the Company has not defaulted in repayment of such loans raised.

Nature of loan taken	Name of lender	Amount of loan as at March 31, 2022	Name of the subsidiary	Relation	Details of security pledged	Remarks
Cash Credit and Working Capital Demand Loans	Consortium of 13 banks	₹ 1,007.73 crores	NCC Infrastructure Holdings Limited & NCC Urban Infrastructure Limited	Subsidiary	Refer Note 4.3 & 4.4 of the financial statements	None

- (x) (a) The Company has not raised any money way of initial public offer or further public offer (including debt instruments) and hence, reporting under clause 3(x)(a) is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(x)(b) are not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii) (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii) (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) 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 standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) The Group has one Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.



- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the provisions of clause 3 (xviii) of the order are not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 39(d) to the financial statements.
- (xx) (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 39(d) to the financial statements.

**For S.R.BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm registration number : 101049W/E300004**

Per **Navneet Rai Kabra**

Partner

Membership No.102328

UDIN: 22102328AITLHW4991

Place: Hyderabad

Date: May 11, 2022

## 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, 2022 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, 2022, 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: 22102328AITLHW4991

Place of Signature: Hyderabad

Date: May 11, 2022

# BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in crores)

	Note	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, Plant and Equipment	3	1,063.71		1,043.72	
Capital Work in Progress	3	7.02		21.53	
Investment Property	3.1	159.85		178.39	
Investment Property under Construction	3.1	103.47		68.10	
Other Intangible Assets	3.2	0.72		0.71	
Financial Assets					
Investments in Associates	4.1	7.08		10.54	
Other Investments	4.1	886.34		973.52	
Loans	5	197.49		158.38	
Trade Receivables	6	107.96		139.59	
Other Financial Assets	7	140.20		153.09	
Deferred Tax Assets (Net)	8	54.14		41.14	
Non Current Tax Assets (Net)	14	149.63		78.84	
Other Non Current Assets	15	233.10		223.92	
<b>Total Non - Current Assets</b>			<b>3,110.71</b>		3,091.47
<b>Current Assets</b>					
Inventories	9	787.78		526.80	
Financial Assets					
Other Investments	4.2	1.07		15.03	
Trade Receivables	10	2,384.27		2,520.68	
Cash and Cash Equivalents	11.1	235.39		169.66	
Bank balances other than above	11.2	323.15		268.96	
Loans	12	210.32		171.61	
Other Financial Assets	13	285.59		146.41	
Current Tax Assets (Net)	14.1	74.22		100.31	
Other Current Assets	15.1	6,414.11		5,687.72	
<b>Total Current Assets</b>			<b>10,715.90</b>		9,607.18
<b>Total Assets</b>			<b>13,826.61</b>		12,698.65

# BALANCE SHEET AS AT MARCH 31, 2022 (contd.)

(₹ in crores)

	Note	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share Capital	16	121.97		121.97	
Other Equity	17	5,681.20		5,242.69	
<b>Total Equity</b>			<b>5,803.17</b>		5,364.66
<b>Liabilities</b>					
<b>Non Current Liabilities</b>					
Financial Liabilities					
Borrowings	18	82.03		98.60	
Trade Payables	19	19.91		22.96	
Provisions	20	52.52		45.08	
<b>Total Non Current Liabilities</b>			<b>154.46</b>		166.64
<b>Current Liabilities</b>					
Financial Liabilities					
Borrowings	21	1,102.05		1,690.32	
Trade Payables	22				
Total outstanding dues of micro and small enterprises		34.03		49.84	
Total outstanding dues of creditors other than micro and small enterprises		4,226.63		3,641.37	
Other Financial Liabilities	23	87.90		73.88	
Provisions	24	64.33		57.14	
Other Current Liabilities	25	2,354.04		1,654.80	
<b>Total Current Liabilities</b>			<b>7,868.98</b>		7,167.35
<b>Total Equity and Liabilities</b>			<b>13,826.61</b>		12,698.65

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 11, 2022

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crores)

	Note	YEAR ENDED MARCH 31, 2022		YEAR ENDED MARCH 31, 2021	
<b>INCOME</b>					
Revenue from Operations	26	9,930.03		7,256.02	
Other Income	27	108.21		115.60	
<b>Total Income</b>			<b>10,038.24</b>		7,371.62
<b>EXPENSES</b>					
Cost of Materials Consumed	28	3,393.62		2,383.17	
Construction Expenses	29	1,177.82		876.70	
Sub-Contractors Work Bills		3,700.78		2,604.98	
Employee Benefits Expense	30	429.13		349.62	
Finance Costs	31	459.60		457.81	
Depreciation and amortisation expenses (Refer note 3, 3.1 and 3.2)		182.34		174.09	
Other Expenses	32	232.57		186.18	
<b>Total Expenses</b>			<b>9,575.86</b>		7,032.55
<b>Profit Before Exceptional Items and Tax</b>			<b>462.38</b>		339.07
Exceptional Items (Net)	40		145.64		-
<b>Profit Before Tax</b>			<b>608.02</b>		339.07
<b>Tax Expense</b>	33				
Current Tax (including earlier year taxation)		130.21		7.37	
Deferred Tax		(12.31)		70.21	
			<b>117.90</b>		77.58
<b>Profit for the year</b>			<b>490.12</b>		261.49
<b>Other comprehensive income / (loss)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurement gains / (losses) of the defined benefit plans			(2.74)		(12.05)
Income tax effect on the above			0.69		0.82
<b>Items that may be reclassified to profit or loss</b>					
Exchange differences in translating the financial statements of foreign operations			(0.77)		(0.44)
<b>Other comprehensive income / (loss) for the year (net of taxes)</b>			<b>(2.82)</b>		(11.67)
<b>Total comprehensive income for the year</b>			<b>487.30</b>		249.82
<b>Earnings per share of face value of ₹ 2 each.</b>					
Basic - ₹	37		8.04		4.29
Diluted - ₹	37		7.98		4.28

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 11, 2022



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

## A. Equity share capital

	Number of shares	Amount (₹ in crores)
<b>Balance as at April 01, 2020</b>	609,846,588	121.97
Add: Issue of Share Capital		
<b>Balance as at March 31, 2021</b>	609,846,588	121.97
Add: Issue of Share Capital	-	-
<b>Balance as at March 31, 2022</b>	<b>609,846,588</b>	<b>121.97</b>

## 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)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange differences on translating financial statement of a foreign operations	
<b>Balance at April 01, 2020</b>	5.44	2,639.62	-	922.00	1,435.83	(15.90)	(3.32)	4,983.67
Effect of merger of Vaidehi Avenues Limited and Aster Rail Private Limited	1.55	-	-	-	(6.69)	-	-	(5.14)
<b>As at April 01, 2020 (restated)</b>	6.99	2,639.62	-	922.00	1,429.14	(15.90)	(3.32)	4,978.53
Profit for the year	-	-	-	-	261.49	-	-	261.49
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(11.23)	(0.44)	(11.67)
<b>Total comprehensive income for the year</b>	-	-	-	-	261.49	(11.23)	(0.44)	249.82
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)
<b>Balance at April 01, 2021</b>	6.99	2,639.62	26.55	1,122.00	1,478.42	(27.13)	(3.76)	5,242.69
Profit for the year	-	-	-	-	490.12	-	-	490.12
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(2.05)	(0.77)	(2.82)
<b>Total comprehensive income for the year</b>	-	-	-	-	490.12	(2.05)	(0.77)	487.30
Dividend (Inclusive of Tax on Dividend)	-	-	-	-	(48.79)	-	-	(48.79)
Transfer to General Reserve	-	-	-	250.00	-	-	-	250.00
Transfer from Retained Earnings	-	-	-	-	(250.00)	-	-	(250.00)
<b>Balance at March 31, 2022</b>	<b>6.99</b>	<b>2,639.62</b>	<b>26.55</b>	<b>1,372.00</b>	<b>1,669.75</b>	<b>(29.18)</b>	<b>(4.53)</b>	<b>5,681.20</b>

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

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(DIN No: 00019161)

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

Hyderabad, May 11, 2022

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>A. Cash flows from operating activities</b>		
Profit before tax	608.02	339.07
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	182.34	174.09
Profit on sale of Property, Plant and Equipment and Investment Property	(2.32)	(19.37)
Finance costs	459.60	457.81
Interest income	(60.42)	(78.07)
Dividend income	(11.68)	-
Trade Receivables / Advances written off	2.00	3.40
Provision for doubtful trade receivables / advances / others	13.00	19.30
Expected credit loss for Unbilled revenue	30.01	10.36
Exceptional items (net)	(145.64)	-
Rental income from investment properties	(1.62)	(4.10)
	465.27	563.42
<b>Operating profit before working capital changes</b>	<b>1,073.29</b>	902.49
<b>Changes in working capital:</b>		
<b>Adjustments for (Increase) / Decrease in operating assets:</b>		
In Inventories	(260.98)	(11.97)
In Trade receivables	154.27	(86.34)
In Other financial assets	(7.28)	(16.88)
In Other assets	(767.60)	96.68
<b>Adjustments for Increase / (Decrease) in operating liabilities:</b>		
In Trade payables	566.41	(269.37)
In Other current liabilities	699.23	109.15
In Provisions	11.89	4.36
	395.94	(174.37)
Cash generated from operations	1,469.23	728.12
Net income tax (paid)	(173.25)	(18.39)
<b>Net cash flows from operating activities (A)</b>	<b>1,295.98</b>	709.73

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>B. Cash flows from investing activities</b>		
Capital expenditure for property, plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	(215.33)	(191.53)
Proceeds from disposal of Property, Plant and Equipment and Investment Property	47.58	39.92
Movement in Margin money deposits / other deposits	(122.59)	(78.63)
Proceeds from sale of a subsidiary	47.50	-
Sale / (Purchase) of non current and current investments - Associates / Others	16.14	(15.03)
Loans given to subsidiaries, associates and others	(146.51)	(37.94)
Loans realised from subsidiaries, associates and others	167.02	279.29
Interest received	61.83	63.70
Dividend received from subsidiary	11.68	-
Rental income from investment properties	1.62	4.10
<b>Net cash flows (used) / from investing activities (B)</b>	<b>(131.06)</b>	<b>63.88</b>
<b>C. Cash flows from financing activities</b>		
Purchase of non current of investments - Subsidiaries	-	(120.55)
Proceeds received against share warrants	-	26.55
Proceeds from long term borrowings	104.53	260.98
Repayment of long term borrowings	(289.19)	(332.21)
Short term borrowings borrowed / repaid (net)	(420.18)	(49.95)
Finance costs paid	(445.56)	(461.95)
Dividend and Dividend Tax paid	(48.79)	(12.21)
<b>Net cash flows (used) in financing activities (C)</b>	<b>(1,099.19)</b>	<b>(689.34)</b>
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<b>65.73</b>	<b>84.27</b>
Cash and cash equivalents at the beginning of the year	169.66	85.39
<b>Cash and cash equivalents at the end of the year</b>	<b>235.39</b>	<b>169.66</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents	235.39	169.66
<b>Cash and cash equivalents at the end of the year</b>	<b>235.39</b>	<b>169.66</b>

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**  
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For and on behalf of the Board

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

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

Hyderabad, May 11, 2022

# 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'), including presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the standalone financial statements (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

# Notes forming part of the financial statements

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 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.

## Cost to fulfill the contract

The Company recognises an asset from the cost incurred to fulfill the contract such as set up and mobilisation costs and amortises it over the contract period on a systematic basis that is consistent with the transfer to the customer of the

goods or services to which the asset relates.

## 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 is 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.

# Notes forming part of the financial statements

## 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.

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-



# Notes forming part of the financial statements

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. 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), some of the mining equipments such as Excavators upto 3.1 cum capacity (7 years), Tippers (6 years), Dozers & Motor Graders (8 years) working in Mining projects, 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.

# Notes forming part of the financial statements

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.

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.

# Notes forming part of the financial statements

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

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

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

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

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

# Notes forming part of the financial statements

- 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 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.

## Notes forming part of the financial statements

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.
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.

Items requiring significant estimate	Assumption and estimation uncertainty
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. On March 23, 2022, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 101, First-time Adoption of Indian Accounting Standards
- Ind AS 103, Business Combinations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

These amendments are effective from April 01, 2022. The Company believes that the aforementioned amendments will not materially impact the financial statements of the Company.

## Notes forming part of the 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
<b>Cost:</b>										
<b>Balance as at April 01, 2020</b>	5.13	62.13	837.12	12.90	180.95	85.93	51.91	16.19	779.78	2,032.04
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
<b>As at March 31, 2021</b>	5.13	68.34	885.65	13.62	223.76	92.07	55.33	16.08	791.65	2,151.63
Additions	7.25	8.31	83.37	1.13	23.96	17.30	7.91	-	76.59	225.82
Disposals / Adjustments	-	(3.25)	67.89	1.00	19.74	4.56	1.47	-	26.09	117.50
<b>As at March 31, 2022</b>	<b>12.38</b>	<b>79.90</b>	<b>901.13</b>	<b>13.75</b>	<b>227.98</b>	<b>104.81</b>	<b>61.77</b>	<b>16.08</b>	<b>842.15</b>	<b>2,259.95</b>
<b>Depreciation:</b>										
<b>Balance as at April 01, 2020</b>	-	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	10.10	0.10	3.96	2.24	0.36	0.11	28.01	44.96
<b>As at March 31, 2021</b>	-	20.76	416.87	7.37	90.16	45.97	43.95	14.86	467.97	1,107.91
Depreciation	-	5.80	59.11	1.01	22.62	9.02	4.50	0.57	79.15	181.78
Disposals / Adjustments	-	(0.03)	46.20	0.93	18.53	3.54	1.38	-	22.90	93.45
<b>As at March 31, 2022</b>	-	<b>26.59</b>	<b>429.78</b>	<b>7.45</b>	<b>94.25</b>	<b>51.45</b>	<b>47.07</b>	<b>15.43</b>	<b>524.22</b>	<b>1,196.24</b>
<b>Net Block</b>										
<b>As at March 31, 2021</b>	5.13	47.58	468.78	6.25	133.60	46.10	11.38	1.22	323.68	1,043.72
<b>As at March 31, 2022</b>	<b>12.38</b>	<b>53.31</b>	<b>471.35</b>	<b>6.30</b>	<b>133.73</b>	<b>53.36</b>	<b>14.70</b>	<b>0.65</b>	<b>317.93</b>	<b>1,063.71</b>

Capital work in progress ₹ 7.02 crores (31.03.2021: ₹ 21.53 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	Buildings*	Total
<b>Cost:</b>			
<b>Balance as at April 01, 2020</b>	56.02	92.57	148.59
Additions	20.07	24.83	44.90
Disposals / Adjustments	-	10.92	10.92
<b>As at March 31, 2021</b>	76.09	106.48	182.57
Additions	-	3.20	3.20
Disposals / Adjustments	2.74	18.78	21.52
<b>As at March 31, 2022</b>	<b>73.35</b>	<b>90.90</b>	<b>164.25</b>
<b>Depreciation:</b>			
<b>Balance as at April 01, 2020</b>	-	5.37	5.37
Depreciation	-	0.55	0.55
Disposals / Adjustments	-	1.74	1.74
<b>As at March 31, 2021</b>	-	4.18	4.18
Depreciation	-	0.55	0.55
Disposals / Adjustments	-	0.33	0.33
<b>As at March 31, 2022</b>	-	<b>4.40</b>	<b>4.40</b>
<b>Net Block</b>			
<b>As at March 31, 2021</b>	76.09	102.30	178.39
<b>As at March 31, 2022</b>	<b>73.35</b>	<b>86.50</b>	<b>159.85</b>

\*Cost includes given under operating lease ₹ 22.23 crores (31.03.2021: ₹ 35.61 crores).

Investment property under construction ₹ 103.47 crores (31.03.2021: ₹ 68.10 crores).

Note: Refer note 18 and 21 for details of assets pledged and note 27 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, 2022 and March 31, 2021 are as follows:

(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2022	Fair value as at March 31, 2021
Land	Level 3	170.67	152.77
Buildings	Level 3	176.56	192.68
Investment property under construction	Level 3	127.85	82.86
<b>Total</b>		<b>475.08</b>	<b>428.31</b>

The internal technical team of the Company has valued for some of the properties at ₹ 315.62 crores (31.03.2021: ₹ 319.90 crores) and the balance properties have been valued by independent valuer at ₹ 159.46 crores (31.03.2021: ₹ 108.41 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
<b>Cost:</b>		
<b>Balance as at April 01, 2020</b>	13.14	13.14
Additions	0.02	0.02
Disposals / Adjustments	-	-
<b>As at March 31, 2021</b>	13.16	13.16
Additions	0.02	0.02
Disposals / Adjustments	-	-
<b>As at March 31, 2022</b>	<b>13.18</b>	<b>13.18</b>
<b>Amortisation:</b>		
<b>Balance as at April 01, 2020</b>	12.34	12.34
Amortisation	0.11	0.11
Disposals / Adjustments	-	-
<b>As at March 31, 2021</b>	12.45	12.45
Amortisation	0.01	0.01
Disposals / Adjustments	-	-
<b>As at March 31, 2022</b>	<b>12.46</b>	<b>12.46</b>
<b>Net Block</b>		
<b>As at March 31, 2021</b>	0.71	0.71
<b>As at March 31, 2022</b>	<b>0.72</b>	<b>0.72</b>

### 3.3 Capital work in progress (CWIP) Ageing Schedule as at 31.03.2022:

(₹ in crores)

	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Projects in progress - PPE commissioning	7.02	6.24	0.29	0.40	0.09
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7.02</b>	<b>6.24</b>	<b>0.29</b>	<b>0.40</b>	<b>0.09</b>

### Capital work in progress (CWIP) Ageing Schedule as at 31.03.2021:

(₹ in crores)

	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Projects in progress - PPE commissioning	21.53	10.49	10.95	0.09	-
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>21.53</b>	<b>10.49</b>	<b>10.95</b>	<b>0.09</b>	<b>-</b>

## Notes forming part of the financial statements

### 3.4 The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company except the below properties.

(₹ in crores)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter	Property held since which date	Reason for not being held in the name of the company
Investment property	Land	15.00	NCC Urban Infrastructure Limited	No	31.12.2020	Company intends to sell this property.
Property, Plant & Equipment	Land	5.13	Vaidehi Avenues Limited	No	01.04.2020	Acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal's (NCLT) order dated August 26, 2021 and the Company is currently in the process of getting this land mutated.

3.5 The Company uses both internal technical team and independent valuers for fair valuation of the investment properties.

3.6 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>4 Investments</b>				
<b>4.1 Non Current Investments</b>				
<b>A In Associates</b>				
<b>Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity shares</b>				
In Shares of ₹ 10 each, fully paid up				
Paschal Form Work (India) Private Limited	6,549,892	6.91	6,549,892	6.91
Less: Provision for Impairment in value of Investments		3.46		-
		3.45		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
<b>Total aggregate investments in Associates</b>		<b>7.08</b>		<b>10.54</b>

# Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>B In Subsidiaries</b>				
<b>Trade (Unquoted) (At Cost)</b>				
<b>(i) Investment in equity shares</b>				
In Shares of ₹ 10 each, fully paid up				
NCC Infrastructure Holdings Limited (NCCIHL) (Refer note 4.3)	445,874,458	457.91	445,874,458	457.91
Less: Provision for Impairment in value of Investments		69.38		69.38
		388.53		388.53
NCC Urban Infrastructure Limited (Refer note 4.4)	200,000,000	240.00	200,000,000	240.00
NCC Vizag Urban Infrastructure Limited (Refer note 4.5)	-	-	50,000,000	50.00
OB Infrastructure Limited (Valued at ₹ 6,000)	600	-	600	-
NCC International Convention Centre Limited		-	1,000,000	1.00
Less: Provision for Impairment in value of Investments		-		1.00
		-		-
Savitra Agri Industrial Park Private Limited	50,000	0.05	50,000	0.05
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 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		113.52		78.52
		79.85		114.85
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
<b>(ii) Investment in debentures</b>				
0% Compulsory Convertible Debentures				
NCC Infrastructure Holdings Mauritius Pte. Ltd. (US \$ 1 each)	20,596,720	135.24	20,596,720	135.24
<b>Total aggregate investments in Subsidiaries</b>		<b>884.82</b>		<b>969.82</b>
<b>C In Other entities</b>				
<b>Trade (Unquoted)</b>				
<b>Investments - fair value through profit and loss account</b>				
SNP Developers and Projects LLP (Valued at ₹ 35,500 )		-		-
SNP Ventures LLP		-		2.18
SNP Property Developers LLP		0.01		0.01
NAC Quippo Equipment Services Limited	1,499,900	1.50	1,499,900	1.50

## Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
In Shares of ₹ 25 each, fully paid up				
Akola Urban Co-operative Bank Limited	4,040	0.01	4,040	0.01
<b>Total aggregate investments in Other entities</b>		<b>1.52</b>		<b>3.70</b>
<b>Total aggregate investments in Subsidiaries and Other entities</b>		<b>886.34</b>		<b>973.52</b>
<b>4.2 Current Investments</b>				
<b>Investment at Fair Value through Profit and Loss Account</b>				
<b>In Mutual Funds (Quoted)</b>				
Trust MF Banking & PSU Debt Fund	10,093	1.07	149,993	15.03
<b>Grand Total</b>		<b>894.49</b>		<b>999.09</b>
Aggregate market value of current Quoted Investments		1.07		15.03
Aggregate amount of Unquoted Investments		1,109.00		1,162.18
Aggregate amount of impairment in value of investments		215.58		178.12

**4.3** Of these 444,600,000 (31.03.2021: 374,412,894) equity shares have been pledged with SBICAP Trustee Company Limited (Security trustee) on behalf of consortium of working capital lenders.

The carrying value of investment in 'NCCIHL' as at March 31, 2022 is higher by ₹ 176.28 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.

**4.4** Of these 100,000,000 (31.03.2021: Nil) equity shares have been pledged with SBICAP Trustee Company Limited (Security trustee) on behalf of consortium of working capital lenders.

**4.5** Ceased to be Subsidiary with effect from March 31, 2022.

**4.6** The Company has not traded or invested in Crypto currency or Virtual Currency in the current year (31.03.2021: ₹ Nil).

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>5 Loans</b>				
Unsecured				
Loans to Related Parties				
Subsidiaries (Refer note 12.1)				
Considered Good	47.49		158.38	
Significant increase in credit risk	10.00		10.00	
	57.49		168.38	
Less : Allowance for significant increase in credit risk	10.00		10.00	
		47.49		158.38
Other Body Corporates		150.00		-
<b>Total</b>		<b>197.49</b>		<b>158.38</b>

## Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>6 Trade Receivables</b>				
Unsecured (Refer note 10.1 to 10.3 & 10.5)				
Considered Good	<b>109.90</b>		143.22	
Considered Doubtful	<b>10.00</b>		11.80	
	<b>119.90</b>		155.02	
Less : Allowance for doubtful trade receivables	<b>11.94</b>		15.43	
<b>Total</b>		<b>107.96</b>		139.59
<b>7 Other Financial Assets</b>				
Unsecured, Considered good				
Deposits with Customers and Others	<b>0.25</b>		0.33	
Margin Money Deposits (Refer note 11.5)	<b>139.49</b>		71.25	
In Deposit Accounts with remaining maturity more than 12 months	<b>0.46</b>		0.33	
Interest accrued on loans	-		81.18	
<b>Total</b>		<b>140.20</b>		153.09
<b>8 Deferred Tax Assets (Net) (Refer note 42)</b>		<b>54.14</b>		41.14
<b>9 Inventories</b>				
Raw Materials	<b>771.49</b>		510.87	
Raw Material in Transit	<b>0.87</b>		0.51	
Property Development Cost	<b>15.42</b>		15.42	
<b>Total</b>		<b>787.78</b>		526.80
<b>10 Trade Receivables</b>				
Unsecured (Refer note 10.1 to 10.4 & 10.6)				
Considered Good	<b>2,398.79</b>		2,526.68	
Considered Doubtful	<b>23.26</b>		23.71	
	<b>2,422.05</b>		2,550.39	
Less : Allowance for doubtful trade receivables	<b>37.78</b>		29.71	
<b>Total</b>		<b>2,384.27</b>		2,520.68

**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.

## Notes forming part of the financial statements

### 10.3 Movement in the allowance for doubtful trade receivables:

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	45.14	45.24
Add: Allowance for doubtful trade receivables	6.17	9.30
Less: Allowance written off during the year / transferred to contract asset	(8.42)	(9.40)
Balance at the end of the year	42.89	45.14

10.4 Trade receivables includes ₹ 29.23 crores (31.03.2021: ₹ 29.23 crores) from associates.

### 10.5 Ageing of Non-current Trade receivables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	-	-	0.81	1.78	30.90	4.96	38.45
Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade receivables							
Considered Good	-	-	0.36	0.50	46.42	24.17	71.45
Considered Doubtful	-	-	-	-	5.00	5.00	10.00
	-	-	1.17	2.28	82.32	34.13	119.90
Less : Allowance for doubtful trade receivables							11.94
<b>Total</b>							<b>107.96</b>

Ageing of Non-current Trade receivables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	0.65	0.88	0.93	37.09	4.91	7.03	51.49
Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade receivables							
Considered Good	-	0.03	0.50	35.41	19.51	36.28	91.73
Considered Doubtful	-	-	-	0.80	1.00	10.00	11.80
	0.65	0.91	1.43	73.30	25.42	53.31	155.02
Less : Allowance for doubtful trade receivables							15.43
<b>Total</b>							<b>139.59</b>

## Notes forming part of the financial statements

### 10.6 Ageing of Current Trade receivables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	1,040.26	631.08	165.13	187.63	199.15	92.37	2,315.62
Considered Doubtful	-	-	-	-	5.26	13.00	18.26
Disputed Trade receivables							
Considered Good	-	1.18	-	-	8.58	73.41	83.17
Considered Doubtful	-	-	-	-	1.00	4.00	5.00
	<b>1,040.26</b>	<b>632.26</b>	<b>165.13</b>	<b>187.63</b>	<b>213.99</b>	<b>182.78</b>	<b>2,422.05</b>
Less : Allowance for doubtful trade receivables							37.78
<b>Total</b>							<b>2,384.27</b>

### Ageing of Current Trade receivables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	843.66	669.88	309.20	499.24	87.16	46.30	2,455.44
Considered Doubtful	-	-	-	-	2.51	16.20	18.71
Disputed Trade receivables							
Considered Good	-	-	-	11.25	28.03	31.96	71.24
Considered Doubtful	-	-	-	-	2.00	3.00	5.00
	<b>843.66</b>	<b>669.88</b>	<b>309.20</b>	<b>510.49</b>	<b>119.70</b>	<b>97.46</b>	<b>2,550.39</b>
Less : Allowance for doubtful trade receivables							29.71
<b>Total</b>							<b>2,520.68</b>

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
<b>11 Cash and Bank Balances</b>		
<b>11.1 Cash and Cash Equivalents</b>		
Cash on hand (Refer note 11.3)	1.00	0.90
Balances with Banks		
In Current Accounts (Refer note 11.4)	211.26	168.58
In Deposit Accounts with original maturity less than 3 months	23.13	0.18
	<b>235.39</b>	169.66
<b>11.2 Other Bank Balances</b>		
In Deposit Accounts		
Margin Money Deposits (Refer note 11.5)	307.07	251.68
In Deposit Accounts with remaining maturity less than 12 months	13.40	16.74
	<b>320.47</b>	268.42
Earmarked balances with Banks		
Unpaid dividend accounts (Refer note 11.6)	0.52	0.54
Un-spent CSR account	2.16	-
	<b>323.15</b>	268.96
<b>Total</b>	<b>558.54</b>	438.62



## Notes forming part of the financial statements

**11.3** Cash on hand includes ₹ 0.24 crores (31.03.2021: ₹ 0.19 crores) held in foreign currency.

**11.4** Current account balance includes ₹ Nil (31.03.2021: ₹ Nil) 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, 2021	Cash Flows	As at March 31, 2022
Current borrowings (including current maturity)	1,690.32	(588.27)	<b>1,102.05</b>
Non-current borrowings	98.60	(16.57)	<b>82.03</b>
<b>Total</b>	<b>1,788.92</b>	<b>(604.84)</b>	<b>1,184.08</b>

(₹ 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
<b>Total</b>	<b>1,910.10</b>	<b>(121.18)</b>	<b>1,788.92</b>

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>12 Loans</b>				
Other Body Corporate		<b>180.04</b>		17.59
Unsecured, considered good				
Loans to Related Parties (Refer note 12.1)				
Subsidiaries		<b>23.55</b>		149.49
Loans and Advances to Employees		<b>6.73</b>		4.53
<b>Total</b>		<b>210.32</b>		<b>171.61</b>

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021	Maximum outstanding during the year (2021-22)	Maximum outstanding during the year (2020-21)
<b>Subsidiaries:</b>				
NCC Urban Infrastructure Limited	<b>22.31</b>	149.49	<b>149.49</b>	434.83
NCC Vizag Urban Infrastructure Limited *	-	110.89	<b>307.74</b>	110.89
NCC Infrastructure Holdings Mauritius Pte Ltd	<b>57.49</b>	57.49	<b>57.49</b>	57.49
Nagarjuna Construction Company International LLC, Oman	<b>1.24</b>	-	<b>5.18</b>	3.94

## Notes forming part of the financial statements

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
<b>13</b>	<b>Other Financial Assets</b>				
	Unsecured, considered good				
	Receivables		<b>272.42</b>		115.26
	Interest Accrued on Deposits and others		<b>13.17</b>		31.15
	<b>Total</b>		<b>285.59</b>		146.41
<b>14</b>	<b>Non Current Tax Assets (Net)</b>				
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>149.63</b>		78.84
<b>14.1</b>	<b>Current Tax Assets (Net)</b>				
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)		<b>74.22</b>		100.31

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
<b>15</b>	<b>Other Non - Current Assets</b>				
	Sales Tax / Value Added Tax credit receivable		<b>113.70</b>		113.56
	Contract Asset				
	Due on performance of future obligations				
	Retention Money				
	Considered Good	<b>70.65</b>		59.70	
	Considered Doubtful	-		10.00	
		<b>70.65</b>		69.70	
	Less : Allowance for doubtful retention money	-		10.00	
			<b>70.65</b>		59.70
	Unbilled revenue (Refer note 15.4)				
	Considered Good	<b>48.75</b>		50.66	
	Considered Doubtful	<b>4.00</b>		4.00	
		<b>52.75</b>		54.66	
	Less : Expected credit loss for unbilled revenue	<b>4.00</b>		4.00	
			<b>48.75</b>		50.66
	<b>Total</b>		<b>233.10</b>		223.92

## Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>15.1 Other Current Assets</b>				
Advances to Suppliers, Sub-contractors and Others (Refer note 15.2)				
Considered Good	<b>1,222.91</b>		967.95	
Considered Doubtful	<b>10.29</b>		17.95	
	<b>1,233.20</b>		985.90	
Less : Allowance for doubtful advances	<b>10.29</b>		17.95	
		<b>1,222.91</b>		967.95
Contract Asset				
Due on performance of future obligations				
Retention Money (Refer note 15.3)		<b>1,936.12</b>		2,029.49
Others		<b>345.10</b>		472.83
Unbilled revenue (Refer note 15.4)				
Considered Good	<b>2,227.63</b>		1,669.17	
Considered Doubtful	<b>138.16</b>		108.15	
	<b>2,365.79</b>		1,777.32	
Less : Expected credit loss for unbilled revenue	<b>138.16</b>		108.15	
		<b>2,227.63</b>		1,669.17
Prepaid Expenses		<b>45.19</b>		55.63
Project Facilities		<b>39.97</b>		-
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		<b>90.77</b>		100.35
Goods and Service Tax credit receivable		<b>506.42</b>		392.30
<b>Total</b>		<b>6,414.11</b>		5,687.72

**15.2** Advances to Suppliers, Sub-contractors and Others, includes advances to related parties of ₹ 6.35 crores (31.03.2021: ₹ 32.61 crores).

**15.3** Retention money includes receivable from associate of ₹ 21.03 crores (31.03.2021: ₹ 21.03 crores).

**15.4 Movement in the Expected credit loss for unbilled revenue:**

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	<b>112.15</b>	98.26
Add: Expected credit loss for unbilled revenue during the year / transferred from Trade Receivables	<b>30.01</b>	13.89
Balance at the end of the year	<b>142.16</b>	112.15

# Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
<b>16 Share Capital</b>				
<b>Authorised :</b>				
Equity Shares of ₹ 2 each	<b>807,500,000</b>	<b>161.50</b>	750,000,000	150.00
<b>Issued :</b>				
Equity Shares of ₹ 2 each (Refer note 16.1)	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹ 2 each	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97
<b>Total</b>		<b>121.97</b>		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, 2022		Year Ended March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97
Add: Issue of Share Capital	-	-	-	-
Balance at end of the year	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjhunwala	<b>667,33,266</b>	<b>10.94</b>	667,33,266	10.94
A V S R Holdings Private Limited	<b>635,56,225</b>	<b>10.42</b>	627,66,225	10.29

**16.3** Unclaimed equity shares of 25,984 (31.03.2021: 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** 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

## 16.6 Shares held by promoter group at the end of the year:

S. No	Promoter Name	As at 31.03.2020		Change during the FY 2020-21		As at 31.03.2021		Change during the FY 2021-22		As at 31.03.2022	
		No. of shares	% of holding	No. of shares	% of change	No. of shares	% of holding	No. of shares	% of change	No. of shares	% of holding
1	Sri. A.A.V. Ranga Raju	13,563,196	2.22%	(1,580,000)	(11.65%)	11,983,196	1.96%	(10,000,000)	(83.45%)	1,983,196	0.33%
2	Sri. A.S.N. Raju	5,782,985	0.95%	(790,000)	(13.66%)	4,992,985	0.82%	-	-	4,992,985	0.82%
3	Sri. A.G.K. Raju	6,109,080	1.00%	(1,627,511)	(26.64%)	4,481,569	0.73%	-	-	4,481,569	0.73%
4	Sri. J.V. Ranga Raju	2,465,916	0.40%	-	-	2,465,916	0.40%	-	-	2,465,916	0.40%
5	AVSR Holdings Private Limited	49,653,278	8.14%	13,112,947	26.41%	62,766,225	10.29%	790,000	1.26%	63,556,225	10.42%
6	Sirisha Projects Private Limited	12,144,158	1.99%	2,999,511	24.70%	18,610,669	3.05%	-	-	18,610,669	3.05%
7	Avathesh Property Developers Private Limited*	3,467,000	0.57%	-	-	-	-	-	-	-	-
8	Sri. A. Srinivas Ramaraju	3,076,668	0.50%	(2,902,668)	(94.34%)	174,000	0.03%	-	-	174,000	0.03%
9	Sri. N.R. Alluri	8,858,806	1.45%	(7,637,228)	(86.21%)	1,221,578	0.20%	-	-	1,221,578	0.20%
10	Sri. U. Sunil	55,000	0.01%	-	-	55,000	0.01%	-	-	55,000	0.01%
11	Smt. A. Bharathi	124,059	0.02%	-	-	124,059	0.02%	-	-	124,059	0.02%
12	Sri. A.V.N. Raju	7,985,791	1.31%	(2,255,051)	(28.24%)	5,730,740	0.94%	(790,000)	(13.79%)	4,940,740	0.81%
13	Smt. A. Shyama	374,902	0.06%	189,000	50.41%	563,902	0.09%	-	-	563,902	0.09%
14	Smt. A. Subhadra Jyotirmayi	308,091	0.05%	-	-	308,091	0.05%	-	-	308,091	0.05%
15	Smt. A. Satyanarayanamma	7,288	0.00%	-	-	7,288	0.00%	-	-	7,288	0.00%
16	Smt. A. Arundhati	847,222	0.14%	295,800	34.91%	1,143,022	0.19%	-	-	1,143,022	0.19%
17	Smt. J. Sridevi	287,859	0.05%	-	-	287,859	0.05%	-	-	287,859	0.05%
18	Smt. BH. Kaushalya	41,590	0.01%	137,000	329.41%	178,590	0.03%	-	-	178,590	0.03%
19	Sri. J. Krishna Chaitanya Varma	306,121	0.05%	-	-	306,121	0.05%	-	-	306,121	0.05%
20	Smt. A. Sridevi	113,884	0.02%	-	-	113,884	0.02%	-	-	113,884	0.02%
21	Smt. M. Swetha	1,225,530	0.20%	-	-	1,225,530	0.20%	-	-	1,225,530	0.20%
22	Smt. A. Neelavathi Devi	73,281	0.01%	-	-	73,281	0.01%	-	-	73,281	0.01%
23	Sri. A. Sri Harsha Varma	41,780	0.01%	-	-	41,780	0.01%	-	-	41,780	0.01%
24	Sri. A. Vishnu Varma	15,100	0.00%	-	-	15,100	0.00%	-	-	15,100	0.00%
25	Smt. A. Sravani	333,450	0.05%	83,500	25.04%	416,950	0.07%	4,000	0.96%	420,950	0.07%
26	Smt. J. Sowjanya	559,166	0.09%	-	-	559,166	0.09%	-	-	559,166	0.09%
27	Smt. A. Suguna	-	0.00%	-	-	-	0.00%	7,000,000	100%	7,000,000	1.15%
28	Smt. U. Ramya	-	0.00%	-	-	-	0.00%	3,000,000	100%	3,000,000	0.49%
29	Narasimha Developers Private Limited	1,516,179	0.25%	680,000	44.85%	2,196,179	0.36%	-	-	2,196,179	0.36%
	<b>Total</b>	<b>119,337,380</b>	<b>19.57%</b>	<b>705,300</b>		<b>120,042,680</b>	<b>19.68%</b>	<b>4,000</b>		<b>120,046,680</b>	<b>19.68%</b>

\*Avathesh Property Developers Private Limited is merged with Sirisha Projects Private Limited with effect from April 1, 2020, being the appointed date as per the scheme.

## Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>17 Other Equity</b>				
<b>17.1 Capital Reserve</b>		<b>6.99</b>		6.99
<b>17.2 Securities Premium</b>		<b>2,639.62</b>		2,639.62
<b>17.3 Money received against share warrants (Refer note 16.5)</b>		<b>26.55</b>		26.55
<b>17.4 General Reserve</b>				
Opening balance	<b>1,122.00</b>		922.00	
Add : Transfer from Retained Earnings	<b>250.00</b>		200.00	
Closing balance		<b>1,372.00</b>		1,122.00
<b>17.5 Retained Earnings (Refer note 17.5.a)</b>				
Opening balance	<b>1,478.42</b>		1,429.14	
Add : Profit for the year	<b>490.12</b>		261.49	
	<b>1,968.54</b>		1,690.63	
Less : Appropriations				
Dividend distributed to equity shareholders (2021-22: ₹ 0.80 per share (2020-21: ₹ 0.20 per share))	<b>48.79</b>		12.21	
Transfer to General Reserve	<b>250.00</b>		200.00	
	<b>298.79</b>		212.21	
Closing balance		<b>1,669.75</b>		1,478.42
<b>17.6 Other Components of Equity</b>				
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		<b>(29.18)</b>		(27.13)
Exchange differences in translating the financial statements of foreign operations (Net of tax )		<b>(4.53)</b>		(3.76)
<b>Total</b>		<b>5,681.20</b>		5,242.69

**17.5.a** For the year ended March 31, 2022, the Board of Directors have proposed a dividend of ₹ 2.00 per share. The dividend payable on approval of the shareholders is ₹ 121.97 crores.



# Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current*	Non Current	Current*
<b>18 Borrowings (Refer note 21.2 to 21.5)</b>				
<b>Term Loans</b>				
<b>Secured - at amortised cost</b>				
From Banks (Refer note 18.1)	48.11	49.13	77.02	210.77
From Other Parties (Refer note 18.2)	29.93	41.22	17.36	34.55
<b>Unsecured - at amortised cost</b>				
From Other Parties (Refer note 18.3)	-	-	-	12.90
<b>Vehicle Loans</b>				
<b>Secured - at amortised cost</b>				
From Banks (Refer note 18.4)	1.98	2.35	2.73	2.45
From Others (Refer note 18.4)	2.01	1.62	1.49	1.74
<b>Total</b>	<b>82.03</b>	<b>94.32</b>	<b>98.60</b>	<b>262.41</b>

\* Current maturities are included in Note 21 - Borrowings.

## 18.1 Term Loans from Banks:

- (i) Axis Bank Limited / Kotak Mahindra Bank / Indus Ind Bank Limited, YES Bank
  - Secured by hypothecation of specific assets purchased out of the loan
- (ii) Canara Bank
  - Exclusive charge on the entire equipment and machinery purchased out of the loan facility
- (iii) Bank of Bahrain & 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.
- (iv) Karnataka Bank Ltd
  - Exclusive Hypothecation charge on the machineries/equipments/ vehicles purchased out of the loan facility.

## 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
		31.03.2022	31.03.2021	31.03.2022	31.03.2021		31.03.2022	31.03.2021		
(i)	Axis Bank Limited	1	18	0.05	11.53	8.26 to 9.60	1	5 to 12	Monthly	October 10, 2017 to April 20, 2022
(ii)	Canara Bank	-	1	-	47.69	9.40	-	3	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	17	44	10.29	19.17	7.57 to 8.10	30 to 31	7 to 43	Monthly	December 20, 2018 to October 10, 2024
(iv)	Indus Ind Bank Limited	66	60	25.66	35.90	8.95 to 9.76	8 to 36	20 to 46	Monthly	February 01, 2019 to April 15, 2025
(v)	Bank of Bahrain and Kuwait	1	1	44.97	41.62	7.05 to 9.45	6 to 12	10	Quarterly	November 30, 2020 to May 31, 2025
(vi)	Yes Bank	34	42	9.38	20.90	8.05 to 9.40	1 to 33	12 to 45	Monthly	May 08, 2019 to Dec 15, 2024
(vii)	Karnataka Bank Ltd	2	-	6.89	-	8	30	-	Monthly	June 30, 2022 to March 19, 2025

## Notes forming part of the financial statements

### (v) 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 previous year and these loans were repaid during the financial year 2021-22.

S.No.	Particulars	Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Monthly Installments Commencing From- To
		31.03.2022	31.03.2021		31.03.2022	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
		31.03.2022	31.03.2021	31.03.2022	31.03.2021		31.03.2022	31.03.2021		
(i)	Tata Capital Financial Services Limited*	5	4	45.49	32.04	7.60 to 10.50	3 to 21	1 to 33	Monthly / Quarterly	August 21, 2019 to December 03, 2023
(ii)	Daimler Financial Services India (Private) Limited	-	2	-	0.82	8.42	-	4 to 5	Monthly	October 13, 2018 to August 04, 2021
(iii)	Volvo Financial Services (India) Private Limited	27	42	25.66	19.05	7.10 to 8.04	21 to 32	12 to 33	Monthly	February 07, 2021 to November 15, 2024

**\*Term Loan from Tata Capital Financial Services Limited, for March 31, 2022 ₹ 45.49 crores, March 31, 2021 ₹ 32.04 crores is secured by:**

- First and Exclusive Charge on the assets being procured / financed and Collateral Charge on two properties.

# Notes forming part of the financial statements

## 18.3 Unsecured term loan from other parties:

(₹ in crores)

- These loans were repaid during the financial year 2021-22.

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
		31.03.2022	31.03.2021	31.03.2022	31.03.2021		31.03.2022	31.03.2021		
(i)	Hewlett Packard Financial Services Limited	-	7	-	10.45	8.99 to 9.52	-	1 to 4	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	-	5	-	2.45	5.02 to 8.66	-	1 to 2	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 7.20 % to 9.50 % per annum.

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
<b>19</b>	<b>Trade Payables</b> (Refer note 22.2)		
	Retention money	19.91	22.96
	<b>Total</b>	<b>19.91</b>	<b>22.96</b>
<b>20</b>	<b>Provisions</b>		
	Provision for Employee Benefits		
	Compensated absences (Refer note 20.2)	-	0.04
	Gratuity (Refer note 20.1)	52.52	45.04
	<b>Total</b>	<b>52.52</b>	<b>45.08</b>

**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, 2022 is ₹ 69.88 crores (31.03.2021: ₹ 61.53 crores) of which ₹ 3.13 crores (31.03.2021: ₹ 2.31 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 66.75 crores (31.03.2021: ₹ 59.22 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, 2022	As at March 31, 2021
Present Value of Funded Obligations	69.88	61.53
Fair Value of Plan Assets	(3.13)	(2.31)
Net Liability	66.75	59.22

## Notes forming part of the financial statements

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

	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	6.09	5.24
Interest on Defined Benefit Obligation	4.09	3.04
Expected Return on Plan assets	(0.18)	(0.22)
Total included in "Employee Benefits Expense"	10.00	8.06

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

	Year Ended March 31, 2022	Year Ended March 31, 2021
Return on Plan Assets	0.03	0.02
Net Actuarial Losses / (Gains) Recognised in Year	2.71	12.03
Total included in "Other Comprehensive Income"	2.74	12.05

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

	Year Ended March 31, 2022	Year Ended March 31, 2021
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	61.53	48.16
Current Service Cost	6.09	5.24
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	0.07	0.12
Interest Cost	4.09	3.04
Actuarial Losses / (Gain)	2.71	12.03
Benefits Paid	(4.61)	(7.07)
<b>Closing Defined Benefit Obligation</b>	<b>69.88</b>	<b>61.53</b>
Opening Fair Value of Plan assets	2.31	4.05
Expected Return on Plan Assets	0.22	0.20
Contributions	5.21	5.13
Benefits Paid	(4.61)	(7.07)
<b>Closing Fair Value of Plan Assets</b>	<b>3.13</b>	<b>2.31</b>
Expected Employer's Contribution Next Year	15.00	15.00

**(vi) Asset information:**

	As at March 31, 2022	As at March 31, 2021
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	3.13	2.31

## Notes forming part of the financial statements

### (vii) Experience Adjustments:

(₹ in crores)

	2021-22	2020-21	2019-20	2018-19	2017-18
Defined Benefit Obligations (DBO)	69.88	61.53	48.16	32.88	21.08
Plan Assets	3.13	2.31	4.05	6.36	3.18
Surplus / (Deficit)	(66.75)	(59.22)	(44.11)	(26.52)	(17.90)

### (viii) Sensitivity Analysis:

	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
<b>Assumptions</b>		
Discount rate	7.33%	6.91%
Estimated rate of return on plan assets	7.35%	6.84%
Expected rate of salary increase	6.00%	5.00%
Attrition rate	14.60%	18.61%
<b>Sensitivity analysis – DBO at the end of the year</b>		
Discount rate + 100 basis points	(4.10%)	(3.50%)
Discount rate - 100 basis points	4.50%	3.80%
Salary increase rate +1%	4.40%	3.80%
Salary increase rate -1%	(4.10%)	(3.60%)
Attrition rate +1%	0.20%	0.20%
Attrition rate -1%	(0.30%)	(0.20%)

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, 2022
March 31, 2023	14.08
March 31, 2024	11.13
March 31, 2025	9.81
March 31, 2026	8.52
March 31, 2027	7.96

**20.2** The Liability for Cost of Compensated absences is ₹ 50.10 crores (31.03.2021: ₹ 42.94 crores) has been actuarially determined and provided for in the books.

## Notes forming part of the financial statements

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
<b>21 Borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Secured Loans - Banks</b>		
Working Capital Demand Loan (Refer note 21.1)	<b>1,004.96</b>	1,223.54
Cash Credit (Refer note 21.1)	<b>2.77</b>	204.37
Current maturities of Long Term Borrowings (Refer note 18)	<b>94.32</b>	262.41
<b>Total</b>	<b>1,102.05</b>	1,690.32

**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 fixed assets of the Company at WDV (specific assets) and Shares of NCC Infrastructure Holdings Limited (Refer note 4.3) and NCC Urban Infrastructure Limited (Refer note 4.4).
- Equitable mortgage of sixteen properties (Land & Buildings).
- Personal Guarantee of Sri. A A V Ranga Raju, Sri A G K Raju & Sri A S N Raju.

These facilities carry an interest rate of 8.40% to 10.05% per annum.

**21.2** The Company used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

**21.3** The Company has borrowings from banks on the basis of security of current assets, and the quarterly returns and statements of current assets filed by the Company with banks are in agreement with the books of accounts.

**21.4** The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

**21.5** The company is not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
<b>22 Trade Payables (Refer note 22.3)</b>		
Micro and small enterprises	<b>34.03</b>	49.84
Other than micro and small enterprises		
Acceptances	<b>686.83</b>	377.71
Other than Acceptances (includes retention money payable)	<b>3,539.80</b>	3,263.66
	<b>4,226.63</b>	3,641.37
<b>Total</b>	<b>4,260.66</b>	3,691.21

## Notes forming part of the financial statements

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
<b>22.1</b>	Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:				
a)	Principal amount remaining unpaid		<b>34.03</b>		49.84
b)	Interest due thereon		<b>0.10</b>		0.52
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.		-		-

### 22.2 Ageing of Non-current Trade payables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	19.66	0.25	-	-	-	19.91
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>19.66</b>	<b>0.25</b>	-	-	-	<b>19.91</b>

### Ageing of Non-current Trade payables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	20.48	2.48	-	-	-	22.96
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>20.48</b>	<b>2.48</b>	-	-	-	<b>22.96</b>



## Notes forming part of the financial statements

### 22.3 Ageing of Current Trade payables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	34.03	-	-	-	34.03
(ii) Others	2,256.78	1,217.86	6.56	9.46	54.46	3,545.12
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	13.32	-	-	-	7.89	21.21
	<b>2,270.10</b>	<b>1,251.89</b>	<b>6.56</b>	<b>9.46</b>	<b>62.35</b>	<b>3,600.36</b>
Accrued expenses						660.30
<b>Total</b>						<b>4,260.66</b>

### Ageing of Current Trade payables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	49.84	-	-	-	49.84
(ii) Others	1,963.44	944.78	9.21	49.87	-	2,967.30
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	13.32	-	1.37	22.67	0.45	37.81
	<b>1,976.76</b>	<b>994.62</b>	<b>10.58</b>	<b>72.54</b>	<b>0.45</b>	<b>3,054.95</b>
Accrued expenses						636.26
<b>Total</b>						<b>3,691.21</b>

(₹ in crores)

		Year Ended March 31, 2022	Year Ended March 31, 2021
<b>23</b>	<b>Other Financial Liabilities</b>		
	Interest Accrued but not due on borrowings and others	<b>87.28</b>	72.82
	Unpaid Dividend Accounts (Refer note 11.6)	<b>0.52</b>	0.54
	Other Payables		
	Interest Accrued on Trade Payables (Refer note 22.1)	<b>0.10</b>	0.52
	<b>Total</b>	<b>87.90</b>	73.88
<b>24</b>	<b>Provisions</b>		
	Provision for Employee Benefits		
	Compensated absences (Refer note 20.2)	<b>50.10</b>	42.90
	Gratuity (Refer note 20.1)	<b>14.23</b>	14.24
	<b>Total</b>	<b>64.33</b>	57.14
<b>25</b>	<b>Other Current Liabilities</b>		
	TDS / Service Tax / Other payable	<b>28.67</b>	23.01
	Goods and Service Tax payable	-	6.54
	Contract Liabilities		
	Mobilisation Advance from Customers	<b>2,055.41</b>	1,406.73
	Advances from Customers	<b>184.27</b>	109.96
	Advances from others	<b>85.69</b>	108.56
	<b>Total</b>	<b>2,354.04</b>	1,654.80

# Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>26 Revenue from Operations</b>		
Income from Contracts and Services	<b>9,860.00</b>	7,180.12
Other Operating Income	<b>70.03</b>	75.90
<b>Total</b>	<b>9,930.03</b>	7,256.02
<b>27 Other Income</b>		
Interest Income		
On Deposits and Others	<b>16.14</b>	18.45
On Loans and Advances	<b>31.21</b>	45.25
On Income Tax refund	<b>8.32</b>	7.62
On Others	<b>4.75</b>	6.97
Dividend Income	<b>11.68</b>	-
Net Gain / (Loss) on foreign currency transactions	<b>3.53</b>	1.14
Other Non-Operating Income		
Rental Income from operating lease on investment property	<b>1.62</b>	4.17
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)	<b>2.32</b>	19.37
Miscellaneous Income	<b>28.64</b>	12.63
<b>Total</b>	<b>108.21</b>	115.60
<b>28 Cost of Materials Consumed</b>	<b>3,393.62</b>	2,383.17
<b>29 Construction Expenses</b>		
Transport Charges	<b>45.91</b>	42.05
Operation and Maintenance		
Machinery	<b>383.26</b>	331.73
Others	<b>17.80</b>	13.14
	<b>401.06</b>	344.87
Hire Charges for Machinery and others	<b>164.00</b>	106.68
Power and Fuel	<b>40.13</b>	30.17
Technical Consultation	<b>53.74</b>	43.42
Royalties, Seigniorage and Cess	<b>40.52</b>	16.88
Other Expenses	<b>402.45</b>	282.27
Expected credit loss for unbilled revenue	<b>30.01</b>	10.36
	<b>730.85</b>	489.78
<b>Total</b>	<b>1,177.82</b>	876.70

## Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>30 Employee Benefits Expense</b>		
Salaries and Other Benefits	<b>388.95</b>	318.29
Contribution to Provident Fund and Other Funds (Refer note 20.1 and 30.1)	<b>28.65</b>	24.69
Staff Welfare Expenses	<b>11.53</b>	6.64
<b>Total</b>	<b>429.13</b>	349.62

### 30.1 Defined contribution plans

The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 18.84 crores (31.03.2021: ₹ 16.47 crores) for Provident Fund contributions and ₹ Nil crores (31.03.2021: ₹ 0.02 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.

**30.2** 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, 2022	Year Ended March 31, 2021
<b>31 Finance Costs</b>		
<b>Interest Expense on</b>		
Borrowings		
Term Loans	<b>15.80</b>	32.19
Working Capital Demand Loans and Cash Credit	<b>159.20</b>	163.34
Mobilisation Advance	<b>117.78</b>	116.00
Others	<b>27.30</b>	9.51
	<b>320.08</b>	321.04
<b>Other Borrowing Costs</b>		
Commission on - Bank Guarantees	<b>107.32</b>	110.63
- Letters of Credit	<b>22.02</b>	14.64
	<b>129.34</b>	125.27
Bank and Other Financial Charges	<b>10.18</b>	11.50
<b>Total</b>	<b>459.60</b>	457.81
<b>32 Other Expenses</b>		
Rent	<b>59.54</b>	48.97
Travelling and Conveyance	<b>21.51</b>	15.33
Office Maintenance	<b>27.66</b>	21.40
Electricity Charges	<b>8.10</b>	8.18
Rates and Taxes	<b>5.94</b>	4.49
Consultation Charges	<b>13.16</b>	6.44
Postage, Telegrams and Telephones	<b>2.92</b>	2.94
Insurance	<b>9.56</b>	8.94
Printing and Stationery	<b>5.12</b>	4.37
Legal and Professional Charges	<b>17.06</b>	11.88
Auditors' Remuneration (Refer note 32.1)	<b>1.88</b>	1.48

## Notes forming part of the financial statements

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Directors' Sitting Fees	0.35	0.37
Trade Receivables / Advances written off	2.00	3.40
Provision for Doubtful Trade Receivables / Advances / Others	13.00	19.39
Tender Schedule Expenses	1.38	1.37
Donations	3.55	0.80
CSR Expenditure (Refer note 39)	10.67	12.60
Software Acquisition Expenses	4.90	2.70
Repairs & Maintenance	7.34	4.80
Digitization Expenses	6.79	-
Miscellaneous Expenses	10.14	6.33
<b>Total</b>	<b>232.57</b>	<b>186.18</b>
<b>32.1</b> Auditors' Remuneration		
Statutory Audit fee	1.70	1.36
Certification fee	0.18	0.12
<b>Total</b>	<b>1.88</b>	<b>1.48</b>
<b>33 Tax Expense</b>		
Current Tax	130.80	84.07
Earlier year taxes (net)	(0.59)	(76.70)
Deferred Tax	(12.31)	70.21
<b>Total</b>	<b>117.90</b>	<b>77.58</b>

**33.1** 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.

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

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Accounting profit before tax</b>	<b>608.02</b>	339.07
Tax expense at statutory tax rate at 25.168%	153.03	85.34
Adjustments:		
Adjustments recognised in the current year in relation to the current tax of prior years	(2.79)	(76.38)
Effect of expenses that are not deductible in determining taxable profit	13.64	6.74
Effect of capital gains set off with unused capital losses	(47.51)	(0.23)
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	-	23.53
Others including effect of higher tax rate in joint operations	1.53	11.87
	(35.13)	(7.76)
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>117.90</b>	<b>77.58</b>

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

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Tax effect on actuarial gains/losses on defined benefit obligations	0.69	0.82

**33.4** No additions made in the income tax assessments in the current year (31.03.2021: ₹ Nil).

## Notes forming part of the financial statements

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

<b>(i) Contingent Liability</b>		(₹ in crores)	
	<b>As at March 31, 2022</b>	As at March 31, 2021	
(a) Matters under litigation			
Claims against the company not acknowledged as debt*			
- Disputed sales tax / entry tax liability for which the Company preferred appeal	<b>290.53</b>	287.80	
- 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	<b>0.46</b>	0.46	
- Disputed Service tax liability for which the Company preferred appeal	<b>96.31</b>	96.31	
- Others	<b>37.43</b>	37.43	
* interest, if any, not ascertainable after the date of order.			
(b) Guarantees			
Corporate Guarantees / Comfort Letter given to Banks for financial assistance extended to Subsidiaries.	<b>31.97</b>	157.53	

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.

<b>(ii) Commitments</b>		(₹ in crores)	
	<b>As at March 31, 2022</b>	As at March 31, 2021	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	<b>108.59</b>	1.61	
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	<b>1.76</b>	1.76	

# Notes forming part of the financial statements

## 35. Related Party Transactions

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

S.No	Particulars	S.No	Particulars
	<b>List of entities over which control exist</b>	37	Samashti Gas Energy Limited
<b>A)</b>	<b>Subsidiaries</b>	38	NCC Infra Limited
1	NCC Infrastructure Holdings Limited	39	NCC Urban Homes Private Limited
2	NCC Urban Infrastructure Limited	40	NCC Urban Ventures Private Limited
3	NCC Vizag Urban Infrastructure Limited\$\$\$	41	NCC Urban Meadows Private Limited\$
4	NCC Infrastructure Holdings Mauritius Pte Limited	42	NCC Urban Villas Private Limited\$
5	Nagarjuna Construction Company International L.L.C.	43	Nagarjuna Suites Private Limited^^^
6	Nagarjuna Contracting Co. L.L.C.	44	OB Infrastructure Limited
7	Patnitop Ropeway and Resorts Limited@	45	Savitra Agri Industrial Park Private Limited
8	Vaidehi Avenues Limited@@@	<b>B)</b>	<b>Associates</b>
9	NCC International Convention Centre Limited#	46	Paschal Form Work (India) Private Limited
10	Aster Rail Private Limited@@@	47	Nagarjuna Facilities Management Services L.L.C.
11	Pachhwara Coal Mining Private Limited	48	Tellapur Technocity (Mauritius)@
12	Talaipalli Coal Mining Private Limited	49	Apollonius Coal and Energy Pte. Ltd.
	<b>Step-Down Subsidiaries</b>	50	Ekana Sportz City Private Limited
13	Dhatri Developers & Projects Private Limited	51	Brindavan Infrastructure Company Limited
14	Sushanti Avenues Private Limited	52	Pondicherry Tindivanam Tollway Limited
15	Sushrutha Real Estate Private Limited	<b>C)</b>	<b>Key Management Personnel</b>
16	PRG Estates LLP	53	Sri. A.A.V. Ranga Raju
17	Thrilekya Real Estates LLP	54	Sri. A.S.N. Raju
18	Varma Infrastructure LLP	55	Sri. A.G.K. Raju
19	Nandyala Real Estates LLP	56	Sri. A.V.N. Raju
20	Kedarnath Real Estates LLP	57	Sri. J.V. Ranga Raju
21	AKHS Homes LLP	58	Sri. Utpal Hemendra Sheth
22	JIC Homes Private Limited	59	Smt. Renu Challu
23	Sushanti Housing Private Limited	60	Sri. Ravi Shankaramiah##
24	CSVS Property Developers Private Limited	61	Sri. Hemant Madhusudan Nerurkar
25	Vera Avenues Private Limited	62	Dr. Durga Prasad Subramanyam Anapindi
26	Sri Raga Nivas Property Developers LLP	63	Sri. Om Prakash Jagetiya\$\$
27	VSN Property Developers LLP	64	Sri. R.S. Raju^^
28	M A Property Developers Private Limited	65	Sri. K. Krishna Rao**
29	Vara Infrastructure Private Limited\$	66	Sri. M.V. Srinivasa Murthy
30	Sri Raga Nivas Ventures Private Limited^	<b>D)</b>	<b>Relatives of Key Management Personnel</b>
31	Mallelavanam Property Developers Private Limited	67	Dr. A.V.S. Raju
32	Sradha Real Estates Private Limited\$	68	Smt. A. Satyanarayanamma
33	Siripada Homes Private Limited\$	69	Sri. N.R. Alluri
34	NJC Avenues Private Limited *	70	Sri. A. Srinivasa Rama Raju
35	Al Mubarakia Contracting Co. L.L.C.	71	Smt. BH. Kaushalya
36	NCCA International Kuwait General Contracts Company L.L.C.	72	Smt. J. Sridevi

## Notes forming part of the financial statements

S.No	Particulars	S.No	Particulars
73	Smt. J. Sowjanya	<b>E)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>
74	Smt. A. Arundhati	88	NCC Blue Water Products Limited
75	Smt. M. Swetha	89	NCC Finance Limited ###
76	Sri. J. Krishna Chaitanya Varma	90	Shyamala Agro Farms LLP#####
77	Smt. A. Subhadra Jyotirmayi	91	Ranga Agri Impex LLP
78	Smt. A. Shyama	92	NCC Foundation
79	Smt. A. Suguna	93	Sirisha Projects Private Limited***
80	Sri. A. Sri Harsha Varma	94	Narasimha Developers Private Limited
81	Sri. S.R.K. Surya Srikrishna Raju	95	Avathesh Property Developers Private Limited***
82	Sri. A. Vishnu Varma	96	Arnesh Ventures Private Limited
83	Smt. A. Nikitha	97	AVSR Holdings Private Limited
84	Sri. U. Sunil	98	Sridevi Properties
85	Sri. P. Manoj Raj@@@	99	Matrix Security and Surveillance Private Limited
86	Smt. A. Sravani	100	Jampana Constructions Private Limited
87	Smt. U Ramya	101	Shri Aruna Constructions Private Limited ****

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

# Struck off from the register of companies w.e.f June 22, 2021.

\$ Struck off from the register of companies w.e.f April 09, 2021.

^ Struck off from the register of companies w.e.f December 02, 2021.

\* Ceased to be Subsidiary with effect from July 27, 2020.

@@ Disslouted with effect from March 07, 2021.

## Key Management Person upto November 9, 2020.

\*\*\* Avathesh Property Developers Private Limited is merged with Sirisha Projects Private Limited with effect from April 1, 2020, being the appointed date as per the scheme.

#### Converted into LLP with effect from June 28,2021.

\$\$ 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.

@@@ With effect from August 14, 2020.

### Liquidated with effect from February 19, 2021.

\$\$\$ Ceased to be Subsidiary with effect from March 31, 2022.

^^^ Struck off from the register of companies w.e.f January 31,2022.

@@@@ Merged with NCC Limited with effect from April 1, 2020, being the appointed date as per the scheme.

\*\*\*\* Ceased to be enterprises owned or significantly influenced by key management with effect from March 31, 2021.



# 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	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	Investment in Equity shares	-	120.55	-	-	-	-	-	-
2	Investments written-off	-	1.07	-	-	-	-	-	-
3	Advances written-off	0.99	-	-	-	-	-	-	-
4	Loans granted	105.77	20.35	-	-	-	-	-	-
5	Loan repayment received	131.12	276.95	-	-	-	-	-	-
6	Advances granted	0.99	4.33	-	-	-	-	4.91	67.50
7	Advances Repayment received/ Adjusted	13.63	7.32	-	-	-	-	-	1.23
8	Advances repaid / adjusted	-	-	-	-	-	-	0.09	-
9	Mobilisation Advance recovered / adjusted by the Company	-	-	-	-	-	-	-	7.10
10	Interest received/adjusted	14.87	45.02	-	-	-	-	-	-
11	Remittance to Trade Payables	-	0.70	0.86	-	-	-	3.88	13.41
12	Trade/Accounts Receivables realised	-	-	-	0.24	-	-	-	-
13	Other Operating Income	17.30	6.23	-	-	-	-	-	-
14	Material Purchase & Services	-	-	0.51	0.43	-	-	-	-
15	Purchase of Property, Plant and Equipment / Investment property	-	15.00	-	-	-	-	-	0.12
16	Sale of Property, Plant and Equipment	-	-	-	0.16	-	-	-	-
17	Interest Income	29.79	45.03	-	-	-	-	-	-
18	Reimbursement of Expenses	1.11	1.10	-	-	0.02	0.02	0.24	2.68
19	Sub-Contractors work bills	-	7.18	-	-	-	-	12.83	76.58
20	Remuneration (Including commission)*								
	Short-term employee benefits	-	-	-	-	22.67	17.42	-	-
	Post employee benefits	-	-	-	-	0.69	0.64	-	-
21	Directors sitting fee and commission	-	-	-	-	0.85	0.67	-	-
22	Other income	0.19	0.05	-	-	-	-	-	-
23	Commission income on Corporate Guarantees	8.74	-	-	-	-	-	-	-
24	Dividend Income	11.68	-	-	-	-	-	-	-
25	Rent expenses	-	0.07	-	-	0.70	0.70	10.27	10.10
26	Contribution towards Corporate Social Responsibility	-	-	-	-	-	-	5.41	-
27	Dividend paid	-	-	-	-	2.89	0.82	6.69	1.58
28	Reduction in Corporate Guarantees	157.04	109.21	-	-	-	-	-	-
29	Corporate Guarantees / Comfort Letter given	31.48	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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>1</b>	<b>Debit Balances outstanding</b>								
	NCC Urban Infrastructure Limited	22.59	149.88	-	-	-	-	-	-
	NCC Vizag Urban Infrastructure Limited	-	192.09	-	-	-	-	-	-
	NCC Infrastructure Holdings Mauritius Pte. Limited	57.49	57.49	-	-	-	-	-	-
	Nagarjuna Construction Company International L.L.C	3.01	12.53	-	-	-	-	-	-
	Talaipalli Coal Mining Private Limited	0.14	0.12	-	-	-	-	-	-
	Paschal Form Work (India) Private Limited	-	-	-	0.08	-	-	-	-
	Ekana Sportz City Private Limited	-	-	50.25	50.25	-	-	-	-
	Sridevi Properties	-	-	-	-	-	-	0.19	0.19
	Jampana Construction Private Limited	-	-	-	-	-	-	3.57	11.30
	Shri Aruna Constructions Private Limited	-	-	-	-	-	-	-	5.65
	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	-	-
<b>2</b>	<b>Credit Balances outstanding</b>								
	NCC Urban Infrastructure Limited	0.45	0.44	-	-	-	-	-	-
	Nagarjuna Facilities Management Services L.L.C	-	-	0.25	0.25	-	-	-	-
	NCC Blue Water Products Limited	-	-	-	-	-	-	-	0.05
	Shyamala Agro Farms LLP	-	-	-	-	-	-	0.03	-
	Jampana Construction Private Limited	-	-	-	-	-	-	0.75	0.83
	Shri Aruna Constructions Private Limited	-	-	-	-	-	-	-	12.75
	Sridevi Properties	-	-	-	-	-	-	0.12	0.13
	Matrix Security and Surveillance Pvt. Ltd	-	-	-	-	-	-	0.02	0.03
	Sri. A.A.V. Ranga Raju*	-	-	-	-	2.68	2.25	-	-
	Sri. A.S.N. Raju*	-	-	-	-	1.42	1.11	-	-
	Sri. A.G.K. Raju*	-	-	-	-	1.42	1.12	-	-
	Sri. A.V.N. Raju	-	-	-	-	1.42	1.12	-	-
	Sri. J.V. Ranga Raju	-	-	-	-	0.34	0.39	-	-
	Sri. Hemant Madhusudan Nerurkar	-	-	-	-	0.14	0.09	-	-
	Smt. Renu Challu	-	-	-	-	0.09	0.05	-	-
	Dr. Durga Prasad Subramanyam Anapindi	-	-	-	-	0.14	0.09	-	-
	Sri. Ravi Shankararamiah	-	-	-	-	-	0.03	-	-
	Sri. Om Prakash Jagetiya	-	-	-	-	0.09	0.02	-	-
	Sri . R.S. Raju	-	-	-	-	-	0.05	-	-
	Sri, K. Krishna Rao	-	-	-	-	0.05	0.04	-	-
	Sri. M.V. Srinivasa Murthy	-	-	-	-	0.05	0.08	-	-
	Sri. S.R.K.Surya Srikrishna Raju	-	-	-	-	0.05	0.04	-	-

## 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Sri. A. Vishnu Varma	-	-	-	-	0.07	0.06	-	-
	Smt. A. Nikhita	-	-	-	-	0.05	0.03	-	-
	Sri. P. Manoj Raj	-	-	-	-	0.03	0.01	-	-
	Sri. Sri Harsha Varma	-	-	-	-	0.04	0.03	-	-
	Sri. U Sunil	-	-	-	-	0.07	0.03	-	-
	Sri. J Krishna Chaitanya Varma	-	-	-	-	0.19	0.20	-	-
	Smt J.Sowjanya	-	-	-	-	0.05	0.06	-	-
	Smt J.Sridevi	-	-	-	-	0.03	0.03	-	-
	Smt. B.H. Kaushalya	-	-	-	-	0.02	0.03	-	-
<b>3</b>	<b>Corporate Guarantees / Comfort Letter given</b>								
	Nagarjuna Construction Company International L.L.C	0.49	102.12	-	-	-	-	-	-
	NCC Urban Infrastructure Limited	31.48	55.41	-	-	-	-	-	-

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

(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	2021 - 22	2020 - 21
Investment in Equity shares		
- NCC Urban Infrastructure Limited	-	120.00
Investments written off		
- Patnitop Ropeway and Resorts Limited	-	1.07
Advances written off		
- Nagarjuna Construction Company International L.L.C	0.99	-
Loans Granted		
- NCC Urban Infrastructure Limited	-	20.25
- NCC Vizag Urban Infrastructure Limited	100.58	-
Loan Repayment Received		
- NCC Urban Infrastructure Limited	127.18	270.35
Advances Granted		
- Jampana Construction Private Limited	4.91	21.61
- Shri Aruna Constructions Private Limited	-	45.66
- Nagarjuna Construction Company International L.L.C	0.95	-
Advances Repayment Received / Adjusted		
- Nagarjuna Construction Company International L.L.C	13.63	4.61
- Matrix Security and Surveillance Private Limited #	-	1.13

## 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.

Particulars	(₹ in crores)	
	2021 - 22	2020 - 21
Advances repaid / adjusted		
- NCC Blue Water Products Limited	0.09	-
Mobilisation Advance Recovered / Adjusted by the Company		
- Shri Aruna Constructions Private Limited	-	7.10
Interest Received		
- NCC Urban Infrastructure Limited	13.21	44.95
- NCC Vizag Urban Infrastructure Limited	1.66	-
Remittance to Trade Payables		
- Jampana Construction Private Limited	3.86	3.51
- Shri Aruna Constructions Private Limited	-	9.91
- Paschal Form Work (India) Private Limited	0.86	-
Trade / Accounts Receivables realised		
- Brindavan Infrastructure Company Limited	-	0.24
Other Operating Income		
- Pachhwara Coal Mining Private Limited	17.30	6.23
Material Purchases and Services		
- Paschal Form Work (India) Private Limited	0.51	0.43
Purchase of Property Plant and Equipment / Investment Property		
- NCC Urban Infrastructure Limited	-	15.00
Sale of Property Plant and Equipment		
- Paschal Form Work (India) Private Limited	-	0.16
Interest Income		
- NCC Urban Infrastructure Limited	13.21	44.95
- NCC Vizag Urban Infrastructure Limited	16.58	-
Reimbursement of Expenses		
- Nagarjuna Construction Company International LLC	1.09	1.07
- Shri Aruna Constructions Private Limited	-	1.60
- Matrix Security and Surveillance Private Limited#	-	0.64
Sub-Contractors Work Bills		
- Jampana Construction Private Limited	12.83	11.85
- Shri Aruna Constructions Private Limited	-	64.61
Remuneration (Including Commission)		
- Sri A.A.V. Ranga Raju	6.41	5.01
- Sri A.S.N. Raju	3.28	2.57
- Sri A.G.K. Raju	3.27	2.56
- Sri A.V.N. Raju	3.22	2.53
Directors Sitting Fee and Commission		
- Sri. Hemant Madhusudan Nerurkar	0.23	0.19
- Smt. Renu Challu	0.17	0.13

## 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	2021 - 22	2020 - 21
- Dr. Durga Prasad Subramanyam Anapindi	0.24	0.20
- Sri. Om Prakash Jagetiya\$	0.17	-
Other Income		
- NCC Urban Infrastructure Limited	0.04	0.05
- NCC Vizag Urban Infrastructure Limited	0.15	-
Commission Income on Corporate Guarantees		
- Nagarjuna Construction Company International LLC	8.74	-
Dividend Income		
- Pachhwara Coal Mining Private Limited	11.68	-
Rent Expenses		
- Sirisha Projects Private Limited	9.47	9.33
Dividend Paid		
- AVSR Holdings Private Limited	5.02	1.22
- Sri A.A.V. Ranga Raju#	-	0.27
- Sirisha Projects Private Limited	1.49	0.33
Contribution towards Corporate Social Responsibility		
- NCC Foundation	5.41	-
Reduction in Corporate Guarantees		
- Nagarjuna Construction Company International LLC	101.63	109.21
- NCC Urban Infrastructure Limited	55.41	-
Corporate Guarantees / Comfort Letter given		
- NCC Urban Infrastructure Limited	31.48	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.

### 36 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.

### 37 Earnings per share:

	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Profit after tax available for equity shareholders (₹ in crores)	490.12	261.49
Weighted Average number of equity shares for Basic EPS (Nos)	609,846,588	609,846,588
Weighted Average number of equity shares for Diluted EPS (Nos)	614,097,235	610,598,660
Face value per share (₹)	2.00	2.00
Basic EPS (₹)	8.04	4.29
Diluted EPS (₹)	7.98	4.28

# Notes forming part of the financial statements

## 38 Financial instruments:

### 38.1 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, 2022	As at March 31, 2021
<b>Equity</b>	<b>5,803.17</b>	5,364.66
Short-term borrowings and current portion of long-term borrowings	<b>1,102.05</b>	1,690.32
Long-term borrowings	<b>82.03</b>	98.60
Cash and cash equivalents	<b>(235.39)</b>	(169.66)
<b>Net debt</b>	<b>948.69</b>	1,619.25
<b>Total capital (equity + net debt)</b>	<b>6,751.86</b>	6,983.91
Gearing ratio	<b>0.16</b>	0.30

### 38.2 Categories of financial instruments

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Mandatorily measured:		
Equity investments in other entities	<b>1.52</b>	3.70
Investments in Mutual funds	<b>1.07</b>	15.03
<b>Measured at amortised cost</b>		
Cash and bank balances	<b>558.54</b>	438.62
Other financial assets at amortised cost	<b>3,325.83</b>	3,289.76
<b>Measured at cost</b>		
Investments in equity instruments in subsidiaries and associates		
a) Equity shares	<b>757.73</b>	845.12
b) Debentures	<b>135.24</b>	135.24
	<b>4,779.93</b>	4,727.46
<b>Financial liabilities</b>		
Measured at amortised cost	<b>5,552.55</b>	5,576.97

# Notes forming part of the financial statements

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

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 ₹ 1,184.08 crores (31.03.2021: ₹ 1,788.92 crores) as of 31.03.2022, the floating rate borrowings are ₹ 1,052.71 crores (31.03.2021: ₹ 1,469.53 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 ₹ 5.26 crores for the year ended March 31, 2022 (31.03.2021: ₹ 7.35 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, 2022 and March 31, 2021.

**(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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD (crores)	4.23	4.24	5.89	5.91
INR (₹ in crores)	320.60	310.80	446.56	443.03
OMR (crores)	-	-	0.01	0.06
OMR (₹ in crores)	-	-	1.24	11.39
EURO (crores)	0.08	-	-	-
EURO (₹ in crores)	6.92	-	-	-
GBP (crores)	0.10	-	-	-
GBP (₹ in crores)	10.20	-	-	-

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.



## Notes forming part of the financial statements

(₹ in crores)

Currency USD impact on:	As at March 31, 2022	As at March 31, 2021
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(1.66)	(1.67)
Impact of ₹1 weakening against US Dollar on profit or (loss) for the year	1.66	1.67
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	(1.66)	(1.67)
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	1.66	1.67

### 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.

### 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, 2022:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	4,280.57	4,062.13	176.37	42.07	4,280.57
Borrowings and interest accrued	1,271.36	1,189.33	80.00	2.03	1,271.36
Other financial liabilities	0.62	0.62	-	-	0.62
<b>Total</b>	<b>5,552.55</b>	<b>5,252.08</b>	<b>256.37</b>	<b>44.10</b>	<b>5,552.55</b>

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	3,714.17	3,482.64	186.72	44.81	3,714.17
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
<b>Total</b>	<b>5,576.97</b>	<b>5,246.77</b>	<b>279.40</b>	<b>50.80</b>	<b>5,576.97</b>

# Notes forming part of the financial statements

## 38.4 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, 2022	As at March 31, 2021		
Investments in Mutual funds at FVTPL	1.07	15.03	Level 1	Refer note 2
Investments in unquoted equity instruments at FVTPL	1.52	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.

## 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, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortised cost:				
- Trade receivables	2,492.23	2,492.23	2,660.27	2,660.27
- Cash and cash equivalents	235.39	235.39	169.66	169.66
- Bank balances other than cash and cash equivalents	323.15	323.15	268.96	268.96
- Loans	407.81	407.81	329.99	329.99
- Other financial assets	425.79	425.79	299.50	299.50
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Borrowings	1,184.08	1,184.08	1,788.92	1,788.92
- Trade payables	4,280.57	4,280.57	3,714.17	3,714.17
- Other financial liabilities	87.90	87.90	73.88	73.88

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

## Notes forming part of the financial statements

### 39 Corporate Social Responsibility:

(₹ in crores)

	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	10.67	10.96
b) Amount approved by the Board to be spent during the year	10.68	13.17*

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

c) Amount spent during the year ended:

(₹ in crores)

Particulars	March 31, 2022			March 31, 2021		
	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	8.54	-	8.54	4.14	-	4.14
<b>Total</b>	<b>8.54</b>	<b>-</b>	<b>8.54</b>	<b>4.40</b>	<b>-</b>	<b>4.40</b>

d) Details related to spent / unspent obligations:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
i) Spent for CSR activities (for On going project ₹ 0.04 crores (31.03.2021: ₹ 2.96 crores) during the year ended March 31, 2022)	1.00	4.10
ii) Contribution	7.54	0.30
iii) Unspent amount in relation to:		
- Ongoing project *	2.14	8.77
- Other than ongoing project	-	-
<b>Total</b>	<b>10.68</b>	<b>13.17</b>

\* Unspent amount of ₹ 2.14 crores (31.03.2021: ₹ 8.77 crores is deposited in the separate bank account on April 29, 2021) deposited in the separate bank account on April 30, 2022.

e) Others:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
i) Reason for shortfall	Identification of the Govt schools and colleges for implementation of the project in the State of Uttar Pradesh was delayed because of the state election.	Unable to execute the projects due to Covid-19.
ii) Nature of CSR activities	Rural Development, Education, Health care and Skill development.	Rural Development, Education, Health care and Skill development.
iii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard Contribution to NCC Foundation in relation to CSR expenditure	5.41	-

**40** The exceptional items for the year ended March 31, 2022 is ₹ 145.64 (March 31, 2021 is ₹ Nil), pertains to Profit on sale of stake in the Subsidiary Company, NCC Vizag Urban Infrastructure Limited, additional area allotted to NCC Limited on approval of revised plan as per the contractual terms in relation to Investment property under construction and provision made for impairment of investment.

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

## Notes forming part of the financial statements

### 42 Deferred tax assets (Net):

**Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2022:** (₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(5.37)	(12.51)
Provision for doubtful trade receivables, contract assets, advances and others	50.41	48.17
Provision for employee benefits	31.32	27.70
Deferment in recognition of income	(22.22)	(22.22)
<b>Total</b>	<b>54.14</b>	41.14

### 42.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

	As at March 31, 2022	As at March 31, 2021
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	64.43	613.57

**43** Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 533.29 crores (31.03.2021: ₹ 721.14 crores).

Change in the contract assets and contract liabilities as at March 31, 2022 from March 31, 2021 is on account of increase in operations of the Company.

### 44 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.

### 45 Performance obligation:

The transaction price allocated to the remaining performance obligations (excluding non-moving orders) is ₹ 36,303 crores (31.03.2021: ₹ 36,239 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.

**46** Pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad, vide order dated August 26, 2021, Aster Rail Private Limited and Vaidehi Avenues Limited (wholly owned subsidiaries) have merged with the Company, with effect from April 1, 2020, being the appointed date as per the scheme.

This being a common control business combination, the financial information of the wholly owned subsidiaries is included in the financial results of the Company and has been restated for comparative purpose from the appointed date and the impact of this restatement is not material.

The Scheme of Arrangement have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards'

## Notes forming part of the financial statements

### Details of amalgamating companies:

(₹ in crores)

Name of the amalgamating Companies	Aster Rail Private Limited	Vaidehi Avenues Limited
Date on which the transferor obtains control of the transferee	01.04.2020	01.04.2020
% of holding by transferor	100%	100%
No of shares issued as consideration	Nil	Nil
the amount of any difference between the consideration and the value of net identifiable assets acquired,	1.55	Nil
- and the treatment thereof.	accounted in Capital Reserve	Nil

**47** The trade receivables and contract assets includes an amount of ₹ 189.52 crores (31.03.2021: ₹ 254.15 crores) (net of mobilisation advance and provisions) 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 slow movement of execution of the work / payment in these projects. Management based on its internal assessments and discussions with the agencies is of the view that no further provision is required in this regard.

### **48 Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has assessed the possible impact of COVID-19 pandemic on its operations, liquidity position and recoverability of its asset balances as at March 31, 2022 based on the internal and external sources of information upto the date of approval of these audited standalone financial statements. The Management will continue to monitor any material changes to the future economic conditions.

### **49 Additional Regulatory Information:**

S.No	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% of change	Reasons for change in the ratio by more than 25%
i)	Current Ratio	Current Assets	Current Liabilities	<b>1.36</b>	1.34	2%	
ii)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	<b>0.20</b>	0.33	-39%	The collections from clients are improved and used for repayment of working capital loans, resulted in decline in debt.
iii)	Debt Service Coverage Ratio	Net Profit + Depreciation + Interest expense	Debt Service	<b>1.83</b>	1.20	53%	The collections from clients are improved and used for repayment of working capital loans, resulted in decline in debt.
iv)	Return on Equity Ratio	Net Profit	Average Shareholder's Equity	<b>8.78%</b>	5.00%	76%	ROE increased partly on account of profit from operations due to higher turnover and partly on account of profit on sale of investment in Subsidiary Company.
v)	Inventory turnover days	Revenue from Operations	Average Inventory	<b>15.11</b>	13.93	8%	
vi)	Trade Receivables turnover days	Revenue from Operations	Average Trade Receivables	<b>3.85</b>	2.75	40%	The increase mainly on account of good collections from the client in FY 2021-22.
vii)	Trade payables turnover days	Expenses for Trade payables	Average Trade Payables	<b>3.88</b>	3.23	20%	
viii)	Net capital turnover days	Revenue from Operations	Working Capital	<b>3.49</b>	2.97	17%	

## Notes forming part of the financial statements

S.No	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% of change	Reasons for change in the ratio by more than 25%
ix)	Net profit ratio	Net Profit	Revenue from Operations	<b>4.94%</b>	3.60%	37%	Net Profit increased primarily on account of profit on sale of investment in Subsidiary Company.
x)	Return on Capital employed	PBT after Exceptional Items + Interest expense	Net Worth + Total Debt	<b>11.21%</b>	7.47%	50%	On account of profit from operations due to higher turnover and partly on account of profit on sale of investment in Subsidiary Company.

**50** No charges are pending for registration with Registrar of Companies (ROC) beyond the statutory period.

**51** No transactions made with the Struck off Companies in the current year (31.03.2021: ₹ Nil).

**52** Previous period's figures have been regrouped wherever necessary to conform to current period's presentation.

**53 Approval of financial statements:**

The financial statements were approved for issue by the Board of Directors on May 11, 2022.

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 11, 2022

# 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, 2022, 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 on the 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, 2022, 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.

### **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, 2022. 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
<b>Trade receivables and contract assets of the Holding Company</b>	
<p>Total trade receivables and total contract assets of the Holding Company amounting to ₹ 2,492.23 crores and ₹ 4,628.25 crores respectively, represents approximately 49.25% of the total assets of the Group as at March 31, 2022.</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.</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"> <li>• 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.</li> <li>• 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.</li> <li>• We tested the aging of trade receivables at the year end.</li> <li>• 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.</li> <li>• 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.</li> <li>• We evaluated the competence, capabilities and objectivity of the aforesaid legal experts</li> <li>• We performed additional procedures in respect of balances disclosed in note 57, which include review of communications to/ from customers, physical inspection of work done in respect of unbilled revenue, verification of last bills certified, etc.</li> <li>• We assessed the allowance for expected credit loss made by management.</li> </ul>
<b>Indirect tax litigations of the Holding Company</b>	
<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 37(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"> <li>• We obtained list of indirect tax litigations as at March 31, 2022 from the management.</li> <li>• We discussed the matters with the management to understand the possible outcome of these disputes.</li> <li>• We involved our experts to review the management's assessment of the possible outcome of the disputes relating to indirect tax litigations.</li> <li>• We assessed management's assumptions and estimates in respect of contingent liability disclosure in note 37(i)(a) to the accompanying consolidated Ind AS financial statements.</li> </ul>

Key audit matters	How our audit addressed the key audit matters
<p><b>Litigation on sale of investment</b></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. 43 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"> <li>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.</li> <li>Understood and tested the design and operating effectiveness of management control over assessment of the outcome of the litigation.</li> <li>Discussed and understood various steps being taken by management to resolve the dispute.</li> </ul>

### 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 loss, 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, 2022 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 40 subsidiaries, 11 joint operations and 4 branches, whose financial statements include total assets of ₹ 2,093.91 crores as at March 31, 2022, total revenues of ₹ 1,512.57 crores and net cash inflows of ₹ 10.91 crores for the year ended on that date. These financial statements 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 ₹ 1.55 crores for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of 4 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 1 subsidiary, whose financial statements and other financial information reflect total assets of Rs Nil as at March 31, 2022, total revenues of Rs Nil and net cash outflow of Rs Nil for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 0.15 crores for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of 4 associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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, 2022 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, 2022 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 with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and associate companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" 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, 2022 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 37(i) and 51 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, 2022.
- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The dividend declared or paid during the year by the Holding company and subsidiary companies incorporated in India, is in compliance with section 123 of the Act.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

UDIN: 22102328AITNXD6937

Place of Signature: Hyderabad

Date: May 11, 2022



## ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

### Re: **NCC Limited ("the Company")**

In terms of the information and explanations sought by us and given by the company and to the best of our knowledge and belief, we state that:

3(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Navneet Rai Kabra**

Partner

Membership Number: 102328

UDIN: 22102328AITNXD6937

Place of Signature: Hyderabad

Date: May 11, 2022

## ANNEXURE 2 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, 2022, 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, 2022, 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 23 subsidiaries and 1 associate, 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: 22102328AITNXD6937

Place of Signature: Hyderabad

Date: May 11, 2022

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ in crores)

	Note	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, Plant and Equipment	3	1,138.11		1,129.21	
Capital Work in Progress	3	7.35		21.86	
Investment Property	3.1	199.62		218.34	
Investment Property under Construction	3.1	103.47		68.10	
Goodwill		0.63		0.63	
Other Intangible Assets	3.2	0.72		0.71	
Financial Assets					
Investments in Associates	4.1	115.85		122.00	
Other Investments	4.1	211.25		213.43	
Loans	5	150.00		-	
Trade Receivables	6	107.96		139.59	
Other Financial Assets	7	285.58		258.82	
Deferred Tax Assets (Net)	8	64.26		57.61	
Non Current Tax Assets (Net)	15	151.66		80.54	
Other Non Current Assets	9	468.94		459.91	
<b>Total Non - Current Assets</b>			<b>3,005.40</b>		2,770.75
<b>Current Assets</b>					
Inventories	10	1,153.34		1,222.21	
Financial Assets					
Other Investments	4.2	18.72		104.20	
Trade Receivables	11	2,545.16		2,739.62	
Cash and Cash Equivalents	12.1	266.54		191.64	
Bank balances other than above	12.2	333.99		312.94	
Loans	13	217.06		52.65	
Other Financial Assets	14	342.34		199.21	
Current Tax Assets (Net)	15.1	74.68		105.03	
Other Current Assets	16	6,500.76		5,841.63	
<b>Total Current Assets</b>			<b>11,452.59</b>		10,769.13
<b>Total Assets</b>			<b>14,457.99</b>		13,539.88

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022 (contd.)

(₹ in crores)

	Note	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	121.97	121.97
Other Equity	18	5,480.77	5,049.33
<b>Equity Attributable to Shareholders of the Company</b>		<b>5,602.74</b>	5,171.30
<b>Non-Controlling Interests</b>		<b>293.41</b>	298.11
<b>Total Equity</b>		<b>5,896.15</b>	5,469.41
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	19	120.18	169.61
Trade Payables	20	25.64	26.57
Provisions	21	57.88	50.10
<b>Total Non Current Liabilities</b>		<b>203.70</b>	246.28
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	22	1,182.25	1,892.43
Trade Payables	23		
Total outstanding dues of micro and small enterprises		34.25	51.99
Total outstanding dues of creditors other than micro and small enterprises		4,363.55	3,776.53
Other Financial Liabilities	24	99.35	99.35
Provisions	25	79.21	123.23
Current Tax Liabilities (Net)	26	2.17	2.35
Other Current Liabilities	27	2,597.36	1,878.31
<b>Total Current Liabilities</b>		<b>8,358.14</b>	7,824.19
<b>Total Equity and Liabilities</b>		<b>14,457.99</b>	13,539.88

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 11, 2022

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crores)

	Note	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
<b>INCOME</b>			
Revenue from Operations	28	11,137.96	7,949.42
Other Income	29	70.72	115.91
<b>Total Income</b>		<b>11,208.68</b>	<b>8,065.33</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	30	3,484.62	2,426.56
Construction Expenses	31	1,245.42	902.09
Changes in Inventories of Work in Progress	32	105.49	48.90
Sub-Contractors Work Bills		4,568.97	3,059.81
Employee Benefits Expense	33	452.66	380.50
Finance Costs	34	478.07	479.91
Depreciation and Amortization Expenses (Refer note 3, 3.1 and 3.2)		186.74	181.25
Other Expenses	35	257.00	212.48
<b>Total Expenses</b>		<b>10,778.97</b>	<b>7,691.50</b>
<b>Profit Before Share of Profit / (Loss) of Associate Companies, and Tax</b>		<b>429.71</b>	<b>373.83</b>
Share of Profit / (Loss) of Associate Companies		1.40	1.29
<b>Profit Before Exceptional Items and Tax</b>		<b>431.11</b>	<b>375.12</b>
Exceptional Items (Net)	50	203.57	(12.60)
<b>Profit Before Tax</b>		<b>634.68</b>	<b>362.52</b>
<b>Tax Expense</b>	36		
Current Tax (including earlier year taxation)		146.58	16.90
Deferred Tax		(5.93)	62.58
		<b>140.65</b>	<b>79.48</b>
<b>Profit for the year</b>		<b>494.03</b>	<b>283.04</b>
<b>Attributable to</b>			
Shareholders of the Company		482.41	268.31
Non-Controlling Interests		11.62	14.73
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or (loss)			
Remeasurement gains / (losses) of the defined benefit plans		(2.84)	(12.03)
Income tax effect on the above		0.72	0.82
Items that may be reclassified to profit or (loss)			
Exchange differences in translating the financial statements of foreign operations		(0.42)	(2.46)
<b>Other comprehensive income / (loss) for the year (net of taxes)</b>		<b>(2.54)</b>	<b>(13.67)</b>
<b>Total comprehensive income for the year</b>		<b>491.49</b>	<b>269.37</b>
<b>Attributable to</b>			
Shareholders of the Company		479.89	254.63
Non-Controlling Interests		11.60	14.74
<b>Earnings per equity share of face value of ₹ 2 each.</b>			
Basic - ₹	48	7.91	4.40
Diluted - ₹	48	7.86	4.39

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 11, 2022

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

## A. Equity share capital

	Number of shares	Amount (₹ in crores)
<b>Balance as at April 01, 2020</b>	609,846,588	121.97
Add: Issue of Share Capital	-	-
<b>Balance as at March 31, 2021</b>	609,846,588	121.97
Add: Issue of Share Capital	-	-
<b>Balance as at March 31, 2022</b>	<b>609,846,588</b>	<b>121.97</b>

## 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 (C - RBI Act)	Money received against share warrants (Refer note 17.5)	General Reserve	Retained Earnings	Other items of other comprehensive income				Exchange Differences on translating the financial statements of a foreign operations
<b>Balance at April 01, 2020</b>	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
Effect of merger of Vaidehi Avenues Limited and Aster Rail Private Limited	1.39	-	-	-	-	-	-	(1.39)	-	-	-	-	-
<b>As at April 01, 2020 (restated)</b>	7.03	2,639.62	11.89	25.88	0.24	-	935.18	1,136.58	(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)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	268.31	(11.22)	(2.46)	254.63	14.74	269.37

**B. Other Equity (Contd.)**

	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 (C - RBI Act)	Money received against share warrants (Refer note 17.5)	General Reserve	Retained Earnings	Other items of other comprehensive income	Exchange Differences on translating the financial statements of a foreign operations			
Proceeds received against share warrants	-	-	-	-	-	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)
Transfer to General Reserve	-	-	-	-	-	-	200.00	-	-	-	200.00	-	200.00
Transfer from Retained Earnings	-	-	-	-	-	-	-	(200.00)	-	-	(200.00)	-	(200.00)
Adjustment on account of Consolidation / Foreign currency fluctuation	0.75	-	-	(0.74)	-	-	-	(0.75)	-	-	(0.74)	27.15	26.41
<b>Balance at April 01, 2021</b>	7.78	2,639.62	-	25.14	0.24	26.55	1,135.18	1,200.44	(27.50)	41.88	5,049.33	298.11	5,347.44
Profit for the year	-	-	-	-	-	-	-	482.41	-	-	482.41	11.62	494.03
Other Comprehensive Income / (Loss) for the year (net of taxes)	-	-	-	-	-	-	-	-	(2.10)	(0.42)	(2.52)	(0.02)	(2.54)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	482.41	(2.10)	(0.42)	479.89	11.60	491.49

## 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 (C) - RBI Act	Money received against share warrants (Refer note 17.5)	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)	-	-	-	-	-	-	-	(48.79)	-	-	(48.79)	-	(48.79)
Adjustment on account of Consolidation / Foreign currency fluctuation	0.67	-	-	0.84	-	-	(0.50)	(0.67)	-	-	0.34	(16.30)	(15.96)
Transfer to General Reserve	-	-	-	-	-	-	250.00	-	-	-	250.00	-	250.00
Transfer from Retained Earnings	-	-	-	-	-	-	-	(250.00)	-	-	(250.00)	-	(250.00)
<b>Balance at March 31, 2022</b>	<b>8.45</b>	<b>2,639.62</b>	<b>-</b>	<b>25.98</b>	<b>0.24</b>	<b>26.55</b>	<b>1,384.68</b>	<b>1,383.39</b>	<b>(29.60)</b>	<b>41.46</b>	<b>5,480.77</b>	<b>293.41</b>	<b>5,774.18</b>

### 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)

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

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

**For and on behalf of the Board**

Hyderabad, May 11, 2022



# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>A. Cash flows from operating activities</b>		
Profit before tax	634.68	362.52
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	186.74	181.25
Share of loss from associate companies	(1.40)	(1.29)
Loss / (Profit) on sale of Property, Plant and Equipment and Investment Property	3.97	(24.26)
Finance costs	478.07	479.91
Interest income	(38.64)	(42.13)
Profit on sale of current & Non-Current investments (net)	(2.06)	(1.30)
Gain on remeasuring investment at FVTPL (net)	(1.72)	(8.96)
Trade Receivables / Advances written off	1.01	3.51
Provision for doubtful trade receivables / advances / others	13.66	19.39
Expected credit loss for Unbilled revenue	30.01	10.36
Exceptional items (net)	(203.57)	12.60
Rental income from investment properties	(3.71)	(5.47)
	462.36	623.61
<b>Operating profit before working capital changes</b>	<b>1,097.04</b>	<b>986.13</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (Increase) / Decrease in operating assets:</b>		
In Inventories	(263.53)	162.39
In Trade receivables	212.65	14.54
In Other financial assets	34.36	39.60
In Other assets	(699.94)	87.34
<b>Adjustments for Increase / (Decrease) in operating liabilities:</b>		
In Trade payables	568.34	(313.92)
In Other financial liabilities	(13.19)	(15.56)
In Other current liabilities	704.77	(94.19)
In Provisions	(39.08)	(0.71)
	504.38	(120.51)
Cash generated from operations	1,601.42	865.62
Net income tax (paid)	(185.87)	(23.78)
<b>Net cash flows from operating activities (A)</b>	<b>1,415.55</b>	<b>841.84</b>
<b>B. Cash flows from investing activities</b>		
Capital expenditure for property , plant and equipment, Investment property, Intangible Assets including Capital Work in Progress	(218.78)	(192.32)
Proceeds from disposal of Property, Plant and Equipment, Investment Property	51.62	52.62
Movement in Margin Money Deposits / Other Deposits	(89.44)	(79.85)
Sale of Non current / current investments	91.44	19.51
Loans (given) / realised from Associates and others	(4.70)	(31.33)
Proceeds from sale of a subsidiary	47.50	0.05
Interest received	53.00	22.31
Rental income from investment property	3.71	5.47
Foreign Exchange translation adjustment (arising on consolidation)	(0.39)	(3.02)
<b>Net cash flows (used) / from investing activities (B)</b>	<b>(66.04)</b>	<b>(206.56)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of Shares to Non-Controlling Interests	-	30.00
Proceeds received against share warrants	-	26.55
Redemption of debentures	<b>(61.00)</b>	(49.80)
Proceeds from long term borrowings	<b>115.65</b>	316.39
Repayment of long term borrowings	<b>(313.02)</b>	(332.65)
Short term borrowings borrowed / repaid (net)	<b>(487.64)</b>	(53.37)
Finance costs paid	<b>(464.86)</b>	(482.99)
Payment made to Non-Controlling Interests	<b>(14.95)</b>	-
Dividend and Dividend Tax paid	<b>(48.79)</b>	(12.21)
<b>Net cash flows (used) in financing activities (C)</b>	<b>(1,274.61)</b>	(558.08)
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<b>74.90</b>	77.20
Cash and cash equivalents at the beginning of the year	<b>191.64</b>	114.44
<b>Cash and cash equivalents at the end of the year</b>	<b>266.54</b>	191.64
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents	<b>266.54</b>	191.64
<b>Cash and cash equivalents at the end of the year</b>	<b>266.54</b>	191.64

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 11, 2022

# 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’), Including presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the consolidated financial statements (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.

# Notes forming part of the consolidated financial statements

## 2.4 Principles of Consolidation:

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

- a) NCCL consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 39. 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, 2022.
- 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 39.

## 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.

# Notes forming part of the consolidated financial statements

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2.4.

## 2.7 Revenue Recognition :

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

### Project division

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

### Cost to fulfill the contract

The Group recognises asset from the cost incurred to fulfill the contract such as set up and mobilisation costs and amortises it over the contract period on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

### 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.

# Notes forming part of the consolidated financial statements

## 2.8 Other Income:

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

## 2.9 Foreign exchange translation and foreign currency transactions:

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

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was 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



# Notes forming part of the consolidated financial statements

in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

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

## **2.11.2 Compensated Absences:**

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

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

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

## **2.12 Taxes on Income:**

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

### **2.12.1 Current Tax:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the 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

# Notes forming part of the consolidated financial statements

in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised. For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of PPE measured as per previous GAAP, accumulated depreciation and cumulative impairment on the transition date of April 1, 2015. PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

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

## 2.14 Depreciation and Amortisation:

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

Depreciation on Property, Plant and equipment and investment property have been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of construction accessories (6 years), some of the mining equipments such as Excavators upto 3.1 cum capacity (7 years), Tippers (6 years), Dozers & Motor Graders (8 years) working in Mining projects, 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.



# Notes forming part of the consolidated financial statements

## 2.19 Financial instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

## 2.20 Financial assets:

Financial asset is

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

## 2.21 Subsequent measurement of the financial assets:

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

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

# Notes forming part of the consolidated financial statements

market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not actually be realised.

## 2.26 Receivable under Service concession arrangement:

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group bears the demand risk. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

## 2.27 Impairment of Assets:

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

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

## 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.

# Notes forming part of the consolidated financial statements

## 2.30 Earnings Per Share :

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

## 2.31 Cash Flow Statement:

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

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

## 2.32 Critical judgments in applying accounting policies:

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

(i) **Revenue recognition:** The Group uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

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

Items requiring significant estimate	Assumption and estimation uncertainty
Review of property, plant and equipment	The Group reviews the estimated useful lives, depreciation method and residual value of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life, depreciation method and residual value considered for the assets.
Fair value measurements and valuation processes	Some of The Group's assets and liabilities are measured at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer determines the appropriate valuation techniques and inputs for fair value measurements.  In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party / internal qualified valuers to perform the valuation. Finance team works closely with the qualified external / internal valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the Board of Directors about the cause of fluctuations in the fair value of the assets and liabilities.
Provision for doubtful receivables and contract assets	In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories, The Group makes an estimate of future selling prices and costs necessary to make the sale.
Provision for employee benefits	The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

# Notes forming part of the consolidated financial statements

Items requiring significant estimate	Assumption and estimation uncertainty
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid / recovered for uncertain tax positions. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.
Indirect tax litigations	The Group is subjected to VAT assessments in various states where projects were executed. Basing on applicable VAT rules of various states the Group estimated the VAT liability and provided in the book of accounts. The VAT assessments in different states are at different stages and on some of the assessment orders, the Group made appeals and they are at various tribunals and courts.

### 2.33 Exceptional Items:

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

### 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. On March 23, 2022, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 101, First-time Adoption of Indian Accounting Standards
- Ind AS 103, Business Combinations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

These amendments are effective from April 01, 2022. The Group believes that the aforementioned amendments will not materially impact the financial statements of the Company.

# 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
<b>Cost:</b>										
<b>Balance as at April 1,2020</b>	67.74	62.15	928.01	14.79	186.60	93.68	65.56	17.24	803.48	2,239.25
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
<b>As at March 31, 2021</b>	<b>67.74</b>	<b>68.36</b>	<b>956.58</b>	<b>15.43</b>	<b>226.74</b>	<b>95.72</b>	<b>67.55</b>	<b>17.13</b>	<b>812.01</b>	<b>2,327.26</b>
Additions	7.25	8.31	85.83	1.18	24.04	17.47	8.00	-	76.77	228.85
Disposals / Adjustments	-	(3.25)	115.11	1.32	22.29	6.39	10.35	-	34.07	186.28
Effect of Foreign Currency Exchange Differences	-	-	1.67	0.02	0.05	0.07	0.26	-	0.22	2.29
<b>As at March 31, 2022</b>	<b>74.99</b>	<b>79.92</b>	<b>928.97</b>	<b>15.31</b>	<b>228.54</b>	<b>106.87</b>	<b>65.46</b>	<b>17.13</b>	<b>854.93</b>	<b>2,372.12</b>
<b>Depreciation:</b>										
<b>Balance as at April 1, 2020</b>	-	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
<b>As at March 31, 2021</b>	<b>-</b>	<b>20.74</b>	<b>470.19</b>	<b>8.99</b>	<b>92.24</b>	<b>49.74</b>	<b>55.46</b>	<b>15.75</b>	<b>484.94</b>	<b>1,198.05</b>
Depreciation	-	5.80	61.95	1.05	22.84	9.24	4.57	0.58	79.97	186.00
Disposals / Adjustments	-	(0.03)	85.06	1.24	20.44	5.26	9.81	-	30.13	151.91
Effect of Foreign Currency Exchange Differences	-	-	1.31	0.02	0.04	0.06	0.25	-	0.19	1.87
<b>As at March 31, 2022</b>	<b>-</b>	<b>26.57</b>	<b>448.39</b>	<b>8.82</b>	<b>94.68</b>	<b>53.78</b>	<b>50.47</b>	<b>16.33</b>	<b>534.97</b>	<b>1,234.01</b>
<b>Net Block</b>										
<b>As at March 31, 2021</b>	67.74	47.62	486.39	6.44	134.50	45.98	12.09	1.38	327.07	1,129.21
<b>As at March 31, 2022</b>	<b>74.99</b>	<b>53.35</b>	<b>480.58</b>	<b>6.49</b>	<b>133.86</b>	<b>53.09</b>	<b>14.99</b>	<b>0.80</b>	<b>319.96</b>	<b>1,138.11</b>

Capital work in progress ₹ 7.35 crores (31.03.2021: ₹ 21.86 crores).

Note: Refer note 19 and 22 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
<b>Cost:</b>			
<b>Balance as at April 01, 2020</b>	103.30	98.29	201.59
Additions	11.75	24.83	36.58
Disposals / Adjustments	4.06	10.92	14.98
<b>As at March 31, 2021</b>	110.99	112.20	223.19
Additions	-	3.20	3.20
Disposals / Adjustments	2.74	18.78	21.52
<b>As at March 31, 2022</b>	<b>108.25</b>	<b>96.62</b>	<b>204.87</b>
<b>Depreciation:</b>			
<b>Balance as at April 01, 2020</b>	-	5.86	5.86
Depreciation	-	0.73	0.73
Disposals / Adjustments	-	1.74	1.74
<b>As at March 31, 2021</b>	-	4.85	4.85
Depreciation	-	0.73	0.73
Disposals / Adjustments	-	0.33	0.33
<b>As at March 31, 2022</b>	-	<b>5.25</b>	<b>5.25</b>
<b>Net Block</b>			
<b>As at March 31, 2021</b>	110.99	107.35	218.34
<b>As at March 31, 2022</b>	<b>108.25</b>	<b>91.37</b>	<b>199.62</b>

\*Cost includes given under operating lease ₹ 27.95 crores (31.03.2021: ₹ 41.33 crores).

Investment property under construction ₹ 103.47 crores (31.03.2021: ₹ 68.10 crores).

Note: Refer note 19 and 22 for details of assets pledged and Note 29 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, 2022 and March 31, 2021 are as follows:

(₹ in crores)

	Fair value hierarchy	Fair value as at March 31, 2022	Fair value as at March 31, 2021
Land	Level 3	213.89	195.99
Buildings	Level 3	182.27	198.40
Investment property under construction	Level 3	127.85	82.86
<b>Total</b>		<b>524.01</b>	<b>477.25</b>

The internal technical team of the Company has valued for some of the properties at ₹ 364.55 crores (31.03.2021: ₹ 368.84 crores) and the balance properties have been valued by independent valuer at ₹ 159.46 crores (31.03.2021: ₹ 108.41 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)

	Computer Software	Total
<b>Cost:</b>		
<b>Balance as at April 01, 2020</b>	13.14	13.14
Additions	0.02	0.02
Disposals / Adjustments	-	-
<b>As at March 31, 2021</b>	13.16	13.16
Additions	0.02	0.02
Disposals / Adjustments	-	-
<b>As at March 31, 2022</b>	<b>13.18</b>	<b>13.18</b>
<b>Amortisation:</b>		
<b>Balance as at April 01, 2020</b>	12.34	12.34
Amortisation	0.11	0.11
Disposals / Adjustments	-	-
<b>As at March 31, 2021</b>	12.45	12.45
Amortisation	0.01	0.01
Disposals / Adjustments	-	-
<b>As at March 31, 2022</b>	<b>12.46</b>	<b>12.46</b>
<b>Net Block</b>		
<b>As at March 31, 2021</b>	0.71	0.71
<b>As at March 31, 2022</b>	<b>0.72</b>	<b>0.72</b>

**3.3** The Group uses both internal technical team and independent valuers for fair valuation of the investment properties.

**3.4** No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>4 Investments</b>				
<b>4.1 Non Current Investments</b>				
<b>A Trade (Unquoted) (At Cost)</b>				
<b>a In Associates (Equity method)</b>				
<b>i) Investment in equity instruments</b>				
In Shares of ₹ 10 each, fully paid up				
Paschal Form Work (India) Private Limited	6,549,892	-	6,549,892	-
Himalayan Green Energy Private Limited	1,000,000	-	1,000,000	-
Ekana Sportz City Private Limited (Refer note 19.2)	2,268,000	23.19	2,268,000	23.32
Brindavan Infrastructure Company Limited	8,643,036	12.44	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	80.22	13,344,973	78.67
In Shares of one USD each fully paid up				
Apollonius Coal and Energy Pte Limited	3,778,757	15.86	3,778,757	15.55
Less: Provision for Impairment in value of Investments		15.86		8.00
		-		7.55
In Shares of 1000 Dirham each fully paid up				
Nagarjuna Facilities Management Services, L.L.C., Dubai	147	-	147	-
<b>Total aggregate investments in Associates</b>		<b>115.85</b>		<b>122.00</b>
<b>b In Subsidiaries (Refer note 39.1)</b>				
<b>Investment in equity instruments</b>				
In Equity Shares of "LKR" 10 each, fully paid up				
NCC Urban Lanka Private Limited (Value in ₹ 7)	2	-	2	-
<b>c In Other entities</b>				
<b>Investment at Fair Value through Profit and Loss</b>				
SNP Developers and Projects LLP (Valued at ₹ 35,500 )		-		-
SNP Ventures LLP		-		2.18
SNP Property Developers LLP		0.01		0.01
NAC Quippo Equipment Services 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	-	0.01	4,040	0.01

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>d Investment in debentures (Fair value through Profit and Loss)</b>				
0% Compulsory Convertible Debentures				
Gayatri Energy Ventures Private Limited (each ₹ 1,483)	<b>1,619,928</b>	<b>240.24</b>	1,619,928	240.24
Less: Provision for Impairment in value of Investments		<b>30.51</b>		30.51
		<b>209.73</b>		209.73
<b>Total aggregate investments in Other entities</b>		<b>211.25</b>		213.43
<b>Total</b>		<b>327.10</b>		335.43
<b>4.2 Current Investments</b>				
<b>Investment at Fair Value through Profit and Loss Account</b>				
<b>In Mutual Funds (Quoted)</b>				
L&T Mutual Fund - Debt Funds	<b>102,21,912</b>	<b>17.65</b>	36,417,343	89.17
Trust MF Banking & PSU Debt Fund	<b>10,093</b>	<b>1.07</b>	149,993	15.03
<b>Total</b>		<b>18.72</b>		104.20
<b>Grand Total</b>		<b>345.82</b>		439.63
Aggregate market value of current Quoted Investments		<b>18.72</b>		104.20
Aggregate amount of Unquoted Investments		<b>373.47</b>		373.94
Aggregate amount of impairment in value of investments		<b>46.37</b>		38.51

**4.3** Of these 1,853,656 shares (31.03.2021: 1,853,656 shares) are pledged with Axis Bank Limited & WITCO as security for term loans availed by Pondicherry Tindivanam Tollway Limited.

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>5 Loans</b>				
Un-Secured, Considered good				
Other Body Corporates		<b>150.00</b>		-
Loans and Advances to Related Parties				
Associate				
Considered Good		-		-
Significant increase in credit risk		<b>13.91</b>		13.91
		<b>13.91</b>		13.91
Less : Allowance for significant increase in credit risk		<b>13.91</b>		13.91
				-
Other Loans and Advances				
Considered Good		-		-
Significant increase in credit risk		<b>26.67</b>		26.67
		<b>26.67</b>		26.67
Less : Allowance for significant increase in credit risk		<b>26.67</b>		26.67
				-
<b>Total</b>		<b>150.00</b>		-
<b>6 Trade Receivables</b>				
Unsecured (Refer note 11.1 to 11.3 & 11.5)				
Considered Good		<b>109.90</b>		143.22
Considered Doubtful		<b>10.00</b>		11.80
		<b>119.90</b>		155.02
Less : Allowance for doubtful trade receivables		<b>11.94</b>		15.43
<b>Total</b>		<b>107.96</b>		139.59
<b>7 Other Financial Assets</b>				
Un-Secured, Considered good				
Other Receivables		<b>0.50</b>		0.56
Margin Money Deposits (Refer note 12.4)		<b>139.49</b>		71.25
In Deposit Accounts with remaining maturity more than 12 months		<b>0.46</b>		0.33
Interest accrued on loans				
Considered Doubtful		<b>1.08</b>		1.08
		<b>1.08</b>		1.08
Less : Allowance for doubtful interest		<b>1.08</b>		1.08
				-
Deposits with Customers and Others		<b>0.83</b>		4.39
Deposits - Joint Development (Refer note 7.1)		<b>58.04</b>		52.90
Receivable under service concession arrangement		<b>86.26</b>		129.39
<b>Total</b>		<b>285.58</b>		258.82

**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's /MOU are in the possession of NCC Urban. NCC Urban is assessing the market scenario and accordingly initiate execution of the project/s at an appropriate time. Deposits - Joint development are interest free, refundable deposits.

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>8 Deferred Tax Assets (Net) (Refer note 52)</b>				
Deferred Tax	55.15		51.96	
MAT - Minimum Alternate Tax	9.11		5.65	
<b>Total</b>		<b>64.26</b>		<b>57.61</b>
<b>9 Other Non - Current Assets</b>				
Advance for Purchase of Land (Refer note 9.1)		2.24		2.27
GST / Sales Tax / Value Added Tax credit receivable		113.70		113.68
Contract Asset				
Due on performance of future obligations				
Retention Money				
Considered Good	70.65		59.70	
Considered Doubtful	-		10.00	
	70.65		69.70	
Less : Allowance for doubtful retention money	-		10.00	
		70.65		59.70
Unbilled revenue (Refer note 16.3)				
Considered Good	48.75		50.66	
Considered Doubtful	4.00		4.00	
	52.75		54.66	
Less : Expected credit loss for unbilled revenue	4.00		4.00	
		48.75		50.66
Advances to Suppliers, Sub-contractors, Capital Advances and Others (Refer note 9.2)		233.60		233.60
<b>Total</b>		<b>468.94</b>		<b>459.91</b>

**9.1** Advances for Purchase of Land includes ₹ 2.24 crores (31.03.2021: ₹ 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 (31.03.2021: ₹ 233.60 crores).

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>10 Inventories</b>				
Raw Materials	795.26		541.42	
Raw Material in Transit	0.87		0.51	
Work-in-progress	268.40		373.89	
Property Development Cost	88.81		306.39	
<b>Total</b>		<b>1,153.34</b>		<b>1,222.21</b>
<b>11 Trade Receivables</b>				
Unsecured (Refer note 11.1 to 11.4 & 11.6)				
Considered Good	2,559.68		2,745.62	
Considered Doubtful	23.26		23.71	
	2,582.94		2,769.33	
Less : Allowance for doubtful trade receivables	37.78		29.71	
<b>Total</b>		<b>2,545.16</b>		<b>2,739.62</b>

**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, 2022	As at March 31, 2021
Balance at beginning of the year	45.14	45.24
Add: Allowance for doubtful trade receivables	8.11	9.30
Less: Allowance written off during the year / transferred to contract asset	(8.42)	(9.40)
Balance at the end of the year	44.83	45.14

11.4 Trade receivables includes ₹ 29.23 crores (31.03.2021: ₹ 29.23 crores) from associates.

## 11.5 Ageing of Non-current Trade receivables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	-	-	0.81	1.78	30.90	4.96	38.45
Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade receivables							
Considered Good	-	-	0.36	0.50	46.42	24.17	71.45
Considered Doubtful	-	-	-	-	5.00	5.00	10.00
	-	-	1.17	2.28	82.32	34.13	119.90
Less : Allowance for doubtful trade receivables							11.94
<b>Total</b>							<b>107.96</b>

Ageing of Non-current Trade receivables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	0.65	0.88	0.93	37.09	4.91	7.03	51.49
Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade receivables							
Considered Good	-	0.03	0.50	35.41	19.51	36.28	91.73
Considered Doubtful	-	-	-	0.80	1.00	10.00	11.80
	0.65	0.91	1.43	73.30	25.42	53.31	155.02
Less : Allowance for doubtful trade receivables							15.43
<b>Total</b>							<b>139.59</b>

# Notes forming part of the consolidated financial statements

## 11.6 Ageing of Current Trade receivables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	1,040.26	747.98	179.34	217.41	199.15	92.37	2,476.51
Considered Doubtful	-	-	-	-	5.26	13.00	18.26
Disputed Trade receivables							
Considered Good	-	1.18	-	-	8.58	73.41	83.17
Considered Doubtful	-	-	-	-	1.00	4.00	5.00
	<b>1,040.26</b>	<b>749.16</b>	<b>179.34</b>	<b>217.41</b>	<b>213.99</b>	<b>182.78</b>	<b>2,582.94</b>
Less : Allowance for doubtful trade receivables							37.78
<b>Total</b>							<b>2,545.16</b>

## Ageing of Current Trade receivables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment						Total
	Not yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured							
Undisputed Trade receivables							
Considered Good	843.66	863.21	328.48	505.57	87.16	46.30	2,674.38
Considered Doubtful	-	-	-	-	2.51	16.20	18.71
Disputed Trade receivables							
Considered Good	-	-	-	11.25	28.03	31.96	71.24
Considered Doubtful	-	-	-	-	2.00	3.00	5.00
	<b>843.66</b>	<b>863.21</b>	<b>328.48</b>	<b>516.82</b>	<b>119.70</b>	<b>97.46</b>	<b>2,769.33</b>
Less : Allowance for doubtful trade receivables							29.71
<b>Total</b>							<b>2,739.62</b>

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>12 Cash and Bank Balances</b>				
<b>12.1 Cash and Cash Equivalents</b>				
Cash on hand	1.16		1.00	
<b>Balances with Banks :</b>				
In Current Accounts (Refer note 12.3)	242.25		190.46	
In Deposit Accounts with original maturity less than 3 months	23.13		0.18	
<b>Total</b>		<b>266.54</b>		191.64
<b>12.2 Other Bank Balances</b>				
In Deposit Accounts				
Margin Money Deposits (Refer note 12.4)	307.16		253.21	
In Deposit Accounts with remaining maturity less than 12 months	15.01		50.57	
Earmarked balances with Banks		322.17		303.78
Unpaid dividend accounts (Refer note 12.5)	0.52		0.54	
Long Term Deposits (Refer note 12.6 & 12.7)	6.07		5.55	
Escrow accounts (Refer note 37 (i) (a))	3.07		3.07	
Un-spent CSR account	2.16		-	
		11.82		9.16
<b>Total</b>		<b>333.99</b>		312.94

**12.3** Current account balance includes ₹ Nil (31.03.2021: ₹ Nil) 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 ₹ 0.69 crores (31.03.2021: ₹ 0.53 crores), pursuant to the conditions of term loan agreement with Standard Chartered Bank.

**12.7** Includes deposits for Debt Service Reserve ₹ 0.36 crores equal to three months interest as per the facility terms with ICICI Bank.

## 12.8 Changes in liabilities arising from financing activities

(₹ in crores)

	Balance As at April 01, 2021	Cash Flows	As at March 31, 2022
Current borrowings (including current maturity)	1,892.43	(710.18)	1,182.25
Non-current borrowings	169.61	(49.43)	120.18
	2,062.04	(759.61)	1,302.43
Add: Borrowing movement in Subsidiary sold during the year (refer note 45)	-	13.60	-
<b>Movement as per Cash flow statement</b>		(746.01)	

(₹ 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
<b>Total</b>	2,181.47	(119.43)	2,062.04



## Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>13</b>	<b>Loans</b>			
	Unsecured considered good			
	Loans to Other Body Corporates	210.04		47.59
	Security Deposits	0.23		0.22
	Loans and Advances to Employees	6.79		4.84
	<b>Total</b>	<b>217.06</b>		<b>52.65</b>
<b>14</b>	<b>Other Financial Assets</b>			
	Unsecured, considered good			
	Receivables	274.58		116.80
	Deposits with Customers and Others			
	Considered Doubtful	-	5.00	
		-	5.00	
	Less: Allowance for Doubtful Deposits	-	5.00	
		-		-
	Interest Accrued on Deposits and Others	17.27		31.63
	Unbilled Annuity Receivable	39.09		39.37
	Other Receivables	11.40		11.41
	<b>Total</b>	<b>342.34</b>		<b>199.21</b>
<b>15</b>	<b>Non Current Tax Assets (Net)</b>			
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	151.66		80.54
<b>15.1</b>	<b>Current Tax Assets (Net)</b>			
	Advance Taxes and Tax Deducted at Source (Net of Provisions for tax)	74.68		105.03

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>16 Other Current Assets</b>				
Advances to Suppliers, Sub-contractors and Others (Refer note 16.1)				
Considered Good	<b>1,248.75</b>		983.16	
Considered Doubtful	<b>10.29</b>		17.95	
	<b>1,259.04</b>		1,001.11	
Less : Allowance for doubtful advances	<b>10.29</b>		17.95	
		<b>1,248.75</b>		983.16
Contract Asset				
Due on performance of future obligations				
Retention Money (Refer note 16.2)		<b>1,980.09</b>		2,067.67
Others		<b>345.21</b>		472.95
Unbilled revenue (Refer note 16.3)				
Considered Good	<b>2,230.13</b>		1,760.65	
Considered Doubtful	<b>138.16</b>		108.15	
	<b>2,368.29</b>		1,868.80	
Less : Expected credit loss for unbilled revenue	<b>138.16</b>		108.15	
		<b>2,230.13</b>		1,760.65
Prepaid Expenses		<b>45.62</b>		56.44
Project Facilities		<b>39.97</b>		-
Balances with Government Authorities				
Sales Tax / Value Added Tax credit receivable		<b>91.49</b>		100.53
Goods and Service Tax credit receivable		<b>519.50</b>		400.23
<b>Total</b>		<b>6,500.76</b>		5,841.63

**16.1** Advances to Suppliers, Sub-Contractors and Others, includes advances to related parties of ₹ 4.14 crores (31.03.2021: ₹ 17.62 crores).

**16.2** Retention money receivable from associates for ₹ 21.03 crores (31.03.2021: ₹ 21.03 crores).

**16.3 Movement in the Expected credit loss for unbilled revenue:**

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	<b>112.15</b>	98.26
Add: Expected credit loss for unbilled revenue during the year / transferred from Trade Receivables	<b>30.01</b>	13.89
Balance at the end of the year	<b>142.16</b>	112.15

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
<b>17 Share Capital</b>				
<b>Authorised :</b>				
Equity Shares of ₹ 2 each	<b>807,500,000</b>	<b>161.50</b>	750,000,000	150.00
<b>Issued :</b>				
Equity Shares of ₹ 2 each (Refer note 17.1)	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97
<b>Subscribed and Paid up :</b>				
Equity Shares of ₹ 2 each	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97
<b>Total</b>		<b>121.97</b>		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, 2022		Year Ended March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97
Add: Issue of Share Capital	-	-	-	-
Balance at end of the year	<b>609,846,588</b>	<b>121.97</b>	609,846,588	121.97

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Smt. Rekha Jhunjunwala	<b>667,33,266</b>	<b>10.94</b>	667,33,266	10.94
A V S R Holdings Private Limited	<b>635,56,225</b>	<b>10.42</b>	627,66,225	10.29

**17.3** Unclaimed equity shares of 25,984 (31.03.2021: 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** 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

## 17.6 Shares held by promoter group at the end of the year:

S. No	Promoter Name	As at 31.03.2020		Change during the FY 2020-21		As at 31.03.2021		Change during the FY 2021-22		As at 31.03.2022	
		No. of shares	% of holding	No. of shares	% of change	No. of shares	% of holding	No. of shares	% of change	No. of shares	% of holding
1	Sri. A.A.V. Ranga Raju	13,563,196	2.22%	(1,580,000)	(11.65%)	11,983,196	1.96%	(10,000,000)	(83.45%)	1,983,196	0.33%
2	Sri. A.S.N. Raju	5,782,985	0.95%	(790,000)	(13.66%)	4,992,985	0.82%	-	-	4,992,985	0.82%
3	Sri. A.G.K. Raju	6,109,080	1.00%	(1,627,511)	(26.64%)	4,481,569	0.73%	-	-	4,481,569	0.73%
4	Sri. J.V. Ranga Raju	2,465,916	0.40%	-	-	2,465,916	0.40%	-	-	2,465,916	0.40%
5	AVSR Holdings Private Limited	49,653,278	8.14%	13,112,947	26.41%	62,766,225	10.29%	790,000	1.26%	63,556,225	10.42%
6	Sirisha Projects Private Limited	12,144,158	1.99%	2,999,511	24.70%	18,610,669	3.05%	-	-	18,610,669	3.05%
7	Avathesh Property Developers Private Limited*	3,467,000	0.57%	-	-	-	-	-	-	-	-
8	Sri. A. Srinivas Ramaraju	3,076,668	0.50%	(2,902,668)	(94.34%)	174,000	0.03%	-	-	174,000	0.03%
9	Sri. N.R. Alluri	8,858,806	1.45%	(7,637,228)	(86.21%)	1,221,578	0.20%	-	-	1,221,578	0.20%
10	Sri. U. Sunil	55,000	0.01%	-	-	55,000	0.01%	-	-	55,000	0.01%
11	Smt. A. Bharathi	124,059	0.02%	-	-	124,059	0.02%	-	-	124,059	0.02%
12	Sri. A.V.N. Raju	7,985,791	1.31%	(2,255,051)	(28.24%)	5,730,740	0.94%	(790,000)	(13.79%)	4,940,740	0.81%
13	Smt. A. Shyama	374,902	0.06%	189,000	50.41%	563,902	0.09%	-	-	563,902	0.09%
14	Smt. A. Subhadra Jyotirmayi	308,091	0.05%	-	-	308,091	0.05%	-	-	308,091	0.05%
15	Smt. A. Satyanarayanamma	7,288	0.00%	-	-	7,288	0.00%	-	-	7,288	0.00%
16	Smt. A. Arundhati	847,222	0.14%	295,800	34.91%	1,143,022	0.19%	-	-	1,143,022	0.19%
17	Smt. J. Sridevi	287,859	0.05%	-	-	287,859	0.05%	-	-	287,859	0.05%
18	Smt. BH. Kaushalya	41,590	0.01%	137,000	329.41%	178,590	0.03%	-	-	178,590	0.03%
19	Sri. J. Krishna Chaitanya Varma	306,121	0.05%	-	-	306,121	0.05%	-	-	306,121	0.05%
20	Smt. A. Sridevi	113,884	0.02%	-	-	113,884	0.02%	-	-	113,884	0.02%
21	Smt. M. Swetha	1,225,530	0.20%	-	-	1,225,530	0.20%	-	-	1,225,530	0.20%
22	Smt. A. Neelavathi Devi	73,281	0.01%	-	-	73,281	0.01%	-	-	73,281	0.01%
23	Sri. A. Sri Harsha Varma	41,780	0.01%	-	-	41,780	0.01%	-	-	41,780	0.01%
24	Sri. A. Vishnu Varma	15,100	0.00%	-	-	15,100	0.00%	-	-	15,100	0.00%
25	Smt. A. Sravani	333,450	0.05%	83,500	25.04%	416,950	0.07%	4,000	0.96%	420,950	0.07%
26	Smt. J. Sowjanya	559,166	0.09%	-	-	559,166	0.09%	-	-	559,166	0.09%
27	Smt. A. Suguna	-	0.00%	-	-	-	0.00%	70,00,000	100%	70,00,000	1.15%
28	Smt. U. Ramya	-	0.00%	-	-	-	0.00%	30,00,000	100%	30,00,000	0.49%
29	Narasimha Developers Private Limited	1,516,179	0.25%	680,000	44.85%	2,196,179	0.36%	-	-	2,196,179	0.36%
	<b>Total</b>	<b>119,337,380</b>	<b>19.57%</b>	<b>705,300</b>		<b>120,042,680</b>	<b>19.68%</b>	<b>4,000</b>		<b>120,046,680</b>	<b>19.68%</b>

\* Avathesh Property Developers Private Limited is merged with Sirisha Projects Private Limited with effect from April 1, 2020, being the appointed date as per the scheme.

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
<b>18 Other Equity</b>				
<b>18.1 Capital Reserve</b>				
Opening balance	7.78		7.03	
Add / (Less) : Arising on account of Consolidation	0.67		0.75	
Closing balance		8.45		7.78
<b>18.2 Securities Premium</b>		2,639.62		2,639.62
<b>18.3 Debenture Redemption Reserve</b>				
Opening balance	-		11.89	
Less : Transfer to Retained Earnings	-		8.51	
Less : Transfer to Non Controlling Interests	-		3.38	
Closing balance		-		-
<b>18.4 Legal / Statutory Reserve (Refer note 42)</b>				
Opening balance	25.14		25.88	
Add / (Less): On account of Foreign Currency Fluctuation	0.84		(0.74)	
Closing balance		25.98		25.14
<b>18.5 Reserve Fund under Section 45 - IC of RBI Act, 1934</b>		0.24		0.24
<b>18.6 Money received against share warrants (Refer note 17.5)</b>		26.55		26.55
<b>18.7 General Reserve</b>				
Opening balance	1,135.18		935.18	
Add : Transfer from Retained Earnings	250.00		200.00	
Less : Arising on account of Consolidation	(0.50)		-	
Closing balance		1,384.68		1,135.18
<b>18.8 Retained Earnings (Refer note 18.8.a)</b>				
Opening balance	1,200.44		1,136.58	
Add : Debenture Redemption Reserve (Reclassification)	-		8.51	
Add : Profit for the year	482.41		268.31	
	1,682.85		1,413.40	
Less : Appropriations				
Dividend distributed to equity shareholders (2021-22: ₹ 0.80 per share (2020-21: ₹ 0.20 per share))	48.79		12.21	
Transfer to General Reserve	250.00		200.00	
Transfer to Capital Reserve	0.67		0.75	
	299.46		212.96	
Closing balance		1,383.39		1,200.44
<b>18.9 Other Components of Equity</b>				
Remeasurement gains / (losses) of the defined benefit plans (Net of tax)		(29.61)		(27.51)
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		41.46		41.88
<b>Total</b>		<b>5,480.77</b>		<b>5,049.33</b>

**18.8. a** For the year ended March 31, 2022, the Board of Directors have proposed a dividend of ₹ 2.00 per share. The dividend payable on approval of the shareholders is ₹ 121.97 crores.

# Notes forming part of the consolidated financial statements

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
		Non Current	Current*	Non Current	Current*
<b>19</b>	<b>Borrowings</b>				
	<b>Debentures</b> (refer to note 22.4 - 22.7)				
	<b>Secured - at amortised cost</b>				
	10.90% Redeemable, Non-Convertible Debentures (Refer note 19.1)	-	-	-	15.60
	11.50 % Redeemable, Non-Convertible Debentures (Refer note 19.1)	-	-	10.60	34.80
	0.01 % Optionally Convertible Debentures (Refer note 19.2)	5.00	-	5.00	-
	<b>Term Loans :</b>				
	<b>Secured - at amortised cost</b>				
	From Banks and Financial Institutions (Refer note 19.3)	79.59	58.87	132.43	210.77
	From Other Parties (Refer note 19.4)	29.93	41.22	17.36	34.55
	<b>Unsecured - at amortised cost</b>				
	From Other Parties (Refer note 19.5)	-	-	-	12.90
	<b>Vehicle Loans</b>				
	<b>Secured - at amortised cost</b>				
	From Banks (Refer note 19.6)	3.65	2.35	2.73	2.64
	From Others (Refer note 19.6)	2.01	1.62	1.49	1.74
	<b>Total</b>	<b>120.18</b>	<b>104.06</b>	169.61	313.00

\* Current maturities are included in Note 22 - Borrowings.

## 19.1 Redeemable Non Convertible Debentures issued by OB Infrastructure Limited (OBIL) to L&T Infrastructure Finance Limited with the following principle terms:

Debentures

Secured, Rated, Listed, Non Convertible Debentures.

During February 2014, OBIL issued 20,000 Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 200.00 crores, 5,000 Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 50.00 crores and 8,400 Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000 each amounting to ₹ 84.00 crores to L&T Infra Finance Limited, Aggregate value of debentures issued was ₹ 334.00 crores. L&T Infra Finance Limited subscribed the total debentures from Debenture Trustee of OBIL. Subsequently L&T Infra Finance Limited transferred 6176 Series "A" debentures of ₹ 1,00,000 each amounting ₹ 61.76 crores.

a) Interest

The interest rate payable on the debentures depends upon the 'Rating' by rating agency and in accordance with Clause 3.1 of the Debenture Trust Deed entered between OBIL and IDBI Trusteeship Services Limited, being the Debenture Trustee. Present applicable interest rate is as follows:-

Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 10.90 % p.a. payable monthly

Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 11.50 % p.a. payable monthly

Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 11.50 % p.a. payable monthly

# Notes forming part of the consolidated financial statements

## b) Security

- 1) First pari passu charge on all OBIL's tangible movable assets including vehicles both present and future save and except the Project Assets
- 2) First pari passu charge on all the intangible assets of OBIL.
- 3) First pari passu charge over all accounts of OBIL including Debt Service Reserve Account (DSRA), Escrow account and the subaccounts and all the funds from time to time deposited therein.
- 4) First pari passu charge over all receivables and all Authorised Investments or other securities including receivables from NHAI of the Project, whatsoever nature both present and future subject to the provisions of the Transaction Documents.
- 5) Assignment by way of security, in :
  - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in the Project Agreements;
  - All the rights, title and interest of OBIL in, to and all the Clearances;
  - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
  - All the rights, title, interest, benefits, claims and demands whatsoever of OBIL under all insurance contracts;
- 6) A pledge on 54% (March 31, 2021: 54%) 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	<b>10.60</b>
June 15, 2021 & December 15, 2021	15.60	-	34.80	<b>50.40</b>
June 15, 2020 & December 15, 2020	30.00	-	19.80	<b>49.80</b>
June 15, 2019 & December 15, 2019	32.00	10.00	4.00	<b>46.00</b>
June 15, 2018 & December 15, 2018	40.80	-	1.00	<b>41.80</b>
June 15, 2017 & December 15, 2017	22.20	15.00	0.80	<b>38.00</b>
June 15, 2016 & December 15, 2016	17.60	15.00	2.00	<b>34.60</b>
June 15, 2015 & December 15, 2015	14.60	10.00	2.00	<b>26.60</b>
June 15, 2014 & December 15, 2014	14.80	-	9.00	<b>23.80</b>
February 21, 2014	12.40	-	-	<b>12.40</b>
<b>Total</b>	<b>200.00</b>	<b>50.00</b>	<b>84.00</b>	<b>334.00</b>

Debentures were repaid during the financial year 2021-22 and received the NOC from Lenders.

## 19.2 Optionally Convertible Debentures by NCC Infra Limited

NCC Infra Limited issued optionally convertible debentures in to Equity at the option of the issuer at a future date after a term of 3 years, however not exceeding 5 years and pledged the shares of Ekana Sportz of ₹ 5.00 crores as security.

## 19.3 Term Loans from Banks and Financial Institutions

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

# 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
		31.03.2022	31.03.2021	31.03.2022	31.03.2021		31.03.2022	31.03.2021		
(i)	Axis Bank Limited	1	18	0.05	11.53	8.26 to 9.60	1	5 to 12	Monthly	October 10, 2017 to April 20, 2022
(ii)	Canara Bank	-	1	-	47.69	9.40	-	3	Quarterly	March 02, 2019 to December 02, 2021
(iii)	Kotak Mahindra Bank Limited	17	44	10.29	19.17	7.57 to 8.10	30 to 31	7 to 43	Monthly	December 20, 2018 to October 10, 2024
(iv)	Indus Ind Bank Limited	66	60	25.66	35.90	8.95 to 9.76	8 to 36	20 to 46	Monthly	February 01, 2019 to April 15, 2025
(v)	Bank of Bahrain and Kuwait	1	1	44.97	41.62	7.05 to 9.45	6 to 12	10	Quarterly	November 30, 2020 to May 31, 2025
(vi)	Yes Bank	34	42	9.38	20.90	8.05 to 9.40	1 to 33	12 to 45	Monthly	May 08, 2019 to Dec 15, 2024
(vii)	Karnataka Bank Ltd	2	-	6.89	-	8	30	-	Monthly	June 30, 2022 to March 19, 2025

#### (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 previous year and these loans were repaid during the financial year 2021-22.

S.No.	Particulars	Outstanding balance As at (₹ in crores)		Interest Range % per annum	Balance number of Installments as at		Monthly Installments Commencing From- To
		31.03.2022	31.03.2021		31.03.2022	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

- (vi) Loan of NCC Urban infrastructure Limited (NCC Urban) of ₹ Nil (March 31, 2021: ₹ 55.41 crores)
- (a) 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.
  - (b) 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 31.03.2022 aggregates to 9.25%.
  - (c) 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.
  - (d) Exclusive charge on cash flows (receivables) generated from developer's share of the Project.
  - (e) Corporate Guarantee of NCC Limited to the extent of ₹ 65.00 crores.
  - (f) ISRA in the form of lien-marked Fixed Deposit of an amount equivalent to 1 month interest of the total facility.
  - (g) The Facility was repaid during the financial year 2021-22 through refinancing.
- (vii) Loan of NCC Urban infrastructure Limited (NCC Urban) of ₹ 31.48 crores (March 31, 2021: ₹ Nil)
- (a) NCC Urban, during the year the entered into another Facility agreement with Standard Chartered Bank for a term loan aggregating to ₹.95 crores with inner Over Draft limit of ₹ 26 crores.
  - (b) The Loan has a tenor of 46 months with moratorium of 27 months followed by equated quarterly repayments commencing from 24th April 2023. The rate of interest is 9.25%.
  - (c) 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.
  - (d) Exclusive charge on cash flows (receivables) generated from developer's share of the Project.
  - (e) Letter of Comfort from NCC Limited.
  - (f) ISRA in the form of lien-marked Fixed Deposit of an amount equivalent to 1 month interest of the total facility.
- (viii) Loan of NCC Urban infrastructure Limited (NCC Urban) of ₹ 9.74 crores (March 31, 2021: ₹ Nil)
- (a) NCC Urban, during the year has entered into a Facility agreement with ICICI Bank for a term loan aggregating to ₹ 15 crores with inner Over Draft limit of ₹ 2 crores towards expenses for other projects.
  - (b) The rate of interest is 9.50%, repayable with 12 monthly installments from November 15, 2022.
  - (c) DSR equal to 3 months interest to be maintained.

### 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.

## Notes forming part of the consolidated financial statements

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
		31.03.2022	31.03.2021	31.03.2022	31.03.2021		31.03.2022	31.03.2021		
(i)	Tata Capital Financial Services Limited*	5	4	45.49	32.04	7.60 to 10.50	3 to 21	1 to 33	Monthly / Quarterly	August 21, 2019 to December 03, 2023
(ii)	Daimler Financial Services India (Private) Limited	-	2	-	0.82	8.42	-	4 to 5	Monthly	October 13, 2018 to August 04, 2021
(iii)	Volvo Financial Services (India) Private Limited	27	42	25.66	19.05	7.10 to 8.04	21 to 32	12 to 33	Monthly	February 07, 2021 to November 15, 2024

\*Term Loan from Tata Capital Financial Services Limited, for March 31, 2022 ₹ 45.39 crores, March 31, 2021 ₹ 32.04 crores is secured by:

- First and Exclusive Charge on the assets being procured / financed and Collateral Charge on two properties.

### 19.5 Unsecured term loan from other parties

- These loans were repaid during the financial year 2021-22.

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
		31.03.2022	31.03.2021	31.03.2022	31.03.2021		31.03.2022	31.03.2021		
(i)	Hewlett Packard Financial Services Limited	-	7	-	10.45	8.99 to 9.52	-	1 to 4	Quarterly	July 31, 2018 to January 31, 2022
(ii)	CISCO Systems Capital Private Limited	-	5	-	2.45	5.02 to 8.66	-	1 to 2	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 7.20% to 9.50% 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. Such loans are repayable in equal monthly installments over a period of 3 years and carry interest rate ranging between 7.30 % to 9.24 % per annum.

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
<b>20</b>	<b>Trade Payables (Refer note 23.1)</b>		
	Retention Money	25.64	26.57
<b>21</b>	<b>Provisions</b>		
	Provision for Employee Benefits		
	Compensated absences	1.53	1.50
	Gratuity (Refer note 21.1)	56.35	48.60
	<b>Total</b>	<b>57.88</b>	<b>50.10</b>

## Notes forming part of the consolidated financial statements

**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, 2022 is ₹ 73.93 crores (31.03.2021: ₹ 65.22 crores) of which ₹ 3.21 crores (31.03.2021: ₹ 2.36 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 70.72 crores (31.03.2021: ₹ 62.86 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.

#### Amount to be recognised in Balance Sheet:

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Present Value of Funded Obligations	73.93	65.22
Fair Value of Plan Assets	(3.21)	(2.36)
Net Liability	70.72	62.86

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

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	6.29	5.64
Interest on Defined Benefit Obligation	4.34	3.19
Expected Return on Plan assets	(0.25)	(0.21)
Total included in "Employee Benefits Expense"	10.38	8.62

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

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Return on Plan Assets	0.08	0.02
Net Actuarial Losses / (Gains) Recognised in Year	2.76	12.01
Total included in "Other Comprehensive Income"	2.84	12.03

# Notes forming part of the consolidated financial statements

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

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	65.22	59.72
Current Service Cost	6.29	5.64
Interest Cost	4.34	3.19
Actuarial Losses / (Gain)	2.76	12.00
Benefits Paid	(4.68)	(15.33)
<b>Closing Defined Benefit Obligation</b>	<b>73.93</b>	<b>65.22</b>
Opening Fair Value of Plan assets	2.36	4.10
Expected Return on Plan Assets	0.17	0.19
Contributions	5.36	13.40
Benefits Paid	(4.68)	(15.33)
<b>Closing Fair Value of Plan Assets</b>	<b>3.21</b>	<b>2.36</b>
Expected Employer's Contribution Next Year	15.00	15.00

## (vi) Asset information:

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount - ₹ in crores	3.21	2.36

## (vii) Experience Adjustments:

(₹ in crores)

	2021 - 22	2020 - 21	2019 - 20	2018 - 19	2017 - 18
Defined Benefit Obligations (DBO)	73.93	65.22	59.72	46.18	37.33
Plan Assets	3.21	2.36	4.10	6.49	3.35
Surplus/(Deficit)	(70.72)	(62.86)	(55.62)	(39.69)	(33.98)

## (viii) Sensitivity Analysis:

(₹ in crores)

	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
<b>Assumptions</b>		
Discount rate	7.33%	6.91%
Estimated rate of return on plan assets	7.35%	6.84%
Expected rate of salary increase	6.00%	5.00%
Attrition rate	14.60%	18.61%
<b>Sensitivity analysis – DBO at the end of the year</b>		
Discount rate + 100 basis points	(4.10%)	3.50%
Discount rate - 100 basis points	4.50%	3.80%
Salary increase rate +1%	4.40%	3.80%
Salary increase rate -1%	(4.10%)	(3.60%)
Attrition rate +1%	0.20%	0.20%
Attrition rate -1%	(0.30%)	(0.20%)

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

## Notes forming part of the consolidated financial statements

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

(₹ in crores)

Particulars	March 31, 2022
March 31, 2023	14.08
March 31, 2024	11.13
March 31, 2025	9.81
March 31, 2026	8.52
March 31, 2027	7.96

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
<b>22 Borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Secured Loans - Banks</b>		
Working Capital Demand Loan (Refer note 22.1)	1,004.96	1,223.54
Cash Credits and Overdrafts (Refer note 22.1)	2.77	256.43
Current maturities of Long Term Borrowings (Refer note 19)	104.06	313.00
From Others (Refer note 22.2)	15.64	15.74
<b>Unsecured Loans</b>		
From Others (Refer note 22.3)	54.82	83.72
<b>Total</b>	<b>1,182.25</b>	<b>1,892.43</b>

**22.1** Working Capital Demand Loans of ₹ 1,004.96 crores (March 31, 2021: ₹ 1,223.54 crores) and Cash Credit facilities of ₹ 2.77 crores (March 31, 2021: ₹ 204.37 crores) availed from consortium of banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu amongst consortium banks.
- Collateral Security pari passu first charge (Hypothecation / Pledge) amongst the members of consortium on unencumbered movable fixed assets of the Company at WDV (specific assets) and equity Shares 444,600,000 (31.03.2021: 374,412,894) of NCC Infrastructure Holdings Limited and equity shares 100,000,000 (31.03.2021: Nil) of NCC Urban Infrastructure Limited. These equity shares have been pledged with SBICAP Trustee Company Limited (Security trustee) on behalf of consortium of working capital lenders.
- Equitable mortgage of sixteen properties (Land & Buildings).
- Personal Guarantee of Sri. A A V Ranga Raju, Sri A G K Raju & Sri A S N Raju.  
These facilities carry an interest rate of 8.40% to 10.05% per annum.
- Loans of ₹ Nil crores (March 31, 2021: ₹ 52.06 crores) of Nagarjuna Construction Company International L.L.C.  
Bank Dhofar borrowings are secured either / and - or as:  
- Assignment of project receivables.

**22.2** Loans of ₹ 15.64 crores (March 31, 2021: ₹ 15.74 crores) of NCC Urban Infrastructure Limited.

NCC Urban Infrastructure Limited during the Financial year 2020-21, entered into a Loan Agreement with Aditya Birla Finance Limited for availing term loan aggregating to ₹ 30.00 crores. Term Loan carry an interest rate of 11.50% by securing NCC Limited Shares held by the promoter group. Total outstanding was repaid during the period and the Company has requested for renewal for the term loan for ₹ 15.90 crores against which ₹ 15.64 crores were disbursed with an interest rate of 9.50% by securing NCC Limited Shares held by the promoter group. The validity of the said Facility is till October 31, 2022.

# Notes forming part of the consolidated financial statements

## 22.3 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 ₹ 54.82 crores (31.03.2021: ₹ 83.72 crores) and carry interest rate ranging between 11.00% to 12.00 % per annum.

22.4 The Group used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

22.5 The Group has borrowings from banks on the basis of security of current assets, and the quarterly returns and statements of current assets filed by the Company with banks are in agreement with the books of accounts.

22.6 The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

22.7 The Group is not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
<b>23</b>	<b>Trade Payables (Refer note 23.2)</b>				
	Micro and small enterprises		<b>34.25</b>		51.99
	Other than micro and small enterprises				
	Acceptances	<b>686.83</b>		377.71	
	Other than Acceptances (includes retention money payable)	<b>3,676.72</b>		3,398.82	
			<b>4,363.55</b>		3,776.53
	<b>Total</b>		<b>4,397.80</b>		3,828.52

## 23.1 Ageing of Non-current Trade payables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	19.66	5.98	-	-	-	25.64
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>19.66</b>	<b>5.98</b>	-	-	-	<b>25.64</b>

## Ageing of Non-current Trade payables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	20.48	6.09	-	-	-	26.57
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>20.48</b>	<b>6.09</b>	-	-	-	<b>26.57</b>

## Notes forming part of the consolidated financial statements

### 23.2 Ageing of Current Trade payables as on 31.03.2022:

(₹ in crores)

Particulars	Outstanding from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	34.25	-	-	-	34.25
(ii) Others	2,256.78	1,343.99	11.79	12.91	56.57	3,682.04
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	13.32	-	-	-	7.89	21.21
	<b>2,270.10</b>	<b>1,378.24</b>	<b>11.79</b>	<b>12.91</b>	<b>64.46</b>	<b>3,737.50</b>
Accrued expenses						660.30
<b>Total</b>						<b>4,397.80</b>

### Ageing of Current Trade payables as on 31.03.2021:

(₹ in crores)

Particulars	Outstanding from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	51.99	-	-	-	51.99
(ii) Others	1,963.46	1,070.33	12.93	54.28	1.46	3,102.46
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	13.32	-	1.37	22.67	0.45	37.81
	<b>1,976.78</b>	<b>1,122.32</b>	<b>14.30</b>	<b>76.95</b>	<b>1.91</b>	<b>3,192.26</b>
Accrued expenses						636.26
<b>Total</b>						<b>3,828.52</b>

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
<b>24</b>	<b>Other Financial Liabilities</b>		
	Interest Accrued but not due on borrowings and others	<b>87.31</b>	73.68
	Unpaid Dividend Accounts (Refer note 12.5)	<b>0.52</b>	0.54
	Other Payables		
	Interest Accrued on Trade Payables	<b>0.10</b>	0.52
	Other Liabilities	<b>11.42</b>	24.61
	<b>Total</b>	<b>99.35</b>	99.35
<b>25</b>	<b>Provisions</b>		
	Provision for Employee Benefits		
	Compensated absences	<b>50.43</b>	42.96
	Gratuity (Refer note 21.1)	<b>14.37</b>	14.26
	Provision for contractual obligations (Refer note 25.1)	<b>14.41</b>	66.01
	<b>Total</b>	<b>79.21</b>	123.23

### 25.1

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:

# Notes forming part of the consolidated financial statements

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	66.01	61.09
Additions (including Unwinding Interest)	23.80	7.23
Incurred during the year	75.40	2.31
Balance at the end of the year*	14.41	66.01

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
<b>26 Current Tax Liabilities (Net)</b>		
Provision for Tax (Net of Advance Tax)	2.17	2.35
<b>27 Other Current Liabilities</b>		
TDS / Service Tax / Other payable	31.98	28.85
Goods and Service Tax payable	4.84	7.08
Contract Liabilities		
Mobilisation Advance from Customers	2,056.85	1,408.93
Advances from Customers	281.74	204.01
Advances from others	97.28	119.13
Other Liabilities	124.67	110.31
<b>Total</b>	<b>2,597.36</b>	<b>1,878.31</b>

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>28 Revenue from Operations</b>		
Income from Contracts and Services	10,786.80	7,672.21
Income from Real Estate Projects	280.45	198.62
Other Operating Income	70.71	78.59
<b>Total</b>	<b>11,137.96</b>	<b>7,949.42</b>
<b>29 Other Income</b>		
Interest Income		
On Deposits and Others	19.72	25.72
On Loans and Advances	5.82	1.22
On Income Tax refund	8.35	8.44
On Others	4.75	6.98
Profit on Sale of Investment (Net)	2.06	1.30
Gain on remeasuring investment at FVTPL (Net)	1.72	8.96
Net Gain / (loss) on foreign currency transactions	3.49	1.15
Other Non-Operating Income		
Rental Income from operating lease on investment property	3.71	5.47
Profit on Sale of Property, Plant and Equipment / Investment Property (Net)	-	24.26
Miscellaneous Income	21.10	32.41
<b>Total</b>	<b>70.72</b>	<b>115.91</b>



## Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2022		Year Ended March 31, 2021	
<b>30 Cost of Materials Consumed</b>		<b>3,484.62</b>		2,426.56
<b>31 Construction Expenses</b>				
Transport Charges		<b>46.38</b>		42.38
Operation and Maintenance				
Machinery	<b>383.39</b>		331.94	
Others	<b>18.39</b>		13.61	
		<b>401.78</b>		345.55
Hire Charges for Machinery and others	<b>165.37</b>		107.38	
Power and Fuel	<b>41.90</b>		31.74	
Technical Consultation	<b>72.37</b>		50.80	
Royalties, Seigniorage and Cess	<b>46.80</b>		16.88	
Property Development Cost	<b>7.80</b>		0.86	
Other Expenses	<b>433.01</b>		296.14	
Expected credit loss for unbilled revenue	<b>30.01</b>		10.36	
		<b>797.26</b>		514.16
<b>Total</b>		<b>1,245.42</b>		902.09
<b>32 Changes in Inventories of Work in Progress</b>				
Opening Balance		<b>373.89</b>		422.79
Closing Balance		<b>268.40</b>		373.89
<b>Total</b>		<b>105.49</b>		48.90
<b>33 Employee Benefits Expense</b>				
Salaries and Other Benefits		<b>410.76</b>		347.10
Contribution to Provident Fund and Other Funds		<b>30.14</b>		26.62
Staff Welfare Expenses		<b>11.76</b>		6.78
<b>Total</b>		<b>452.66</b>		380.50
<b>33.1</b> Refer note 21.1 for expenses recognised for gratuity of employees.				
<b>34 Finance Costs</b>				
<b>Interest Expense on</b>				
Borrowings				
Debentures	<b>1.43</b>		9.45	
Term Loans	<b>21.58</b>		35.88	
Working Capital Demand Loans and Cash Credit	<b>159.30</b>		163.87	
Mobilisation Advance	<b>117.78</b>		116.00	
Others	<b>36.15</b>		17.26	
		<b>336.24</b>		342.46
<b>Other Borrowing Costs</b>				
Commission on - Bank Guarantees	<b>107.83</b>		111.15	
- Letters of Credit	<b>22.02</b>		14.64	
		<b>129.85</b>		125.79
Bank and Other Financial Charges		<b>11.98</b>		11.66
<b>Total</b>		<b>478.07</b>		479.91

# Notes forming part of the consolidated financial statements

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>35 Other Expenses</b>		
Rent	60.61	51.05
Travelling and Conveyance	22.29	16.30
Office Maintenance	28.39	21.83
Electricity Charges	8.75	9.28
Rates and Taxes	7.22	7.79
Consultation Charges	13.94	7.44
Postage, Telegrams and Telephones	3.10	3.15
Insurance	10.25	9.75
Printing and Stationery	5.29	4.52
Legal and Professional Charges	24.11	15.23
Auditors' Remuneration	1.88	1.48
Directors' Sitting Fees	0.41	0.54
Trade Receivables / Advances Written off	1.01	3.51
Loss on Sale of Property, Plant and Equipment / Investment Property (Net)	3.97	-
Provision for Doubtful Trade Receivables / Advances / Others	13.66	19.39
Tender Schedule Expenses	1.38	1.37
Donations	3.55	0.80
CSR Expenditure (Refer note 49)	11.03	12.60
Software Acquisition Expenses	4.90	2.70
Repairs & Maintenance	7.34	4.80
Digitization Expenses	6.79	-
Miscellaneous Expenses	17.13	18.95
<b>Total</b>	<b>257.00</b>	<b>212.48</b>
<b>36 Tax Expense</b>		
Current Tax	147.17	93.65
Earlier year taxes (net)	(0.59)	(76.75)
Deferred Tax	(5.93)	62.58
<b>Total</b>	<b>140.65</b>	<b>79.48</b>

**36.1** 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.

## Notes forming part of the consolidated financial statements

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

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Accounting profit before tax</b>	<b>634.68</b>	362.52
Tax expense at statutory tax rate at 25.168%	<b>159.74</b>	91.24
Adjustments:		
Effect of income that is exempt from taxation		(0.49)
Adjustments recognised in the current year in relation to the current tax of prior years	<b>(2.88)</b>	(76.43)
Effect of expenses that are not deductible in determining taxable profit	<b>14.35</b>	6.88
Effect of capital gains set off with unused capital losses	<b>(47.51)</b>	(0.23)
Reversal of MAT credit due to adoption of new tax rate	<b>0.93</b>	26.71
Adjustments recognised in the current year in relation to the MAT credit / reversal of DTA of prior years		23.25
Losses and tax offsets not considered for deferred tax asset	<b>13.49</b>	7.04
Others including effect of different tax rate in joint operations and Subsidiaries	<b>2.53</b>	1.51
	<b>(19.09)</b>	(11.76)
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>140.65</b>	79.48

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

(₹ in crores)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Tax effect on actuarial gains/losses on defined benefit obligations	<b>0.72</b>	0.82

**36.4** No additions made in the income tax assessments in the current year (31.03.2021: ₹ Nil).

# Notes forming part of the consolidated financial statements

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

### (i) Contingent Liability

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
(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	290.53	287.82
- 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	40.50
(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 (31.03.2021: ₹ 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, 2022	As at March 31, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	108.59	1.61
(b) Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme.	1.76	1.76

# Notes forming part of the consolidated financial statements

## 38. Related Party Transactions

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

S.No	Particulars	S.No	Particulars
<b>A)</b>	<b>Subsidiaries (Refer note 39 &amp; 39.1)</b>	<b>E)</b>	<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>
<b>B)</b>	<b>Associates (Refer note 39)</b>	36	NCC Blue Water Products Limited
<b>C)</b>	<b>Key Management Personnel</b>	37	NCC Finance Limited ^
1	Sri. A.A.V. Ranga Raju	38	Shyamala Agro Farms LLP@@@
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. Utpal Hemendra Sheth	43	Avathesh Property Developers Private Limited###
7	Smt. Renu Challu	44	Arnesh Ventures Private Limited
8	Sri. Ravi Shankaramiah@@	45	AVSR Holdings Private Limited
9	Sri. Hemant Madhusudan Nerurkar	46	Sridevi Properties
10	Dr. Durga Prasad Subramanyam Anapindi	47	Matrix Security and Surveillance Private Limited
11	Sri. Om Prakash Jagetiya#	48	Jampana Constructions Private Limited
12	Sri. R.S. Raju\$	49	Shri Aruna Constructions Private Limited**
13	Sri. K. Krishna Rao*	50	NCC Urban Infrastructure Company Limited, Dubai
14	Sri. M.V. Srinivasa Murthy		
<b>D)</b>	<b>Relatives of Key Management Personnel</b>		
15	Dr. A.V.S. Raju		
16	Smt. A. Satyanarayanamma		
17	Sri. N.R. Alluri		
18	Sri. A. Srinivasa Rama Raju		
19	Smt. BH. Kaushalya		
20	Smt. J. Sridevi		
21	Smt. J. Sowjanya		
22	Smt. A. Arundhati		
23	Smt. M. Swetha		
24	Sri. J. Krishna Chaitanya Varma		
25	Smt. A. Subhadra Jyotirmayi		
26	Smt. A. Shyama		
27	Smt. A. Suguna		
28	Sri. A. Sri Harsha Varma		
29	Sri. S.R.K. Surya Srikrishna Raju		
30	Sri. A. Vishnu Varma		
31	Smt. A. Nikitha		
32	Sri. U. Sunil		
33	Sri. P.Manoj Raj###		
34	Smt. A. Sravani		
35	Smt. U Ramya		

# 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.

@@@ Converted into LLP with effect from June 28,2021.

^ Liquidated with effect from February 19, 2021.

@@ Key Management Person upto November 9, 2020.

## With effect from August 14, 2020

\*\* Ceased to be enterprises owned or significantly influenced by key management with effect from March 31, 2021.

### Avathesh Property Developers Private Limited is merged with Sirisha Projects Private Limited with effect from April 1, 2020, being the appointed date as per the scheme.

# 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	
		2021 - 22	2020 - 21	2021 - 22	2020 - 21	2021 - 22	2020 - 21
1	Loans received	-	60.00		45.00		-
2	Loan repaid	-	7.28	14.50	30.50		17.46
3	Advances granted	-	-	-	-	4.91	67.50
4	Advances Repayment received / Adjusted	-	11.26	-	-	-	1.23
5	Advances repaid / adjusted					0.09	-
6	Mobilisation Advance recovered / adjusted by the Group	-	-	-	-		7.10
7	Remittance to Trade Payables	0.86	-	-	-	3.88	13.41
8	Trade/Accounts Receivables realised	-	0.24	-	-	-	-
9	Material Purchase & Services	0.51	0.43	-	-	-	-
10	Purchase of Property Plant and Equipment	-	-	-	-	-	0.12
11	Sale of Property Plant and Equipment	-	0.16	-	-	-	-
12	Interest Income on loans given	-	1.23	-	-	-	-
13	Interest Expense	5.91	0.31	-	0.59	-	0.22
14	Reimbursement of Expenses	-	-	0.02	0.02	0.24	2.68
15	Sub-Contractors work bills	-	-		-	12.83	76.58
16	Contribution towards Corporate Social Responsibility	-	-	-	-	5.41	-
17	Remuneration (Including commission)*						
	Short-term employee benefits	-	-	23.83	18.76	-	-
	Post employee benefits	-	-	0.69	0.64	-	-
18	Directors sitting fee and commission	-	-	0.85	0.67	-	-
19	Rent expenses	-	-	0.70	0.70	10.65	10.47
20	Dividend paid	-	-	2.89	0.81	6.69	1.58

\* 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>1</b>	<b>Debit Balances outstanding</b>						
	Paschal Form Work (India) Private Limited	-	0.08	-	-	-	-
	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 Constructions Private Limited	-	-	-	-	3.57	11.30
	Shri Aruna Constructions Private Limited	-	-	-	-	-	5.65
	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	-	-
<b>2</b>	<b>Credit Balances outstanding</b>						
	Nagarjuna Facilities Management Services L.L.C.	0.25	0.25	-	-	-	-
	Varaprada Real Estates Private Ltd	54.57	52.72	-	-	-	-
	NCC Blue Water Products limited	-	-	-	-	-	0.05
	Shyamala Agro Farms LLP	-	-	-	-	0.03	-
	Jampana Constructions Private Limited	-	-	-	-	0.75	0.83
	Shri Aruna Constructions Private Limited	-	-	-	-	-	12.75
	Sridevi Properties	-	-	-	-	0.12	0.13
	Matrix Security and Surveillance Private Limited	-	-	-	-	0.02	0.03
	Sri. A.A.V. Ranga Raju*	-	-	2.68	2.25	-	-
	Sri. A.S.N. Raju	-	-	1.42	1.11	-	-
	Sri. A.G.K. Raju*	-	-	1.42	1.12	-	-
	Sri. A.V.N. Raju	-	-	1.42	1.12	-	-
	Sri. J.V. Ranga Raju	-	-	0.34	0.39	-	-
	Sri. N.R. Alluri	-	-	-	14.50	-	-
	Sri. Hemant Madhusudan Nerurkar	-	-	0.14	0.09	-	-
	Smt. Renu Challu	-	-	0.09	0.05	-	-
	Dr. Durga Prasad Subramanyam Anapindi	-	-	0.14	0.09	-	-
	Sri. Ravi Shankaramiah	-	-	-	0.03	-	-
	Sri. Om Prakash Jagetiya	-	-	0.09	0.02	-	-
	Sri. R.S. Raju	-	-	-	0.05	-	-
	Sri. K. Krishna Rao	-	-	0.05	0.04	-	-

# 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Sri. M.V. Srinivasa Murthy	-	-	0.05	0.08	-	-
	Sri. S.R.K. Surya Srikrishna Raju	-	-	0.05	0.04	-	-
	Sri. A. Vishnu Varma	-	-	0.07	0.06	-	-
	Smt. A. Nikhita	-	-	0.05	0.03	-	-
	Sri. A. Sri Harsha Varma	-	-	0.04	0.03	-	-
	Sri. U. Sunil	-	-	0.07	0.03	-	-
	Sri. J. Krishna Chaitanya Varma	-	-	0.19	0.20	-	-
	Smt. J. Sowjanya	-	-	0.05	0.06	-	-
	Smt. J. Sridevi	-	-	0.03	0.03	-	-
	Smt. BH. Kaushalya	-	-	0.02	0.03	-	-
	Sri. P. Manoj Raj	-	-	0.03	0.01	-	-

\*Refer note 19 and 22 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	2021 - 22	2020 - 21
Loans Received		
- Sirisha Projects Private Limited	-	60.00
- Sri. N.R. Alluri	-	45.00
Loan Repaid		
- AVSR Holdings Private Limited	-	7.46
- Varaprada Real Estates Private Ltd	-	7.28
- Sirisha Projects Private Limited	-	10.00
- Sri. N.R. Alluri	14.50	30.50
Advances Granted		
- Jampana Constructions Private Limited	4.91	21.61
- Shri Aruna Constructions Private Limited	-	45.66
Advances Repayment Received / Adjusted		
- Varaprada Real estates Private Limited	-	11.26
Advances repaid / adjusted		
- NCC Blue Water Products Limited	0.09	-
Mobilisation Advance Recovered / Adjusted by the Group		
- Shri Aruna Constructions Private Limited	-	7.10
Remittance to Trade Payables		
- Jampana Constructions Private Limited	3.86	3.51
- Shri Aruna Constructions Private Limited	-	9.91
- Paschal Form Work (India) Private Limited	0.86	-
Trade / Accounts Receivables realised		
- Brindavan Infrastructure Company Limited	-	0.24
Material Purchases & Services		
- Paschal Form Work (India) Private Limited	0.51	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
Interest Expense		
- AVSR Holdings Private Limited	-	0.22

## 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	2021 - 22	2020 - 21
- Varaprada Real estates Private Limited	5.91	0.31
- Sri. N.R. Alluri	-	0.59
Reimbursement of Expenses		
- Shri Aruna Constructions Private Limited	-	1.60
- Matrix Security and Surveillance Private Limited#	-	0.64
- Jampana Constructions Private Limited	0.10	-
- Sridevi Properties	0.10	-
- NCC Blue Water Products Limited	0.04	-
Sub Contract Work Bills		
- Jampana Constructions Private Limited	12.83	11.85
- Shri Aruna Constructions Private Limited	-	64.61
Contribution towards Corporate Social Responsibility		
- NCC Foundation	5.41	-
Remuneration (Including Commission)		
- Sri. A.A.V. Ranga Raju	6.41	5.02
- Sri. A.S.N. Raju	3.28	2.57
- Sri. A.G.K. Raju	3.27	2.56
- Sri. A.V.N. Raju	3.22	2.53
Directors Sitting Fees		
- Sri. Hemanth M Nerurkar	0.23	0.19
- Smt. Renu Challu	0.17	0.13
- Dr. Durga Prasad Subramanyam Anapindi	0.24	0.20
- Sri Om Prakash Jagetiya\$	0.17	-
Rent Expenses		
- Sirisha Projects Private Limited	9.85	9.70
Dividend Paid		
- AVSR Holdings Private Limited	5.02	1.22
- Sri. A.A.V. Ranga Raju#	-	0.27
- Sirisha Projects Private Limited	1.49	0.33

# 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.

# Notes forming part of the consolidated financial statements

## 39 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, 2022	As at March 31, 2021
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	62.84%	62.84%
NCC Vizag Urban Infrastructure Limited (Refer note 39.2 (c))	India	-	95%
Patnitop Ropeway & Resorts Limited#	India	-	-
NCC International Convention Centre Limited \$	India	-	100%
Pachhvara 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%
<b>Subsidiaries of NCC Urban Infrastructure Limited</b>			
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%
Sri Raga Nivas Ventures Private Limited^	India	-	100%
Mallelavanam Property Developers Private Limited	India	100%	100%
Sradha Real Estates Private Limited@	India	-	100%
Siripada Homes Private Limited@	India	-	100%
NJC Avenues Private Limited (Refer note 39.2 (a))	India	-	-
Nagarjuna Suites Private Limited^^	India	-	100%
NCC Urban Homes Private Limited	India	100%	100%
NCC Urban Ventures Private Limited	India	100%	100%
NCC Urban Meadows Private Limited@	India	-	100%
NCC Urban Villas Private Limited@	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, 2022	As at March 31, 2021
<b>Subsidiaries of NCC Infrastructure Holdings Limited</b>			
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%##
<b>Subsidiaries of NCC Infrastructure Holdings Mauritius Pte. Limited</b>			
Al Mubarakia Contracting Co. L.L.C.	Dubai	100%	100%
<b>Subsidiary of Nagarjuna Construction Company International L.L.C.</b>			
NCCA International Kuwait General Contracts Company L.L.C.	Kuwait	100%	100%
<b>Partnership Firm of NCC Urban Infrastructure Limited</b>			
NR Avenues (Refer note 39.2 (b))	India	-	-
<b>Associates of the NCC Limited</b>			
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%
<b>Associates of the NCC Infrastructure Holdings Limited</b>			
Pondicherry Tindivanam Tollway Limited	India	47.80%	47.80%
Ekana Sportz City Private Limited	India	26.00%	26.00%
<b>Associates of the NCC Infrastructure Holdings Mauritius Pte. Limited</b>			
Himalayan Green Energy Private Limited	India	50.00%	50.00%
Apollonius Coal and Energy Pte. Ltd.	Singapore	44.22%##	44.22%##
<b>Associate of the NCC Urban Infrastructure Limited</b>			
Varapradha Real Estates Private Limited	India	40.00%	40.00%

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

\$ Struck off from the register of companies w.e.f June 22, 2021.

@ Struck off from the register of companies w.e.f April 09,2021.

^ Struck off from the register of companies w.e.f December 02,2021.

^^ Struck off from the register of companies w.e.f January 31,2022.

## Including holding by NCC Limited.

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

### 39.1 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.

### 39.2 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.

(c) Ceased to be Subsidiary with effect from March 31, 2022.

# Notes forming part of the consolidated financial statements

## 39.3 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, 2022	Year ended March 31, 2021
Revenue	0.48	0.48
Profit / (loss) for the year	(50.52)	(18.63)
Total comprehensive income	(50.52)	(18.63)
Add: Consolidation adjustment	33.51	-
Total comprehensive income after consolidation adjustment	(17.01)	(18.63)
Non-controlling interest %	37.16%	37.16%
Profit / (loss) allocated to non-controlling interests	(6.32)	(6.92)

### (ii) Summarised Balance Sheet:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	As at March 31, 2022	As at March 31, 2021
Current assets (a)	16.40	12.91
Current liabilities (b)	120.29	105.84
Net current Assets (c) = (a) - (b)	(103.89)	(92.93)
Non-current assets (d)	441.64	481.20
Non-current liabilities (e)	-	-
Net non-current Assets (f) = (d) - (e)	441.64	481.20
Net assets (g)=(c)+(f)	337.75	388.28
Add: Consolidation adjustment	-	-
Net assets after consolidation adjustment	337.75	388.28
Non-controlling interest %	37.16%	37.16%
Accumulated non-controlling interests	125.51	144.28

### (iii) Summarised Cash Flow:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities	(1.01)	(4.72)
Cash flows from investing activities	5.12	4.32
Cash flows from financing activities	(0.03)	0.47
Net increase/(decrease) in cash and cash equivalents	4.08	0.07

## 39.4 Financial information in respect of individually immaterial associates:

(₹ in crores)

Particulars	NCC Infrastructure Holdings Limited	
	Year ended March 31, 2022	Year ended March 31, 2021
Aggregate carrying amount of investments in individually immaterial associates as at	115.85	122.00
Aggregate group share of		
Profit for the year	1.40	1.29

# Notes forming part of the consolidated financial statements

## 40 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, 2022							
	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)
<b>NCC Limited</b>	103.58%	5,803.17	101.60%	490.12	111.90%	(2.82)	101.54%	487.30
<b>Subsidiaries</b>								
<b>Indian</b>								
NCC Urban Infrastructure Limited	6.04%	338.66	3.74%	18.02	2.78%	(0.07)	3.74%	17.95
NCC Infrastructure Holdings Limited	6.03%	337.74	(10.47%)	(50.52)	0.00%	-	(10.53%)	(50.52)
Samashti Gas Energy Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NCC Infra Limited	0.32%	17.70	0.00%	-	0.00%	-	0.00%	-
NCC Vizag Urban Infrastructure Limited	0.00%	-	(0.01%)	(0.05)	0.00%	-	(0.01%)	(0.05)
OB Infrastructure Limited	3.03%	169.90	2.68%	12.94	0.00%	-	2.70%	12.94
NCC International Convention Centre Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Pachhwarra Coal Mining Private Limited	0.21%	11.71	5.24%	25.30	0.00%	-	5.27%	25.30
Talaipalli Coal Mining Private Limited	0.00%	(0.25)	0.00%	-	0.00%	-	0.00%	-
Savitra Agri Industrial Park Private Limited	1.12%	62.95	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
CSVS Property Developers Private Limited	0.03%	1.83	0.00%	-	0.00%	-	0.00%	-
Dhatri Developers & Projects Private Limited	0.11%	6.39	0.00%	-	0.00%	-	0.00%	-
JIC Homes Private Limited	0.03%	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%	2.28	0.00%	-	0.00%	-	0.00%	-
Sri Raga Nivas Ventures Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sushanti Avenues Private Limited	0.08%	4.66	0.00%	-	0.00%	-	0.00%	-
Vera Avenues Private Limited	0.02%	1.40	0.00%	-	0.00%	-	0.00%	-
Vara Infrastructure 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%	-
<b>Foreign</b>								
Nagarjuna Construction Company International L.L.C.	0.11%	6.23	(14.85%)	(71.66)	374.60%	(9.44)	(16.90%)	(81.10)
NCC Infrastructure Holdings Mauritius Pte Limited	0.72%	40.28	(1.65%)	(7.97)	729.76%	(18.39)	(5.49%)	(26.36)

## Notes forming part of the consolidated financial statements

Name of the Entities in the Group	All the numbers belong to the year March 31, 2022							
	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)
Al Mubarakia Contracting Co. L.L.C.	0.00%	-	0.00%	-	2.78%	(0.07)	(0.01%)	(0.07)
Nagarjuna Contracting Co. L.L.C.	0.00%	-	0.00%	-	0.79%	(0.02)	0.00%	(0.02)
NCCA International Kuwait General Contracts Company L.L.C.	0.06%	3.19	0.00%	-	4.37%	(0.11)	(0.02%)	(0.11)
<b>Partnership Firm</b>								
AKHS Homes LLP	0.00%	0.03	0.00%	-	0.00%	-	0.00%	-
Kedarnath Real Estates LLP	0.03%	1.43	0.00%	-	0.00%	-	0.00%	-
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	0.00%	-	0.00%	-	0.00%	-
PRG Estates LLP	0.02%	1.34	0.00%	-	0.00%	-	0.00%	-
Thrilekya Real Estates LLP	0.03%	1.60	0.00%	-	0.00%	-	0.00%	-
Varma Infrastructure LLP	0.03%	1.41	0.00%	-	0.00%	-	0.00%	-
<b>Non Controlling Interest</b>	(5.24%)	(293.41)	(2.41%)	(11.62)	(0.79%)	0.02	(2.42%)	(11.60)
<b>Associates</b>								
(Investment as per equity method)								
<b>Indian</b>								
Himalayan Green Energy Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Paschal Form Work (India) Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Ekana Sportz city Private Limited	0.41%	23.19	(0.03%)	(0.13)	0.00%	-	(0.03%)	(0.13)
Brindavan Infrastructure Company Limited	0.22%	12.44	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Pondicherry Tindivanam Tollway Limited	0.00%	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Varapradha Real Estates Private Limited	1.43%	80.22	0.32%	1.55	0.00%	-	0.32%	1.55
<b>Foreign</b>								
Nagarjuna Facilities Management Services L.L.C.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Apollonius Coal and Energy Pte. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total before CFS adjustments &amp; eliminations</b>		<b>6,645.29</b>		<b>405.94</b>		<b>(30.90)</b>		<b>375.04</b>
CFS adjustments & eliminations	(18.61%)	(1,042.55)	15.85%	76.47	(1126.19%)	28.38	21.85%	104.85
<b>Total</b>	<b>100.00%</b>	<b>5,602.74</b>	<b>100.00%</b>	<b>482.41</b>	<b>100.00%</b>	<b>(2.52)</b>	<b>100.00%</b>	<b>479.89</b>

# Notes forming part of the consolidated financial statements

## 41 Financial instruments

### 41.1 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, 2022	As at March 31, 2021
<b>Equity</b>	<b>5,896.15</b>	5,469.41
Short-term borrowings and current portion of long-term borrowings	<b>1,182.25</b>	1,892.43
Long-term borrowings	<b>120.18</b>	169.61
Cash and cash equivalents	<b>(266.54)</b>	(191.64)
<b>Net debt</b>	<b>1,035.89</b>	1,870.40
<b>Total capital (equity + net debt)</b>	<b>6,932.04</b>	7,339.81
Gearing ratio	<b>0.18</b>	0.34

### 41.2 Categories of financial instruments

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Mandatorily measured:		
Equity investments in other entities	<b>211.25</b>	213.43
Investments in Mutual funds	<b>18.72</b>	104.20
<b>Measured at amortised cost</b>		
Cash and bank balances	<b>600.53</b>	504.58
Other financial assets at amortised cost	<b>3,648.10</b>	3,389.89
<b>Measured at cost</b>		
Investments in equity instruments in associates		
Equity shares	<b>115.85</b>	122.00
	<b>4,594.45</b>	4,334.10
<b>Financial liabilities</b>		
Measured at amortised cost	<b>5,825.22</b>	6,016.48

### 41.3 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 ₹ 1,302.43 crores (31.03.2021: ₹ 2,062.04 crores) as of 31.03.2022, the floating rate borrowings are ₹ 1,109.58 crores (31.03.2021: ₹ 1,485.46 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 ₹ 5.55 crores for the year ended March 31, 2022 (31.03.2021: ₹ 7.43 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, 2022 and March 31, 2021.

**(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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD (crores)	4.23	4.24	5.26	5.26
INR (₹ in crores)	320.60	310.80	399.07	385.54
EURO (crores)	0.08	-	-	-
EURO (₹ in crores)	6.92	-	-	-
GBP (crores)	0.10	-	-	-
GBP (₹ in crores)	10.20	-	-	-

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, 2022	As at March 31, 2021
Impact of ₹1 strengthening against US Dollar on profit or (loss) for the year	(1.03)	(1.02)
Impact of ₹ 1 weakening against US Dollar on profit or (loss) for the year	1.03	1.02
Impact of ₹ 1 strengthening against US Dollar on Equity as at the end of the reporting period	(1.03)	(1.02)
Impact of ₹ 1 weakening against US Dollar on Equity as at the end of the reporting period	1.03	1.02

**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, 2022:

(₹ in crores)

	Carrying amount	Payable			Total contracted cash flows
		Within 1 year	1-3 year	Beyond 3 years	
Accounts payable and acceptances	4,423.44	4,205.00	176.37	42.07	4,423.44
Borrowings and interest accrued	1,389.74	1,269.56	118.15	2.03	1,389.74
Other financial liabilities	12.04	12.04	-	-	12.04
<b>Total</b>	<b>5,825.22</b>	<b>5,486.60</b>	<b>294.52</b>	<b>44.10</b>	<b>5,825.22</b>

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
<b>Total</b>	<b>6,016.48</b>	<b>5,615.27</b>	<b>312.60</b>	<b>88.61</b>	<b>6,016.48</b>

## 41.4 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, 2022	As at March 31, 2021		
Investments in Mutual funds at FVTPL	<b>18.72</b>	104.20	Level 1	Refer note 2
Investments in unquoted equity instruments at FVTPL	<b>1.52</b>	3.70	Level 2	Refer note 3(a)
Investments in unquoted equity instruments at FVTPL	<b>209.73</b>	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, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortised cost:				
- Trade receivables	2,653.12	2,653.12	2,879.21	2,879.21
- Cash and cash equivalents	266.54	266.54	191.64	191.64
- Bank balances other than cash and cash equivalents	333.99	333.99	312.94	312.94
- Loans	367.06	367.06	52.65	52.65
- Other financial assets	627.92	627.92	458.03	458.03
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Borrowings	1,302.43	1,302.43	2,062.04	2,062.04
- Trade payables	4,423.44	4,423.44	3,855.09	3,855.09
- Other financial liabilities	99.35	99.35	99.35	99.35

### Note:

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

## 42 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.

## 43 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 Mar 2018 for enforcement of SIAC Award dt. January 24, 2018 (First Award). 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 jurisdiction issue was heard substantially and the next hearing is scheduled on May 13, 2022. In the meanwhile, by way of an Interim Order dt. March 13, 2018, NCCIHL is restrained to sell, alienate, mortgage, or create any third-party interest in its assets, except in the ordinary course of business.

Further, TAQA/HSPL and NCCIHL have filed setting aside (of award) applications in Singapore High Court in April and June 2018 respectively. In Jan 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 by way of Judgement/Order dt. October 29, 2020, NCCIHL's appeal was dismissed and TAQA/HSPL's appeal was allowed in part and ordered for remission of part of Award to the Arbitral Tribunal for its decision. The hearings on this remitted matter are concluded and the decision on the same is awaited.

In the meanwhile, NCCIHL has invoked another arbitration in December, 2018 under the SIAC rules against HSPL/TAQA for Incentive Payments payable under the provisions of Securities Purchase Agreement (SPA). TAQA has raised counter claims against NCCIHL and NCC (for payment of awarded amount to HSPL from Award dt. January 24, 2018) and filed an application with the Arbitral Tribunal for joinder of NCC to the arbitration. The Tribunal has agreed for Joinder of NCC. By the Award dt. February 04, 2022 (Second Award), the Arbitral Tribunal has rejected claims of both the parties and only certain costs were awarded to the parties.

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 dt. January 24, 2018 has become final since it was not challenged by TAQA in the Singapore High Court. NCLT has dismissed NCCIHL's application citing couple of reasons including the reason that there are pending disputes between the parties. NCCIHL has filed an appeal in NCLAT (Chennai) and the matter is listed on July 20, 2022. NCCIHL has also filed a petition in Madras High Court against TAQA, for enforcement of Award for this ₹ 9.00 crores and after hearing both the parties the Court on January 11, 2022, has allowed this petition and pronounced a judgement stating that the Award is enforceable as a decree of this Court. TAQA has filed an appeal in the Supreme Court and the hearing is tentatively listed for May 19, 2022.

During the current Financial Year 2021-22, 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 ₹ 14.36 crores is provided under "Other Current Liabilities" in addition to the provision made in previous years.

**44** 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.

**44.A** In respect of subsidiary Nagarjuna Contracting Co. L.L.C., as at March 31, 2022, the Entity has a law suit with the customer and the matter is pending before the courts. During the financial year 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.

**45** During the year ended March 31, 2022, NCC Limited has sold its entire stake in the Subsidiary company, NCC Vizag Urban Infrastructure Limited for a consideration amounting to ₹ 199.50 crores. On disposal of the subsidiary, gain of ₹ 191.19 crores is recognised as exceptional item in the consolidated Statement of Profit and Loss.

# Notes forming part of the consolidated financial statements

## 46 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

## 47 Segment Reporting:

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

(₹ in crores)

Geographical Segment	Revenue for the year ended	Segment assets as at *
Within India		
<b>March 31, 2022</b>	<b>11,065.13</b>	<b>1,834.33</b>
March 31, 2021	7,761.29	1,730.94
Outside India		
<b>March 31, 2022</b>	<b>72.83</b>	<b>236.17</b>
March 31, 2021	188.13	248.36

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

## 48 Earnings per share:

	March 31, 2022	March 31, 2021
Net Profit after tax available for equity shareholders (₹ in crores)	<b>482.41</b>	268.31
Weighted Average number of equity shares for Basic EPS (Nos)	<b>609,846,588</b>	609,846,588
Weighted Average number of equity shares for Diluted EPS (Nos)	<b>614,097,235</b>	610,598,660
Face value per share (₹)	<b>2.00</b>	2.00
Basic EPS (₹)	<b>7.91</b>	4.40
Diluted EPS (₹)	<b>7.86</b>	4.39

# Notes forming part of the consolidated financial statements

## 49 Corporate Social Responsibility:

(₹ in crores)

	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	10.67	10.96
b) Amount approved by the Board to be spent during the year	10.68	13.17*

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

### c) Amount spent during the year ended:

(₹ in crores)

Particulars	March 31, 2022			March 31, 2021		
	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	8.54	-	8.54	4.14	-	4.14
<b>Total</b>	<b>8.54</b>	<b>-</b>	<b>8.54</b>	<b>4.40</b>	<b>-</b>	<b>4.40</b>

### d) Details related to spent / unspent obligations:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
i) Spent for CSR activities (for On going project ₹ 0.04 crores (31.03.2021: ₹ 2.96 crores) during the year ended March 31, 2022)	1.00	4.10
ii) Contribution	7.54	0.30
iii) Unspent amount in relation to:		
- Ongoing project *	2.14	8.77
- Other than ongoing project	-	-
<b>Total</b>	<b>10.68</b>	<b>13.17</b>

\* Unspent amount of ₹ 2.14 crores (31.03.2021: ₹ 8.77 crores) is deposited in the separate bank account on April 29, 2021) deposited in the separate bank account on April 30, 2022.

### e) Others:

Particulars	March 31, 2022	March 31, 2021
i) Reason for shortfall	Identification of the Govt schools and colleges for implementation of the project in the State of Uttar Pradesh was delayed because of the state election.	Unable to execute the projects due to Covid-19.
ii) Nature of CSR activities	Rural Development, Education, Health care and Skill development.	Rural Development, Education, Health care and Skill development.
iii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard Contribution to NCC Foundation in relation to CSR expenditure	5.41	-

## Notes forming part of the consolidated financial statements

**50** The exceptional items for the year ended March 31, 2022 is ₹ 203.57 crores, pertains to Profit on sale of stake in the Subsidiary Company, NCC Vizag Urban Infrastructure Limited, additional area allotted to NCC Limited on approval of revised plan as per the contractual terms in relation to Investment property under construction, provision made for impairment of investment and provision made on obligation on sale of investment.

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

**51** 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.

### **52 Deferred tax assets (Net):**

**Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2022:** (₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Deferred tax (liabilities) / assets in relation to:		
Property, plant and equipment	(5.72)	(11.55)
Provision for doubtful trade receivables, contract assets, advances and others	50.41	48.17
Provision for employee benefits	32.68	28.85
MAT Credit entitlement	9.11	5.65
Deferment in recognition of income	(22.22)	(22.22)
Others	-	8.71
<b>Total</b>	<b>64.26</b>	<b>57.61</b>

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

	As at March 31, 2022	As at March 31, 2021
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	491.10	1,043.24
- Unused tax credits	94.99	134.33
<b>Total</b>	<b>586.09</b>	<b>1,177.57</b>

**53** Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of ₹ 582.05 crores (31.03.2021: ₹ 799.92 crores).

Change in the contract assets and contract liabilities as at March 31, 2022 from March 31, 2021 is on account of increase in operations of the Company.

### **54 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.

# Notes forming part of the consolidated financial statements

## 55 Performance obligation:

The transaction price allocated to the remaining performance obligations is (excluding non-moving orders) ₹ 39,361 crores (31.03.2021: ₹ 37,911 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.

56 Pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad, vide order dated August 26, 2021, Aster Rail Private Limited and Vaidehi Avenues Limited (wholly owned subsidiaries) have merged with the Company, with effect from April 1, 2020, being the appointed date as per the scheme.

57 The trade receivables and contract assets includes an amount of ₹ 189.52 crores (31.03.2021 ₹ 254.15 crores) (net of mobilisation advance and provisions) 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 slow movement of execution of the work / payment in these projects. Management based on its internal assessments and discussions with the agencies is of the view that no further provision is required in this regard.

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

The Group has assessed the possible impact of COVID-19 pandemic on its operations, liquidity position and recoverability of its asset balances as at March 31, 2022 based on the internal and external sources of information upto the date of approval of these audited consolidated financial statements. The management will continue to monitor any material changes to the future economic conditions.

59 No transactions made with the Struck off Companies in the current year (31.03.2021: ₹ Nil).

60 Previous period's figures have been regrouped wherever necessary to conform to current period's presentation.

## 61 Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on May 11, 2022.

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 11, 2022



Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies.

**PART A: Subsidiaries**

(₹ in crores)

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency	Share Capital	Other Equity	Total Liabilities	Total equity & Liabilities	Total Assets	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Extent of shareholding (In percentage)
1	NCC Urban Infrastructure Limited	8-Dec-2006	INR	250.00	88.66	313.19	651.85	651.85	113.03	343.42	31.67	13.66	18.02	80%
2	NCC Infrastructure Holdings Limited	27-May-2005	INR	709.49	(371.74)	120.29	458.04	458.04	441.41	0.48	(50.52)	-	(50.52)	62.84%
3	Samashiti Gas Energy Limited	29-Sep-2010	INR	0.05	-	-	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	OB Infrastructure Limited	31-Mar-2006	INR	13.34	156.56	23.03	192.92	192.92	17.65	89.64	13.48	0.55	12.94	64.02%
6	Pachhwarra Coal Mining Private Limited	1-Jun-2016	INR	0.20	11.51	51.38	63.09	63.09	-	864.86	33.84	8.54	25.30	51%
7	Talaipalli Coal Mining Private Limited	25-Dec-2017	INR	0.09	(0.34)	0.25	0.01	0.01	-	-	(0.00)	-	(0.00)	51%
8	Savitra Agri Industrial Park Private Limited	17-Feb-2017	INR	0.12	62.83	-	62.95	62.95	-	-	(0.02)	-	(0.02)	100%
9	CSVs Property Developers Private Limited	13-Feb-2007	INR	0.05	1.78	0.00	1.83	1.83	-	-	(0.00)	-	(0.00)	100%
10	Dhatri Developers & Projects Private Limited	13-Feb-2006	INR	0.10	6.29	0.00	6.39	6.39	-	-	(0.00)	-	(0.00)	100%
11	JIC Homes Private Limited	12-Feb-2007	INR	0.05	1.77	0.00	1.82	1.82	-	-	(0.00)	-	(0.00)	100%
12	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%
13	Mallelavanam Property Developers Private Limited	15-Mar-2007	INR	0.05	0.93	0.00	0.98	0.98	-	-	(0.00)	-	(0.00)	100%
14	Sushanti Housing Private Limited	12-Feb-2007	INR	0.05	1.69	0.00	1.74	1.74	-	-	(0.00)	-	(0.00)	100%
15	Sushrutha Real Estate Private Limited	13-Feb-2006	INR	0.10	2.18	0.00	2.28	2.28	-	-	(0.00)	-	(0.00)	100%
16	Sushanti Avenues Private Limited	13-Feb-2006	INR	0.10	4.56	0.00	4.66	4.66	-	-	(0.00)	-	(0.00)	100%
17	Vera Avenues Private Limited	13-Feb-2007	INR	0.05	1.35	0.00	1.40	1.40	-	-	(0.00)	-	(0.00)	100%
18	NCC Urban Ventures Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%
19	NCC Urban Homes Private Limited	11-Sep-2012	INR	0.01	(0.00)	0.00	0.01	0.01	-	-	(0.00)	-	(0.00)	100%

Sl. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting currency	Share Capital	Other Equity	Total Liabilities	Total equity & Liabilities	Total Assets	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	Extent of shareholding (In percentage)
20	Nagarjuna Construction Company International L.L.C.	17-Jan-2007	OMR	252.35	(246.12)	124.79	131.02	131.02	3.41	(33.05)	(71.66)	-	(71.66)	100%
21	NCC Infrastructure Holdings Mauritius Pte Limited	27-Apr-2006	USD	203.71	(163.44)	273.35	313.62	313.62	-	-	(7.97)	-	(7.97)	100%
22	Al Mubarakia Contracting Co. L.L.C.	7-Jul-1997	AED	2.06	(2.06)	-	-	-	-	-	-	-	-	100%
23	Nagarjuna Contracting Co. L.L.C.	20-Jun-2005	AED	0.62	(0.62)	-	-	-	-	-	-	-	-	100%
24	NCCA International Kuwait General Contracts Company L.L.C.	10-Jan-2017	KWD	6.25	(3.06)	-	3.19	3.19	-	-	-	-	-	100%
25	Sradha Real Estates Private Limited	16-Mar-2007	INR	-	-	-	-	-	-	-	-	-	-	100%
26	Vara Infrastructure Private Limited	9-Mar-2007	INR	-	-	-	-	-	-	-	-	-	-	100%
27	Sripada Homes Private Limited	3-Apr-2007	INR	-	-	-	-	-	-	-	-	-	-	100%
28	NCC Urban Meadows Private Limited	11-Sep-2012	INR	-	-	-	-	-	-	-	-	-	-	100%
29	NCC Urban Villas Private Limited	11-Sep-2012	INR	-	-	-	-	-	-	-	-	-	-	100%
30	NCC International Convention Centre Limited	5-Dec-2008	INR	-	-	-	-	-	-	-	-	-	-	100%
31	Sri Raga Nivas Ventures Private Limited	7-Mar-2007	INR	-	-	-	-	-	-	-	-	-	-	100%
32	Nagarjuna Suites Private Limited	14-Sep-2011	INR	-	-	-	-	-	-	-	-	-	-	100%
33	NCC Vizag Urban Infrastructure Limited	25-Jan-2006	INR	-	-	-	-	-	-	-	(0.05)	-	(0.05)	95%

Note:

- Exchange rate as on 31.03.2022: Omani Rial = ₹ 196.872, AED = ₹ 20.63, US\$ = ₹ 75.80, KWD = ₹ 250.16, QAR = ₹ 20.82.
- Reporting period for all subsidiaries is same as of holding company i.e., 1st April to 31st March.
- Pachhvara Coal Mining Private Limited declared and paid a dividend of ₹ 22.90 crores during the FY 2021-22.
- Percentage of ownership interest in step subsidiaries and associates reported above represents ownership interest of immediate holding company and not the effective interest of the Group, except for Savitra Agri Industrial Park Private Limited.
- SI No. 25 to 29 - On application from the respective company, were struck off by the RoC, Hyderabad w.e.f April 09, 2021.
- SI No. 30 - On application from the Company was struck off by the RoC, Hyderabad w.e.f June 22, 2021.
- SI No. 31 - On application from the Company was struck off by the RoC, Hyderabad w.e.f December 02, 2021.
- SI No. 32 - On application from the Company was struck off by the RoC, Hyderabad w.e.f January 31, 2022.
- SI No. 33 - ceased to be Subsidiary with effect from March 31, 2022.

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

## Part B: Associates

(₹ in crores)

S. No.	Name of associates	Latest audited Balance Sheet Date	Shares of Associate by			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-22	8,643,036	3.46	33.33%	Significant influence due to % of Share capital	NA	12.44	(0.02)
2	Paschal Form Work (India) Private Limited	31-Mar-22	6,549,892	6.91	23.35%	Significant influence due to % of Share capital	NA	0.20	-
3	Nagarjuna Facilities Management Services L.L.C.	31-Mar-22	147	0.17	49.00%	Significant influence due to % of Share capital	NA	-	-
4	Himalayan Green Energy Private Limited	31-Mar-22	1,000,000	-	50.00%	Significant influence due to % of Share capital	NA	-	-
5	Apollonius Coal and Energy Pte. Ltd.	31-Mar-22	3,778,757	-	44.22%	Significant influence due to % of Share capital	NA	-	-
6	Pondicherry Tindivanam Tollway Private Limited	31-Mar-22	3,388,040	-	47.80%	Significant influence due to % of Share capital	NA	-	-
7	Ekana Sportz City Private Limited	31-Mar-22	2,268,000	22.68	26.00%	Significant influence due to % of Share capital	NA	23.19	(0.13)
8	Varapradha Real Estates Private Limited	31-Mar-22	13,344,973	71.50	40.00%	Significant influence due to % of Share capital	NA	77.50	1.55

# REGIONAL OFFICES

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