DRAFT LETTER OF OFFER
June 30, 2014
For the Eligible Equity Shareholders of the Company only

NCC Limited

NCC Limited (the "**Company**" or the "**Issuer**") was incorporated on March 22, 1990 in the Republic of India as a public limited company under the Companies Act, 1956. The corporate identification number of our Company is L72200AP1990 PLC011146. For details in connection with change in name of our Company, please see section titled "History and Corporate Structure" on page 106.

Registered Office: NCC House, Madhapur, Hyderabad – 500 081, India. **Telephone:** +91 40 2326 8888
Facsimile: +91 40 2312 5555
Contact Person: Mr. M.V. Srinivasa Murthy, Company Secretary and Compliance Officer
E-mail: ncc.rights@nccltd.in, **Website:** www.ncclimited.com

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] (INCLUDING A PREMIUM OF ₹ [●]) PER RIGHTS EQUITY SHARE NOT EXCEEDING AN AMOUNT OF ₹ 6,000 MILLION BY THE COMPANY TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS [●] TIMES THE FACE VALUE OF THE RIGHTS EQUITY SHARE. THE ENTIRE ISSUE PRICE FOR THE EQUITY SHARES IS PAYABLE ON APPLICATION. FOR FURTHER DETAILS, PLEASE SEE THE SECTION TITLED "TERMS OF THE ISSUE" ON PAGE 219.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities being offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India, ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this document. **Investors are advised to refer to the section titled "*Risk Factors*" from pages 11 to 37 before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed and traded on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). The GDRs of our Company are listed on the Luxembourg Stock Exchange. Our Company has received in-principle approval from the NSE and the BSE for listing the Rights Equity Shares arising from this Issue pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is [●].

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India Telephone: +91 22 2288 2460 Facsimile: +91 22 2282 6580 Email: ncc.rights@icicisecurities.com Website: www.icicisecurities.com Contact Person: Ayush Jain/ Satish Arcot SEBI Registration No.: INM000011179	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade, Mumbai 400 005 Maharashtra, India Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 Email: ncc.rights@sbicaps.com Website: www.sbicaps.com Contact Person: Nikhil Bhiwapurkar/Sambit Rath SEBI Registration No.: INM000003531	**Karvy Computershare Private Limited** Plot No. 17-24, Vittal Rao Nagar Madhapur, Hyderabad – 500 081 Telephone: +91 40 44655000 Facsimile: +91 40 23431551 Email: ncc.rights@karvy.com Website: www.karisma.karvy.com Contact Person: Mr.Rakesh Santhalia SEBI Registration No.: INR000000221

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS:	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Term	Description
“NCC Limited” or “the Company” or “our Company” or “we” or “us” or “our”	NCC Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office NCC House, Madhapur, Hyderabad – 500 081
Articles/Articles of Association/AoA	Articles of Association of our Company, as amended from time to time
Board / Board of Directors	The board of directors of our Company or a committee thereof
Compliance Officer and Company Secretary	Mr. M.V. Srinivasa Murthy
Director(s)	Any or all director(s) of our Company, as the context may require
Equity Share(s)	The equity share(s) of our Company having a face value of ₹ 2 each
GDRs	GDRs outstanding as of the date of this Draft Letter of Offer in relation to 23.48 million GDRs issued by the Company in Fiscal 2006
Group Companies	Companies, firms, ventures, etc. promoted by the Promoters of our Company
Memorandum/Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
Promoters	The Promoter(s) of the Company namely Dr. A.V.S. Raju, Mr. Alluri Ananta Venkata Ranga Raju, Mr. Alluri Sreemannarayana Raju, Mr. Alluri Gopala Krishnam Raju, Mr. Alluri Narayana Raju, Mr. Alluri Venkata Narasimha Raju, Mr. Jampana Venkata Ranga Raju, Mr. Alluri Srinivasa Rama Raju and Mr. Alluri Kodanda Harinatha Sri Rama Raju
Promoter Group	Promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations
Registered Office	NCC House, Madhapur, Hyderabad – 500 081
Statutory Auditors /Joint Statutory Auditors	Joint Statutory Auditors of our Company, namely, M/s. M. Bhaskara Rao & Co, Chartered Accountants and M/s. Deloitte Haskins & Sells, Chartered Accountants
Subsidiaries	Subsidiaries of the Company being, NCC Infrastructure Holdings Limited, NCC Urban Infrastructure Limited, NCC Vizag Urban Infrastructure Limited, Nagarjuna Construction Co.Ltd and Partners LLC, OB Infrastructure Limited, Aster Rail Private Limited, NCC Power Projects (Sompeta) Private Limited, NCC Infrastructure Holdings Mauritius Pte. Limited, Nagarjuna Construction Company International LLC, Nagarjuna Contracting Co.LLC, Patnitop Ropeway and Resorts Limited, Western UP Tollway Limited, Vaidehi Avenues Limited, NCC International Convention Centre Limited, NCC Oil & Gas Limited, Nagarjuna Construction Company (Kenya) Limited, Naftogaz Engineering Private Limited*, Liquidity Limited, Dhatri Developers & Projects Private Limited, Sushanti Avenues Private Limited, Sushruta Real Estates Private Limited, PRG Estates Private Limited, Thrilekya Real Estates Private Limited, Varma Infrastructure Private Limited, Nandyala Real Estates Private Limited, Kedarnath Real Estates Private Limited, AKHS Homes Private Limited, JIC Homes Private Limited, Sushanthi Housing Private Limited, CSVS Property Developers

Term	Description
	Private Limited, Vera Avenues Private Limited, Sri Raga Nivas Property Developers Private Limited, VSN Property Developers Private Limited, M A Property Developers Private Limited, Vara Infrastructure Private Limited, Sri Raga Nivas Ventures Private Limited, Mallelavanam Property Developers Private Limited, Sradha Real Estates Private Limited, Sripada Homes Private Limited, NJC Avenues Private Limited, NCC Urban Lanka (Private) Limited, Al Mubarakia Contracting Company LLC, NCCA International Kuwait General Contracting Company LLC, NCC W.L.L., Qatar, Samashti Gas Energy Limited, NCC Infra Limited, NCC Urban Homes Pvt Ltd, NCC Urban Ventures Pvt. Ltd, NCC Urban Meadows Private Limited, NCC Urban Villas Private Limited, Nagarjuna Suites Private Limited * *Notice was served by the Ministry of Corporate Affairs on July 15, 2011 under section 560(3) of the Companies Act, 1956 for striking off the name and dissolution of Naftogaz Engineering Private Limited and the same is under process.*

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act
Allottee(s)	The successful applicant(s) eligible for Allotment of the Rights Equity Shares pursuant to the Issue
Allotment/Allotted	Unless the context otherwise requires, the Allotment of the Rights Equity Shares pursuant to the Issue to the Allottees
Applicant(s)	The Eligible Equity Shareholders and/or the Renouncees who are entitled to apply or have applied for the Rights Equity Shares under the Issue, as the case may be
Application	Application made by the Applicant whether submitted by way of the CAF or the SAF or in the form of a plain-paper Application, to subscribe to the Rights Equity Shares issued pursuant to the Issue at the Issue Price
Application Amount	The aggregate value of the Application indicated in the Application Form or the SAF or in the plain paper application, payable at the time of the Application
Application Form	The form in terms of which an Applicant shall make an Application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper Applications
ASBA/Application Supported by Blocked Amount	An Application (whether physical or electronic) used compulsorily by ASBA Applicants to make an application authorizing the SCSB to block the amount payable on application in the ASBA account
ASBA Account	Account maintained with a SCSB and specified in the CAF or plain paper Application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper Application, as the case may be
ASBA Applicant(s)	Applicants who; ▪ hold the Equity Shares in dematerialized form as on the Record Date and have applied towards his/her Rights Entitlements or

Term	Description
	additional Rights Equity Shares in the Issue in dematerialized form; ▪ have not renounced his/her Rights Entitlements in full or in part; ▪ are not a Renouncee; ▪ apply through a bank account maintained with one of the SCSBs; and ▪ have not split the CAF Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if Application Amount does not exceed ₹ 2,00,000
Bankers to the Issue	The bankers to the Issue being [●]
BSE	BSE Limited
Composite Application Form/CAF	Form used by an Investor to make an Application for Allotment of the Equity Shares in the Issue, or renounce his Rights Entitlement or request for the SAFs, and used by sole Renouncee to make an Application for Allotment of the Equity Shares in the Issue to the extent of renunciation of Rights Entitlement in their favour
Consolidated Certificate	In case of request for allotment of the Rights Equity Shares in physical form, our Company would issue one single certificate for the Rights Equity Shares allotted to one folio
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate Applications under the Issue by the ASBA Investors with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper Application, as the case may be, from the ASBA Investor and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Stock Exchange	[●]
Draft Letter of Offer/DLOF	This Draft letter of offer dated June 30, 2014 issued by the Company in accordance with the SEBI (ICDR) Regulations and filed with SEBI for its observations.
Eligible Equity Shareholder(s)	The holder(s) of the Equity Shares as on the Record Date
Insurance Company	An insurance company registered with the Insurance Regulatory and Development Authority in India
Investor(s)	The Eligible Equity Shareholders of our Company on the Record Date i.e. [●], and the Renouncees
I-Sec	ICICI Securities Limited
Issue	This issue of [●] Equity Shares of face value of ₹ 2 each ("**Rights Equity Shares**") of the Company for cash at a price of ₹ [●] (including a premium of ₹ [●]) per the Rights Equity Share not exceeding an amount of ₹ 6,000 million by the Company to the Eligible Equity Shareholders of the Company in the ratio of [●] Rights Equity Shares for every [●] full paid-up Equity Shares held on the Record Date, i.e. [●] (the "**Issue**"). The Issue Price of each

Term	Description
	Rights Equity Share is [●] times the face value of the Rights Equity Share
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	The monies received by our Company pursuant to issue of the Rights Equity Shares which are allotted pursuant to the Issue
Lead Managers	ICICI Securities Limited and SBI Capital Markets Limited
Letter of Offer/LOF	The letter of offer to be filed with the Stock Exchanges after incorporating SEBI's observations and comments on the Draft Letter of Offer
Listing Agreement	Listing agreements entered into between the Company and the Stock Exchanges
Monitoring Agency	[●]
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, see the section "Objects of the Issue" on page 63
Non Institutional Investor(s)	All Investors including sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for the Equity Shares for an cumulative amount more than ₹ 2,00,000.
Non Retail Investor(s)	Investors who are QIBs or Non Institutional Investors
NSE	National Stock Exchange of India Limited
QIB(s) / Qualified Institutional Buyer(s)	Qualified institutional buyers as defined under Regulation 2 (1)(zd) of the SEBI (ICDR) Regulations.
Record Date	[●]
Registered Foreign Portfolio Investors/ Foreign Portfolio Investors/ Registered FPIs/ FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Registrar to the Issue or Registrar	Karvy Computershare Private Limited, situated at Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081
Renouncee(s)	Any person(s) who have/has acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investor(s)	Individual Investors who have applied for the Rights Equity Shares for an amount not more than ₹ 200,000 (including HUFs applying through their Karta)
Rights Entitlement	The number of the Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his/ her shareholding in our Company as on the Record Date
Rights Equity Shares	The Equity Shares offered and to be issued and allotted pursuant to the Issue
SAF(s)	Split Application Form(s)
SBI Caps	SBI Capital Markets Limited
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Stock Exchanges	The NSE and the BSE
Working Day	Any day, other than Sunday or public holidays, on which commercial banks are open for business in Mumbai

Conventional and General Terms

Term	Description
Civil Procedure Code	Code of Civil Procedure, 1908, as amended
Client ID	Beneficiary account identity
Companies Act	Companies Act, 1956 , as amended (without reference to the sections thereof that have ceased to have effect upon notification of sections of the Companies Act, 2013) (the "**Companies Act, 1956**") read with the applicable provisions of the Companies Act, 2013, to the extent notified and in effect (the "**Companies Act, 2013**"), and together with the Companies Act, 1956, the "**Companies Act**")
Competition Act	The Competition Act, 2002, as amended
Consolidated FDI Policy	Circular 1 of 2014, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, effective from April 17, 2014
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended
Depositories Act	The Depositories Act, 1996, as amended
Depository Participant or DP	A depository participant as defined under the Depositories Act
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations thereunder
FIIs	Foreign institutional investors as defined under the SEBI FPI Regulations
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Financial Year/Fiscal	The period of 12 months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
FVCI or foreign venture capital investors	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
Gratuity Act	Payment of Gratuity Act, 1972, as amended
IT Act	The Income Tax Act, 1961, as amended
Indian GAAP	The generally accepted accounting principles in India
Industrial Policy	The industrial policy and guidelines issued by the Ministry of Industry, GoI
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended
Non Resident	Persons resident outside India as defined in the FEMA
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
Portfolio Investment Scheme	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
Qualified Foreign Investors/ QFI	Qualified foreign investors as defined under the SEBI FPI Regulations
Regulation S	Regulation S under the Securities Act
Rupees / ₹ / Rs.	The lawful currency of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended

Term	Description
Securities Act	The United States Securities Act of 1933, as amended
Supreme Court	Supreme Court of India
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF(s) or Venture capital funds	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Abbreviations

Term	Description
AS	Accounting Standards issued by ICAI
AGM	Annual General Meeting
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
DP ID	Depository participant identity
EGM	Extra ordinary general meeting
EPS	Earnings per equity share, i.e., net profit after tax attributable to equity shares for a financial year divided by the weighted average number of equity shares during the financial year
GDP	Gross Domestic Product
GoI or Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
I.T. Act	Income Tax Act, 1961, as amended
MCA	Ministry of Corporate Affairs
MoU	Memorandum of Understanding
NSDL	National Securities Depository Limited
PAN	Permanent Account Number allotted under the I.T. Act
RBI	Reserve Bank of India
R&D	Research and Development
RoC	The Registrar of Companies, Andhra Pradesh at Hyderabad
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms under the sections titled "*Financial Statements*" and "*Statement of Tax Benefits*" on pages 109 and 70, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer and the issue of the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or the CAF may come are required to inform themselves about and observe such restrictions. We are making this Issue of the Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the CAFs to such shareholders who have provided an Indian address. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer, the Abridged Letter of Offer and the CAFs, shall not be sent this Draft Letter of Offer, the Abridged Letter of Offer and the CAFs. No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed.

The GDRs of our Company were issued pursuant to the deposit agreement between the Company and Deutsche Bank Trust Company Americas ("**Depositary**") dated December 14, 2005 ("**Deposit Agreement**"). Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed ICICI Bank Limited, Mumbai as Custodian to receive and hold on its behalf the share certificates in respect of certain equity shares. Our GDRs are listed on the Luxembourg Stock Exchange.

The Depositary for the Equity Shares underlying the GDRs will deal with the Rights Entitlements corresponding to the GDRs in accordance with the applicable laws and in the manner specified in the Deposit Agreement, entered into for the issuance of the GDRs.

The Rights Entitlements and the Rights Equity Shares of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended, ("Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, ("United States" or "U.S."), or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act, ("Regulation S"), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or rights. Accordingly, this Draft Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a "U.S. person" (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this Issue of the Rights Equity Shares on a rights basis to its Eligible Equity Shareholders and the Abridged Letter of Offer and the CAF will be dispatched to the Eligible Equity Shareholders who have an Indian address.

Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorised to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person' (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the US and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the US; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Our Company is informed that there is no objection to a US shareholder selling its rights in India. Rights Entitlement may not be transferred or sold to any U.S. person.

The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of the Rights Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares. In addition, neither our Company nor the Lead Managers are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Unless stated otherwise, the financial information and data in this Draft Letter of Offer is derived from our Company's audited consolidated and standalone financial statements for the Financial Year ended March 31, 2014 prepared in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act, 1956 and other statutory and/or regulatory requirements.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Our Company is an Indian listed company and prepares its financial statements in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act, 1956 and other statutory and/or regulatory requirements. Indian GAAP differs significantly in certain respects from IFRS. Neither the information set forth in our financial statements nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or any accounting principles other than principles specified in the Indian accounting practices.

In this Draft Letter of Offer, the audited consolidated and standalone financial statements for the Financial Year ended March 31, 2014, certified by the Auditors has been included. For details of such financial statements, please see the section titled "*Financial Statements*" on page 109. We publish our financial statements in Indian Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees in millions.

Currency of Presentation

All references to the "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India, all references to the "Omani rial" are to the currency of Oman and all references to the "Qatari riyal" are to the currency of Qatar.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in millions. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

All references to "India" contained in this Draft Letter of Offer are to the Republic of India, all references to the "US", or the "U.S." or the "USA" is to the United States of America. In this Draft Letter of Offer, references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as "may", "will", "aim", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "seek to", "future", "objective", "goal", "project", "should", "potential" and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, factors affecting:

- long term nature of our projects expose us to a variety of implementation risks, including construction delays, delay or disruption in supply of raw materials, delays in acquisition of land, unanticipated cost increases, cost overruns and disputes with our joint venture partners;
- delay in connection with the collection of receivables from our clients or defaults in customer payments;
- general, political, economic, social and business conditions in India and other countries;
- the Company's ability to successfully implement its strategy and its growth and expansion plans;
- performance of the Indian debt and equity markets;
- occurrence of natural calamities or natural disasters affecting the areas in which we have operations;
- changes in laws and regulations that apply to companies in India and other jurisdictions where we operate;
- changes in the foreign exchange control regulations in India;
- the Company's ability to successfully implement its long-term projects and execute its contracts; and
- changes to laws, regulations and policies applicable to companies in the industries in which the Company is involved.

For a further discussion of factors that could cause our Company's actual results to differ, please refer to the section titled "*Risk Factors*" on page 11. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Managers nor any of its respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchanges requirements, our Company and Lead Managers will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the section "Our Business" beginning on page 84 as well as the other financial and statistical information contained in this Draft Letter of Offer. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, financial condition and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment.

Internal risk

Risks Relating to Our Business

1. ***There are outstanding litigation proceedings against our Company and our Subsidiaries, an adverse outcome in which could have a material adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

   Our Company and our Subsidiaries are involved in certain legal proceedings. A summary of all material litigation and disputes involving potential financial implication of ₹ 276.34 million (1% of the consolidated networth of the Company as on March 31, 2014) or more and certain other litigation which we consider material is in the following tables:

Litigation against our Company:

(in ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Criminal Proceedings	01	Nil
Civil Proceedings	06	2,815
Notices	Nil	Nil
Total	07	2,815

Litigation by our Company:

(in ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Criminal Proceedings	07	591.30
Civil Proceedings	09	269.00
Arbitration Proceedings	02	532.03
Tax Proceedings	04	2,559.84
Notices	Nil	Nil
Total	22	3,952.17

Litigation against our subsidiaries:

(in ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Criminal Proceedings	Nil	Nil
Civil Proceedings	Nil	Nil
Notices	Nil	Nil
Total	Nil	Nil

Litigation by our subsidiaries:

(in ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Criminal Proceedings	Nil	Nil
Civil Proceedings	01	Nil
Arbitration Proceedings	02	2,285.17
Notices	Nil	Nil
Total	03	**2,285.17**

Please see the section "Outstanding Litigations and Other Defaults" on page 204 for further details of the aforementioned legal proceedings.

These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. An adverse outcome in any such proceedings may affect our business, results of operations and financial condition.

2. ***Given the long-term nature of many of our projects, we face various implementation risks and our inability to successfully manage such risks may have an adverse impact on the functioning of our business.***

Some of the projects that we undertake are by their nature long term and, consequently expose us to a variety of implementation risks, including construction delays, delay or disruption in supply of raw materials, delays in acquisition of land, unanticipated cost increases, cost overruns and disputes with our joint venture partners. While we believe that we have successfully managed the implementation risks we have faced in the past, there can be no assurance that we will be able to continue to effectively manage any future implementation risks, which may or may not be of a nature familiar to us. Our future results of operations may be adversely affected if we are unable to effectively manage the implementation risks we face.

3. ***On fixed-price, lump-sum or turn-key contracts, the Company is exposed to increases in the cost of construction materials, fuel, and equipment other than for specified force majeure events which cannot be passed on. This may affect our margins and in turn our operations, financial condition and cash flows.***

We contract to provide services mostly on the basis of a fixed price per unit of work or a lump sum price for the project as a whole and rarely on a cost-plus-fee basis. Under the terms and conditions of such fixed-price or lump-sum contracts, we generally agree to a fixed price for providing engineering, procurement and construction services for the part of the project contracted to us. In the case of turnkey contracts, we generally agree to deliver completed facilities which are in a ready-to-operate condition. Increases in the costs of materials and labour as well as changes in applicable taxation structures or change in the scope of work resulting in an increase in the expenditure are sometimes covered by suitable escalation clauses under such contracts. However, in contracts that lack such provisions or in which the escalation clauses are only limited, we bear all or a portion of the risks of such increases, a factor which we take into account when determining our contract prices. Contract prices are based on a number of assumptions underlying our bids for such contracts. If any of these estimates prove to be inaccurate, or circumstances change, cost overruns could occur and we would experience reduced profits or, in some cases, losses. Variations in the costs from those estimated by us could be caused by various factors, including:

- changes in economic conditions;
- increases in the price and availability of labour, equipment and materials;
- unanticipated changes in engineering design of the project;
- inaccuracies of drawings and technical information provided by clients on which bids were based;
- unforeseen design and engineering construction conditions, site and geological conditions, which may result in delays;

- inability of the clients to obtain requisite environmental and other approvals;
- delays in the delivery of equipment and materials to the project site;
- unanticipated increases in equipment costs;
- changes in applicable taxation structure; and
- delays caused by local and seasonal weather conditions.

Under item rate contracts, we quote rates for individual items of work based on a schedule of quantities or bill of quantity ("**BOQ**"), which is furnished by our customers. The BOQ is an estimate of the quantity of activities involved and these quantities may be varied by the parties during the course of the project.

Although the additional costs associated with the variation in quantities may not pass to us, we would still bear risks associated with any increase in actual costs for construction activities exceeding the agreed rate, unless such item rate contracts contain price escalation clauses which adequately address our increased rates.

These factors could adversely affect our profitability on the affected contracts, and may result in reduced profitability or losses on our project. Depending on the size of such projects, the resulting deviation from estimated contract performance could have a significant effect on our results of operations.

4. ***Delays associated with the collection of receivables from our clients or defaults in customer payments may adversely affect our business, results of our operations, cash flows, and financial condition.***

Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving advances, progress or other payments from the customer in amounts sufficient to cover expenditures as they are incurred. There may be delays associated with the collection of receivables from our clients, including government owned, controlled or funded entities and related parties. As at March 31, 2014, and September 30, 2013 on a consolidated basis, ₹ 4,014.42 million and ₹ 5,172.49 million respectively and 24 %, 32 % of our total trade receivables, respectively were outstanding for a period exceeding six months from the date of due payment. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity, business, cash flows and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned, controlled or funded entities. We are also currently engaged in certain recovery measures involving disputes with our customers, for details see "Outstanding Litigations and Other Defaults" on page 204.

5. ***Demand for our services is dependent on industry and general economic conditions and there can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have a material adverse effect on our business, cash flows and results of operations .***

The demand for our infrastructure development services is dependent on the level of domestic, regional and global economic growth and international trade. As such, we are vulnerable to general economic downturns. Our industry is also directly affected by changes in Government spending and capital expenditures by our customers. The rate of growth of India's economy and of the economies of Oman and the United Arab Emirates ("**UAE**") and of the demand for infrastructure services in India and in Oman and the UAE may fluctuate over the years. During periods of strong economic growth, demand for our services may grow at a rate equal to, or even greater than, that of the GDPs of the countries we operate in. Conversely, during periods of slow GDP growth, such demand may exhibit slow or even negative growth. Global economic developments have adversely affected the Indian, Omani and UAE markets. The real estate industry is also experiencing a significant downturn. There can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have a material adverse effect on our business, cash flows and results of operations.

6. ***Our order book may be subject to unexpected delays, modifications, cancellations or non-payment by our clients and, therefore, may not necessarily indicate our future earnings. If the Company***

does not achieve expected turnover and margins or suffers losses on one or more of these contracts, this could reduce our total income or cause us to incur losses.

As of March 31, 2014, our order book was ₹ 209,560 million. Order book refers to expected future income under signed contracts or contracts, where binding letters of intent or letters of award have been received. Our order book projects represent only business we consider to be firm, although project cancellations or scope adjustments may occur from time to time due to either a client's or our default, incidents of force majeure or legal impediments. For example, in some of the contracts in our order book, our clients are obliged to perform or take certain actions, such as:

- acquiring land;
- securing right of way;
- clearing forests;
- supplying material to the contractors is to be supplied by owners;
- securing required licenses, authorisations or permits;
- making advance payments or opening of letters of credit;
- approving supply chain vendors; and
- shifting existing utilities.

If a client does not perform such actions in a timely manner, or at all, and the possibility of such failure is not provided for in the contract, our projects could be delayed, modified or cancelled. Projects could also be removed from our order book as a result of financing difficulties or payment default by a client. Some projects may remain in our order book for an extended period of time. We cannot guarantee that the income anticipated in our order book will be realised, or, if realised, will be realised on time or result in profits. Any reduction in the amount of our order book would reduce the income and profits that we expected to earn, which could adversely affect our results of operations.

7. ***If we cannot pre-qualify and bid for large and complex infrastructure projects in our own right, and we are unable to find suitable joint venture partners, we may be ineligible for bidding for certain infrastructure-related contracts and projects , or if we are unable to manage such projects, then it may adversely affect on our strategies and growth prospects.***

Most large and complex infrastructure projects are awarded by the Government or State Governments or their respective authorised agencies following competitive bidding processes and satisfaction of certain prescribed pre-qualification criteria. In selecting contractors for major projects, clients generally limit the tender to contractors that have pre-qualified based on several criteria including experience in executing large projects, strong engineering capabilities for technically complex projects, the ability to take on further projects and sufficient financial resources or ability to access funds. As financial strength is generally measured as the average net worth for the past three years, any failure to increase our net worth may constrain our ability to bid for larger projects on a standalone basis, particularly as projects become larger and pre-qualification criteria become more stringent.

Where we are not able to pre-qualify in our own right to bid for large infrastructure development projects, we are required to partner and collaborate with other, often bigger, companies in bids for such projects. We face competition from other bidders in a similar position to us in looking for suitable joint venture partners with whom to partner in order to meet the pre-qualification requirements. If we are unable to partner with other companies, or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for, and therefore fail to increase or maintain our volume of new projects, which could affect our growth plans.

8. ***We may not be selected for any of the projects for which we have submitted a bid and we may end up incurring significant costs in preparation and submission of such bid and our competitors may be selected for such bids which may result in loss of future revenues.***

As a part of our business, we bid for projects on an ongoing basis. Projects are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. Once the prospective bidders satisfy the pre-qualification requirements of the tender, the project is usually awarded based on the price of the contract quoted by the prospective bidder. We generally incur significant costs in the preparation and submission of bids, which are one-time costs. We cannot assure you that we would bid where we have been qualified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. Further, there may be delays in the bid selection process owing to a variety of reasons which may be outside our control and our bids, once selected, may not be finalised within the expected time frame. As a result, our results of operations from period to period may not be comparable.

9. ***Delays in the completion of current and future projects may cause cost overruns, lower returns on capital and reduced revenue for the project companies, as well as failure to meet scheduled debt service payment dates and we may be subject to liquidated damages and penalties which could have an adverse effect on our financial condition and operating results.***

Typically, our projects are subject to specific completion schedule requirements. We provide our customers with performance guarantees which require us to complete our projects within a specified timeframe. Our infrastructure development projects are typically required to achieve commercial operation no later than the scheduled commercial operations date specified under the relevant concession agreements, subject to certain exceptions such as the occurrence and continuance of force majeure events that are not within the control of our project companies. Failure to adhere to contractually agreed timelines for reasons other than specifically contemplated in such contracts could result in us or one of our project companies being required to pay liquidated damages or penalty amounts, lead to forfeiture of security deposits, and/or invocation of performance guarantees. Rates of liquidated damages would ordinarily range between 5% to 10% of the total project costs. In some cases, our customers may be entitled to appoint, at our expense, third parties to complete the work.

There can be no assurance that we will be able to complete our current and future projects within specified schedules or at all. Timely completion of these projects is subject to various execution risks as well as other matters, including securing financing and the relevant approvals for such projects. For infrastructure projects under development or in the award stage, the agreements or the letters of award also require that the project companies achieve financial closure by a date specified in the relevant concession agreement. We have applied for extensions of project completion dates in certain of our contracts and are yet to receive such consents. We cannot assure you that we will not be required to pay liquidated damages in relation to these extensions.

Delays may result in cost overruns, lower returns on capital and reduced revenue for the project companies, as well as failure to meet scheduled debt service payment dates and increased interest burdens from our financing arrangements for the projects. Our clients may impose penalties and liquidated damages in respect of delays and deduct these amounts from the contractual price payable to us. Our project lenders may also impose additional restrictive covenants or other less favourable terms where existing financing arrangements have to be rescheduled or restructured due to delays. Moreover, any loss of goodwill could also adversely affect our ability to pre-qualify for future projects.

10. ***A significant part of our business transactions are with governmental entities or agencies. If there is any change in the government, or budgetary allocations by governments, or downturn in available work in a particular sector as a result of shifts in government policies or priorities or exhaustion of government's development budgets, our financial results and business prospects may be adversely affected. which present particular risks.***

The Central and State Governments in India are making substantial investments in infrastructure development and construction, with the consequence that our business is highly dependent on projects undertaken by governmental entities and are funded by the Central Government, State Governments or international and multi-lateral development finance institutions. As of March 31, 2014, 79% of our order book was derived from contracts awarded by various governmental entities. For the year ended March 31, 2014 76% of our revenue was derived from transactions with such entities.

Changes in the Central Government and/or State Governments, scaling back of government policies, initiatives or budgetary allocation, or the insufficiency of funds on the part of governmental entities could result in delays to our projects with such entities. Government projects may also be subject to political or financial pressures that may lead to such agreements being restructured or renegotiated by these entities, which could adversely affect our business and results of operations. We also face the risk of non-payment or delay in the collection of receivables from Government or State Government owned or controlled entities. As our operations involve significant working capital requirements, non-payment or delayed collection of our receivables could adversely affect our liquidity which may, in turn, affect our financial condition and results of operations. Failure by our project companies to make timely payments could result in a loss on our investment in these project companies if lenders trigger enforcement of their security under the financing agreements due to a project company payment default.

In addition, some of our government contracts contain unilateral termination provisions in favour of the governmental entity. Such provisions generally state that the governmental entity has the right to terminate the contract for convenience, without any reason, at any time after providing us with reasonable notice and compensation. In the event that one or more of our material contracts are terminated, our business and results of operations may be adversely affected, in particular if the compensation from the Government is inadequate. In addition, documentary closure or completion of government contracts, including the release of performance guarantees, retention money and final acceptance notices, generally takes significant amounts of time and is subject to delays, which also adversely affects our financial condition and results of operations.

11. ***We depend on sub-contractors for the timely and successful completion of some of our projects and failure on the part of our sub-contractors to perform their obligations in a timely manner or at all could adversely affect our ability to complete projects in a timely manner at commercially viable terms or at all due to termination by our customer, which in turn could subject us to time and cost overruns, defaults under the contracts for such projects and loss of revenue and profitability.***

We are sub-contractors on some of our projects and we sub-contract work on almost all of our projects. When we are a sub-contractor, payment on such projects depends upon the performance of the principal contractor and/or other project sub-contractors and when we sub-contract, payments from our clients depend on our sub-contractors' performance. A completion delay on the part of a principal or subcontractors, for any reason, could result in delayed payment to us. The execution risks we face in subcontracted projects include:

- our principal or sub-contractors may not be able to complete the project construction on time, within budget or to the specifications and standards that have been set in the contracts;
- our principal or sub-contractors may not be able to obtain adequate working capital or other financing on favourable terms as and when required to complete construction;
- where we sub-contract, we may not be able to pass on certain risks to sub-contractors such as unforeseen site and geological conditions which may make the site unsuitable for the project;
- as we expand geographically, we may have to use sub-contractors with whom we are not familiar, which could increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates; and
- where we sub-contract work, we remain responsible for the sub-contracted work which means clients still have recourse to us in respect of actions, omissions and defects by our sub-contractors.

12. ***Delays in the acquisition of private land and/or eviction of encroachments from Government or State Government owned land by the Government or State Governments may adversely affect the timely performance of our contracts leading to disputes with the Government or State Governments. These factors could have an adverse effect on our revenues, business, financial condition and results of operations.***

In all of our government contracts for road and railway development projects, the Government or the State Governments are required to facilitate the acquisition or lease of, or secure rights of way over, tracts of private land and/or to hand over unencumbered government land free of encroachments. Delays in such acquisition or lease or securing rights of way over such private lands or in the eviction of encroachments may delay project implementation prescribed by the relevant concession agreement or the implementation agreement and cause consequent construction delays. This may lead to disputes and cross-claims for liquidated damages between our project companies and the governmental entity. For example, the Orai- Bhognipur-Barah road project and the Western U.P. Toll Road Project were delayed on account of delay on the part of NHAI in handing over the project land. Even if we are not penalised for such delays, delays in the acquisition of the land may lead to payment delays or disputes with the governmental entity in connection with a completed project's eligibility for an early completion bonus. Any delays or inability to complete such acquisitions may also result in cost increases in the price of construction materials from original estimates, which cannot generally be passed on to clients and may also adversely affect our ability to mobilise equipment and labour on rescheduled dates. Moreover, we may be exposed to legal proceedings or claims by landowners objecting to the acquisition of their lands for our projects. These factors could have an adverse effect on our revenues, business, financial condition and results of operations.

Sometimes, subject to receipt of permission from lenders, construction of a project will commence even before all the land required by the project has been acquired or leased or rights of way have been secured by the relevant governmental entity. Our project companies may be entitled to terminate such contracts on the basis of the governmental entity counterparty's default such as the failure to acquire or lease the requisite land or right of way. Although the relevant project company may be entitled to a termination payment from the governmental entity, if this payment is not sufficient to cover debt service payments to lenders, we may be required to cover any shortfall between the debt amount outstanding and the termination payment or recover any amounts already spent on the project.

13. ***We operate in an industry that is capital intensive in nature and we may not be able to raise the required capital on favourable terms, or at all, for future projects which may have an adverse effect on our business and results of operations.***

Infrastructure projects are typically capital intensive and require high levels of financing, including debt financing. Under BOT and BOOT projects, our long-term capital requirements are expected to increase significantly and in particular we may need to increase our capital contribution in our project companies to fund our equity investments in these projects. If we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our existing shareholders will be diluted. If we decide to meet our capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants.

Our financing for projects in the past has been a combination of our net working capital and debt financing, and in respect of two BOT projects i.e. Western UP Tollway and Pondichherry-Tindivanam, grants from the Government and mobilisation advances from customers, which typically range from 5.00% to 15.00% of the project cost. We cannot assure that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all. Our ability to arrange financing on a substantially non-recourse basis and the cost of capital of such financing are dependant on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our current projects and other laws that are conducive to our raising capital in this manner. Changes in the global and Indian credit and financial markets have recently significantly diminished the availability of credit and led to an increase in the cost of financing. In many cases, the markets have exerted downward pressure on the availability of liquidity and credit capacity. Our attempts to obtain future financings on favourable terms may not be successful. In addition, our ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law. We cannot assure you that we will be able to raise adequate capital in a timely manner and on acceptable terms, or at all. This may adversely affect our business prospects, financial condition and results of operations.

14. ***Floating rate debt in an environment of rising interest rates affects our interest expense in respect of our borrowings, and our interest income in respect of our interest on short-term deposits, which could reduce the profitability of our projects and affect our results of operations.***

As our infrastructure development and construction business and our real estate business are capital intensive, we are exposed to interest rate risks. The profitability of our projects is affected by, among other things, the prevailing interest rates. Changes in prevailing interest rates affect our interest expense in respect of our borrowings, and our interest income in respect of our interest on short-term deposits with banks and loans to associates. Our current debt facilities carry interest at floating rates as well as fixed rates with the provision for periodic reset of interest rates. As of March 31, 2014, our floating rate indebtedness constituted significant portion of our total indebtedness. India has experienced rising interest rates and until recently the economic downturn had led to further increases in interest rates. Although we may decide to engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

15. ***We have debt agreements which contain restrictive covenants, placing significant limitations on us, which could restrict our ability to conduct our business and grow our operations and increases in interest rates may impact our results of operations.***

Some debt agreements entered into by us contain restrictive covenants, which, among other things, restrict our ability to raise additional equity, incur additional debt, pay dividends, make investments, engage in transactions with affiliates, create liens, mortgage, charge or create any security on the assets, sell assets or acquire facilities or other businesses and change capital structure, amongst other things. Any default of such restrictions will entitle the respective lenders to call a default against us, enforce remedies under the terms of the financing documents, that could include, among other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of the security interest created under the financing documents, taking possession of the secured assets or, at their option, terminate the relevant loan agreements.

A default by us under the terms of any financing document may also trigger a cross-default under our other financing documents, or our other agreements or instruments containing cross-default provisions, which may individually or in the aggregate, have an adverse effect on our business, results of operations, financial condition and credit rating.

Also, we may have to dedicate a substantial portion of our cash flow from operations to make payments under the financing documents, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes. Such defaults may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, we may be unable to pay our debts as they fall due. For details of our total outstanding loans, see "Principal Terms of Loans and Assets Charged as Security" on page 192.

16. ***The Blackstone Investors may continue to exercise a significant influence over us and their interests in our business may be different to other shareholders.***

The Blackstone Investors currently have significant holding of our issued and outstanding share capital. Immediately following the consummation of the Issue, and assuming that the Blackstone Investors participate to full extent of their Rights Entitlement, the Blackstone Investors will continue to have significant holding of our issued and outstanding share capital. For further details on the Blackstone Investors' shareholding see "Capital Structure" on page 56. The Blackstone Investors have entered into a shareholders' agreement among our Promoters, us and certain others whereby the Blackstone Investors are entitled to nominate two directors to our Board and have the right to nominate an observer to the boards of our Subsidiaries, namely, NCC Infrastructure Holdings Limited and NCC Urban Infrastructure Limited. Under the shareholders' agreement, as amended our Board will need the affirmative vote from the Blackstone Investors' nominee to our Board for certain reserved matters such as any further issuances of any securities and amendments to our Memorandum and Articles of Association. In connection with this Issue, the Blackstone Investors have provided their consent vide their later dated June 20, 2014.

These rights may result in delays, deferments, or may make some transactions more difficult or impossible without the Blackstone Investors' support. Additionally, the shareholders' agreement provides that we shall indemnify the Blackstone Investors for losses that they may sustain as a result of misrepresentations or a breach of any representation or warranty contained in the shareholders' agreement by us, our failure to fulfil any covenant, agreement or condition in the shareholders' agreement and for any claim that is made against the Blackstone Investors arising out of any act, deed or omission by us. The Blackstone Investors' interests may conflict with your interests. For further details on the Blackstone Investors' rights see "Our Management" on page 96.

17. ***We may be in breach of foreign investment guidelines applicable in India. Any possible non-compliance with FEMA regulations could subject us to penalty or compounding proceedings by the RBI.***

Foreign investments in companies in India are governed by the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA Regulations**") issued by the RBI under the Foreign Exchange Management Act, 1999 ("**FEMA**") and various press notes that are issued by the Government from time to time. The Foreign Investment Promotion Board ("**FIPB**") functioning under the Ministry of Finance, Government of India ("**MoF**"), considers foreign investment proposals which require prior regulatory approval.

Blackstone GPV Capital Partners (Mauritius) V-A Limited and Blackstone FP Capital Partners (Mauritius) V-FII Limited (collectively the "**Blackstone Investors**") subscribed to Equity Shares in the Company in October 2007. Blackstone GPV Capital Partner (Mauritius) V-H Limited ("**Blackstone V-H**") filed an application with the FIPB in October 2007 seeking approval for subscribing to convertible warrants that the Company intended to issue at the time.

The FIPB in its letter dated March 5, 2008 granted an "after the fact" approval for foreign collaboration subject to (i) the Company engaging in compounding proceedings with the RBI, for its then existing 40.30% foreign equity participation in the Company's equity shareholding and for acting as a "foreign owned holding company" without prior FIPB approval, in contravention of Press Note 9 of 1999 issued by the Government ("**Press Note 9**"), and (ii) compliance with applicable regulations while further investing any part of the foreign investment into the Company's Subsidiaries.

The approval also indicated that further foreign direct investment by way of issue of convertible warrants to Blackstone V-H be subject to a separate application to be made to the FIPB post-compounding. Compounding is a procedure for determining the penalty payable by a company for a contravention of foreign exchange regulations. Once a contravention has been compounded, no further proceedings may be initiated against a company for the contravention so compounded.

The Company did not proceed with compounding proceedings with the RBI at the time as it sought to contest the matter with the FIPB, stating that the Company is not a "foreign owned holding company" and that Press Note 9 was not relevant in the Company's context. The Company has also stated that the 40.30% foreign owned equity share capital in the Company was owned by non-resident Indians and FIIs, which were permitted investments under the FEMA Regulations and the press notes that were applicable at the time.

Subsequently, the Department of Industrial Policy & Promotion, Government of India issued Press Note 2 of 2009 ("**Press Note 2**") and Press Note 4 of 2009 ("**Press Note 4**") whereby Indian companies that are "owned and controlled" by resident Indians are, subject to certain conditions, not required to seek FIPB approval for foreign investment. The Company wrote to the FIPB in April 2009 asking that the FIPB reconsider its earlier view on the basis of the revised press notes. Through a letter in July 2009, the FIPB rejected the Company's contentions and stated that the applicability of Press Note 2 and Press Note 4 are not retrospective in nature.

As a result, the Company's obligation to approach the RBI for compounding the foreign equity participation to the extent of 40.30% of its equity share capital remains outstanding. The Company has vide its letter dated March 15, 2010 requested FIPB to reconsider its conditions in relation to the compounding before the RBI as the Company has cancelled the issuance of convertible warrants that the Company intended to issue at the time of seeking FIPB approval. The Company has not received any further communication in relation to this subject matter from FIPB. If the Company is unsuccessful in overturning the FIPB's decision or to get the compounding approval from the RBI, we can provide no assurance as to the penalties that may be assessed against us for contravention of foreign investment law and failing to satisfy the compounding obligation and such penalties may include monetary penalties and/or possibly, non monetary sanctions under applicable law

There can also be no assurance as to the position the FIPB will take in our ongoing discussions with them (as mentioned above), or that significant monetary penalties or other regulatory penalties under applicable law will not be imposed on the Company pursuant to any compounding proceedings that the Company may decide to initiate with the RBI.

18. ***We have in the past entered into related party transactions and may continue to do so in the future. It is likely that we will continue to enter into related party transactions in the future and such transactions, individually or in the aggregate, may have an adverse effect on our financial condition, cash flows and results of operations.***

We have, in the course of our business, entered into transactions with related parties. There can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with these related parties. Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future and such transactions, individually or in the aggregate, may have an adverse effect on our financial condition, cash flows and results of operations. For details of related party transactions entered into by us, see “Related Party Transactions—Financial Information” beginning on pages 142 and 176, respectively.

19. ***We have a number of contingent liabilities and our profitability could be adversely affected if any of these contingent liabilities materialises.***

Majority of our projects are covered by guarantees, which may include advance payment guarantees, bid guarantees, performance guarantees or retention money guarantees, some of which are substantial and some of which may be issued by our bankers and be secured by our assets. Most projects include performance guarantees ranging from one to four years and covering 2.5% to 10.00% of the contract price. The outstanding advance payment guarantees, bid bonds and performance guarantees covering our projects and other contingent liabilities as of March 31, 2014, were ₹ 41,727.26 million. If any of these contingent liabilities materialise, our profitability may be adversely affected. For a more detailed description of our contingent liabilities, see “Contingent Liabilities —Financial Information”.

20. ***We face significant competition from other engineering construction companies. If we are unable to bid for and win engineering construction projects, both large and small, or compete with larger competitors, we could fail to increase, or maintain, our volume of order intake and our results of operations may be materially adversely affected.***

We are increasingly involved in larger projects with stringent pre-qualification requirements where there is intense competition. We compete against international engineering and construction companies or their regional operating entities, as well as other Indian infrastructure developers and construction companies. Most infrastructure development and construction contracts and projects are awarded through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder. Our industry has been frequently subject to intense price competition. This competitive bidding process may have an adverse affect on the profit margins that we are able to attain.

Some of our competitors are larger than us and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do. Our competitors with greater financial resources and greater economies of scale may be able to pre-qualify in their own right and/or attract a joint venture partner more easily than us. See “Risk Factors — If we cannot pre-qualify and bid for large and complex infrastructure projects in our own right, and we are unable to find suitable joint venture partners, we may be ineligible for bidding for certain infrastructure-related contracts and projects, or if we are unable to manage such projects, then it may adversely affect on our strategies and growth prospects.” on page 14. There can be no assurance that we can continue to compete effectively with our competitors in the future, and any such failure may have an adverse effect on our business, financial condition and results of operations.

21. ***The Government proposes to enact the Real Estate (Regulation and Development) Bill, 2013 (the “Real Estate Bill”) with respect to real estate projects. Pending the Real Estate Bill becoming a statute, our Company is currently not in a position to analyze the requirements that our Company***

may have to comply with in accordance with the Real Estate Bill and accordingly predict the impact it may have on our business, prospects, financial condition and results of operations.

The Government of India proposes to enact the Real Estate Bill which is expected to include, inter alia, requirements to register real estate projects and obtain a certificate of registration and other approvals from the relevant authority constituted thereunder. Failure to comply with such provisions may attract penalties from the relevant authorities and/ or cause delays in the completion of a project. The Real Estate Bill is yet to be approved by the Parliament of India and will require publication in the Official Gazette before becoming a law. There is no certainty that the Real Estate Bill will be passed in its current form, or at all, and our Company is accordingly not in a position to analyze the requirements that our Company may have to comply with and the implications of the same on our business and results of operations. At this stage, we cannot predict with certainty the impact of the Real Estate Bill on our business and operations, if enacted.

22. ***The risks associated with BOT and BOOT projects includes risks in relation to delays in completion of related project components, failure to achieve financial closure for the relevant project and liquidity risk that could adversely affect our financial results.***

As governmental and regulatory authorities seek greater private sector participation, we expect our exposure to BOT and BOOT projects, particularly in the area of transportation and power, to increase. Road projects could be toll based or annuity based. In the case of toll projects, the toll revenue is a function of actual traffic volume. Adverse deviations between actual traffic volumes and our estimates, delays in completion of related project components or failure to achieve financial closure for the relevant project could result in significant loss of revenue in toll collection. In addition, the Government's model concession agreement limits and regulates increases in toll charges and as a result we may not increase our toll charges to cover increases in costs. See "Risk Factors - Contracts awarded to us by governmental entities are standard form government contracts and contain many terms that favour the governmental entity and may be prejudicial to our rights under such contracts. Our inability to exercise control over the terms of our arrangements with governmental entities may adversely affect our results of operations" on page 22. In power projects, in which the plant is operated for the concession period, we may also suffer significant loss of revenue if the project does not meet performance requirements. Further, we could face substantial losses if we inaccurately forecast the returns from BOT and BOOT projects.

BOT and BOOT projects require significant initial capital investments with potential returns spread over a longer period of time. This requires us to commit significant amounts of capital for a period with a limited return in the short term and may adversely affect our liquidity.

23. ***Our business faces adverse weather conditions and natural disasters that could cause significant interruptions of operations which leads to delay in completion of projects undertaken by us within the stipulated time leading to cost escalation or termination of the project, which in turn could adversely affect our results of operations. Further, the operation of infrastructure assets involves many risks and we may not have sufficient insurance coverage in respect of our economic losses which could adversely affect our financial results.***

Extended periods of adverse weather conditions or periods of heavy or sustained rainfall or any such extreme weather condition could result in delays or disruptions to our operations during critical periods and consequently result in reduced sales and profits. The procurement and construction works carried out in respect of our projects also involve a number of hazards including earthquakes, flooding, and landslides. Natural disasters may cause significant interruption to our operations, disruption to our properties and damage to the environment that could have an adverse impact on us. Additionally, operating infrastructure assets involves many risks and hazards which may adversely affect our profitability, including:

- adverse changes in market demand or prices for the products or services that the project, when
- the willingness and ability of consumers to pay for infrastructure services;
- shortages of or adverse price movements for construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of equipment;

- temporary non-availability of machines and equipment
- improper installation or operation of equipment;
- labour disturbances;
- environmental hazards;
- industrial accidents; and
- terrorist activities.

Not all of the above risks may be insurable or possible to insure on commercially reasonable terms. We maintain insurance coverage, including business interruption insurance with respect to each of our operating road projects, which we believe is customary for the infrastructure industries in India and jurisdictions in which we operate. Our insurance, however, may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. For example, the insurance policies for our road projects do not cover losses caused by our failure to maintain such roads to agreed standards. We cannot assure you that the operation of our infrastructure assets will not be affected by any of the incidents and hazards listed above, or that the terms of our insurance policies will be adequate to cover any damage caused by any such incidents and hazards. Should an uninsured loss or a loss in excess of insured limits occur, we would lose the anticipated revenue from the construction contract and, in the case of our projects, the loss of our investment in the relevant project company.

24. ***Contracts awarded to us by governmental entities are standard form government contracts and contain many terms that favour the governmental entity and may be prejudicial to our rights under such contracts. Our inability to exercise control over the terms of our arrangements with governmental entities may adversely affect our results of operations.***

The counterparties to most of our construction contracts are governmental entities. We have had only a limited ability to negotiate the terms of these contracts, which means that many terms in our contracts tend to favour our clients. The relevant terms of certain contracts that we believe present risks to our business are as follows:

- it is not always clear whether design review and approval by a client releases us from design and engineering liability, in particular latent defects;
- to the extent defects in site or geological conditions were unforeseen or latent from our preliminary investigations, design and engineering prior to submitting a bid, we may assume the risks associated with such defects and may not have any recourse to our clients;
- it is not always clear whether liability is excluded for defects arising after the end of the defect liability period;
- in many cases, our clients have the discretion to grant time extensions;
- in some of the contracts, there is no cap on our liability as contractor, and it is not always clear whether we can be liable for consequential or economic loss to our clients; and
- our governmental entity counterparties may have the right to terminate our contracts for convenience, without any reason, at any time after providing us with notice that generally varies from a period of 30 to 90 days.

Within the context of our BOT business, the nature of our contracts with various governmental entities is such that we have limited control over the terms relating to collection of tolling revenues. Generally, the governmental entity that has granted the relevant BOT concession to us unilaterally determines the terms on which we may collect tolling revenues, and we are not permitted to amend such tolling rates without the prior written consent of such governmental entity. The tolling rates set by governmental entities, depend on the nature of vehicles that use the roads that makeup our BOT projects. In setting tolling rates that apply to such vehicles, governmental entities may give greater consideration to various socio-economic goals of the Government, rather than to the efficiencies of our business. Recently there has been public opinion against tollways in certain parts in India, especially in Maharashtra, where the state government has decided to cancel toll collection on certain roads and have exempted certain class of vehicles from toll collection on all the tollways in Maharashtra. We are also subject to arbitration proceedings with respect to the Meerut-Muzaffarnagar and Orai-Bhognipur sectors. See "Outstanding Litigations and Other Defaults" on page 204. Additionally, our BOT-BOOT-BOO Power projects will be subject to fixed tariffs that are determined by the Central Government, the State Government or the state agencies responsible. Our inability to exercise control over the terms of our tolling and tariff arrangements with governmental entities may adversely affect our results of operations.

25. ***We may encounter problems relating to the operations of our joint ventures, which could impose additional financial and performance obligations resulting in reduced profits or, in some cases, significant losses from the joint venture and may cause financial liability and may adversely affect our business and financial condition.***

As a consequence of qualification and client requirements, and to mitigate risks associated with projects, we enter into various joint ventures with domestic as well as international construction companies as part of our business. We anticipate that our future projects will continue to be developed and maintained through joint ventures as we continue to jointly bid for contracts with suitable joint venture partners. The success of these joint ventures depends significantly on the satisfactory performance by our joint venture partners and fulfilment of their obligations. Our liability in relation to the projects being executed by our joint ventures is typically joint and several. If our joint venture partners fail to perform these obligations satisfactorily, the joint venture may be unable to perform adequately or deliver its contracted services. For example, in fiscal 2009 we exited from our joint venture with Naftogaz India Private Limited which resulted in a decrease in our turnover and order book for the year. In such cases, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of the contracted services as bid documents typically provide that we are jointly and severally liable to clients as a member of such joint ventures in our projects. These additional obligations could result in reduced profits or, in some cases, significant losses for us. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we would bear increased and possibly sole responsibility for the completion of the project and bear a correspondingly greater share of the financial risk of the project. In some cases, we may not be able to provide the services which our joint venture partners have failed to provide, due to our lack of experience or expertise in certain areas and we may not be successful in finding suitable substitute partners. However, in the recent past our Company has not entered in the joint ventures at significant level and the volume of business through the joint ventures has declined significantly over the period of time.

In addition, we may also need the cooperation and consent of our various joint venture partners in connection with the operations of our joint ventures, which may not always be forthcoming. We may have disagreements with our joint venture partners regarding the business and operations of the joint ventures. We cannot assure you that we will be able to resolve such disputes in a manner that will be in our best interests, especially where we have minority stakes in the joint ventures. If we are unable to successfully manage relationships with our joint venture partners, our projects and our profitability may suffer. In addition, our joint venture partners may have economic or business interests or goals that are inconsistent with ours. Any of these factors could adversely affect our business, financial condition and results of operations.

26. ***The nature of our construction business exposes us to liability claims and contract disputes in relation to, among other things, quality of subcontractors work, latent defects and vendors' products which could results in material liabilities, loss in revenues and increased expenses.***

We are involved in large projects where design, construction or systems failures can result in substantial injury or damage to third parties. We could face significant claims for damages in respect of, among other things:

- defects in the quality of our or our subcontractors' design, construction, engineering or planning;
- latent defects;
- commercial and environmental matters;
- our supply chain vendors' products; or
- failure of our project management techniques.

Although we maintain insurance in respect of our projects in accordance with industry standards and we selectively seek backup guarantees from our suppliers and sub-contractors, there can be no assurance that such measures will be sufficient to cover liabilities resulting from claims. Any liability in excess of our insurance payments, reserves or backup guarantees could result in additional costs, which would reduce our profits. In addition, as we increase our own design capabilities, we will no longer have recourse to third parties for failures in design of those projects. In addition, if there is a customer dispute regarding our performance, the customer may delay or withhold payment to us. If we were ultimately unable to collect these payments, our profits would be reduced.

27. ***We require certain approvals or licenses in the ordinary course of business and any inability to procure any or all such licences or retain them in a timely manner, or at all, could expose us to significant risk including abandonment and/or delay of certain project and an adverse effect on business, revenue and financial results.***

We require certain approvals, licenses, registrations and permissions for operating our business and are also required to obtain certain consents and permissions including labour related consents and permissions pursuant to our EPC contracts and concession agreements. Some of these approvals may have expired for which we may have either made or may be in the process of making an application for obtaining their approval or renewal. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. Furthermore, government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure. If we fail to comply, or a regulator claims we have not complied, with these conditions, our business, financial condition and results of operations could be adversely affected.

28. ***Our business is subject to a variety of safety, health and environmental laws and regulations. Any failure on our part to comply with applicable environmental laws and regulations could have an adverse effect on our business, financial condition, cash flows and results of operation.***

As a construction company, we are required to comply with various laws and regulations relating to the environment. Some of our project operations are subject to environmental laws and regulations including the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards (PCBs) of the relevant states. We may incur substantial costs in complying with environmental laws and regulations. There can be no assurance that compliance with such laws and regulations will not result in completion delays or material increases in our costs or otherwise have an adverse effect on our financial condition and results of operations.

We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by governmental authorities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remedial costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

29. ***We will continue to be controlled by our Promoters and certain Promoter Group entities after the completion of the Issue and our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders.***

The pre-Issue shareholding of our Promoters and Promoter Group, as on March 31, 2014 was 20.41%. The Promoters and members of the Promoter Group intend to subscribe to the full extent of their Rights Entitlement in the Issue, and further intend to subscribe to additional Equity Shares for any unsubscribed portion in the Issue. Subscription to Rights Entitlement as well as acquisition of additional Equity Shares and consequent allotment of Equity Shares by the Company shall be subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 25% of the issued, outstanding and fully paid up equity share capital of the Company after the Issue and in compliance with the provisions of the Takeover Regulations. For details, see "Capital Structure" on page 56. Consequently, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

30. ***We have not obtained trademark registrations for our corporate name "NCC" and our logo. If we are not successful in enforcing our intellectual property rights for any reason, it may have an adverse effect on our reputation, goodwill, business, prospects, financial condition and results of operations.***

We believe that there is significant goodwill associated with our brand "NCC" which has contributed significantly towards our success. However, we have not registered any copyright, trademark, tradename or other intellectual property right in relation to our brand or our logo, as it appears on the cover page of this Draft Letter of Offer. As a result, we may not be able to prevent the use of this name or variations thereof by any other party, nor ensure that we will continue to have a continued right of usage. We further cannot assure you that our goodwill in such brand name or logo will not be diluted by third parties due to our failure to register the same, which in turn would have a material adverse effect on our reputation, goodwill, business, prospects, financial condition and results of operations.

31. ***We are dependent on our senior management personnel as well as the availability of qualified personnel and an inability to attract, recruit and retain our senior management and other key personnel could adversely affect our business and results of operations.***

We are dependent on our Directors, senior management and other key personnel, including skilled project management personnel, for setting our strategic direction and managing our business, which are crucial to our success and business strategy. We do not maintain "key man" insurance for these individuals.

Our success also depends on appropriately qualified employees for our various projects. As at March 31, 2014, our Company had 4,590 employees in India, excluding contract labour. A significant number of our employees are skilled engineers, quantity surveyors and financial modellers, and we face strong competition in recruiting and retaining such skilled and professionally qualified staff. Our ability to meet continued success and future business challenges, including our ability to expand our operations, depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals and engineers in our industry is intense. We may also need to increase our pay structures to attract and retain such personnel, which could affect our profit margins. Our relationships with key employees could deteriorate due to disputes related to, among other things, wages or benefit level; such disputes would adversely affect our operations and could potentially damage our reputation. Further, there can be no assurance that increased salaries will result in a lower rate of attrition. The loss of services of our Directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experience personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our results of operations.

32. ***We maintain a workforce based upon current and anticipated workloads. If we do not receive future contract awards or if these awards are delayed, we could incur significant costs.***

Our estimates of future performance depend on, among other things, whether and when we will receive certain new contract awards. While our estimates are based upon our best judgment, these estimates can be unreliable and may frequently change based on newly available information. In the case of large-scale projects where timing is often uncertain, it is particularly difficult to predict whether or when we will receive a contract award. The uncertainty of contract awards and timing can present difficulties in matching our workforce size with our contract needs. If the award of an expected contract is delayed or not received, we could incur costs due to maintaining under-utilised staff and facilities which would have the effect of reducing our profits.

33. ***Increasing levels of compensation for employees and workers in India may reduce our international competitive advantage and result in lower profit margins.***

Levels of compensation for employees and workers in India have historically been significantly lower than levels of compensation outside India for comparably skilled professionals and unskilled workers, which has been one of our competitive strengths in our international projects. However, recent significant compensation increases in India could reduce some of this competitive advantage and may negatively affect our profit margins. Employee and worker levels of compensation in India are increasing at a faster rate than outside of India, which could result in increased salary costs of engineers, managers and other professionals and workers. We may need to continue to increase the levels of our employee and worker compensation to remain competitive and manage attrition. Any such increases could have an adverse effect on our business and results of operations, particularly outside of India.

34. ***Our success depends upon our ability to sustain effective implementation of our business and growth strategy. Failure to manage our growth could disrupt our business and reduce our profitability.***

We have experienced high growth in previous years and expect our businesses to continue to grow, including our International Business. Although we plan to continue to expand our scale of operations through organic growth or investments in other entities, we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit. Even then, we expect our future growth to place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls across the organisation. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of project control and management, and client satisfaction;
- recruiting, training and retaining sufficient skilled management and technical and marketing personnel;
- adhering to health, safety and environment and quality and process execution standards that meet client expectations;
- operating in jurisdictions where we have limited experience;
- preserving a uniform culture, values and work environment in operations within and outside India;
- Increase in funding requirement; and
- developing and improving our internal administrative systems, particularly our financial, operation and other internal control systems.

Any inability to manage our growth may have an adverse effect on our business and results of operations. We may not be successful in implementing our strategies.

35. ***Our operations in foreign countries are subject to political, economic, regulatory and other risks of doing business in those countries. Our failure to manage our geographically diverse operations successfully, including our ability to react quickly to changing business and market conditions and comply with a range of industry and legal standards and procedures, could adversely affect our business and operations.***

We have international operations, currently centred in the Middle East, and we have plans to further expand our operations to other jurisdictions. Our International division accounted for 12% of our total turnover for both the years ended March 31, 2013 and 2014. Consequently, we are subject to the jurisdiction of other tax authorities and regimes. As some of our clients are foreign government-owned entities, we are subject to additional risks, such as risks associated with uncertain political and economic environments and government instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations with which we are familiar in India, and which may be less established or predictable than those in more developed countries. In addition, we could be subject to expropriation or deprivation of assets or contract rights, foreign currency restrictions, exchange rate fluctuations and unanticipated taxes or encounter potential incompatibility with foreign joint venture partners. Our international operations are also vulnerable to the economic conditions in such countries.

We are currently executing projects in Oman, Sri Lanka, Nepal, Qatar and the UAE, and some of our employees travel to these countries. In order to manage our day-to-day operations, we must overcome social, cultural and language barriers and assimilate different business practices. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws and customs of these jurisdictions. Our failure to manage our geographically diverse operations successfully, including our ability to react quickly to changing business and market conditions and comply with a range of industry and legal standards and procedures, could adversely affect our business and operations.

36. ***The tax benefits that our Development Businesses enjoy under the provisions of the Income Tax Act may not continue indefinitely that would adversely impact our tax incentives and, consequently, our tax liabilities and our profits.***

Because of the nature of our business, certain projects being developed by our Development Business enjoy tax benefits under the Indian Income Tax Act, including:

- a deduction equal to 100.00% of the profit from certain projects that we are developing/ maintaining for a period of 10 consecutive assessment years;
- profits derived from certain types of housing projects approved before March 31, 2007 are not taxable; and
- certain income by way of dividends, interest on long term finance and long term capital gains from investments/long term loans are not taxable, subject to specified conditions.

Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. As and when the specified period of time expires or specified projects are completed, our tax liabilities may increase, reducing our profitability. Further, there can be no assurance that the Government would not amend these provisions to our detriment, or that after the expiry of the specified period of time, the Government would extend these tax benefits or that it would not enact laws in the future that would adversely impact our tax incentives and, consequently, our tax liabilities and our profits.

37. ***We may not maintain historical dividends in the future.***

While we have paid dividends in the past, there can be no assurance as to whether we will pay dividends in the future and, if so, the level of such future dividends. Our declaration, payment and amount of any future dividends is subject to the discretion of the Board, and will depend upon, among other factors, our earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws in India from time to time.

38. ***Some of our properties in our real estate business may be subject to irregularities in title and some of our agreements may be inadequately stamped, which may result in the loss of title or development rights over land, and the cancellation of our development plans in respect of such land as a result of which our financial position and results of operations may be adversely affected.***

We conduct due diligence prior to the acquisition of land for development of projects for our real estate business but may not be able to assess or identify accurately certain risks and liabilities associated with irregularities of title. As a result, some of our properties in respect of which we have development rights may have one or more irregularities of title, including non-execution of conveyance deeds for transfer of property, inadequate stamping and/or non-registration of deeds and agreements. If we do not have, or are unable to obtain clear title to these lands and are unable to develop such lands, our financial position and results of operations may be adversely affected.

39. ***Fluctuations in market conditions between the time we acquire land and sell developed projects on such land may affect our ability to sell our projects at expected prices, which could adversely affect our revenues and profit margins.***

We may be subject to significant fluctuations in the market value of land and inventories. We could be adversely affected if market conditions deteriorate further as we have been purchasing land during stronger economic periods. Moreover, real estate investments are relatively illiquid, which may limit our ability to vary our exposure in certain investments in order to respond to changes in economic or other conditions. Recently, real estate prices in India have declined after experiencing a period of significant increases. We cannot assure you that prices will increase or that the price of real estate in the areas where we are developing projects or India as a whole will not continue to experience declines. These factors can negatively affect the demand for and pricing of our developed and undeveloped properties and, as a result, may negatively affect our business, financial condition and results of operations.

40. ***We may be unable to successfully identify and acquire suitable parcels of land for development or entering into development agreements for suitable sites in locations with growth potential and at reasonable cost, which may adversely affect our growth, business and prospects.***

Our ability to identify suitable parcels of land for development is a vital element of our real estate business and involves certain risks, including identifying and acquiring appropriate land, appealing to the tastes of residential customers, understanding and responding to the requirements of commercial clients. We have an internal assessment process for land selection and acquisition which includes a due diligence exercise to assess the title of the land and its suitability for development and marketability. Our internal assessment process is based on information that is available or accessible to us. There can be no assurance that such information is accurate or complete. Any decision based on inaccurate or incomplete information may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect our business, financial condition and results of operations.

In addition, our inability to acquire contiguous parcels of land may affect some of our existing and future development activities. We acquire parcels of land at various locations, which can be subsequently consolidated to form a contiguous land area, upon which we can undertake development. In the future, we may not be able to acquire contiguous parcels of land on terms that are acceptable to us, which may affect our ability to consolidate these parcels of land into a contiguous land area. Failure to acquire such parcels of land may cause delay or force us to abandon or modify the development of land that we have acquired at certain locations, which may result in a failure to realise profit on our initial investment. Accordingly, an inability to acquire contiguous parcels of land may adversely affect business prospects, financial conditions and results of operations.

41. ***The real estate sector is subject to extensive government regulation, which may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings which may affect the development of our projects, and as a result, adversely affect our business, financial condition and results of operations.***

The real estate sector in India is heavily regulated by the Central Government, State Governments and local authorities. Real estate developers need to comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities. For example, we are subject to various Land Ceiling Acts, in particular the Urban Land Ceiling and Regulation Act, in certain states, which regulate the amount of land that can be held under single ownership. Additionally, in order to develop and complete a real estate project, developers must obtain various approvals, permits and licences from the relevant administrative authorities at various stages of project development. We may encounter major problems in obtaining the requisite approvals or licenses, may experience delays in fulfilling the conditions precedent to any such approvals and we may not be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. There may also be delays in obtaining requisite approvals and the schedule of development and sale or letting of our projects could be substantially disrupted. Although we believe that our projects are in compliance with applicable laws and regulations, there could be instances of non-compliance, which may subject us to regulatory action in the future, including penalties, seizure of land and other legal proceedings.

42. ***Sales of our real estate projects will be affected by the ability of our prospective customers to purchase property and availability of financing to potential customers, particularly buyers of residential properties. This may affect the ability of our customers to finance the purchase of their residential properties and may consequently affect the demand for our projects.***

The real estate market is significantly affected by changes in economic conditions, government policies, interest rates, income levels, demographic trends and employment, among other factors. Our business may be adversely affected by a general rise in interest rates in India. In addition, rising interest rates could discourage our customers from borrowing to finance real estate purchases, particularly the customers of residential properties, to obtain financing for the purchase of our completed projects. As such, our business could be adversely affected if the demand for, or supply of, real estate financing at attractive rates and other terms were to be adversely affected. The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability of our real estate projects. A large number of our customers, especially buyers of residential properties belonging to the mid-income segment, finance their purchases by raising loans from banks and other lenders. Availing home loans for residential properties has become particularly attractive due to income tax benefits available to home owners. The attractiveness of home loans may however, be affected if such income tax benefits are withdrawn or the interest rates on such loans continue to increase. This may affect the ability of our customers to finance the purchase of their residential properties and may consequently affect the demand for our projects.

Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and finance companies could reduce the attractiveness of property or developer financing and the RBI or the Government of India may take further measures designed to reduce or having the effect of reducing credit to the real estate sector. In the event of any change in fiscal, monetary or other policies of the Government of India and a consequent withdrawal of income tax benefits, our business and results of operations may be adversely affected.

43. ***There may be potential conflicts of interest between us and NCC Urban Infrastructure.***

AVSR Holdings, a company controlled by our Promoters, has a 20.00% interest in our subsidiary NCC Urban Infrastructure. Although we intend that all transactions between us and NCC Urban Infrastructure will be on an arm’s length basis and that material transactions in real estate will be subject to third party valuations, there will be a potential conflict between the interests of those Promoters and our other shareholders. We cannot assure you that such conflicts will always be resolved in our favour. While we have, through the shareholders’ agreement with the Blackstone Investors, sought to address potential conflicts of interest, we do not have any such mechanism for addressing potential conflicts of interest with our Promoters.

44. ***Renunciation amongst Non-Resident and resident Investors is subject to obtaining the approval from RBI.***

Any renunciation (i) from a resident Eligible Equity Shareholder to a Non Resident, or (ii) from a Non Resident Eligible Equity Shareholder to a resident, or (iii) from a Non Resident Eligible Equity Shareholder to a Non Resident is subject to obtaining prior approval from RBI under the FEMA. Our Company has made an application to RBI for the same. For further details, please see “Terms of the Issue” on page 219. In the event RBI does not grant such approval, the renunciation of rights entitlement by, and to, persons resident outside India may not be possible.

45. ***We have limited experience in developing and operating power projects. Any inability to effectively manage and operate our operational power plants or develop or operate our under-development or planned power projects could adversely affect our business, prospects, financial condition and results of operations.***

We do not have the experience to demonstrate our ability to develop and manage our BOT-BOOT-BOO power projects including our ability to manage the power business. Power plants have long gestation periods of typically three to five years, due to the process involved in commissioning power projects. This process typically includes the process of applying for and obtaining government approvals, including permission for acquiring land, environmental approvals and approvals for the use of water, entering into fuel supply agreements, evacuation agreements, financing agreements, raw material agreements and obtaining detailed project reports, after which the construction process can commence. Additionally, evacuating or "wheeling" power from each power projects poses significant challenges due to transmission constraints. Further evacuation infrastructure from the sub-station to high voltage transmission lines needs to be made available by the relevant authorities. If such transmission lines are not made available by the time our power projects are ready to commence operation, it could adversely affect our financial position and results of operations.

We also have no experience in building and operating hydro-electric power projects. Hydro-electric power generation is dependent on the amount and location of rainfall, sunshine, snow melt and river flows in those regions, which vary considerably from quarter to quarter and from year to year. The levels of hydro-electric production can, therefore, vary from period to period. In years of less favourable hydrological conditions, hydro-electric plants generate less electricity, which reduces the amount of electricity that they are able to generate and sell. Power plants typically require months or even years after being commissioned before positive cash flows can be generated, if at all. As a result, the probable impact of the power projects on our financial performance is difficult to evaluate. Any inability to effectively manage and operate our operational power plants or develop or operate our under-development or planned power projects could adversely affect our business, prospects, financial condition and results of operations.

External Risks

46. ***The continuation or recurrence of systemic events such as the recent global economic meltdown, instability of economic policies and the political situation in India or globally may adversely affect our performance.***

Conditions outside India, such as continued slowdowns in the economic growth of other countries may adversely impact the growth of the Indian economy, and Government policy may change in response to such conditions. The consequent slowdown in the Indian economy may adversely affect our business, including our ability to implement our business strategy. The current economic policies of the Government may change further to respond to the recent global economic meltdown or a recurrence thereof. Particularly, there may be changes to specific laws and policies affecting the industry and other policies affecting foreign investment in our business. Any significant shift or change in India's economic policies and regulations may disrupt economic conditions in India and this may in turn affect our business, financial condition and results of operations. Our business, and the market price and liquidity of our Equity Shares, may be affected by reactionary changes in interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India on account of any changes in the global economic changes. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, the United States, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The recent global economic downturn had a severe impact on the Indian equity markets. The Indian stock exchanges experienced significant volatility, with the BSE index declining by almost 50.0% over the second half of 2008 and early part of 2009. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general, thereby adversely affecting our business, financial condition, cash flows and results of operations.

47. ***The real estate industry has witnessed significant downturns in the past, and any significant downturn in the future could adversely affect our business, financial condition and results of operations.***

Economic developments within and outside India adversely affected the property market in India and our overall business in the recent past. The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have an adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. As a result of the global downturn, the real estate industry also experienced a downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and resulted in large supplies of apartments.

Even though the global credit and the Indian real estate markets have shown signs of recovery, market volatility and economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, a decrease in the sale of, or market rates for, our projects, delays in the release of certain of our projects in order to take advantage of future periods of more robust real estate demand and the inability of our contractors to obtain working capital. We cannot assure you that the government's responses to the disruptions in the financial markets will restore consumer confidence, stabilise the real estate market or increase liquidity and availability of credit. Any significant downturn in future would have an adverse effect on our business, financial condition and results of operations.

48. ***We cannot predict the effect of the formation of the new State of Telangana will have on our business.***

Headquarters of our Company and some of its projects are located in the newly formed State of Telangana. The impact and implication of the formation of the new State, including implementation of new legislations or government policies on our business and operations is not clear as on date.

49. ***A slowdown in economic growth in India could cause our business to suffer.***

Our performance and growth are dependent on the health of the Indian economy and that of the States in which we operate. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy or of those States where we operate may adversely affect our business and financial performance and the price of our Equity Shares.

50. ***Political instability or changes in the Government of India could adversely affect economic conditions in India generally and our business, prospects, financial condition and results of operations.***

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or social developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalisation and financial sector reforms. However, the rate of economic liberalisation could change and we cannot assure you that such policies will be continued. A change in the government or in the government's future policies could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

51. ***Indian corporate and other disclosure and accounting standards differ from those observed in other jurisdictions such as U.S. GAAP and IFRS.***

Our financial statements are prepared in accordance with Indian GAAP, which differs in significant respects from U.S. GAAP and IFRS. As a result, our financial statements and reported earnings could be significantly different from those which would be reported under U.S. GAAP or IFRS, which may be material to your consideration of the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Letter of Offer. You should rely on your own examination of our Company, the terms of the Issue and the financial information contained in this Draft Letter of Offer.

52. ***Restrictions on FDI in the real estate sector may hamper our ability to raise additional capital, which could adversely affect our business and prospects.***

The Government of India permits foreign direct investment ("**FDI**") of up to 100.0% in townships, housing, built-up infrastructure and construction development projects, subject to certain restrictions under the Consolidated FDI Policy. Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from such sale of shares in India into foreign currency and repatriate that foreign currency from India will require the approval from the RBI, unless such sale is made on a stock exchange in India through a stock broker at the market price, and a no objection or tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

53. *Our business may be adversely affected by changes in competition law in India.*

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices having an appreciable adverse effect on competition in India, and has mandated the Competition Commission of India (the "**CCI**") to regulate such anti-competitive practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India are void and may result in substantial penalties. any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition in the relevant market in India and is considered void. Further, the Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. If we or any of our employees is penalised under the Competition Act, our business may be adversely affected.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business.

54. *It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.*

We are incorporated under the laws of India and all of our Directors and executive officers reside in India. Nearly all of our assets, and the assets of our Directors and officers, are located in India. As a result, you may be unable to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended, provides that where a foreign judgment has been rendered by a court in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. The United Kingdom has been declared by the Government to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Indian Code of Civil Procedure, 1908, and not by proceedings in execution.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered.

55. ***Our transition to the use of the IFRS converged Indian Accounting Standards may adversely affect our financial condition and results of operations.***

On February 25, 2011, the Ministry of Corporate Affairs, Government of India ("**MCA**"), notified that the IFRS converged Indian Accounting Standards ("**IND AS**") will be implemented in a phased manner and stated that the date of implementation of IND AS will be notified by the MCA at a later date. As of date, there is no significant body of established practice on which to draw from in forming judgments regarding the implementation and application of IND AS. Additionally, IND AS has fundamental differences with IFRS and as a result, financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. As we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. The adoption of IND AS by us and any failure to successfully adopt IND AS in accordance with the prescribed timelines could have an adverse effect on our financial condition and results of operations.

56. ***The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition. The potential impact of a natural disaster such as the H5N1 "avian flu" virus or the H1N1 "swine flu" virus on our results of operations and financial condition is highly speculative, and would depend on numerous factors. We cannot assure prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

57. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. India has also witnessed civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse affect on our business and the price of our Equity Shares.

58. ***Any downgrading of India's debt rating by an independent agency may adversely affect our ability to raise debt financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our project expenditure plans, business and financial performance.

59. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

According to a report released by RBI, India's foreign exchange reserves totalled over US$ 309 billion as of April 25, 2014. Any declines in foreign exchange reserves could adversely impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares.

60. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the GoI may not implement new regulations and policies which will require us to obtain approvals and licenses from the GoI and other regulatory bodies or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

Any changes to applicable laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy:

- The Companies Bill, 2012 was passed by the Lok Sabha on December 18, 2012, and by the Rajya Sabha on August 8, 2013. It received presidential assent on August 29, 2013 and has been enacted as the Companies Act, 2013 pursuant to notification in the Official Gazette on August 30, 2013. Under Section 1 of the Companies Act, 2013, the GoI has the power to appoint different dates for different provisions of the Companies Act, 2013 to come into force. Majority of the sections of the Companies Act, 2013 have been notified and the corresponding sections of the Companies Act 1956, have ceased to have effect from such date. Although the Companies Act, 2013, is not yet fully operational, it envisages significant changes to the Indian company law framework, including the issue of capital by companies, corporate governance, audit matters and corporate social responsibility, the introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Various provisions of the Companies Act, 2013 are subject to detailed rules and further directions issued and to be issued by the GoI. In particular, we will be required to amend our articles of association in order to comply with the Companies Act, 2013. We will therefore in future be required to make suitable provisions for corporate social responsibility ("**CSR**") initiatives to at least 2% of our average net profit made during three immediately preceding financial years. We have not yet determined other significant impact of this legislation on our business.

- The Government of India proposes to revamp the implementation of direct taxes by way of the introduction of the Direct Taxes Code (the "DTC"). If the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed in this Draft Letter of Offer will likely be altered by the DTC.

- Further, the Government of India proposes for implementation of Goods and Services Tax (the "GST"). If the GST is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed in this Draft Letter of Offer will likely be altered by the GST.

- The General Anti Avoidance Rules ("GAAR") have recently been notified by way of an amendment to the Income Tax Rules, 1962, and are scheduled to come into effect from April 1,

2016. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under the business arrangement is less than ₹ 30 million, (ii) where Foreign institutional Investors ("FIIs") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII, or (iv) where any income is accruing from transfer of investments made before August 30, 2010, provided in all cases that the GAAR will apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2015, irrespective of the date on which such arrangement was entered into.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

Risks Related to the Equity Shares

61. ***After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.***

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian real estate sector and changing perceptions in the market about investments in the Indian real estate sector, adverse media reports on us or the Indian real estate sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalisation and deregulation policies, and significant developments in India’s fiscal regulations. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

62. ***Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced events that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar events occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

63. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independent of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company’s circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform our

Company of the percentage limit of the circuit breaker from time to time, and may change it without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot make any assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

64. ***There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.***

There may be less publicly available information about Indian public companies, including us, than is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain other countries.

65. ***Economic developments and volatility in securities markets in other countries may cause the price of our Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

66. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us may lead to the dilution of your shareholding in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

67. ***You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India.

68. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period. Further, there is no guarantee that the Equity Shares will be listed on NSE and BSE in a timely manner, or at all.

PROMINENT NOTES

1. Issue of [●] Equity Shares at a premium of ₹ [●] per Equity Share for an amount not exceeding ₹ 6,000 million on a rights basis to the existing Equity Shareholders in the ratio of [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held by the existing Equity Shareholders on the Record Date.

2. As on March 31, 2014, our net worth on a consolidated basis was ₹ 27,634.23 million (excluding revaluation reserves), and on standalone basis was ₹ 25,202.73 million (excluding revaluation reserves) as described in the section "*Financial Information*".

3. For details of our transactions with related parties during the preceding financial year, i.e., Fiscal Year 2014, the nature of transactions and the cumulative value of transactions, please refer to the section *"Financial Information— Related Party Transactions"* beginning on pages 142 and 176, respectively.

4. There has been no financing arrangement whereby the Promoter Group, the directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

SECTION III – INTRODUCTION

THE ISSUE

The Board of Directors of our Company have, pursuant to a resolution passed on April 9, 2014 authorized this offer of the Rights Equity Shares.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled "*Terms of the Issue*" on page 219.

Rights Equity Shares being offered by our Company	[●] Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date i.e. [●].
Record Date	[●]
Face Value per Rights Equity Share	₹ 2 each
Issue Price per Rights Equity Share	₹ [●] at a premium of ₹ [●] per Rights Equity Share
Equity Shares outstanding prior to the Issue	256,583,810 Equity Shares
Issue size	Not exceeding ₹ 6,000 million
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	Please refer to the section titled **"***Terms of the Issue***"** on page 219
Use of Issue Proceeds	For further information, see the section titled "*Objects of the Issue*" on page 63

Payment terms

The payment terms available to the Investors are as follows:

Due Date	**Amount**
On Application of the Rights Equity Shares	₹ [●] per Rights Equity Share which constitutes 100 % of the Issue Price.

SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth the summary financial information derived from our audited consolidated and standalone financial statements for the Financial Year ended March 31, 2014 prepared in accordance with Indian GAAP and the Companies Act, 1956.

Our summary financial information presented below, is in ₹ millions and should be read in conjunction with the financial statements and the notes thereto included in the section titled *"Financial Statements"*, respectively, of this Draft Letter of Offer.

Audited Standalone Balance Sheet as at 31st March, 2014

(₹ in million)

	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	513.17	513.17
Reserves and Surplus	24,689.56	24,167.17
	25,202.73	**24,680.34**
Non Current Liabilities		
Long-term Borrowings	732.15	1716.18
Deferred Tax Liabilities (Net)	124.86	231.21
Other Long-term Liabilities	631.77	543.37
Long-term Provisions	197.41	176.53
	1,686.19	**2,667.29**
Current Liabilities		
Short-term Borrowings	22,327.17	18,842.60
Trade Payables	15,389.67	13,989.99
Other Current Liabilities	26,542.47	20,696.67
Short-term Provisions	126.44	396.81
	64,385.75	**53,926.07**
Total	**91,274.67**	**81,273.70**
ASSETS		
Non Current Assets		
Fixed Assets		
Tangible Assets	6,866.69	7,122.58
Intangible Assets	49.65	62.81
Capital Work in Progress	103.62	61.24
Non Current Investments	11,643.08	12,536.23
Long Term Loans and Advances	2,564.46	3,201.66
Other Non Current Assets	1,187.34	1,506.42
	22,414.84	**24,490.94**

	As at 31st March, 2014	As at 31st March, 2013
Current Assets		
Current Investments	0.03	0.03
Inventories	15,987.50	14,263.53
Trade Receivables	13,410.13	11,429.52
Cash and Bank Balances	687.86	800.04
Short Term Loans and Advances	28,174.77	21,126.48
Other Current Assets	10,599.54	9,163.16
	68,859.83	**56,782.76**
Total	**91,274.67**	**81,273.70**

Audited Standalone Statement of Profit and Loss for the year ended 31st March, 2014

(₹ in million)

	Year ended March 31, 2014	**Year ended March 31, 2013**
REVENUE		
Revenue from Operations	61,173.02	57,249.18
Other Income	1,535.30	1,258.89
Total Revenue	**62,708.32**	**58,508.07**
EXPENSES		
Cost of Materials Consumed	28,682.83	22,794.36
Construction Expenses	26,649.39	27,431.07
Changes in Inventories of Work in Progress	(2,593.64)	(1,997.06)
Employee Benefits Expense	2,403.92	2,426.98
Finance Costs	4,659.85	4,070.38
Depreciation and Amortization Expense	895.13	920.22
Other Expenses	1,981.94	1,884.90
Total Expenses	**62,679.42**	**57,530.85**
Profit Before Tax	28.90	977.22
Tax Expense	(376.25)	350.56
Profit for the Year	**405.15**	**626.66**
Earnings per share of face value of ₹ 2 each - Basic and Diluted – ₹.	1.58	2.44

Cash Flow Statement for the year ended March 31, 2014

(₹ in million)

Particulars	**Year Ended March 31, 2014**	**Year Ended March 31, 2013**
A. Cash flow from operating activities		
Net Profit before tax	28.90	977.22
Adjustments for:		
Depreciation and amortisation expense	895.13	920.22
(Profit) on sale / write off of assets	7.93	(108.00)
Finance costs	4659.85	4,070.38
Interest income	(1,392.49)	(1,041.65)
Net (gain) on sale of investments	(162.20)	-
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Rental income from operating leases	(14.94)	(31.49)
Net unrealised exchange loss	3.71	-
	4,416.02	**3,879.46**
Operating profit before working capital changes	**4,444.92**	**4,856.68**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,723.97)	(1,928.28)
Trade receivables	(2,002.14)	1,635.25
Short-term loans and advances	(3,035.82)	850.67
Long-term loans and advances	-	68.63
Other current assets	(751.79)	(1,222.48)
Other non-current assets	319.07	(167.55)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,399.68	1,565.82
Other current liabilities	4,764.31	(1,540.10)
Other long-term liabilities	88.40	149.97
Short-term provisions	5.27	6.76
Long-term provisions	20.88	(5.39)
	(916.11)	(586.70)
Cash generated from operations	**3,528.81**	**4,269.98**
Net income tax (paid)	170.04	(584.67)
Net cash flow from operating activities (A)	**3,698.85**	**3,685.31**
B. Cash flow from investing activities		

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Capital expenditure on fixed assets	(761.69)	(1,270.34)
Proceeds from sale of fixed assets	85.30	821.64
Bank balances not considered as Cash and cash equivalents	(87.59)	(23.39)
Purchase of long-term investments – Subsidiaries	(2,616.27)	1,933.95
Purchase of long-term investments – others	(18.38)	(17.50)
Refund of share application money	2,689.78	-
Proceeds from sale of long-term investments	1,877.36	-
Advance received towards sale of shares	1,000.00	-
Loans given to subsidiaries, associates and other body corporate	(1,077.84)	(1,290.92)
Inter Corporate Deposits given	(3,587.87)	-
Loans realised from subsidiaries, associates and other body corporate	46.85	0.02
Interest received	704.19	487.92
Rental income from operating leases	14.94	31.49
Net cash flow from / (used in) investing activities (B)	**(1,731.22)**	**672.87**
C. Cash flow from financing activities		
Repayment of Debentures	(800.00)	(1,050.00)
Proceeds from long term borrowings	254.75	292.97
Repayment of Long term borrowings	(442.85)	(845.68)
Net increase / (decrease) in short term borrowings	3,484.57	1,512.05
Finance cost paid	(4,573.69)	(4,047.71)
Dividend & Tax on dividend paid	(90.18)	(89.47)
Net cash flow (used in) financing activities (C)	**(2,167.40)**	**(4,227.84)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(199.77)	130.34
Cash and cash equivalents at the beginning of the year	650.97	520.63
Cash and cash equivalents at the end of the year	451.20	650.97

Audited Consolidated Balance Sheet as at 31st March, 2014

(₹ in million)

	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	513.17	513.17
Reserves and Surplus	27,121.06	26,452.94
	27,634.23	**26,966.11**
Minority Interest	3,705.26	1,488.52
Non Current Liabilities		
Long-term Borrowings	11,685.29	13,297.51
Deferred Tax Liabilities (Net)	124.86	231.22
Other Long-term Liabilities	945.60	594.72
Long-term Provisions	657.79	422.83
	13,413.54	**14,456.28**
Current Liabilities		
Short-term Borrowings	25,285.48	23,088.08
Trade Payables	20,195.54	18,249.85
Other Current Liabilities	30,830.08	26,724.93
Short-term Provisions	501.98	835.09
	76,813.08	**68,897.95**
Total	**121,566.11**	**111,898.86**
ASSETS		
Non Current Assets		
Fixed Assets		
Tangible Assets	10,932.11	10,669.89
Intangible Assets	14,827.66	17,127.77
Capital Work in Progress	237.49	69.61
Goodwill on Consolidation	730.84	294.01
Non Current Investments	2,773.84	6,256.80
Deferred Tax Assets (Net)	5.11	0.53
Long Term Loans and Advances	2,543.76	3,301.66
Other Non Current Assets	1,265.42	1,544.45
	33,316.23	**39,264.72**
Current Assets		
Current Investments	8,306.24	454.30
Inventories	24,702.27	21,961.25

	As at 31st March, 2014	As at 31st March, 2013
Trade Receivables	16,575.08	14,075.58
Cash and Bank Balances	1,629.14	2,494.23
Short-term Loans and Advances	23,780.78	21,319.50
Other Current Assets	13,256.37	12,329.28
	88,249.88	**72,634.14**
Total	**121,566.11**	**111,898.86**

Audited Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(₹ in million)

	Year ended March 31, 2014	**Year ended March 31, 2013**
REVENUE		
Revenue from Operations	74,631.51	69,683.62
Other Income	1,055.43	909.77
Total Revenue	**75,686.94**	**70,593.39**
EXPENSES		
Cost of Materials Consumed	32,068.33	25,419.45
Construction Expenses	31,703.37	31,408.29
Changes in Inventories of Work in Progress	(3,134.93)	(1,490.91)
Employee Benefits Expense	3,809.19	3,692.93
Financial Costs	6,541.15	5,950.85
Depreciation and Amortization Expense	2,354.47	2,284.08
Other Expenses	2,615.74	2,427.27
Total Expenses	**75,957.32**	**69,691.96**
Profit Before Tax	**(270.38)**	**901.43**
Tax Expense	(373.90)	381.28
Profit After Tax Before Minority Interest	103.52	520.15
Share of (Profit)/Loss transferred to Minority Interest	122.75	111.38
Profit After Tax After Minority Interest	226.27	631.53
Share of Loss from Associate Companies	(193.47)	(67.71)
Consolidated Profit for the period	**32.80**	**563.82**
Earnings per equity share of face value of ₹ 2 each - Basic and Diluted - ₹.	**0.13**	**2.20**

Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ in million)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
A. Cash flow from operating activities		
(Loss) / Profit before tax	(270.38)	901.43
Adjustments for:		
Depreciation and amortisation	2,354.47	2,284.08
Loss / (Profit) on sale / write off of assets	9.70	(68.47)
Finance costs	6,541.15	5,950.85
Interest income	(686.55)	(618.97)
Dividend income	(5.35)	-
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Rental income from operating leases	(16.62)	(30.97)
Net unrealised exchange loss	3.71	-
	8,619.54	**7,586.52**
Operating profit before working capital changes	**8,349.16**	**8,487.95**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,741.02)	(1,390.49)
Trade receivables	(2,519.36)	2,837.14
Short-term loans and advances	(2,929.35)	785.53
Long-term loans and advances	502.98	(133.88)
Other current assets	(779.25)	(1,703.71)
Other non-current assets	279.38	(213.14)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,945.69	2,007.67
Other current liabilities	3,486.51	5,613.63
Other long-term liabilities	350.87	91.96
Short-term provisions	1.38	352.48
Long-term provisions	234.96	101.41
	(2,167.21)	8,348.61

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Cash generated from operations	**6,181.95**	**16,836.56**
Income Tax Paid (Net)	161.96	(639.59)
Net cash flow from operating activities (A)	**6,343.91**	**16,196.97**
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(1,573.07)	(1,102.38)
Proceeds from sale of fixed assets	1,075.91	2,589.28
Bank balances not considered as Cash and cash equivalents	113.87	(16.76)
Purchase of Current investments	(4,414.94)	151.63
Purchase of long-term investments	-	(3.92)
Proceeds from sale of long-term investments	2,085.77	1,183.76
Advance sale consideration received	-	499.54
Advance received towards sale of shares	1,000.00	-
Loans (given) - Associates	(69.06)	(204.28)
Loans (given) / realized – Other Body Corporates	(0.93)	135.81
Interest received	532.97	432.34
Dividend received	5.35	-
Rental income from operating leases	16.62	30.97
Foreign Exchange translation adjustment (arising on consolidation)	561.15	242.23
Net cash flow from / (used in) investing activities (B)	**(666.36)**	**3,938.22**
C. Cash flow from financing activities		
Debentures - Issued / (redeemed)	2,666.00	(1,107.84)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Long term Borrowings - repaid (net)	(4,805.07)	(13,243.06)
Short term Borrowings - borrowed (net)	2,240.89	274.85
Finance Cost	(6,440.40)	(5,900.05
Dividend and Dividend Tax paid	(90.19)	(89.46)
Net cash flow (used in) financing activities (C)	**(6,428.77)**	**(20,065.56)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(751.22)	69.63
Cash and cash equivalents at the beginning of the year	1,721.46	1,651.83
Cash and cash equivalents at the end of the year	970.24	1,721.46

GENERAL INFORMATION

Our Company was incorporated as a public limited company named 'Nagarjuna Construction Company Limited' at Hyderabad on March 22, 1990 under the Companies Act, 1956. Subsequently the name of our Company was changed to 'NCC Limited' pursuant to fresh certificate of incorporation dated February 25, 2011. The corporate identity number of our Company is L72200AP1990PLC011146.

Registered Office of our Company

NCC House, Madhapur
Hyderabad – 500 081
Andhra Pradesh, India
Telephone: +91 40 2326 8888
Facsimile: +91 40 2312 5555
Website: www.ncclimited.com
Email: ncc.rights@nccltd.in
Registration No.: 01-11146
Corporate Identity No.: L72200AP1990 PLC011146

Address of the RoC

Registrar of Companies, Hyderabad
2nd Floor, CPWD Building
Kendriya Sadan, Sultan Bazar, Koti
Hyderabad - 500195
Telephone: +91 40 4657937, 4652807
Fax: +91 40 4652807
Email: roc.hyderabad@mca.gov.in

The Equity Shares of our Company are listed and traded on the Stock Exchanges. Our GDRs are listed on the Luxembourg Stock Exchange.

Company Secretary and Compliance Officer

Mr. M.V. Srinivasa Murthy
Company Secretary and Senior Vice President (Legal)
NCC House, 9th Floor
Madhapur
Hyderabad – 500 081
Andhra Pradesh, India
Telephone: +91 40 2326 8888
Fax: +91 40 2312 5555
Website: www.ncclimited.com
Email: srinivasamurthy.mv@nccltd.in;
ho.secr@nccltd.in

Lead Managers to the Issue:

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020
Telephone: +91 22 2288 2460
Facsimile: +91 22 2282 6580
Email: ncc.rights@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Ayush Jain/ Satish Arcot
SEBI Registration No.: INM000011179

SBI Capital Markets Limited

202, Maker Tower 'E'
Cuffe Parade, Mumbai 400 005
Maharashtra, India
Telephone: +91 22 2217 8300
Facsimile: +91 22 2218 8332
Email: ncc.rights@sbicaps.com
Website: www.sbicaps.com
Contact Person: Nikhil Bhiwapurkar/Sambit Rath
SEBI Registration No.: INM000003531

Domestic Legal Advisor to the Issue

J Sagar Associates
Vakils House,
18, Sprott Road
Ballard Estate
Mumbai- 400 001
Telephone: +91 22 4341 8600
Facsimile: +91 22 4341 8617
Email: mumbai@jsalaw.com

Statutory Auditors of our Company

M/s. Deloitte Haskins & Sells, Chartered Accountants
1-8-384 & 385, 3rd Floor Gowra Grand
Sardar Patel Road, Secunderabad - 500 003
Telephone: +91 40 6603 2600
Facsimile: +91 40 6603 2714
Firm Registration Number: 008072S

M/s. M. Bhaskara Rao & Co, Chartered Accountants
6-3-652 5-D, 5th Floor, 'KAUTILYA'
Amrutha Estates, Somajiguda,
Hyderabad - 500 082
Telephone: +91 40 2339 3900
Facsimile: +91 40 2339 9248
Firm Registration Number: 000459S

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Telephone: +91 40 44655000
Facsimile: +91 40 23431551
Email: ncc.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. Rakesh Santhalia
SEBI Registration No.: INR000000221

Note: Investors are advised to contact the Registrar to the Issue / Compliance Officer in case of any pre-Issue / post-Issue related problems such as non-receipt of the Letter of Offer / Abridged Letter of Offer / CAF / allotment advice / share certificate(s) / refund orders.

Bankers to the Issue:
[●]

Refund Banker
[●]

Self Certified Syndicate Bankers (SCSB):

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount Process is provided at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000.

Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of the Rights Equity Shares applied for, amount blocked, ASBA account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

For more details on the ASBA process, please refer to the details given in the CAF and also please refer to the section titled "*Terms of the Issue*" on page 219.

Subscription by our Promoters and/or Promoter Group

The Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and have confirmed that the subscription and consequent Allotment shall be in such a manner that the aggregate shareholding of the Promoter and the members of the promoter group shall not exceed 25% of the post Issue capital of our Company. In addition to subscription to their Rights Entitlements, the Promoters and members of the Promoter Group have further confirmed that they intend to subscribe to additional Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 25% of the post Issue capital of our Company.

Monitoring Agency

The Company has appointed [●] as the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 16 of the SEBI (ICDR) Regulations.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Expert

Except as stated below, our Company has not obtained any expert opinions:

The Company has received consent from the Joint Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. M. Bhaskara Rao & Co, Chartered Accountants to include their names as "Experts" under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Draft Letter of Offer in relation to their report on the audited consolidated and standalone financial statements of the Company for the year ended March 31, 2014 provided under section "Financial Statements" on page 109, and the tax benefit statement provided under section "Statement of Tax Benefits" on page 70. Further, the Company has received consent from M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. M. Bhaskara Rao & Co, Chartered Accountants to include their name as an "Expert" under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Draft Letter of Offer in relation to their report on the audited consolidated and standalone financial statements of the Company for the year ended March 31, 2014 provided under section "Financial Statements" on page 109. Further, these consents have not been withdrawn as of the date of this Draft Letter of Offer.

Listing on the Stock Exchanges

The Equity Shares of our Company are listed and traded on the NSE and BSE. The GDRs of our Company are listed on the Luxembourg Stock Exchange.We have received in-principle approvals for listing of the Rights Equity Shares from the NSE by letter dated [●] and from the BSE by letter dated [●]. The Designated Stock Exchange for the purposes of the Issue is [●]. We will make applications to the Stock Exchanges for final listing and trading approval in respect of the Rights Equity Shares being offered in terms of this Draft Letter of Offer.

Trustees

As this is an Issue of the Rights Equity Shares, the appointment of trustee/s is not required.

Underwriting

Our Company has not currently entered into any underwriting arrangement. We may enter into such an arrangement for the purpose of this Issue at an appropriate time and on such terms and conditions as we may deem fit. In the event our Company enters into such an arrangement, which shall be done, prior to the filing of the Letter of Offer with the Designated Stock Exchange, we shall disclose the details of the underwriting arrangement in the Letter of Offer as required under the SEBI (ICDR) Regulations.

Statement of responsibility of the Lead Managers

The following table sets forth the *inter se* allocation of responsibilities for various activities among the Lead Managers:

Sr. No.	Activities	Responsibilty	Co-ordination
1.	Capital structuring with the relative components and formalities, type of instruments of the Issue in conformity with the ICDR Regulations, undertaking liaison with SEBI and the Stock Exchanges (including obtaining in-principle listing approval), as may be required under the prevailing framework of regulations/ rules/ guidelines issued by the SEBI and the Stock Exchanges. Co-ordination with SEBI and assisiting the company in seeking	I-Sec, SBI Caps	I-Sec

Sr. No.	Activities	Responsibilty	Co-ordination
	requisite approvals / exemptions from any other regulator		
2.	Assisting our Company and its legal advisors in drafting the draft and final Letter of Offer; conduct due diligence as may be required on our Company and assist in compliance with regulatory requirements of the SEBI and the Stock Exchanges.Drafting and design of Abridged Offer Document and CAF	I-Sec, SBI Caps	I-Sec
3.	Drafting and design of statutory and non-statutory advertisement/ publicity material including newspaper advertisements and brochure	I-Sec, SBI Caps	SBI Caps
4.	Selection of agencies connected with the issue – finalizing printers, advertisement agency and monitoring agency	I-Sec, SBI Caps	I-Sec
5.	Selection of agencies connected with the issue – finalizing banker to the issue (selecting collection centers as per Schedule III of the SEBI ICDR Regulations) and Registrar to the issue	I-Sec, SBI Caps	SBI Caps
6.	Marketing strategy which will cover, inter alia: ▪ Finalising the list and division of investors for one to one meetings; ▪ Finalising road show schedule and investor meeting schedules; and ▪ Preparation of Investor Presentation. Distribution of publicity and Issue materials including application form and Letter of Offer	I-Sec, SBI Caps	I-Sec
7.	Co-ordination with the Stock Exchanges for IBBS software and payment of security deposit to the designated stock exchange.	I-Sec, SBI Caps	SBI Caps
8.	Follow-up with the Bankers to the Issue to get quick estimates of collection and advising such Banks about closure of the Issue, based on the reported figures.	I-Sec, SBI Caps	SBI Caps
9.	The post-Issue activities will involve essential follow-up steps, which include finalization of basis of allotment or weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as the Registrar to the Issue, the Bankers to	I-Sec, SBI Caps	SBI Caps

Sr. No.	Activities	Responsibilty	Co-ordination
	the Issue, and the bank handling refund business. Whilst, many of the post issue activities will be handled by other intermediaries, the designated Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Issuer Company.		

Credit Rating

As this is an Issue of the Rights Equity Shares, we are not required to obtain a credit rating in connection with the Issue and/or the Rights Equity Shares.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date (in case the Issue is non-underwritten) or shall refund the entire subscription amount received within 70 days from the Issue Closing Date, in the event the minimum subscription including devolvement obligation paid by the Underwriter has not been received within 60 days of the Issue Closing Date (in case the Issue is underwritten).

Principal terms of loans and assets charged as security

For details in relation to the principal terms of loans and assets charged as security in relation to our Company, please see the section titled "Principal Terms of Loans and Assets Charged as Security" on page 192.

CAPITAL STRUCTURE

Our share capital as on the date of filing of this Draft Letter of Offer is set forth below:

(₹in millions except share data)

		Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**		
	75,00,00,000 Equity Shares of ₹ 2 each	1,500.00	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	Issued share capital:		
	25,68,33,810 Equity Shares* of ₹ 2 each	513.67	
	Subscribed and paid up share capital:		
	25,65,83,810 Equity Shares of ₹ 2 each#	513.17	
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER**		
	[●] Equity Shares of ₹ 2 each fully paid up	[●]	[●]
D)	**PAID UP EQUITY SHARE CAPITAL AFTER THE ISSUE (ASSUMING FULL SUBSCRIPTION FOR AND ALLOTMENT OF THE RIGHTS ENTITLEMENT)**		
	[●] Equity Shares of ₹ 2 each fully paid up	[●]	
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	14,649.35	
	After the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●]	

** In Fiscal 2006, the Company issued 23.48 million GDRs representing 2,34,83,360 Equity Shares of the Company and 39,700 GDRs are outstanding as of March 31, 2014.*

 # Pursuant to a resolution passed by the shareholders of our Company at their EGM held on November 16, 2004, our Company had undertaken a preferential allotment for allotment of 3,000,000 equity shares of face value of ₹10 each to select investors and 1,000,000 warrants to its promoters (as then categorized). However, two of such select investors viz ASK Securities Private Limited and ASK Equity Research Private Limited, were not allotted 50,000 equity shares of face value of ₹ 10 each (which pursuant to sub-division of the share capital of the Company were 250,000 equity shares of face value of ₹2 each) of the Company originally allocated to them, as they had undertaken a sale of equity shares of the Company during a period of six months prior to the relevant date, and therefore, had been rendered ineligible for the said preferential allotment, in terms of relevant provisions of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Notes to the Capital Structure

1. **Outstanding Instruments:**

   Our Company has no outstanding instruments for conversion into the Equity Shares or instruments giving any options for conversion into the Equity Shares, as on the date of this Draft Letter of Offer.

2. **Shareholding Pattern:**

   The table below presents our Company’s shareholding as on March 31, 2014:

Category of shareholder	No. of share-holders	Total no. of shares	Total no. of shares held in dematerialized form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered number of shares as a % of total no. of shares	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of total number of shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	31	3,36,94,808	3,36,94,808	13.13	13.13	2,46,40,299	73.13
Bodies Corporate	5	1,86,66,942	1,86,66,942	7.28	7.28	63,85,807	34.21
Sub Total	**36**	**5,23,61,750**	**5,23,61,750**	**20.41**	**20.41**	**3,10,26,106**	**59.25**
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	**36**	**5,23,61,750**	**5,23,61,750**	**20.41**	**20.41**	**3,10,26,106**	**59.25**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds/UTI	24	2,19,15,109	2,19,09,109	8.54	8.54	-	-
Financial Institutions/Banks	8	6,80,185	6,79,185	0.27	0.27	-	-
Foreign Institutional Investors	50	9,17,83,260	9,17,65,760	35.78	35.77	-	-
Sub Total	**82**	**11,43,78,554**	**11,43,54,054**	**44.58**	**44.58**	**-**	**-**
(2) Non-Institutions							
Bodies Corporate	934	1,50,45,684	1,50,21,424	5.86	5.86	-	-
Individuals							
Individual shareholders holding nominal share capital up to ` 1 lakh	59689	3,22,37,280	3,08,04,626	12.57	12.56	-	-

Category of shareholder	No. of share-holders	Total no. of shares	Total no. of shares held in dematerialized form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered number of shares as a % of total no. of shares	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of total number of shares
Individual shareholders holding nominal share capital in excess of ` 1 lakh	45	3,80,81,062	3,79,84,062	14.84	14.84	-	-
Others							
(i) Trusts	3	20,600	20,600	0.01	0.01	-	-
(ii) Clearing Members	344	26,41,500	26,41,500	1.03	1.03	-	-
(iii) Foreign Bodies-DR	1	761	761	0.00	0.00	-	-
(iv) Non Resident Indians	969	17,76,919	17,76,919	0.69	0.69	-	-
Sub Total	**61985**	**8,98,03,806**	**8,82,49,892**	**35.01**	**35.00**		**-**
Total Public shareholding (B)	**62067**	**20,41,82,360**	**20,26,03,946**	**79.59**	**79.58**	**-**	**-**
Total (A)+(B)	**62103**	**25,65,44,110**	**25,49,65,696**	**100.00**	**99.98**	**3,10,26,106**	**12.09**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(1) Promoter and Promoter Group	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Public	**1**	**39,700**	**39,700**	**-**	**0.02**	**-**	**-**
Sub Total	**1**	**39,700**	**39,700**	**-**	**0.02**	**-**	**-**
Total (A)+(B)+(C)	**62104**	**25,65,83,810**	**25,50,05,396**	**100.00**	**100.00**	**3,10,26,106**	**12.09**

3. **Details of securities held by our Promoters and Promoter Group**

The table below presents the details of the securities of our Company held by our Promoters and Promoter Group as on March 31, 2014 including details of lock-in, pledge and/or encumbrance on such securities:

Sr. No.	Name of the Shareholder	Total Equity Shares held		Equity Shares pledged or otherwise encumbered		
		Number	As a % of total paid up capital	Number	% of Total shares held	As a % of total paid up capital
1.	A V S R Holdings Private Limited	1,27,84,300	4.98	53,10,807	41.54	2.07
2.	Alluri Ananta Venkata Ranga Raju	59,31,740	2.31	43,75,000	73.76	1.71
3.	Alluri Srimannarayana Raju	39,93,330	1.56	39,90,000	99.92	1.56
4.	Alluri Venkata Satyanarayana Raju	39,63,720	1.54	36,68,119	92.54	1.43
5.	Alluri Gopala Krishnam Raju	39,30,080	1.53	21,75,000	55.34	0.85
6.	Alluri Venkata Narasimha Raju	36,85,750	1.44	33,85,000	91.84	1.32
7.	Alluri Narayana Raju	33,63,680	1.31	18,25,180	54.26	0.71
8.	Alluri Srinivasa Rama Raju	26,16,770	1.02	25,90,000	98.98	1.01
9.	Arnesh Ventures Private Limited	19,66,000	0.77	-	-	-
10.	Avathesh Property Developers Private Limited	18,54,000	0.72	-	-	-
11.	Alluri Venkata Satyanarayanamma	17,57,210	0.68	14,17,000	80.64	0.55
12.	Jampana Venkata Ranga Raju	15,53,500	0.61	-	-	-
13.	A V S R Holdings Private Limited	13,62,867	0.53	10,75,000	78.88	0.42
14.	A Narayana Raju	7,25,000	0.28	7,25,000	100.00	0.28
15.	Narasimha Developers Private Limited	6,99,775	0.27	-	-	-
16.	Swetha Manthena	4,98,200	0.19	4,90,000	98.35	0.19
17.	Arundhati Alluri	3,34,535	0.13	-	-	-
18.	J Sowjanya	2,05,000	0.08	-	-	-

Sr. No.	Name of the Shareholder	Total Equity Shares held		Equity Shares pledged or otherwise encumbered		
		Number	As a % of total paid up capital	Number	% of Total shares held	As a % of total paid up capital
19.	Jampanna Venkata Ranga Raju	1,47,777	0.06	-	-	-
20.	Alluri Swetha	1,46,097	0.06	-	-	-
21.	J Sri Devi	1,24,000	0.05	-	-	-
22.	Subhadra Jyothirmayi A	98,226	0.04	-	-	-
23.	Gopala Krishnamraju Alluri	80,000	0.03	-	-	-
24.	Chaitanya Varma	70,950	0.03	-	-	-
25.	Alluri Bharathi	57,258	0.02	-	-	-
26.	Alluri Arundhathi	56,491	0.02	-	-	-
27.	Alluri Sridevi	52,562	0.02	-	-	-
28.	Jampana Sridevi	47,434	0.02	-	-	-
29.	Jampanna Krishna Chaitanya Varma	47,260	0.02	-	-	-
30.	Alluri Subhadra Jyothirmayi	43,970	0.02	-	-	-
31.	Alluri Nilavathi Devi	33,822	0.01	-	-	-
32.	Alluri Shyama	32,378	0.01	-	-	-
33.	Alluri Suguna	31,478	0.01	-	-	-
34.	Jampanna Sowjanya	30,000	0.01	-	-	-
35.	Sri Harsha Varma Alluri	25,500	0.01	-	-	-
36.	Bhupathi Raju Kausalya	11,090	-	-	-	-
	Total	**5,23,61,750**	**20.41**	**3,10,26,106**	**59.25**	**12.09**

4. **Persons and Entities owning more than 1% (one percent) of our Equity Shares:**

The table below presents the details of the securities held by persons belonging to the category "Public" individually holding more than 1% of the total number of the Equity Shares / shareholding in the Company as on March 31, 2014.

Sr. No.	Name of the Shareholder	Total Equity Shares held	
		Number	As a % of total paid up capital
1.	Blackstone Gpv Capital Partners Mauritius V-Altd	2,53,99,699	9.90
2.	Warhol Limited	2,53,84,700	9.89
3.	Jhunjhunwala Rekha Rakesh	2,46,08,266	9.59
4.	Citigroup Global Markets Mauritius Private Limited	1,21,90,265	4.75
5.	Dsp Blackrock India T.I.G.E.R. Fund	1,11,11,157	4.33
6.	Beacon India Private Equity Fund	98,18,207	3.83
7.	Uti - Equity Fund	62,26,198	2.43
8.	Rakesh Jhunjhunwala	50,00,000	1.95
9.	Doric Asia Pacific Small Cap (Mauritius) Limited	37,72,572	1.47
10.	Aviva Life Insurance Company India Limited	34,99,811	1.36
11.	Dimensional Emerging Markets Value Fund	26,21,585	1.02
	Total	**12,96,32,460**	**50.52**

5. The Promoters and the Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of this Draft Letter of Offer, other than as mentioned below:

Sr. No.	Name of Promoter/Promoter Group Entity	Total No. of Equity Shares	Consideration (₹/equity share)	Nature of consideration	Date of Transaction
1.	Jampana Sridevi	35,000	10,49,365.00	Cash	April 13, 2013
		36,000	11,95,949.00	Cash	April 29, 2013
2.	Jampana Venkata Ranga Raju	7687	2,28,075.00	Cash	April 14, 2013
		54,000	17,95,097.80	Cash	April 29, 2013
		61,090	13,99,571.90	Cash	June 26, 2013
3.	Jampana Sowjanya	35,000	10,51,381.00	Cash	April 14, 2013
		45,000	14,95,184.50	Cash	April 29, 2013
		1,00,000	22,19,000.00	Cash	June 27, 2013
4.	Jampana Krishna Chaitanya Varma	18,681	5,89,921.69	Cash	May 4, 2013

6. In Fiscal 2006, the Company issued 23.48 million GDRs at a price of USD 5.11 per GDR representing 2,34,83,360 Equity Shares of the Company, which were listed on the Luxembourg Stock Exchange and traded on the portal platform of the National Association of Securities Dealers Automated Quotations or NASDAQ as ‘permitted securities’. 39,700 GDRs are outstanding as of March 31, 2014.

7. **Participation in the Issue by the Promoters and Promoter Group:**

The Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and have confirmed that the subscription and consequent Allotment shall be in such a manner that the aggregate shareholding of the Promoter and the members of the promoter group shall not exceed 25% of the post Issue capital of our Company. In addition to subscription to their Rights Entitlements, the Promoters and members of the Promoter Group have further confirmed that they intend to subscribe to additional Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 25% of the post Issue capital of our Company.

8. The terms of issue to the Eligible Equity Shareholders have been presented under the section titled ***"**Terms of the Issue**"*** on page 219.

9. At any given time, there shall be only one denomination of Equity Shares of our Company.

10. We have not revalued our assets during the last five Financial Years.

11. All the Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares when issued shall be fully-paid up.

OBJECTS OF THE ISSUE

The Objects of the Issue are:

1. Repayment/ pre-payment, in full or in part, of certain loans availed by our Company; and

2. General corporate purposes.

We intend to utilize the proceeds of the Issue after deducting expenses relating to the Issue ("**Net Proceeds of the Issue**" or "**Net Proceeds**"), which is estimated at ₹ [●] million for the abovementioned objects.

The main objects set out in the Memorandum of Association enable us to undertake our existing activities. The loans availed by our Company, which are proposed to be repaid/ pre-paid, in full or part, from Net Proceeds of the Issue, are for activities carried out as enabled by the objects clause of the Memorandum of Association.

Proceeds of the Issue

The details of the Issue Proceeds are as follows:

S. No.	Description	Estimated Amount (₹ in millions)
1	Gross Proceeds of the Issue	6,000
2	Issue Expenses*	[●]
3	Net Proceeds of the Issue*	[●]

**To be finalised upon determination of the Issue Price*

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, the Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Utilisation of Net Proceeds of the Issue

The details of utilization of the Net Proceeds will be in accordance with the table set forth below:

Sr. No.	Particulars	Estimated amount to be utilized (₹ in million)
1	Repayment/ pre-payment, in full or in part, of certain loans availed by our Company	5,000.00
2	General Corporate Purposes	[●]
Total		[●]

Schedule of Deployment

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during financial year 2015.

The funds deployment described herein is based on management estimates and current circumstances of our business. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management.

Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

Details of the Objects of the Issue:

The details in relation to objects of the Issue are set forth herein below.

1. Repayment/ pre-payment, in full or in part, of certain loans availed by our Company:

Our Company has entered into financing arrangements with various banks/ financial institutions. These arrangements include secured and unsecured loans from banks/ financial institutions and others. For details of our debt financing arrangements, see the section titled "*Principal Terms of Loans and Assets Charged as Security*" on page 192.

Our Company proposes to utilize an estimated amount of ₹ 5,000.00 million from the Net Proceeds towards repayment/ pre-payment, in full or in part, of certain loans availed by our Company. Our Company may repay or refinance some of its existing loans set out in the table below prior to Allotment. Accordingly, we may utilize the Net Proceeds for repayment or pre-payment of any such refinanced loans. However, the aggregate amount to be utilized from the Net Proceeds towards repayment/pre-payment of loans (including refinanced loans availed) would not exceed ₹ 5,000.00 million.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and our debt-equity ratio. We believe that reducing our indebtedness will result in an enhanced equity base, assist us in maintaining a favourable debt-equity ratio in the near future and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. In addition, we believe that the strength of our balance sheet and the leverage capacity of our Company will improve significantly which shall enable us to raise further resources in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain loans availed by our Company out of which we may repay/ pre-pay, in full or in part, any or all of the loans from the Net Proceeds, without any obligation to any particular bank/ financial institution:

Sr. No.	Name of Lender and nature, date of the loan agreement	Purpose of loan *	Amount sanctioned (in ₹ million)	Total Amount outstanding as on 31.03.2014 (in ₹ million)	Total Amount outstanding as on 31.05.2014 (in ₹ million)	Rate of interest (per annum)	Repayment Schedule	Prepayment penalty
1.	ICICI Bank Limited Redeemable, Non-covertible debentures Debenture Trustee Agreement dated October 29, 2010 and Information memorandum dated August 10, 2010	General corporate purposes	2,000.00	1,000.00	1,000.00	9.50%	Final redemption date on August 11, 2015	Nil
2.	Syndicate Bank, Bank of Baroda, Corporation Bank, Central Bank	Medium term resources and general corporate purposes	1,000	400.00	400.00	10.50%	Final redemption date on July 24, 2014	Nil

Sr. No.	Name of Lender and nature, date of the loan agreement	Purpose of loan *	Amount sanctioned (in ₹ million)	Total Amount outstanding as on 31.03.2014 (in ₹ million)	Total Amount outstanding as on 31.05.2014 (in ₹ million)	Rate of interest (per annum)	Repayment Schedule	Prepayment penalty
	of India, General Insurance Corporation of India, Allahabad Bank and Andhra Bank. Debenture Trustee Agreement dated September 15, 2009 and Information memorandum dated August 10, 2010							
3.	LIC of India Redeemable non-covertible debentures Debenture Trustee Agreement dated April 23, 2009, Information memorandum dated January 30, 2009 and letter dated May 13, 2014	General corporate requirements	1,000.00	500.00	450.00	12.20%	Repayable on or before September 30, 2014	Nil
4.	ING Vysya Bank Limited Facility Agreement dated June 19, 2013; Renewal letter dated May 31, 2014	Working capital requirements	500.00	250.00	250.00	14.50%	Repayable within period of 4 months i.e. before September 30, 2014.	Nil
5.	DBS Bank Limited Sanction letter dated June 22, 2011 and Renewal letter dated April 23, 2014	Working capital loan	1,500.00	490.00	490.00	12.75%	Three equal instalments on September 30, 2014, November 28, 2014 and December 31, 2014	Nil
6.	Standard Chartered Bank Limited	Retention receivable discounting	2,000.00	948.07	592.76	14.75%	Repayable within a	Nil

Sr. No.	Name of Lender and nature, date of the loan agreement	Purpose of loan *	Amount sanctioned (in ₹ million)	Total Amount outstanding as on 31.03.2014 (in ₹ million)	Total Amount outstanding as on 31.05.2014 (in ₹ million)	Rate of interest (per annum)	Repayment Schedule	Prepayment penalty
	Sanction letter dated September 6, 2013.	facility					period of one year i.e. September 5, 2014	
7.	Vijaya Bank Sanction memo dated December 17, 2013	Short term working capital and general corporate purpose	600.00	600.00	600.00	12.55%	Eight equal quarterly instalments of ₹ 75 million each commencing after a moratorium period of 12 months from the date of disbursemen t i.e. December 23, 2013.	Nil
8.	Syndicate Bank Limited Sanction letter dated August 10, 2013	Short term loan - Working capital requirements for infrastructure projects.	1,000.00	1,000.00	1000.00	12.75%	Bullet form at the end of 12 months from the date of release i.e. August 14, 2013	2% on balance due if paid before six months and 1% on balance due if paid after six months.
9.	Lakshmi Vilas Bank Limited Sanction letter dated February 21, 2014	Short term loan – General corporate purposes	1,000.00	250.00	400.00	14.00%	Repayable in five equal monthly instalments of ₹ 200 million each commencing from 20th month from the date of first drawdown i.e. March 26, 2014	Nil
10.	Standard Chartered Bank Sanction letter dated November 13, 2013 for ₹ 3,000 million	Overdraft facility	800 *(part of ₹ 3,000 million loan sanctioned)*	800 *(part of ₹ 3,000 million loan sanctioned)*	800 *(part of ₹ 3,000 million loan sanctioned)*	14.75%	Repayable within a period of one year i.e. November 12, 2014	Nil

Sr. No.	Name of Lender and nature, date of the loan agreement	Purpose of loan *	Amount sanctioned (in ₹ million)	Total Amount outstanding as on 31.03.2014 (in ₹ million)	Total Amount outstanding as on 31.05.2014 (in ₹ million)	Rate of interest (per annum)	Repayment Schedule	Prepayment penalty
	overdraft facility							
	Total			**6,238.07**	**5,982.76**			

Notes:

1. *The loans and debentures raised from the aforesaid lenders have been utilized for the purpose for which they were raised as mentioned above, other than temporary deployment of funds in deposit accounts.*
2. *The rate of interest with respect to the loans included under serial numbers 4 to 10 vary based on respective bank lending rates.*
3. *General corporate purpose includes utilisation of the aforesaid loans for investment/loans or deposits to subsidiaries of the Company and for payment of dividend to shareholders of the Company.*

**The amount outstanding as of May 31, 2014 has been certified by M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 008072S) and M/s. M. Bhaskara Rao & Co, Chartered Accountants (Firm Registration No. 000459S) vide their certificate dated June 30, 2014. Further, M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. M. Bhaskara Rao & Co, Chartered Accountants, have confirmed that these borrowings have been utilized for the purposes for which they were availed.*

For details in relation to the security created for the loans mentioned above, please see the section titled “Principal terms of Loans and Assets Charged as Security” on page 192.

Some of our loan agreements provide for the levy of prepayment penalties or premium. We will take such provisions into consideration while deciding the loans to be repaid and/ or pre-paid from the Net Proceeds. Payment of such pre-payment penalty or premium, if any, and interest outstanding on these loans as on date shall be made by our Company out of the Net Proceeds of the Issue. In the event the Net Proceeds of the Issue are not sufficient for the said payment of pre-payment penalty or premium, our Company shall make such payment from its internal accruals. We may also be required to provide notice to some of our lenders prior to prepayment.

The selection of loans proposed to be repaid and/ or pre-paid from our loan facilities provided above shall be based on various factors including, (i) any conditions attached to the loans restricting our ability to prepay the loans and time taken to fulfill such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. For details, please see the risk factors “We have debt agreements which contain restrictive covenants, placing significant limitations on us, which could restrict our ability to conduct our business and grow our operations and increases in interest rates may impact our results of operations” in the section titled “Risk Factors” on page 18.

2. General Corporate Purposes

Our Board, will have flexibility in applying the balance amount towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds of the Issue, including, strengthening marketing capabilities and brand building exercises, meeting our working capital requirements, routine capital expenditure, funding our growth opportunities, including strategic initiatives, partnerships, joint ventures, and meeting of exigencies which our Company may face in course of business or any other purpose as may be approved by the Board.

The quantum of utilization of funds towards each of the above purposes will be determined by the Board of Directors based on the amount actually available under the head “General Corporate Purposes” and the business requirements of the Company, from time to time.

3. Issue Expenses

The estimated Issue related Expenses are as follows:

S. No.	Activity Expense	Amount (in ₹millions)*	Percentage of Total Estimated Issue Expenditure*	Percentage of Issue Size*
1.	Fees payable to intermediaries (including the Lead Managers, Legal Counsels, Auditors, Registrars, Escrow Collection Banks, Underwriters and the Monitoring Agency)	[●]	[●]	[●]
2.	Printing and stationery, distribution, postage, etc	[●]	[●]	[●]
3.	Advertising and marketing expenses	[●]	[●]	[●]
4.	Fees paid/payable to regulatory/statutory agencies	[●]	[●]	[●]
5.	Other and miscellaneous expenses	[●]	[●]	[●]
	Total	[●]	[●]	[●]

***** *To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with Stock Exchanges.*

Bridge Financing

As at the date of this Draft Letter of Offer, our Company has not availed of any bridge financings. However, our Company may raise further loans prior to Allotment to refinance certain of its existing indebtedness. For more details for such refinancings, please see "—Details of the Objects of the Issue—Repayment/pre-payment, in full or in part, of certain loans availed by our Company" on page 64.

Interim Use of Funds:

Our Board will have flexibility in deploying the Net Proceeds. Pending utilization of the Issue Proceeds for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including investment in money market mutual funds, principal protected funds, listed debt instruments, rated debentures, fixed deposits with banks and other interest bearing securities for the necessary / interim duration. Such investments will be approved by the Board or its committee from time to time, in accordance with its investment policies.

Monitoring Utilization of Funds from Issue

Our Company shall appoint a monitoring agency for the Issue prior to the filing of the Letter of Offer. Our Board will monitor the utilisation of the proceeds of the Issue. We will disclose the utilisation of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. We will indicate investments, if any, of unutilised proceeds of the Issue in the balance sheet of our Company for the relevant fiscal years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the audit committee of the Board of Directors the uses and applications of the Issue Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before the audit committee of the Board of Directors. Such disclosure shall be made only until such time that all the Issue Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with clause 43A of the Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the audit committee of the Board of Directors.

Other Confirmations:

There are no existing or anticipated transactions in relation to the utilization of Net Proceeds with any of our Promoters, Directors, Key Managerial Personnel or Group Companies and no part of the Net Proceeds is intended to be paid by our Company as consideration to any of our Promoter, Directors, Key Managerial Personnel or Group Companies.

STATEMENT OF TAX BENEFITS

June 30, 2014
The Board of Directors,
NCC Limited,
Hyderabad.

Dear Sirs,

Re: Statement of possible tax benefits available to NCC Limited ("The Company") and its shareholders

We refer to the proposed rights issue of the shares of NCC Limited ("the Company") and enclose a Note (Refer annexure) showing the possible tax benefits available to the company and its shareholders as per the provisions of the Income Tax Act, 1961 ("IT Act") (incorporating amendments introduced by Finance Act, 2014) and the Wealth Tax Act, 1957 for inclusion in the Prospectus. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

The benefits outlined in the enclosed statement are based on the information and particulars provided by the Company.

We do not express any opinion or provide any assurance whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been or would be met with.

Limitations

Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the limited use of NCC Limited in connection with its rights issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

The Direct Taxes Code ('Code') has been presented in the Parliament for approval and once approved would be enacted as a law. We are unable to express any opinion on the effect of the same on the shareholders as the Code has not yet been approved.

This statement has been prepared solely in connection with the offering of Equity shares by the company under the Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offering).

If this Note is to be included in any offering document prepared in connection with the offering and thereby associating our name with this Note (either as Preparer or otherwise), the same shall be subject to our prior written consent.

For Deloitte Haskins & Sells	***For M. Bhaskara Rao & Co.,***
Chartered Accountants	***Chartered Accountants***
Firm Registration No. 008072S	***Firm Registration No. 000459S***
Ganesh Balakrishnan	***M V Ramana Murthy***
Partner	***Partner***
Membership No. 201193	***Membership No. 206439***

Place: Hyderabad

Date: June 30, 2014

Annexure: 1

NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO NCC LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the IT Act)

NCC Limited ("the Company') is an Indian Company, subject to tax in India. NCC Limited is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purposes of the business, including depreciation.

Considering the activities and the business of NCC Limited, the following benefits may be available to them.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

In accordance with and subject to the provisions of Section 80-IA of the IT Act, the company is eligible to claim as a deduction, from the taxable income, a tax holiday benefit of 100 percent of the profit derived from an undertaking which develops or begins to operate any infrastructure facility. The company is eligible to claim this deduction for ten out of the first fifteen assessment years starting from the year in which the undertaking develops or begins to operate the infrastructure facility.

However, the aforesaid deduction is not available while computing tax liability of the Company under Minimum Alternative Tax ('MAT'). Such MAT paid/payable on the book profits of the Company computed in terms of the provisions of IT Act, read with the Companies Act, 1956 would be eligible for credit against tax liability arising under normal provisions of IT Act.

Further, such credit would not be allowed to be carried forward and set off beyond tenth assessment year immediately succeeding the assessment year in which such credit becomes allowable.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

III. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. As per Sec.10(2A) any share income to the company as a partner in the total income of a firm is exempt from being included in total income of the company.

2. Under section 24(a) of the IT Act, the company is eligible for a deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).

3. Under section 24(b) of the IT Act, where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in 5 equal installments beginning with the year of acquisition or construction.

4. Subject to compliance of certain conditions laid down in Section 32 of the IT Act, the company will be entitled to a deduction for depreciation in respect of tangible assets and intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st

day of April, 1998 at the rates prescribed under the Income Tax Rules, 1962. Unabsorbed depreciation, if any, shall be carried forward for set off in the subsequent years indefinitely.

5. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares in connection with extension of its undertaking or setting up of new undertaking, under section 35D(2)(c)(iv) of the IT Act, subject to the nature of expense and limit specified in Section 35D(3) of the IT Act.

6. Under section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the company is eligible for deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

7. The company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under section 35DDA of the IT Act in five equal annual installments subject to conditions specified in that section.
8. The Company will be entitled to claim contribution made to approved institution engaged in carrying eligible project or scheme under section 35AC as deduction from the business income.

9. Under section 71 of the IT Act, business loss suffered by the company during the year is allowed to be set-off against income from any other head.

10. Under section 72 of the IT Act, the company is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were incurred, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. However, only such losses which have been determined in pursuance of a return filed in accordance with Sec.139 of the IT Act shall be carried forward and set off under section 72 of the IT Act.

11. Under section 79 of the IT Act, the carry forward and set off of business losses of a listed company would not be impacted on a change in shareholding pattern of the company.

12. Under section 115JB of the IT Act, in case the income tax payable under the normal provisions of the IT Act is less than 18.5% of the book profits of the company, then such book profit would be deemed to be the total income of the Company for that year and Minimum Alternate Tax (MAT) payable on such total income would be at the rate of 18.5% plus applicable surcharge and education cess.

13. Under section 115JAA(1A) of the IT Act, where any tax is paid under the MAT provisions for any assessment year commencing on the 1st day of April 2006, credit in respect of tax so paid shall be allowed to the company in accordance with the provisions of the IT Act. Tax credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to ten years succeeding the year in which the MAT credit becomes allowable.

14. Under section 115O of the IT Act, for the purpose of payment of dividend distribution tax (DDT) on the dividends, the dividends so declared, distributed or paid by the domestic company shall be reduced by the dividends received from its domestic subsidiary provided such subsidiary has paid DDT on the same. For the said purpose, a company shall be a

subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the former mentioned company.

Dividend Income

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax .

2. As per Section 10(35) of the IT Act, the following income will be exempt in the hands of the Company:

    a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
    b. Income received in respect of units from the Administrator of the specified undertaking; or
    c. Income received in respect of units from the specified company.

    However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

    For this purpose (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the said Act.

3. However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

4. Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

Capital Gains

1. As per section 2(42A) of the IT Act, shares held in a company or any other security listed in a recognized stock exchange in India or units of the Unit Trust of India or units of a mutual fund specified under section 10(23D) of the IT Act or zero coupon bonds will be considered as short term capital asset if the period of holding of such shares, units or security is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. In respect of other assets, the determinative period of holding is thirty six months as against twelve months mentioned above. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

2. Under Section 10 (33) of the IT Act, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the 1st day of April 2002 is exempt under provisions for computation of income under the head Income from Business or book profits u/s 115JB.

3. Under Section 10(38) of the IT Act, long term capital gains arising to the company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

   For this purpose, "Equity Oriented Fund" means a fund –

   a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
   b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the IT Act.

   The Long Term Capital gains exempt under Section 10(38) would be liable to MAT under Section 115JB of the IT Act.

4. Under Second Proviso to Section 48 of the IT Act, the long term capital gains (in cases not covered under section 10(38) of the IT Act) of the Company arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% as per Section 112 of the IT Act plus applicable surcharge and education cess. Alternatively, at the option of the company, in respect of long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.

5. Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months from the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   "Long term specified asset" for the purpose of making investment under Section 54EC of the IT Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

   a. by the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;
   b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   The investment in the long term specified Asset made by the Company on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

   The cost of the long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

6. Under Section 111A of the IT Act, short term capital gains arising to the Company from the sale of a short term capital asset being an equity share or a unit of an equity oriented fund will

be taxable at the rate of 15% (plus applicable surcharge and education cess) where such transaction is chargeable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

For this purpose, 'equity oriented fund' would have the same meaning as specified in section 10(38) above.

7. Short-term capital loss suffered by the company during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term/short term capital gains.

   Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

   Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

Income from buy back of shares

As per section 10(34A) of the IT Act, any income arising to the Company being a shareholder, on account of buy back of shares (not being listed on a recognized stock exchange) by a company as referred to in section 115QA of the IT Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

Other Deductions

A deduction amounting to 100% or 50%, as the case may be, of the sums paid as donations to various entities is allowable as per section 80G of the IT Act.

A deduction amounting to 100% of any sum contributed to any political party or an electoral trust is allowable under section 80GGB of the IT Act while computing total income.

IV. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

   However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

   Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where such transaction has suffered securities transaction tax.

3. Under Second Proviso to Section 48 of the IT Act,, the long term capital gains (in cases not covered under section 10(38) of the IT Act) of the Shareholder arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged to tax @ 20% as per Section 112 of the IT Act plus applicable cess. Alternatively, at the option of the shareholder, in respect of long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

4. Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months from the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   "Long term specified asset" for the purpose of making investment under Section 54EC of the IT Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

   a. by the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;
   b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   The investment in the long term specified Asset made by the Shareholders on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.
   The cost of the long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains(which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. As per section 74 short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains.

Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the speculative transactions in those years.

7. In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

8. As per the provisions of Section 111A of the IT Act, short-term capital gains from the sale of equity shares of the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction has suffered securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

9. Under section 80CCG of the IT Act, a resident individual being a new retail investor will be allowed deduction of 50% of amount invested in listed equity shares or listed units of equity oriented mutual fund in accordance with Rajiv Gandhi Equity Savings Scheme 2013 subject to maximum deduction of INR 25,000 and fulfillment of other conditions as prescribed.

V. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS SHAREHOLDERS (OTHER THAN NON-RESIDENT INDIANS, MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. Under the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on investment in the shares of the company is exempted from the tax.

   However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

   Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. Under the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the company would be exempt from tax provided such transaction is chargeable to securities transaction tax.

3. Under Section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the company, would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

4. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains (in cases not covered under section 10(38) and not subject to section 111A of the Act) arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

5. Under the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

    a. National Highway Authority of India constituted under Section 3 of the National Highway Authority of India Act, 1988;
    b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

    If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the long term specified asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees

    The cost of long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

6. Under the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

7. Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Non-Resident would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the Non-Resident.

    Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

VI. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS

1. Under the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on investment in the shares of the company is exempted from the tax and are not subjected to any deduction of tax at source.

   However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

   Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. Under the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the company would be exempt from tax provided such transaction is chargeable to securities transaction tax.

3. Under Section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the company, would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

4. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains (in cases not covered under section 10(38) and not subject to section 111A of the Act) arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

5. Under the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of the National Highway Authority of India Act, 1988;
   b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the long term specified asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees

The cost of long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

6. Under the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

7. Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

8. Special provisions relating to taxation of Income from Investment and long term capital gains (other than those exempt under section 10(38) of the IT Act):
    a. A non-resident Indian, i.e. an individual being a citizen of India or a person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special provisions relating to certain incomes of non-residents".
    b. Under section 115E of the IT Act, where shares in a company are subscribed for in convertible foreign exchange by a non-resident Indian, capital gains arising to such non-resident Indian on transfer of shares held for a period exceeding 12 months shall (in case not covered under section 10(38) of the IT Act) be taxed at a flat rate of 10% (plus applicable educational cess) without indexation benefit, but with protection against foreign exchange fluctuation under the first proviso to section 48 of the IT Act.
    c. Under section 115F of the IT Act, long term capital gains (not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax if the entire net consideration is reinvested in specified new assets within six months from the date of transfer. If only a part of the net consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted into money within three years from the date of their acquisition.
    d. Under section 115G of the IT Act, non-resident Indians are not obliged to file a return of income, if their only source of income is income from specified investments or long term capital gains or both arising out of specified investments acquired, purchased or subscribed in convertible foreign exchange, provided tax has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
    e. Under section 115H of the IT Act, where a non-resident becomes assessable as resident in India, he may furnish to the Assessing Officer a declaration in writing along with his return of income under section 139 for that assessment year, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any specified investments for that year and any subsequent assessment years until such investments are transferred or converted into money.
    f. Under section 115I of the IT Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A of the IT Act for any assessment year by furnishing his return of income under section 139 of the IT Act declaring therein that the provisions of this Chapter shall not apply to him for that assessment year. In such a case, the tax on

Investment income and long term capital gains shall be computed in accordance with the normal provisions of the IT Act.

9. Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Non-Resident Indian would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the Non-Resident Indian.

10. In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

VII. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VIII. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. Under the provisions of section 10(34) of the IT Act, dividend income (referred to in Section 115-0 of the IT Act) received on the shares of a domestic company would be exempt from tax in the hands of the shareholders of the company and are not subjected to deduction of tax at source.

   However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

   Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. Under the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the company would be exempt from tax where the sale transaction is liable to securities transaction tax.

3. Under the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is liable to securities transaction tax.

4. Under the provisions of section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of the National Highway Authority of India Act, 1988;

b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees

5. Where the Foreign Institutional Investor is a corporate assessee, to the extent its business consists of purchase and sale of shares of other companies, provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

6. Under the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115-O of the IT Act or capital gains referred to in section 10(38) and 111A of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	**Rate of tax (%)**
Income in respect of securities	20 (refer note)
Long term capital gains	10
Short term capital gains	30

Note: Any income by way of interest in respect of a rupee denominated bond of an Indian Company would attract tax of five per cent.

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

7. As per section 196D(2) of the IT Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

8. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent the DTAA provisions are more beneficial to the FII.

IX. GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

1. Under section 10(23FA) of the IT Act, any income by way of dividends (other than dividends referred to in section 115O) or long term capital gains of a venture capital fund or venture capital company from investment in equity shares of a venture capital undertaking (engaged in specified businesses) would be exempt from tax subject to the conditions specified.

2. Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Fund (if non- resident) would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the non-resident..

NEW AMENDMENTS UNDER THE IT ACT

The Government of India has recently made amendments in the existing income tax laws to incorporate provisions relating to General Anti-Avoidance Rules (GAAR). GAAR would be effective from Financial Year 2015-2016 (Assessment Year 2016-17).

X. UNDER THE WEALTH TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

Notes:

a. *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

b. *The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*

c. *We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, Mumbai.*

d. *Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*

e. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

f. *In respect on non-residents, the tax rates and the consequent taxation mentioned above shall further be subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

g. *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2014.*

SECTION IV – ABOUT THE COMPANY

OUR BUSINESS

Overview

We are one of the largest construction companies in India based on our sales in fiscal 2014. We provide construction services as EPC contractor, principal contractor and sub-contractor across a diverse range of sectors. We also undertake development of projects as a developer in addition to providing services as a pure contractor. We have been listed on the BSE since 1992 and the NSE since 2003. We had total consolidated income and profit after tax of ₹ 75,686.94 million and ₹ 32.80 million, respectively, in fiscal 2014.

Our operations are divided into Construction and Development Business.

Our Construction Business comprises our Building & Housing division, where we undertake the construction of industrial buildings, commercial buildings, housing projects, IT parks and shopping malls, sports complexes and hospitals; our Water & Environment division, where we undertake the construction and design of water supply projects, water treatment plants, underground drainage works, sewage treatment projects and storm water drainage projects; our Transportation division, where we undertake the construction, realignment, widening, strengthening, rehabilitation, upgrading and maintenance of bridges and flyovers for highways, carriageways and roads in India; our Irrigation division, where we undertake integrated engineering and design works for implementing irrigation projects such as canals, dams, reservoirs, spill ways and aqueducts; our Electrical division, where we undertake the design, engineering, erecting, testing and commissioning of electricity transmission and distribution lines, sub-stations and over-head electricity lines, undertake project electrification and system improvement projects; our International division, where we undertake construction projects in Oman, UAE, Sri Lanka, Nepal and Qatar that are similar to certain projects executed by our Building & Housing, Transportation and Water & Environment divisions; and our Other Divisions comprising Metals where we undertake the setting up, expansion and building of steel and other metal plants across India on an EPC basis; Mining where we undertake mining activities such as blast hole drilling, controlled blasting, excavation, loading, transportation of coal and dumping; Oil & Gas where we undertake the construction of infrastructure for various refinery expansion projects as well as constructing and maintaining pipelines required to transport oil and gas to the end customer; Power where we undertake "balance of plant" or "BOP" works comprising the civil, structural, mechanical and electrical works for thermal and hydro power plants on EPC basis; and Railways where we undertake track laying, signaling and communications and railway siding work.

Our Development Business comprises (i) transportation, where we develop, operate and maintain road projects on a "build, operate and transfer", or "BOT", basis; (ii) power, where we undertake the development of power plants on a "build, own, operate and transfer", or "BOOT", basis or a "build, own and operate", or "BOO" basis; and (iii) real estate, where we undertake the development of residential and commercial real estate projects.

Given below are the turnovers of our Company for fiscal 2014 and fiscal 2013:

Fiscal Year 2014…………………………………	*₹. 75,686.94 million*
Fiscal Year 2013…………………………………	*₹. 70,593.39 million*

Competitive Strengths

We see the following as our principal competitive strengths:

Experience, size and know-how

To overcome infrastructure constraints in India, the Government has initiated an ambitious programme of infrastructure investment, involving both the public and private sectors. As a result of this programme, infrastructure spending has increased over the last couple of years. In fiscal years 2014 and 2013, Government spending in infrastructure construction was ₹ 7,100 billion and ₹ 6,200 billion, respectively (*Source:www.ibef.org*). Given the scale of such infrastructure spending, the Government has been encouraging private sector participation through public-private-partnership projects or PPP projects on a BOT basis. However, participation by private sector entities is determined on the basis of certain pre-qualification requirements such as technical expertise and financial capacity.

With over 36 years of experience in executing projects, beginning with the buildings sector including housing, and subsequently expanding to water and environment sectors, the transportation sector, the irrigation sector and the electrical sector across the country, we believe we have developed in depth industry expertise across infrastructure projects. We have undertaken certain projects on a BOT basis as well. Prior experience in BOT projects is an important prequalification criterion for certain projects. This track record enables us to meet the technical prequalification requirements for bidding for potential projects. For more details of our current projects, please see "—Our Construction Business" on page 88.

Additionally, we are one of the largest construction companies in India based on sales in fiscal 2014. We believe that the "NCC" brand is also recognised across India for the projects we undertake and we believe has contributed significantly towards our success.

Ability to identify trends early and take advantage of opportunities

We have over the years demonstrated our ability to identify trends and take advantage of the opportunities presented by the Indian infrastructure sector. For example:

- We established our Transportation division in 1998, just before the Government began to increase its spending on roads under the NHDP from ₹ 546.00 billion in the 9th Five-Year Plan to ₹ 2,400 billion in the 12th Five-Year Plan.

- We established our Electrical division in 1999, ahead of the regulatory reforms in the power sector initiated in 2003.

- We established our Irrigation division in 2004, ahead of the State Government of Andhra Pradesh's decision to spend ₹460.00 billion on irrigation projects by 2009.

- We established the Power division in 2007, making us well positioned to capitalise on the Government's stated aim of increasing India's power generating capacity; we established our Metals division in 2007 and our Mining division in 2008, ahead of the expected capital expenditure in these sectors by the Government, State Governments and private mining and metal companies.

- We also established our International division in 2005, which focuses on projects in countries such as Oman, UAE and Qatar where exists a significant trend of large construction projects.

- We also established our Power Division, Metals Division, and Railways Division to diversify our business and products offering.

Strong Order Book and diversified portfolio across various sectors and geographic locations

The Company's total outstanding Order Book on a consolidated basis as on March 31, 2014 was ₹ 209,560 million, well diversified across sectors and geographies.

Our projects are geographically dispersed across various states in the country and overseas. Through a presence in different sectors and in different regions of the country and internationally, we are able to mitigate the concentration risks associated with operations in specific segment and specific states in India. Additionally, we have been undertaking overseas projects in international locations such as Oman, UAE, Sri Lanka, Nepal and Qatar. For more details of our international business, please see "—Our Construction Business—International Division" beginning on page 92.

We have a nationwide presence across India and currently provide services across 26 states. In addition, we are currently executing projects in five countries internationally. Our operations are supported by our corporate headquarters in Hyderabad, our regional offices in Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chennai, Delhi, Kochi, Kolkata, Lucknow and Mumbai and our overseas offices in Dubai, Doha, Muscat and Riyadh.

We believe we have created a diversified and sustainable business model, which has grown our revenues. We also believe that such a diversified business portfolio diminishes the risks associated with the dynamics of any particular industry while also simultaneously helping us to benefit from the synergies of operating diverse businesses.

Proven execution capabilities

On-time performance

We have a record of timely completion of large projects. We have received early completion or performance bonuses from our clients in relation to the following projects:

- The National Academy of Construction, Hyderabad
- Times of India Print City Project, Navi Mumbai
- Maharashtra Jeevan Pradikaran, Maharashtra

Demonstrated ability to work successfully in partnerships

We have demonstrated our ability to work successfully with many domestic partners, such as Somdatt Builders Limited, Unitech Limited, KMC Constructions Limited ("**KMC**") and I&LFS Engineering Limited, as well as international partners, such as POSCO E&C of South Korea, LG Engineering & Construction and Daelim Industrial Corporation of South Korea ("**Daelim**"), and P.T. Sumber Mitra Jaya, Indonesia, on a wide variety of projects in various parts of India.

We have established good working relationships with many sub-contractors supporting our various divisions. Such relationships facilitate an efficient deployment of human resources and extend our execution capabilities.

Project management capabilities

We believe that we have established a reputation for efficient project management and execution with on site decision making capabilities, efficient deployment of equipment and other resources, as well as strategic purchasing capabilities. Since we engage in bulk purchases of our principal raw materials, such as steel and cement, we are usually able to obtain volume discounts from our suppliers. Our organisational structure allows on site decision making, so that project managers can rapidly respond to changing terms and conditions throughout the life of a project. We also undertake a review process on site, at a regional level and at corporate headquarters that constantly seeks to streamline our project management capabilities.

In addition, our project management capabilities allows us to maximise our flexibility and efficiency by allowing us to transfer our management, workers and machinery from business division to business division depending on which division has the greatest need at a particular point in time.

Acknowledged reputation

We have received several awards from various industry bodies. These include:

- An award from Construction World in 2008 for being one of the most admired construction companies in India.

- An award from the South Asian Federation of Accountants (SAFA) in 2010 for the Company's Annual Report and Accounts for the year 2008-09 being awarded Certificate of Merit the "Best Presented Accounts and Corporate Governance Disclosures Awards2009".

- An award from the ICAI Awards for Excellence in Financial Reporting 2010 adjudging the Company's Annual Report and Accounts for the year ended March 31, 2009 as the 2nd best under the category Infrastructure & Construction Sector.

Experienced management team and highly qualified staff

We have 4,590 employees (including 6 whole-time Directors) as of March 31, 2014 for our Indian operations. This manpower comprises of an experienced management team and a qualified and skilled work force. Our 36 years history in the Indian construction industry enables us to accurately estimate and manage costs for the fixed-cost projects for which we bid. Almost two thirds of our managers have engineering degrees and many have spent their entire career with us. We provide our staff with a high growth environment and continuous training programmes. We believe that the combination of these factors enables us to retain our employees.

Strategy

Our vision is to be a world-class construction and infrastructure enterprise committed to quality, timely completion of projects, customer satisfaction, continuous learning and enhancement of stakeholders' value. To achieve this goal, we have identified four primary strategic objectives for our future development:

Enhance our execution capabilities

Quality of product and timely completion of projects are critical to success in the construction industry. As a result, we aim to:

- consistently deliver a quality product meeting all relevant specifications and requirements;
- achieve enhanced customer satisfaction through cost effective and timely completion;
- increase the size and capabilities of our in house design and engineering teams;
- motivate and train our staff for continual improvement of productivity and quality standards; and
- update and implement our procedures in line with developments in international standards.

Continue to selectively focus on international markets that fit within our broad strategic vision

We are undertaking certain international building/housing, water pipeline and road projects in Oman, UAE, Sri Lanka, Nepal and Qatar and we have, as of March 31, 2014, two subsidiary companies in those locations to spearhead these activities in the region. We believe that there will be many opportunities for us to participate in large infrastructure projects in the region. Our international operations will further decrease the risks associated with our business model by reducing our dependence on the construction sector in India. We also believe that our international operations will enhance our expertise and strengthen our capabilities.

Continue to expand our focus on our core construction and other businesses and leverage the established "NCC" brand presence

We have significant experience in our existing business divisions and an established brand name with 36 years of experience in undertaking various construction and other projects. We intend to leverage our brand name and experience in undertaking construction projects, including large infrastructure projects; and consolidate our position further in the construction sector. For more details of our Construction Business, please see "—Our Construction Business" beginning on page 88. In addition, we continue to selectively focus on projects in the following divisions:

Metal division

Rapidly growing demand for steel and other metals in India is resulting in considerable investment in this sector. Most steel companies, both state and privately owned, are increasing their production capabilities, primarily through larger blast furnaces. For example, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited are expanding their production capacities. We anticipate that the expansion plans of the Indian steel industry will result in increased demand for steel related infrastructure services.

Mining division

Our Mining division has been formed to take advantages of the growing opportunities that the mining industry offers in India. The Ministry of Mines, Government of India, which is responsible for policies in relation to the mineral wealth in India has undertaken steps to increase private participation in exploration and mining activities across India. The Ministry of Mines' agenda is primarily driven by the National Mineral Policy of 2008, which recognises that the private sector will play an important role in investing in and operating mines. Steps have already been taken for suitable regulatory changes to facilitate private participation in the sector. We are actively looking to obtain the skill sets and the experience in the mining business in India.

Railway division

Our Railway division was formed to take advantages of the growing opportunities that the railways offer in India. Recently, the Government of India has announced that modernization and revamping of railways is on top of its infrastructure agenda and the Government will launch a Diamond Quadrilateral project of high speed trains. We will be looking forward to participate in the proposed infrastructure projects in the railways sector.

Reduce existing high interest debt

We have significant financing obligations due to the nature of our business comprising undertaking Construction and Development projects. We intend to reduce our existing high interest debt by raising equity financing to retire our existing indebtedness in part, including through the utilisation of proceeds of this Rights Issue amongst other things. We believe that reducing our consolidated indebtedness would enable us to increase our efficiencies and streamline our operations, thereby resulting in higher margins.

Our Order Book

In our industry, order book is considered an indicator of potential future performance since it represents a portion of anticipated future revenue stream. Our strategy is not focused solely on order book additions but, rather, on capturing quality order book with potentially high margins. Our order book includes only our proportionate share of joint venture contracts, where we have joint ventures.

As of March 31, 2014, we had contracts for ongoing projects with an order book of ₹ 209,560 million.

Our Construction Business

Our Construction business comprises of seven divisions, each of which is described below:

Buildings & Housing Division

We have been operating our Buildings & Housing division since the inception of the Company.

Our Buildings & Housing division primarily constructs:

- industrial buildings;
- commercial buildings;
- housing projects;
- IT parks and shopping malls;
- sports complexes and stadia; and
- hospitals and educational buildings.

Some selected ongoing major projects currently undertaken by our Buildings & Housing division are set forth below:

- *CRSSG-NCC-JV (NBCC – ESI Hospital, Mandi):* This project involves construction of Employee State Insurance Corporation Medical College comprising of Hospitals, Buildings, Medical and Nursing College Hostels, Residential Complex including allied services at Mandi (Himachal

Pradesh). This project commenced in July, 2009 and is scheduled to be handed over in July, 2013. However, our Company has applied for an extention till June, 2015. The contract value of this project is ₹ 6,005.61 million.

- *NBCC – Kidwai Nagar Pkg- II:* This project involves the construction of social structures, Type VI and Type VII Quarters along with other allied services like redevelopment of Kidwai Nagar (East New Delhi). This project is awarded by National Buildings Constructions Corporation Limited, New Delhi. This project commenced in September, 2013 and is scheduled to be completed by September, 2015. The contract value of this project is ₹ 5,038.39 million.

- *U.P. Housing and Development Board Project:* This project involves engineering, procurement and construction of multi-storeyed residential flats including basement based on conventional R.C.C. monolithic shear wall concept using aluminium form work including soil testing, structure design, construction of boundary wall and all site internal development etc., as per drawing & design complete in all respects ready to move in for living condition. These works have to be taken up in three different locations at Mandakini Enclave, Alakananda Enclave & Bhagirathi Enclave at Sector-2A, Awadh Vihar Yojana, Sultanpur Road, Lucknow (U.P.). This project commenced in January, 2014 and is scheduled to be completed by January, 2016. The contract value of this project is ₹ 9,020.54 million.

- *Rajiv Gandhi Institute of Petroleum Technology at Jais, Raibareli*: This project involves composite works for setting up of Rajiv Gandhi Institute of Petroleum Technology at Jais, Raibareli (U.P). This project is awarded by Engineers India Limited, New Delhi. This project commenced in September, 2013 and is scheduled to be completed by December, 2015. The Contract value of this project is ₹ 3,015.40 million.

- *Infrastructure Development Work at six locations in Arunachal Pradesh:* This project involves construction of landing ground, security wall, watch towers, roads, office and administrative buildings, hard standing, resurfacing of runways and external services such as roads, paths, drains, external electrification, external water supply, drainage, sewage systems and allied works at six locations in the state of Arunachal Pradesh. This project is awarded by Chief Construction Engineer (North East Project), CCE (NEP), New Delhi, on behalf of the President of India. This project commenced in October, 2013 and is scheduled to be completed by April, 2015. The contract value of this project is ₹ 7,451.75 million.

Transportation Division

We established our Transportation division in fiscal 1998 to take advantage of the opportunities in this sector, which was growing as a result of the NHDP. Our Transportation division undertakes the following types of projects:

- construction of new two, four and six lane highways;
- realignment of existing highways and construction of new bypasses;
- widening and strengthening of existing carriageways;
- rehabilitation and upgrading of existing roads;
- construction of bridges and flyovers; and
- routine maintenance of highways;

Some of the larger projects currently undertaken by this division include the following:

- *Hyderabad Growth Corridor Limited – Outer Ring Road Pkg-II:* This project involves construction of Eight Lane Access Controlled Expressway as Outer Ring Road to Hyderabad City in the state of Andhra Pradesh in the stretches from Shamirpet to Pedda Amberpet from k.m. 61.700 to k.m. 95.000 (Northern Arc) (Package-II from Keesara to Ghatkesar from k.m. 72.000 to k.m. 83.000) being taken up with the loan assistance of Japan International Cooperation Agency under Phase-2 programme. This project is awarded by Hyderabad Growth Corridor Limited, Hyderabad. We commenced work on this project in May, 2010 and the project was scheduled to be completed by November, 2012. However, the client has given further extension for the period upto March, 2014. We have applied for an extension for a period upto February, 2015 and expect to complete the project by end of February, 2015. The contract value of this project is ₹ 3,478.39 million.

- *Hyderabad Growth Corridor Limited – Outer Ring Road Pkg-III:* This project involves construction of Eight Lane Access Controlled Expressway as Outer Ring Road to Hyderabad City in the state of Andhra Pradesh in the stretches from Shamirpet to Pedda Amberpet from k.m. 61.700 to k.m. 95.000 (Northern Arc) (Package-III from Ghatkesar to Pedda Amberpet from k.m. 83.000 to k.m. 95.000) being taken up with the loan assistance of Japan International Cooperation Agency under Phase-2 programme. This project is awarded by Hyderabad Growth Corridor Limited, Hyderabad. We commenced work on this project in May, 2010 and the project was scheduled to be completed by November, 2012. However, the client has given further extension for the period upto December, 2013. We have applied for an extension for the period upto January, 2015 and expect to complete the project in all aspects. The contract value of this project is ₹ 2,995.13 million.

Water & Environment Division

Our Water & Environment division was formed in fiscal 1998 and undertakes the following types of projects:

- water supply projects;
- water treatment plants;
- underground drainage works;
- sewage treatment projects;
- storm water drainage projects; and
- lift irrigation schemes.

The projects are primarily funded construction projects, which we carry out on an EPC or an item rate contract basis. We are also responsible for the design of some of these projects.

Some of the larger projects currently undertaken by our Water & Environment division include the following:

- *SAUNI YOJANA Link 3, Package-II, Gujarat:* This project involves Engineering, Procurement and Construction (EPC) Contract for Construction of Intermediate Pumping Station at Chainage 12.7 Km near Khatadi Village and supplying and laying of twin MS pipeline (Pumping) of 3000mm dia. (ID) and plate thickness of 17.5mm from Pumping Station to chainage 41.8 k.m. near village Than (29.1 k.m. length) with all allied works etc., complete including operation and maintenance of the commissioned project for 10 years. This project is awarded by Water Resources, Water Supply and Kalpsar Department, Rajkot, Gujarat. This project commenced in March 2014 and is scheduled to be completed by March 2016. The contract value of this project is ₹8310.50 million.

- *SAUNI YOJANA Link 3, Package-I, Gujarat:* This project involves Engineering, Procurement and Construction (EPC) Contract for Construction of Pumping Station at Wadhwan Bhogavo II Reservoir and supplying and laying of twin MS pipeline (pumping) of 3000mm dia. (ID) and plate thickness of 17.5mm from Pumping Station to chainage 12.7 km (12.7 km length near Khatdi Village) with all allied works etc., complete including operation and maintenance of the commissioned project for 10 years. This project is awarded by Water Resources, Water Supply and Kalpsar Department, Rajkot, Gujarat. This project commenced in March 2014 and is scheduled to be completed by March 2016. The contract value of this project is ₹ 4,548.23 million.

- *RAMSAR Water Supply Project Jodhpur, Rajasthan:* This project involves execution of works related to "Narmada based Transmission & Cluster Water Supply Project of 205 villages of Ramsar & Sheo Tehsils of District Barmer" viz. 33/11/0.415 KV switch yard, Construction of RWR, Water Treatment Plant, P, L&J of Raw and Clear Water Pipe line, Construction of RCC clear water and overhead reservoirs, and civil, mechanical, electrical and instrumentation works at various pumping stations. To complete job as per scope & specifications on Single Point responsibility basis turnkey job contract including necessary design and operation & maintenance for 10 years followed by 1 year of defect liabililty period. This project is awarded by PHED, Jodhpur and the contract value is ₹ 6,395.00 million. This project commenced in November, 2013 and is scheduled to be completed by November, 2017.

- *JHUN JHUNU-Water Supply Project Pkg-I, Rajasthan:* This project involves work of providing, laying, jointing, testing and commissioning of MS transmission pipe lines, construction of RWR, WTP, CWR, Pumping Stations and allied works of design, manufacturing, transportation, construction, installation, testing, commissioning, trail run including operations and management for 10 years after completion followed by a defect liability period of 1 year under package-I of Integrated Tharanagar- Jhun Jhunu – Sikar – Khetri Drinking Water Supply Project from IGNP system on Single Point responsibility basis turnkey contract. This project is awarded by PHED, Bikaner Region and the contract value is ₹ 5,883.30 million. This project commenced in August, 2013 and is scheduled to be completed by August, 2016.

- *MELUR Pkg-II, Madhurai, Tamilnadu:* This project involves water supply scheme to municipalities of Melur, Avaniapuram, and Thirumangalam, town panchayats of A. Vallalapatri, Vilangudi, Paraval, Thirunagar, Alanganallur and Palamedu and 1430 Rural habitations in Madurai district and Singampunari town panchayat in Sivagangai district including paid maintenance for one year. For the Package-II, the tender has been accepted and the work order is issued. This project is awarded by Tamilnadu Water Supply and Drainage Board, Ganesh Nagar, Madurai and Contract value is ₹ 3236.62 million. This project is commenced in January, 2012 and is scheduled to be completed in July, 2014.

Power Division

The power division was formed in fiscal 2007 to explore opportunities in providing turnkey EPC services to the power sector.

Some of the larger projects currently undertaken by our Power division include the following:

- *Nellore Power Plant:* This project involves setting up of a pulverized coal fired power plant consisting of 2x660MW supercritical boiler based plant and other related works like onshore services, offshore services, civil construction, erection works and supplying of engineering equipment, design thereof for the facility. The project commenced in March, 2012 and is scheduled to be completed by August, 2015. The contract value of this project is ₹51,103.60 million.

Electrical Division

Our Electrical division was started in the year 1998 and undertakes the following types of projects:

- the design, engineering, erecting, testing and commissioning of transmission and distribution lines, substations and overhead lines;
- project electrification; and
- system improvement projects.

Some of the larger projects currently undertaken by this division include the following:

- *RAPDRP-Kochi*. This project involves strengthening, improvement and augmentation of distribution system in Kochi under APDRP scheme on turnkey basis. We were awarded this contract by the Kerala State Electricity Board (Distribution Central), Ernakulam in September, 2013. This project commenced in October, 2013 and is expected to be completed by September, 2015. The total project cost is ₹ 2,439.70 million.

- *RAPDRP-Erode:* This is a turnkey contract for the supply, test, transport, construction, erection, testing and commissioning of sub-transmission lines, distribution lines, power transformers, new sub-stations, augmentation of existing sub-station distribution transformers of varying capacities, renovation and modernisation works along with strengthening works in 7 towns of Erode Region under R-APDRP (Part B) scheme in Tamil Nadu state. We were awarded this contract by the

Tamil Nadu Generation and Distribution Corporation Limited. This project commenced in March 2013 and is expected to be completed by June, 2014. The total project cost is ₹ 2,575.78 million.

- *RAPDRP-Trichy:* This is a turnkey contract for the supply, test, transport, construction, erection, testing and commissioning of sub-transmission lines, distribution lines, power transformers, new sub-stations, augmentation of existing sub-station distribution transformers of varying capacities, renovation and modernisation works along with strengthening works in 14 towns of Trichy Region under R-APDRP (Part B) scheme in Tamil Nadu State. We were awarded this contract by the Tamil Nadu Generation and Distribution Corporation Limited. This project commenced in March 2013 and is expected to be completed by June, 2014. The total project cost is ₹ 1,750.77 million.

Irrigation Division

Our Irrigation division was formed in fiscal 2005 to explore opportunities created by the increased focus of the Central and State Governments on improving agriculture. This division has a team of skilled specialists involved in integrated engineering and design works for implementing irrigation projects. Our irrigation division undertakes primarily design and construction works for tunnels, canals, barrages and reservoirs for agriculture purposes.

Some of the larger projects currently undertaken by this division include the following:

- *Gandak Canal Project – Bihar:* This project involves execution of Restoration of Eastern Gandak Canal System including Gandak Barrage and its appurtenants under Rashtriya Sam Vikash Yojana (including Overall Implementation Schedule). This project is awarded by Chief Engineer, Water Resources Department, Government of Bihar. We commenced work on this project in October, 2009 and after an extension was scheduled to be completed in March, 2014. We have received further extension till March, 2015 and expect to complete the project by end of this period. The contract value of this project is ₹ 4,488.36 million.

- *Kutchh Branch Canal Package-I – SSNNL, Gujarat:* This project involves design, testing, commissioning and operation & maintenance for 5 years of Kutchh Branch Canal Package – I of Engineering, Procurement, Construction and Commissioning (EPC) basis between Ch 82.300 kms to Ch 112.50 kms including earthwork, structures, lining, service road, cr/hr/escape gates, stop locks, control cabins etc. This project is awarded by Sardar Sarovar Narmada Nigam Limited, a wholly owned Government of Gujarat undertaking, Gandhinagar. We commenced work on this project in February, 2011 and the project was scheduled to be completed in January, 2013. However, we have applied for an extension of time up to July, 2015.. The contract value of this project is ₹ 4,024.50 million.

- *Saradhi Barrage :* This project involves construction of Saradhi Barrage with vertical lift gates and other appurtenant work across Mahanadi river and construction of bridge including operation and maintenance for two years after completion in District Janjgir-Champa. This project is awarded by Office of the Executive Engineer, Water Resources Division, Raigarh. We commenced work on this project in August, 2011 and the project was scheduled to be completed by December, 2014. The contract value of this project is ₹ 3,990.27 million.

International Division

Our International division was formed in 2005 to explore contracting opportunities for infrastructure projects outside India. This division currently primarily undertakes projects, as a contractor, in the building and housing, transportation and water and environment sectors, and is currently operating in Oman, the UAE, Sri Lanka and Qatar.

Some of the larger projects currently undertaken by this division include the following

- *Quriyat Housing Project, Muscat :* This project involves the construction of 718 houses in Quriyat city, Oman. The contract value of this project is Omani Riyal 81.99 million. We commenced work in October 2008 and the project is scheduled to be completed by December, 2014. This project was awarded by Muscat Municipality, Oman.

- *Qatar Petroleum Project, Qatar :* This project involves construction of EPIC of Phase 1 of new NGL support Campus at Mesaieed, Doha and Qatar. The Contract value of this project is Qatari Riyal 232.28 millions. We commenced work in April, 2012 and the project was scheduled to be completed by October, 2014. However, the Company has requested for extension and expects to complete the work by June, 2015. This project was awarded by Qatar Petroleum, Qatar.

- *Batinah Road Project, Muscat :* This project involves laying of the roads from Sohar Port to Khatmat Mallaha and interchange. The Contract value of this project is Omani Riyals 149 millions. We commenced work in October, 2009 and the project is scheduled to be completed in August 2014.

Other Divisions

Metals Division

Our Metals division was formed in fiscal 2008 to explore the potential of the metal sector. We have entered into a MoU with POSCO E&C of South Korea, which is one of the largest steel producers in the world to facilitate and augment our business prospects in this sector. Our metals division undertakes primarily civil construction, mechanical and electrical works comprising of Balance of Plant works for the setting up of facilities in the steel sector.

Some of the larger projects currently undertaken by this division include the following:

- *Gerdau Steel, Tadipatri:* This project involves, Civil, Structural, Fabrication, Equipment, Erection, Mechanical & Electrical works & Commissioning of 0.20 MTPA non recovery type Coke Oven Plant for Gerdau Steel India Limited, Coke Oven Plant at Tadipatri District, Ananthpur. The contract was awarded by Gerdau Steel India Limited, Bangalore. We commenced work on this project in August, 2013 and it is scheduled to be completed by September, 2015. The contract value of this project is ₹ 1195.85 million.

Railways Division

The railways division was formed in fiscal 2009 to explore opportunities in providing the following services to the railways sector:

- Dedicated freight corridors
- Zonal railway projects
- Private railway sidings

Some of the larger projects currently undertaken by our railways division include the following:

- *NCC-PREMCO JV (RVNL Pkg-II, Bhimavaram):* This project involves Construction of Roadbed, Major and Minor Bridges, Track Linking (Excluding Supply of Rails and PSC sleepers), General, Electrical, Traction and Signal & Telecommunication works (Outdoor) in connection with Doubling with Railway Electrification of Town stations (Excluding Moturu & Bhimavaram Town Yards) on Vijayawada divisions of South Central Railway. Gudivada Bhimavaram Section from Km. 51.50 to Km.105.00 between Moturu & Bhimavaram town stations on Vijayawada Division of South Central Railway. This project is awarded by Rail Vikas Nigam Limited, Secunderabad. The project commenced in April, 2013 and is scheduled to be completed by April, 2015. The contract value of this project is ₹ 2090 million.

- *RVNL-BBSR Pkg II & III:* This project involves Construction of Roadbed, 4 Major Bridges, Minor Bridges, Track Linking (Excluding Supply of Rails, thick web switches and PSC line sleepers), S&T and OHE & General Electrical works in connection with doubling between Jaroli

(Incl.) and Jakhapura (Incl.) (170.903 KM) on Khurda Road Division of East Coast Railway in the State of Orissa, India – Contract Package 2 between Basantpur (excl.) and KM – 136.00 (63.00 KM) & Contract Package 3 between KM 136.000 and Jakhapura (Incl.) (43.31 KM). This project is awarded by Rail Vikas Nigam Limited, Secunderabad. The project commenced in August, 2011 and is scheduled to be completed by August, 2014. The contract value of the project being executed by the Company is ₹ 2,150.30 million.

Our Development Business

Our Development business comprises developing, operating and maintaining road projects on a BOT and BOOT basis, developing power projects on a BOT, BOOT and BOO basis and our Real Estate Development Business.

In order to focus our attention on long term infrastructure projects for roads and power, we have formed a subsidiary company called NCC Infrastructure Holdings Limited. Our BOT Road Projects business entails developing and maintaining road projects on a BOT/BOOT basis.

Our significant BOT and BOOT Road Projects include:

- *Orai-Bhognipur-Barah Road Project.* This project involves the design, engineering, construction, development, finance, operation and maintenance of the Orai-Bhognipur section from km. 220.000 to km. 255.000 of NH-25 and the Bhognipur-Barah section from km. 421.200 to 80 km. 449.000, of the NH-2 in the State of Uttar Pradesh, on a BOT annuity basis. We are undertaking this project in joint venture with KMC through a project SPV, OB Infrastructure Limited (“OBIL”). The project is operational under annuity period.

- *Pondicherry-Tindivanam Toll Road Project. This project involves the design, engineering*, finance, construction, operation and maintenance of a four-lane road in the Pondicherry-Tindivanam section from km. 0.000 to km. 37.920 of the NH-66 in the State of Tamil Nadu on a BOT toll basis. We are undertaking this project in joint venture with IL&FS Engineering and Construction Company Limited (formerly Maytas Infra Limited) through a project SPV, Pondicherry Tindivanam Tollway Limited (“PTTL”). The project is operational under toll collection period.

- *Western U. P. Toll Road Project.* This is a project for strengthening and four-laning of an existing carriageway from Meerut to Muzaffarnagar on the NH-58 in the State of Uttar Pradesh. We are undertaking this project in joint venture with MIPL and Gayatri Projects Limited (“Gayatri”) through a project SPV, Western U.P. Tollway Limited (“WUPTL”). The project is operational under toll collection period.

- *Bangalore Elevated Toll Road Project.* This is a project for the capacity improvement of a stretch of road connecting the Silk Board Junction to Electronics City, Bangalore in the State of Karnataka between km. 8/765 to km. 33/130 of the NH-7 involving (i) the construction of a fourlane elevated highway between km. 9/5 and km. 18/750; (ii) improvement of the grade of the section between km. 8/765 and km. 18/750, including the construction of six underpasses; and (iii) the O&M of an expanded section between km. 18/750 and km. 33/130 upon its handover to NHAI. We are undertaking this project in joint venture with Soma Enterprise Limited (“Soma”) and MIPL through a project SPV, Bangalore Elevated Tollway Limited (“BETL”). The project is operational under toll collection period.

All our Road Projects have achieved commercial operations and generating revenues.

Real Estate Business

In order to focus our attention on Real Estate development, we have formed a subsidiary company, NCC Urban Infrastructure Limited, in fiscal 2006. As of March 31, 2014, 80.00% of the equity share capital of this company was held by us and the balance is held by our Promoters.

Our Real Estate division primarily develops:

- Housing Projects

- Commercial premises such as business premises and malls; and
- Hotels

Some of the larger projects currently undertaken by this division include the following:

- *Tellapur Technocity Project.* This project is being carried out through an SPV, Tellapur Technocity Private Limited, in which, as of March 31, 2014, we held 26.00% of the equity share capital. Our partners for this project are ICICI Venture Funds Management Company Limited and Tishman Speyer India Masterfund Limited. This project involves the development of an integrated township on approximately 100 acres of land at Tellapur, Gachibowli, Hyderabad. The township will be a mix of commercial, residential and recreational space.

- *Jubilee Hills Project.* The project company Jubilee Hills Landmarks Projects Private Limited, in which, as of March 31, 2014, we had a 25.00% of the equity share capital, is a SPV promoted by a consortium comprising ourselves, ICICI Ventures (India Advantage Funds III and IV) and Hill County Properties Limited (formerly Maytas Properties Limited). This is a six-acre development situated at Jubilee Hills, Hyderabad. The SPV has signed a Joint Development Agreement with M/s. Mantri Developers of Bangalore to develop a highend residential complex with a total built-up area of 9,00,000 square feet.

- *NCC Vizag Project.* This project is being carried out through an SPV, NCC Vizag Urban Infrastructure Limited, in which, as of March 31, 2014, we held 95.00% of the equity share capital. The project involves development of 97.30 acres of land for both residential and commercial purposes entailing 4.9 million sq. ft of total built up area of which 75.00% will be residential and 25.00% will be commercial.

Property

The following table sets forth information concerning certain of the principal properties through which we carry on our business in India.

Type of Property/Location	Details	Owned/Leased	Main Use
Buildings			
Batavia Chambers, Kumara Park (East), Bangalore	Flat 301 (1,215 sq. ft.), Flat 302 (1,215 sq. ft.), Flat 303 (1,800 sq. ft.)	Owned	Office
Deepthi Classic, M.V. Road, Andheri (E), Mumbai	Flat 402 (1,300 sq. ft.)	Owned	Office
ECO Space, Business Park, 5th Floor, New Town, Kolkatta.	7,831 sq. ft	Owned	Kolkata Regional Office
NCC House, Madhapur, Hyderabad………………….	309,110 sq. ft	Leased	Corporate Office

We intend to acquire or lease additional premises for offices and other purposes relating to our business, both in India and abroad, as the need arises.

Intellectual Property

We seek to protect our intellectual property rights to the fullest extent practicable. We believe that we are not dependent on any of our intellectual property rights individually, although collectively, they are of material significance to our business. We do not have any registered trademark, tradename, copyright or other intellectual property right in or to the name “NCC Limited” or our logo “NCC”.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association of our Company, we must have a minimum of 3 and maximum of 18 Directors. At present, our Company has 14 Directors, of which we have 6 Executive Directors, 3 Non Executive and Non-Independent Directors, and 5 Non Executive and Independent Directors.

Not less than two-thirds of the total number of Directors shall be elected Directors who are liable to retire by rotation. At the Company's AGM, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

The Directors of the Company are not required to hold any Equity Shares to qualify to be a Director.

The following table sets forth details regarding the Board of Directors of the Company as on the date of this Draft Letter of Offer:

Sl. No.	Name, Designation, Father's/Husband's Name, DIN, Address, Term and Occupation	Age (in years)	Date of Appointment/ Re-appointment	Other Directorships
1.	**Mr. Alluri Ananta Venkata Ranga Raju** *Father's Name :* Dr. A.V.S. Raju *Designation:* Managing Director *Address:* Plot No. 174, Road No. 13, Jubilee Hills, Hyderabad- 500 033, Andhra Pradesh. *Occupation:* Company Director *DIN:* 00019161 *Term:* Re-appointed with effect from April 1, 2012 for a period of 5 years.	59	April 1, 2012	1. NCC Urban Infrastructure Limited; 2. NCC Infrastructure Holdings Limited; 3. Vaidehi Avenues Limited; 4. NCC Infra Limited; 5. NCC Power Projects Limited; 6. Tellapur Technocity Private Limited.
2.	**Mr. Alluri Gopala Krishnam Raju** *Father's Name :* Dr. A.V.S. Raju *Designation:* Executive Director	55	April 1, 2012	1. NCC Finance Limited; 2. NCC Urban Infrastructure Limited; 3. NCC Infrastructure Holdings Limited; 4. Vaidehi Avenues Limited.

Sl. No.	Name, Designation, Father's/Husband's Name, DIN, Address, Term and Occupation	Age (in years)	Date of Appointment/ Re-appointment	Other Directorships
	Address: Plot No. 284, Road No. 25, Jubilee Hills, Hyderabad- 500 033 Andhra Pradesh. *Occupation:* Company Director *DIN:* 00019100 *Term:* Re-appointed with effect from April 1, 2012 for a period of 5 years.			
3.	**Mr. Alluri Sreemannarayana Raju** *Father's Name* : Dr. A.V.S. Raju *Designation:* Whole- time Director *Address:* Plot No. 285, Road No. 25, Jubilee Hills, Hyderabad-500 033, Andhra Pradesh. *Occupation:* Company Director *DIN:* 00017416 *Term:* Re-appointed with effect from May 1, 2014 for a period of 5 years.	56	May 1, 2014	1. NCC Vizag Urban Infrastructure Limited; 2. NCC Oil & Gas Limited; 3. Vaidehi Avenues Limited.
4.	**Mr. Alluri Venkata Narasimha Raju** *Father's Name* : Dr. A.V.S. Raju *Designation:* Whole- time Director *Address:* Plot No. 168-A Road No. 10 Jubilee Hills, Hyderabad- 500 033, Andhra Pradesh. *Occupation:* Company Director *DIN:* 00018965	52	May 30, 2011	1. NCC Vizag Urban Infrastructure Limited.

Sl. No.	Name, Designation, Father's/Husband's Name, DIN, Address, Term and Occupation	Age (in years)	Date of Appointment/ Re-appointment	Other Directorships
	Term: Re-appointed with effect from May 30, 2011 for a period of 5 years.			
5.	**Mr. Alluri Kodanda Harinatha Sri Rama Raju** *Father's Name* : Dr. A.V.S. Raju *Designation:* Whole- time Director *Address:* Plot No. 168-A Road No. 10 Jubilee Hills, Hyderabad- 500 033, Andhra Pradesh. *Occupation:* Company Director *DIN:* 00027402 *Term:* Appointed with effect from November 4, 2011 for a period of 5 years.	44	November 4, 2011	1. Ranga Agri Impex Private Limited; 2. Nirathi Agro Farms Private Limited; 3. Aparaajita Fashions Private Limited; 4. Samarjith Hotels and Resorts Private Limited; 5. Abhinav Technology Solutions Private Limited; 6. Sri AKHS Green Lands Private Limited; 7. Mobilium Infosystems Private Limited; 8. Greenex Energy India Private Limited; 9. Indian Heritage Resorts Private Limited; 10. Avya ESCO Private Limited; 11. Avya Hotels Private Limited; 12. Avya Green Technologies Private Limited; 13. Avya Energy Ventures India Private Limited; 14. Avya Creations Private Limited.
6.	**Mr. Jampana Venkata Ranga Raju** *Father's Name* : Mr. J. Rama Raju *Designation:* Whole- time Director *Address:* 11, HIG, A-Sector, New Yelahanka Town, Bangalore- 560 064. *Occupation:* Company Director *DIN:* 00020547 *Term:* Re-appointed with effect from April 1, 2012 for a period of 5 years.	55	April 1, 2012	1. Brindavan Infrastructure Company Limited.

Sl. No.	Name, Designation, Father's/Husband's Name, DIN, Address, Term and Occupation	Age (in years)	Date of Appointment/ Re-appointment	Other Directorships
7.	**Mr. Alluri Narayana Raju** *Father's Name* : Dr. A.V.S. Raju *Designation:* Non Executive Director *Address:* Plot No. 168A Road No. 10 Jubilee Hills Hyderabad- 500 033 Andhra Pradesh. *Occupation:* Company Director *DIN:* 00026723 *Term:* Re-appointed with effect from September 26, 2012, liable to retire by rotation.	47	September 26, 2012	1. NCC Oil & Gas Limited; 2. NCC Urban Infrastructure Limited; 3. Western UP Tollway Limited; 4. NCC Vizag Urban Infrastructure Limited; 5. Patnitop Ropeway & Resorts Limited; 6. Tellapur Technocity Private Limited; 7. Nextgreen Infrastructure Private Limited; 8. NAFTOGAZ Engineering Private Limited; 9. Prakrithi Realty Private Limited; 10. Natural Buildtech Private Limited; 11. Jubilee Hills Land Mark Projects Private Limited; 12. Sri Harsha Warehousing Private Limited; 13. Prakrithi Promoters Private Limited; 14. Nagarjuna Contracting Company, LLC; 15. Nagarjuna Facility Management Services Limited; 16. Nagarjuna Construction Company International LLC; 17. Nagarjuna Construction Company & Partners LLC; 18. Nagarjuna Construction Company (Kenya) Limited; 19. Al Mubarikia Contracting Co. LLC Dubai.
8.	**Mr. Prathipati Abraham** *Father's Name :* Mr. P. Sundaram *Designation:* Independent Director *Address:* Prathipati's villa Plot no. 116A/A Road no. 12, M.L.A. Colony, Banjara Hills, Hyderabad- 500 034, Andhra Pradesh. *Occupation:* IAS (Red.) Senior bureaucrat.	75	September 27, 2013	1. GVK Power and Infrastructure Limited; 2. JSW Energy Limited; 3. Taj GVK Hotels & Resorts Limited; 4. Lanco Amarkantak Power Limited; 5. Raj West Power Limited; 6. Orient Green Power Company Limited; 7. Vijay Electricals Limited; 8. Lanco Infratech Limited; 9. NCC Infrastructure Holdings Limited; 10. G V K Energy Limited; 11. Visaka Industries Limited.

Sl. No.	Name, Designation, Father's/Husband's Name, DIN, Address, Term and Occupation	Age (in years)	Date of Appointment/ Re-appointment	Other Directorships
	DIN: 00280426 *Term:* Re-appointed with effect from September 27, 2013.			
9.	**Mr. Ramachandra Venkataramana Shastri** *Father's Name:* Mr. V.T. Shastri *Designation:* Independent Director *Address:* B-24, Oakyard 38th Cross, East End Main Road, Jayanagar, 9th Block, Bangalore- 560 069, Karnataka. *Occupation:* Retired chairman and managing director of Canara Bank. *DIN:* 00026892 *Term:* Re-appointed with effect from August 12, 2011.	69	August 12, 2011	1. Religare Invesco Trustee Co. Limited.
10.	**Mr. Amit Dixit** *Father's Name* : Dr. Mahendra Kumar Dixit *Designation:* Non Executive Director *Address:* Imperial Apartment-2101, South Tower, BB Nakashe Marg, Tardeo, Mumbai- 400 034 Maharashtra. *Occupation:* Joint managing director of Blackstone India Private Limited. *DIN:* 01798942 *Term:* Re-appointed with effect from May 15, 2014, the term of appointment is due to be regularized at the forthcoming Board Meeting of	42	May 15, 2014	1. Jagran Prakashan Limited; 2. Midday Infomedia Limited; 3. Monnet Ispat and Energy Limited; 4. MB Power (Madhya Pradesh) Limited; 5. Monnet Power Company Limited; 6. Igarashi Motors India Limited; 7. Jagran Media Network Investment Private Limited; 8. Blackstone Advisors India Private Limited; 9. S H Kelkar and Company Private Limited; 10. Hindustan Power Projects Private Limited; 11. Salt Bidco; 12. Hummingbird Island Airlines Limited; 13. Seaplane Holding Cayman Limited; 14. Salt Topco; 15. Maldivian Air Taxi Private

Sl. No.	Name, Designation, Father's/Husband's Name, DIN, Address, Term and Occupation	Age (in years)	Date of Appointment/ Re-appointment	Other Directorships
	our Company.			Limited; 16. Trans Maldivian Airways Private Limited.
11.	**Mr. Utpal Sheth** *Father's Name* : Mr. Hemendra Sheth *Designation:* Non Executive Director *Address:* 2901, 29th Floor, B Wing, Beaumonde, A.S. Marathe Marg, Prabhadevi, Mumbai- 400 025 Maharashtra. *Occupation:* Investment Analyst *DIN:* 00081012 *Term:* Appointed with effect from October 11, 2013, the term of his appointment shall be regularized at the forthcoming AGM.	43	October 11, 2013	1. Aptech Limited; 2. Chanakya Corporate Services Private Limited; 3. Clue Leasing and Finance Private Limited; 4. Cineline India Limited; 5. Concord Biotech Limited; 6. Caerus Advisors Private Limited; 7. Chanakya Wealth Creation Private Limited; 8. Enlightened Buildcon Private Limited; 9. HRS Insight Financial Intermediaries Private Limited; 10. Hillcroft Investments Company Private Limited; 11. Insight Asset Management (India) Private Limited; 12. Kanakia Hospitality Private Limited; 13. Praj Industries Limited; 14. Metro Shoes Limited (Alternate Director); 15. Rare Equity Private Limited; 16. Race Ahead Properties Private Limited; 17. Trust Capital Holdings Private Limited; 18. Trust Plutus Wealth Managers (India) Private Limited; 19. Trust Plutus Family Office & Investment Advisors (India) Private Limited.
12.	**Mr. Thothala Narayanaswamy Manoharan** *Father's Name* : Late Mr. Thothala Narayanaswamy Lakshmaiya *Designation:* Independent Director *Address:* No. 2 C. P. Ramasamy Street, Abiramapuram, Chennai-600 018 Tamil Nadu.	58	September 26, 2012	1. MCA Management Consultants Limited; 2. MCA Financial and Capital Advisors Private Limited; 3. MCA Technology Solutions Private Limited; 4. Tech Mahindra Limited; 5. Nani Palkivala Arbitration Centre.

Sl. No.	Name, Designation, Father's/Husband's Name, DIN, Address, Term and Occupation	Age (in years)	Date of Appointment/ Re-appointment	Other Directorships
	Occupation: Practising Chartered Accountant *DIN:* 01186248 *Term:* Appointed with effect from September 26, 2012.			
13.	**Mr. Anil Prakash Gupta** *Father's Name* : Mr. Ram Gupta *Designation:* Independent Director *Address:* Sea Court- 3, Pent House- 3, Jaypee Gardens, G Block, Surajpur Kasna Road, Greater Noida- 201 306 *Occupation:* Senior business advisor. *DIN:* 02498457 *Term:* Appointed with effect from September 26, 2012.	57	September 26, 2012	Nil
14.	**Mr. Hemant Madhusudan Nerurkar** *Father's Name* : Madhusudan Mahadev Nerurkar *Designation:* Independent Director *Address:* Flat no. 1201, Lodha Grandeur, Sayania Road, Opposite Parel bus stand, Prabhadevi, Mumbai India-400 025. *Occupation:* Retired company executive. *DIN:* 00265887 *Term:* Appointed with effect from April 9, 2014 for a period of 5 years.	65	April 9, 2014	1. TRL Krosaki Refractories Limited; 2. Tega Industries Limited.

Brief Biography of Directors

Mr. Alluri Ananta Venkata Ranga Raju, aged 59 years, is the Managing Director of our Company. He has experience of 40 years in the construction and infrastructure development and allied fields. He has been on our Board since the inception of our Company and has been paid a total remuneration of ₹ 21.30 million in Fiscal 2014.

Mr. Alluri Gopala Krishnam Raju, aged 55 years, is the Executive Director of our Company. He holds a degree of bachelors in commerce from Osmania University and master of business administration from University of Poona and has 32 years of experience in the construction industry, finance and manufacturing and allied fields. He has been on our Board since the inception of our Company and has been paid a total remuneration of ₹ 11.10 million in Fiscal 2014.

Mr. Alluri Sreemannarayana Raju, aged 56 years, is the Whole-time Director of our Company. He has experience of 35 years in the construction industry. He has been on our Board since the inception of our Company and has been paid a total remuneration of ₹ 11.03 million in Fiscal 2014.

Mr. Alluri Venkata Narasimha Raju, aged 52 years, is the Whole-time Director of our Company. He has experience of 28 years in the construction industry. He has been on our Board since June 1, 1999 and has been paid a total remuneration of ₹ 10.50 million in Fiscal 2014.

Mr. Alluri Kodanda Harinatha Sri Rama Raju, aged 44 years, is the Whole-time Director of our Company. He experience of 20 years in the field of construction of buildings and roads division. He has been on our Board since November 4, 2011 and has been paid a total remuneration of ₹ 9.70 million in Fiscal 2014.

Mr. Jampana Venkata Ranga Raju, aged 55 years, is the Whole-time Director of our Company. He is a Director and holds a degree of master of commerce from Andhra University and has an experience of 30 years in the construction and infrastructure industry. He has been on our Board since the inception of the Company and has been paid a total remuneration of ₹ 18.23 million in Fiscal 2014.

Mr. Alluri Narayana Raju, aged 47 years, is a Non Executive Director of our Company. He is a Director and holds a degree of bachelors of engineering from the M.S. Ramaiah Institute of Technology and has an experience of 22 years in the construction and real estate industry. He has been on our Board since February 25, 1995 and has been paid no remuneration in Fiscal 2014.

Mr. Prathipati Abraham, aged 75 years, is an Independent Director of our Company. He is a retired senior bureaucrat and holds a post graduate degree in arts from Andhra University and has 52 years of experience. He has been on our Board since January 11, 2006 and has been paid a total sitting fee of ₹ 0.2 million in Fiscal 2014.

Mr. Ramachandra Venkataramana Shastri, aged 69 years, is an Independent Director of our Company. He is a retired chairman and managing director of Canara Bank and holds masters degree in arts from the University of Mysore and has 45 years of experience. He has been on our Board since October 30, 2006 and has been paid a total sitting fee of ₹ 0.2 million in Fiscal 2014.

Mr. Amit Dixit, aged 41 years, is a Nominee Director of Blackstone, on Board of our Company. He is Joint Managing Director of Blackstone India Private Limited and holds a degree of bachelors of technology from Indian Institute of Technology, Bombay, masters degree in science in civil engineering from Leland Standford Junior University and master in business administration from Harvard University and has around 16 years of experience. He has been on our Board as an Alternate Director to Sri Akhilesh Gupta who has since resigned on May 14, 2014 and has been paid a total sitting fee of ₹ 0.08 million in Fiscal 2014.

Mr. Utpal Sheth, aged 43 years, is a Non Executive Director of our Company. He is an investment analyst and holds a degree of bachelors in commerce from University of Bombay, certificate of chartered financial analyst from the Institute of Chartered Financial Analyst of India and has 20 years of experience. He was an Alternate Director to Sri Rakesh Jhunjhunwala who retired at the AGM held on September 27, 2013. Mr. Utpal Sheth has been appointed as an additional director at the meeting of the Board held on October 11, 2013 and has been paid a sitting fee of ₹ 0.08 million in Fiscal 2014.

Mr. Thothala Narayanaswamy Manoharan, aged 58 years, is an Independent Director of our Company. He is a practicing chartered accountant and holds a degree of bachelors of commerce and bachelors of law from University of Madras and masters degree in commerce from Sri Venkateswara University, Andhra Pradesh and has an experience of 30 years as chartered accountant. He has been on our Board since September 26, 2012 and has been paid a total sitting fee of ₹ 0.18 million in Fiscal 2014.

Mr. Anil Prakash Gupta, aged 57 years, is an Independent Director of our Company. He is a senior business advisor and holds a degree of bachelor of engineering, bachelors of commerce and degree of master of business administration from the University of Delhi. He has been on our Board since September 26, 2012 and has been paid a total sitting fee of ₹ 0.16 million in Fiscal 2014.

Mr. Hemant Madhusudan Nerurkar, aged 65 years, is an Independent Director of our Company. He is a retired corporate executive and holds a degree of bachelor of engineering from the University of Poona and has 41 years of experience. He has been on our Board since April 9, 2014.

In Fiscal 2014, our Company paid remuneration to the Directors in excess of the limits prescribed under the Companies Act, 1956. The Company is in the process of obtaining requisite approval as required under the Companies Act from the shareholders and the Central Government. For further details, please see Note 45 of the Notes forming part of the financial Statement under the section titled "Financial Statements" on page 148.

Nature of relationship between Directors

Except Mr. Jampana Venkata Ranga Raju who is brother in law of Mr. Alluri Anantha Venkata Ranga Raju, Mr. Alluri Gopala Krishnam Raju, Mr. Alluri Kodanda Harinatha Sri Rama Raju, Mr. Alluri Narayana Raju, Mr. Alluri Venkata Narasimha Raju and Mr. Alluri Sreemannarayana Raju, and;

Other than Mr. Alluri Anantha Venkata Ranga Raju, Mr. Alluri Gopala Krishnam Raju, Mr. Alluri Kodanda Harinatha Sri Rama Raju, Mr. Alluri Narayana Raju, Mr. Alluri Venkata Narasimha Raju and Mr. Alluri Sreemannarayana Raju who are related to each other as brothers, there are no directors on the Board of our Company who are related to each other.

Directorships in companies suspended/delisted

None of our Directors hold or held directorships in listed companies whose shares have been/were delisted from the Stock Exchanges within a period of five years immediately preceding the date of filing of this Draft Letter of Offer.

None of our Directors hold directorships in listed companies whose shares have been/were suspended from trading on the BSE/NSE within a period of five years immediately preceding the date of this Draft Letter of Offer.

Arrangements with major shareholders, customers, suppliers or others

In terms of the shareholders agreement dated October 3, 2007 and amendment agreement dated June 7, 2014 entered into between our Company, Blackstone GPV Capital Partners Mauritius V-A Limited, Blackstone FP Capital Partners (Mauritius) V FII Limited and Blackstone GPV Capital Partners (Mauritius) V-H Limited, Mr. Amit Dixit has been appointed as a nominee of Blackstone GPV Capital Partners Mauritius V-A Limited, Blackstone FP Capital Partners (Mauritius) V FII Limited and Blackstone GPV Capital Partners (Mauritius) V-H Limited. Except for this, there is no other arrangement or understanding with any major shareholders, customers, suppliers or others pursuant to which any of our Directors were selected as a director or member of the senior management.

Service agreements entered into between our Company and our Directors:

There are no service contracts executed between our Company and any of our Directors providing for benefits upon termination of employment.

Interest of Directors:

Our Directors may be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Issue. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Shareholding of the Directors in our Company as on March 31, 2014 is as follows:

Sr. No.	Particulars	No. of Equity Shares	Percentage (%) of paid-up and subscribed share capital
1.	Mr. Alluri Ananta Venkata Ranga Raju	5,931,740	2.31
2.	Mr. Alluri Gopala Krishnam Raju	4,010,080	1.56
3.	Mr. Alluri Sreeman Narayana Raju	3,993,330	1.56
4.	Mr. Alluri Venkata Narasimha Raju	3,685,750	1.44
5.	Mr. Alluri Narayana Raju	4,088,680	1.59
6.	Mr. Jampana Venkata Ranga Raju	1,701,277	0.66
7.	Mr. R. V. Shastri	100	Negligible

HISTORY AND CORPORATE STRUCTURE

Brief background of our Company

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956 as Nagarjuna Construction Company Limited by a certificate of incorporation dated March 22, 1990 from the Registrar of Companies, Hyderabad and received its certificate of commencement of business on April 2, 1990. The name of our Company was changed to NCC Limited on February 25, 2011. The Corporate identification number of our Company is L72200AP1990PLC011146. The registered office of our Company is NCC Limited, NCC House, Madhapur, Hyderabad – 500 081, Andhra Pradesh.

Our Company came out with an initial public offer in1992. The equity shares of our Company were listed on the Bombay Stock Exchange and the Hyderabad Stock Exchange in September 1992 following the initial public offer of the Company. On October 14, 2003, the Equity Shares of our Company were listed on the NSE. However, in March 2004, the Company voluntarily delisted its equity shares from the Hyderabad Stock Exchange.

The Company had 51 subsidiaries (including step downsubsidiaries) as on March 31, 2014. Please note that the notice was served by the Ministry of Corporate Affairs on July 15, 2011 under section 560(3) of the Companies Act, 1956 for striking off the name and dissolution of one of the subsidiaries of our Company, Naftogaz Engineering Private Limited and the same is under process.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association include, inter alia, the following:

1. To acquire, purchase, amalgamate, take on lease or otherwise take over as a going concern, the undertaking now being carried on in partnership, under the name and style of Nagarjuna Construction Corporation along with all pending works, stocks in trade, rights, assets, receivables, bank limits, interest, goodwill, licences, and privileges and all contractors, registrations, import licences, plant, machinery, equipment together with all the liabilities due to all Banks and other amounts due to trade creditors, depositors, bills payable etc., to carry on the said business along with other businesses mentioned in the other clauses of this Memorandum of Association.

2. To construct, erect, build, repair, remodel, demolish, develop, improve, grade, curve, pave, macadamize, cement and maintain buildings, structures, houses, apartments, townships, multi storeyed complexes, landscapes, hospitals, schools, places of worship, highways, roads, paths, streets, sideways, sea ports, Air Ports, bridges, flyovers, subways alleys, pavements, and to do other similar constructions, levelling or paving work and to build, construct and repair railways, waterways, electrical works, tunnels, canals, wharves, ports, piers, docks, water-works, drainage works, light houses, power houses, and floor and to do all kinds of excavating, dredging and digging work; to make all kinds of iron, wood, glass, machinery, and earth construction, to design, devise, decorate, plan, model and to furnish labour and all kinds of material, to supervise construction or other work, to act as valuers, appraisers, referees and assessors to investigate into the conditions of buildings and other structures of all kinds. To carry on the business of contractors and agents, farmers, carriers, printers and merchants anywhere in the world.

3. To mine, quarry, grind, and excavate, and take from pits, sand, gravel, stone, gypsum or other building or paving materials, to own, acquire or take on lease areas of land mining bases, licences or rights in or

overland, to wash and screen the sand and gravel and to deal in the same or dispose it off in any manner whatsoever.

4. To purchase, acquire, take or in exchange or in any other lawful manner any area, land, buildings, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets, or other buildings, or conveniences thereon and to equip the same or any part thereof with all or any amenities or conveniences, drainage facility, electric, telegraphic, telephonic, television installations and to deal with the same in any manner whatsoever.

5. To enter into any arrangement, agreement, contract, lease, sublease with Central or any State Government, Department and undertakings, municipality, local authority, corporation, co-operative society, company, firm, partnership, person or persons, individual or individuals, in furtherance of any objects of the Company, to establish branches, depots, work spots, site offices for purpose of carrying out the objects of the Company and to act as consulting engineers, contract engineers, civil engineers, architects, designers, decorators, founders, painters, engravers, masons and structural engineers.

6. To carry on the business of leasing and hire purchase finance and to acquire and to provide on lease or to provide on hire purchase basis all types of industrial and office plant, equipment, machinery, vehicles, buildings required for manufacturing, processing, transportation and trading businesses and other commercial and service businesses and to carry on investment and trading in shares and securities.

7. To manufacture and deal in construction material, including but not limiting to cement, steel, aluminium, other building materials, construction equipments, construction plant and machinery, building components such as doors, windows, ventilators, centering and scaffolding materials, etc. made of any material.

8. To carry on all or any of the businesses as manufacturers of and exporters, importers, buyers, sellers, dealers in LPG cylinders, drums, barrels, cans including plastic tubes, containers and vessels made of or capable of being manufactured from iron and steel, stainless steel, tin plate aluminium, plastic and other sheet metal, cardboard and paper, including general line containers, plain and lithographed containers and closures thereof of all descriptions for both industrial and domestic usages.

9. To manufacture, repair, buy, sell, distribute, prepare for marketing, import, export or otherwise deal in all kinds of plant and machinery and equipment including pressure vessels and accessories, tools, appliances and apparatus for their manufacture and other relative equipment for industrial, domestic or other application and to manufacture and deal in raw material and components required to manufacture any of the foregoing.

10. To carry on all or any of the businesses as manufacturers, designers and decorators of and embossers, painters, printers and lithographers of, and exporters, importers, buyers, sellers and dealers in tin and all types of metal plates like copper, aluminium, steel and other articles made of tin, metal or other material of any kinds and descriptions, and as designers and draughtsmen, engravers, photographers, electrotypers, photographic printers, photolithographers, cardoox makers, stereotypers and including printers on paper, cardboard, polythene polyvinyl compounds, aluminium, tin plates and other metals and alloy sheets and on any other materials and articles.

11. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative., consultant, collaborator, or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydel power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy as may be developed or Invented in future. To

construct, laydown, establish. promote, erect, build, install, commission, carry out and run all necessary power substations, workshops, repair shops, wires, cables,’ transmission lines, accumulators, street lights for the purpose of conservation, distribution, and supply of electricity of participating industries, state electricity boards and other boards for repairing and maintenance of all distribution and supply lines. To acquire concessions, facilities or licences from electricity boards, government, semi governments or local authorities for generation distribution, production, transmission or use of electric power and to take over along with all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do all acts and things necessary for the attainment of foregoing objects.

12. To carry on in India or elsewhere the business of manufacture, produce, prepare, polish, cut, finish, process, mine, treat, acquire. convert, commercialise, crush, engrave, design, develop, export, import, buy, sell, resell, explore, excavate, quarry, grind, handle, transport, turn to account, market, promote, manage, organise, store, shape and to act as agent, broker, distributor, stockist, mine owner, consultants, vendor, consignors, collaborators, export house, warehouses or otherwise to deal in all shapes, sizes and varieties of rough and polished stones, slabs, logs, rocks of natural stones such as marble, granite etc and to undertake, search, find out and to acquire by concession, grant, purchase, licence, degrees and tenders the allotment or otherwise of land or water area from government, semi government, local authorities, private bodies, corporations and other persons such rights, powers, and privileges for the accomplishment of the above objects whatsoever including exploitation of minerals both minor and major export of minerals both raw and processed, processing of minerals and setting up of minerals and rock based industries.

13. To act as advisors, consultants and provide advisory, technical consultancy, liaison service in the fields of construction, engineering, infrastructure and other related areas and for providing guidance/support in the matters relating to execution of projects in the aforesaid areas.

The main objects clause and objects incidental or ancillary to the main objects of the Memorandum of Association enables our Company to undertake its existing activities and the activities for which the funds are being raised by our Company through this Issue.

Major events in the history of our Company since inception:

Sr. No	Year	Key Development
1.	1990	Company was incorporated as a public limited company with the name Nagarjuna Construction Company Limited.
2.	1992	Company came out with an initial public offer.
3.	1996	Turnover of the Company crosses ₹ 1 billion for the first time.
4.		Rights issue took place on June 1, 1996.
5.	2001	Awarded ISO 9001-2000 certification by American Quality Assessors O-9001-2000 Certified.
6.	2005	Turnover of the Company crosses ₹ 10 billion ($225 million).
7.	2005	Company issues shares under NCC-ESOP plan-2004.
8.	2006	Net worth of the Company crosses ₹ 9 billion ($68 million).
9.	2006	Company issued GDR.
10.	2009	Turnover of the Company crosses USD 1 billion
11.	2010	Company issues shares to QIB’s under QIP.
12.	2011	Name of the Company was changed to NCC Limited.
13.	2014	Company rebranded as NCC. Order book crosses ₹ 210 billion.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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M. Bhaskara Rao & Co.

Chartered Accountants
5D, Fifth floor
6–3–352, Somajiguda
Hyderabad – 500 082

Deloitte
Haskins & Sells
Chartered Accountants
1-8-384 & 385, 3rd Floor
Gowra Grand, S P Road,
Secunderabad - 500003

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NCC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NCC LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by branch auditors of the Company's overseas branches at Oman, Nepal and Sri Lanka ("the Branches") audited by other auditors.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 reports on the accounts of the Company's overseas branches audited by the branch auditors which have been forwarded to us and have been properly dealt with, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 45 to the Financial Statements regarding managerial remuneration. The Company is in the process of obtaining requisite approvals from shareholders and the Central Government.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   (c) The reports on the accounts of the branches audited by the branch auditors appointed under Section 228 of the Act have been forwarded to us and have been properly dealt with by us in preparing this report.

   (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).

(f) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

M V Ramana Murthy
Partner
Membership No. 206439

Ganesh Balakrishnan
Partner
Membership No. 201193

Hyderabad, May 15, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (xii), (xiii), (xiv), (xviii) and (xx) of paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories:

(a) According to the information and explanations given to us, the Management has physically verified the inventories during the year. In our opinion, having regard to the nature of business and location of stocks, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of account.

(iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:

(a) The Company has granted loans aggregating ₹ 3,587.87 million to one party during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹ 9,842.33 million (six parties) and the maximum amount involved during the year was ₹ 9,842.33 million (six parties).

(b) In our opinion, the rate of interest and other terms and conditions of such loans are *prima facie* not prejudicial to the interest of the Company.

(c) Having regard to rollover of loans given, the receipts of principal amounts and interest have been regular during the year.

(d) There is no overdue amount in respect of the aforesaid loans.

(e) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 accordingly, clauses (iii) (f) and (g) of paragraph 4 of the Order are not applicable.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system..

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in to the Register maintained under the said Section have been so entered.

(b) In our opinion, the transactions (excluding loans reported under paragraph (iv) above) exceeding the value of ₹ 5 lakhs in respect of any party during the year have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available.

(vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants and an external agency appointed by the Management is commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, *prima facie,* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete**.**

(ix) According to the information and explanation given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax/VAT, Wealth Tax, Customs Duty, Cess and other material statutory dues applicable to it with appropriate authorities, except for certain delays in the payments of Service Tax dues and tax deducted at source in Income Tax Act, 1961.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax/VAT, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount involved (₹ in Million)**
Sales Tax and VAT Laws	Sales Tax	Hon'ble High Court of Andhra Pradesh	1994 - 1995 & 2005-2006	16.17
	Sales Tax	Sales Tax Appellate Tribunal, Andhra Pradesh	1999 - 2004 & 2006 - 2007	57.00
	VAT	Appellate Deputy Commissioner, Hyderabad	2006 - 2007	17.96
	VAT	Appellate Additional Commissioner, Uttar Pradesh	2005 - 2007	18.92
	VAT	Deputy Commissioner of Sales tax (Appeals), Assam	2005 - 2007	184.10
	Sales Tax	Hon'ble High Court of Tamil Nadu.	2006 - 2007	4.36
	VAT	Sr.Joint Commissioner (Appeals), West Bengal	2008 - 2010	172.93
	VAT	Appellate Deputy Commissioner, Kerala	2007 - 2009	23.99
	Entry tax	Hon'ble High Court of Andhra Pradesh	2012 – 2013	9.86
Central Excise Laws	Excise Duty	CESTAT, Bangalore	2007 - 2009	4.73
Finance Act, 1994	Service Tax	Hon'ble High Court of Andhra Pradesh	2007 - 2008	137.31
Finance Act, 1994	Service Tax	CESTAT, Bangalore	2005 - 2012	3,092.61

Note: There are no disputed dues of Wealth Tax which have not been deposited as on March 31, 2014.

(x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, having regard to the rollover of term loans and debentures, the Company has not defaulted in repayment of dues to banks and debenture holders except in respect of following dues:

(₹ In Million)

Particulars	**Principal**	**Interest**	**Period of delay (in days)**
Banks – Loans	750.00	70.95	1 to 30 days
	750.00*	5.34	31 to 60 days
	500.00	-	61 to 90 days
Bank – Debentures	-	70.66	1 to 30 days
	-	47.89	31 to 60 days

* includes principal amount of ₹ 500 million is outstanding for repayment to banks as at March 31, 2014 of which ₹ 250 million paid subsequently.

(xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie,* prejudicial to the interests of the Company.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xiv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie,* not been used during the year for long-term investment.

(xv) According to the information and explanations given to us and records examined by us, securities/charges have been created in respect of debentures issued.

(xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

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

M V Ramana Murthy
Partner
Membership No. 206439

Ganesh Balakrishnan
Partner
Membership No. 201193

Hyderabad, May 15, 2014

NCC Limited

BALANCE SHEET AS AT MARCH 31, 2014

(₹ in million)

	NOTE	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	513.17		513.17	
Reserves and Surplus	4	24,689.56		24,167.17	
			25,202.73		24,680.34
Non Current Liabilities					
Long Term Borrowings	5	732.15		1,716.18	
Deferred Tax Liabilities (Net)	6	124.86		231.21	
Other Long Term Liabilities	7	631.77		543.37	
Long Term Provisions	8	197.41		176.53	
			1,686.19		2,667.29
Current Liabilities					
Short Term Borrowings	9	22,327.17		18,842.60	
Trade Payables	10	15,389.67		13,989.99	
Other Current Liabilities	11	26,542.47		20,696.67	
Short Term Provisions	12	126.44		396.81	
			64,385.75		53,926.07
Total			91,274.67		81,273.70
ASSETS					
Non Current Assets					
Fixed Assets	13				
Tangible Assets		6,866.69		7,122.58	
Intangible Assets		49.65		62.81	
Capital Work in Progress		103.62		61.24	
Non Current Investments	14.1	11,643.08		12,536.23	
Long Term Loans and Advances	15	2,564.46		3,201.66	
Other Non Current Assets	16	1,187.34		1,506.42	
			22,414.84		24,490.94
Current Assets					
Current Investments	14.2	0.03		0.03	
Inventories	17	15,987.50		14,263.53	
Trade Receivables	18	13,410.13		11,429.52	
Cash and Bank Balances	19	687.86		800.04	
Short Term Loans and Advances	20	28,174.77		21,126.48	
Other Current Assets	21	10,599.54		9,163.16	
			68,859.83		56,782.76
Total			91,274.67		81,273.70
Corporate information and Significant accounting policies	1 & 2				

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M BHASKARA RAO & CO**.
CHARTERED ACCOUNTANTS

For **DELOITTE HASKINS & SELLS**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V. RAMANA MURTHY
Partner

GANESH BALAKRISHNAN
Partner

R.S. RAJU
Executive Vice President (F&A)

A.A.V. RANGA RAJU
Managing Director

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

A.G.K. RAJU
Executive Director

Hyderabad, May 15, 2014

Hyderabad, May 15, 2014

NCC

NCC Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in million)

	NOTE	YEAR ENDED MARCH 31, 2014		YEAR ENDED MARCH 31, 2013	
REVENUE					
Revenue from Operations	22	**61,173.02**		57,249.18	
Other Income	23	**1,535.30**		1,258.89	
Total Revenue			**62,708.32**		58,508.07
EXPENSES					
Cost of Materials Consumed	24	**28,682.83**		22,794.36	
Construction Expenses	25	**26,649.39**		27,431.07	
Changes in Inventories of Work in Progress	26	**(2,593.64)**		(1,997.06)	
Employee Benefits Expense	27	**2,403.92**		2,426.98	
Finance Costs	28	**4,659.85**		4,070.38	
Depreciation and Amortization Expense	13.3	**895.13**		920.22	
Other Expenses	29	**1,981.94**		1,884.90	
Total Expenses			**62,679.42**		57,530.85
Profit Before Tax			**28.90**		977.22
Tax Expense	30		**(376.25)**		350.56
Profit for the year			**405.15**		626.66
Earnings per share of face value of ₹ 2 each.					
Basic and Diluted - ₹	35		**1.58**		2.44
Corporate information and Significant accounting policies	1 & 2				

See accompanying notes forming part of the financial statements

In terms of our report attached

For ***M BHASKARA RAO & CO***. *For* ***DELOITTE HASKINS & SELLS***
CHARTERED ACCOUNTANTS *CHARTERED ACCOUNTANTS*

For and on behalf of the Board

M.V. RAMANA MURTHY
Partner

GANESH BALAKRISHNAN
Partner

R.S. RAJU
Executive Vice President (F&A)

A.A.V. RANGA RAJU
Managing Director

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

A.G.K. RAJU
Executive Director

Hyderabad, May 15, 2014

Hyderabad, May 15, 2014

NCC

NCC Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in million)

Particulars	YEAR ENDED MARCH 31, 2014	YEAR ENDED MARCH 31, 2013
A. Cash flow from operating activities		
Net Profit before tax	28.90	977.22
Adjustments for:		
Depreciation and amortisation expense	895.13	920.22
(Profit) on sale / write off of assets	7.93	(108.00)
Finance costs	4659.85	4,070.38
Interest income	(1,392.49)	(1,041.65)
Net (gain) on sale of investments	(162.20)	-
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Rental income from operating leases	(14.94)	(31.49)
Net unrealised exchange loss	3.71	-
	4,416.02	**3,879.46**
Operating profit before working capital changes	4,444.92	4,856.68
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,723.97)	(1,928.28)
Trade receivables	(2,002.14)	1,635.25
Short-term loans and advances	(3,035.82)	850.67
Long-term loans and advances	-	68.63
Other current assets	(751.79)	(1,222.48)
Other non-current assets	319.07	(167.55)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,399.68	1,565.82
Other current liabilities	4,764.31	(1,540.10)
Other long-term liabilities	88.40	149.97
Short-term provisions	5.27	6.76
Long-term provisions	20.88	(5.39)
	(916.11)	(586.70)
Cash generated from operations	**3,528.81**	**4,269.98**
Net income tax (paid)	170.04	(584.67)
Net cash flow from operating activities (A)	**3,698.85**	**3,685.31**
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(761.69)	(1,270.34)
Proceeds from sale of fixed assets	85.30	821.64
Bank balances not considered as Cash and cash equivalents	(87.59)	(23.39)
Purchase of long-term investments - Subsidiaries	(2,616.27)	1,933.95
Purchase of long-term investments - others	(18.38)	(17.50)
Refund of share application money	2,689.78	-
Proceeds from sale of long-term investments	1,877.36	-
Advance received towards sale of shares	1,000.00	
Loans given to subsidiaries, associates and other body corporates	(1,077.84)	(1,290.92)
Inter Corporate Deposits given	(3,587.87)	
Loans realised from subsidiaries, associates and other body corporates	46.85	0.02
Interest received	704.19	487.92
Rental income from operating leases	14.94	31.49
Net cash flow from / (used in) investing activities (B)	**(1,731.22)**	**672.87**
C. Cash flow from financing activities		
Repayment of Debentures	(800.00)	(1,050.00)
Proceeds from long term borrowings	254.75	292.97
Repayment of Long term borrowings	(442.85)	(845.68)
Net increase / (decrease) in short term borrowings	3,484.57	1,512.05
Finance cost paid	(4,573.69)	(4,047.71)
Dividend & Tax on dividend paid	(90.18)	(89.47)
Net cash flow (used in) financing activities (C)	**(2,167.40)**	**(4,227.84)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(199.77)	130.34
Cash and cash equivalents at the beginning of the year	650.97	520.63
Cash and cash equivalents at the end of the year (Refer note 19)	451.20	650.97
Note: Figures in brackets represents cash outflows.		

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M BHASKARA RAO & CO**. For **DELOITTE HASKINS & SELLS** — For and on behalf of the Board

CHARTERED ACCOUNTANTS — CHARTERED ACCOUNTANTS

M.V. RAMANA MURTHY — Partner

GANESH BALAKRISHNAN — Partner

R.S. RAJU — Executive Vice President (F&A)

A.A.V. RANGA RAJU — Managing Director

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

A.G.K. RAJU — Executive Director

Hyderabad, May 15, 2014 — Hyderabad, May 15, 2014

NCC

Notes forming part of the financial statements

1 Corporate information:

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

2 Significant accounting policies:

2.1 Basis of Accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless otherwise stated separately herein below.

2.2 Use of Estimates:

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

2.3 Fixed Assets and Depreciation:

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

Capital work-in-progress: Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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

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

S.No.	Description	Straight Line Method	Written Down Value Method
1	Plant and Equipment	4.75%	15% - 25%
2	Furniture and Fixtures	6.33%	10% - 20%
3	Office Equipments	4.75%	15% - 25%
4	Computers	16.21%	60%
5	Construction Vehicles	-	15% - 25%
6	Construction Accessories	20%	15% - 25%
7	Office Vehicles	9.50%	15% - 25%

Notes forming part of the financial statements

2.4 Impairment of Assets:

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

2.5 Borrowing Costs

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

2.6 Inventories

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

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

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

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

2.7 Investments

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

2.8 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 'Employee Benefits' notified under Section 211 (3c) of the Companies Act, 1956.

Defined Benefit Plan

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

Liability on account of gratuity is:

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

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

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

Notes forming part of the financial statements

Defined Contribution Plan

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

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

2.9 Revenue Recognition

i) ***Project Division:*** *Revenue from construction contracts is recognised by reference to the percentage of completion of the contract activity gross of applicable taxes. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure.*

ii) ***Property Development*** *:Revenue is recognised when the Company enters into an agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer and there is no uncertainty regarding realisability of the sale consideration.*

iii) Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.10 Joint Venture Projects:

i) In respect of Joint Venture Contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognized in the agreed proportions under respective heads in the financial statements.

ii) Assets, Liabilities and Expenditure arising out of contracts executed wholly by the Company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturer's share under turnover in these financial statements.

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

2.11 Foreign exchange translation and foreign currency transactions:

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

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

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

2.12 Leases :

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

Notes forming part of the financial statements

2.13 Taxes on Income:

i) ***Current Tax*** *: Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act, 1961.*

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

2.14 Contingency Reserve :

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

2.15 Earnings Per Share :

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

2.16 Provisions, Contingent Liabilities and Contingent Assets :

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

2.17 Cash Flow Statement

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

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

2.18 Operating cycle

The Company adopts operating cycle based on the project period and accordingly all project related asstes and liabilities are classified into current and non current. Other than project related assets and liabilities are classified 12 months as its normal operating cycle.

Notes forming part of the financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
		Number of shares	Amount	Number of shares	Amount
3	**Share Capital**				
	Authorised :				
	Equity Shares of ₹ 2 each	**300,000,000**	**600.00**	300,000,000	600.00
	Issued :				
	Equity Shares of ₹ 2 each	**256,833,810**	**513.67**	256,833,810	513.67
	Subscribed and Paid up :				
	Equity Shares of ₹ 2 each	**256,583,810**	**513.17**	256,583,810	513.17
	Total		**513.17**		513.17

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

(₹ in million)

	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	**256,583,810**	**513.17**	256,583,810	513.17
Add: Changes during the year	**-**	**-**	-	-
Balance at end of the year	**256,583,810**	**513.17**	256,583,810	513.17

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

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	% holding	Number of shares	% holding
Blackstone GPV Capital Partners Mauritius V-A Ltd.	**25,399,699**	**9.90**	25,399,699	9.90
Warhol Limited	**25,384,700**	**9.89**	25,384,700	9.89
Smt. Rekha Jhunjhunwala	**24,608,266**	**9.59**	16,000,000	6.24
A V S R Holdings Private Limited	**14,147,167**	**5.51**	17,967,167	7.00

3.3 Details of unsubscribed equity shares

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 2 each	**250,000**	**0.50**	250,000	0.50

3.4 *Unclaimed equity shares of 97,265 (31.03.2013: 97, 265) are held in "NCC Limited - Unclaimed suspense account " in trust.*

3.5 Rights of the share holders

a) *The equity shares of the company having par value of ₹ 2 per share, rank pari passu in all respects including voting rights (except GDRs) 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.*

b) *39,700 (31.03.2013: 39,700) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹ 2. The GDRs, rank pari passu in all respects with the equity shares issued by the Company, except in respect of voting rights.*

Notes forming part of the financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
4 Reserves and Surplus				
Capital Reserve		**54.33**		54.33
Securities Premium		**14,649.35**		14,649.35
Debenture Redemption Reserve				
Opening balance	**675.00**		940.00	
Less: Transfer to General Reserve	**200.00**		265.00	
Closing balance		**475.00**		675.00
Contingency Reserve		**220.00**		220.00
Foreign Currency Transalation Reserve				
Opening balance	**2.73**		(30.38)	
Add : Effect of foreign exchange variations during the year	**177.28**		33.11	
Closing balance		**180.01**		2.73
General Reserve				
Opening balance	**5,429.59**		5,014.59	
Add : Transfer from Debenture Redemption Reserve	**200.00**		265.00	
Add : Transfer from Surplus in Statement of Profit and Loss	**150.00**		150.00	
Closing balance		**5,779.59**		5,429.59
Surplus in Statement of Profit and Loss				
Opening balance	**3,136.17**		2,749.56	
Add : Profit for the year	**405.15**		626.66	
	3,541.32		3,376.22	
Less : Appropriations				
Dividend proposed to be distributed to equity share holders ₹ 0.20 per share (31.03.2013 : ₹ 0.30 per share)	**51.32**		76.97	
Tax on Dividend	**8.72**		13.08	
Transfer to General Reserve	**150.00**		150.00	
	210.04		240.05	
Closing balance		**3,331.28**		3,136.17
Total		**24,689.56**		24,167.17

	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current*	Non Current	Current*
5 Long Term Borrowings				
Debentures				
Secured				
11.95% Redeemable, Non-convertible Debentures (Refer note 5.1)	-	500.00	-	500.00
10.50% Redeemable, Non-convertible Debentures (Refer note 5.2)	-	400.00	400.00	300.00
Unsecured				
9.50% Redeemable, Non-convertible Debentures (Refer note 5.3)	500.00	500.00	1,000.00	500.00
Term Loans				
Secured				
From Banks (Refer note 5.4)	60.31	123.53	183.94	229.09
From Other Parties (Refer note 5.5)	157.44	145.43	113.52	136.67
Vehicle Loans				
Secured				
From Banks (Refer note 5.6)	14.40	17.83	18.72	25.55
Total	732.15	1,686.79	1,716.18	1,691.31

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

5.1 11.95% Redeemable Non convertible Debentures

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

- by way of hypothecation of the Company's movable properties specified in the Schedule-2 of Memorandum of Hypothecation dated April 25, 2009;
- first charge by way of equitable mortgage by deposit of title deeds of the Company's immovable property situated at Gujarat as specified in first schedule to the Debenture Trust Deed dated April 23, 2009;
- equitable mortgage by deposit of title deeds of Company's immovable properties situated at Hyderabad, Bangalore, Mumbai and New Delhi as specified in Schedule-A of Declaration and Undertaking dated April 25, 2009.

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

(iii) The debenture holders have consented for deferment of due date for final installment of ₹ 500.00 million from February 04, 2014 to September 30, 2014 with an increase in rate of interest by 25 basis points effective from February 04, 2014.

5.2 10.50% Redeemable Non convertible Debentures

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

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

5.3 9.50 % Redeemable Non-Convertible Debentures

(i) Debentures numbering to 500 having face value of ₹ 4 million each comprising of four (4) Detachable and Separately Transferable Redeemable principal parts ("STRPPS") of face value of ₹ 1 million each aggregating to ₹ 2,000 million privately placed with ICICI Bank Limited.

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

Notes forming part of the financial statements

5.4 Term Loans from Banks

(i) HDFC Bank and Indus Ind Bank Ltd

- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery

(ii) Standard Chartered Bank

- Secured by hypothecation of specific assets, comprising Plant and Machinery

(iii) Axis Bank Limited and Kotak Mahindra Bank

- Secured by hypothecation of specific assets purchased out of the loan

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 million)		Interest Range % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	HDFC Bank	4	5	23.37	45.39	8.61 to 10.50	13 to 29	10 to 44	Monthly	March 20, 2010 to November 06, 2016
(ii)	Standard Chartered Bank	-	4	-	78.25	7.40 to 8.23	-	2 to 3	Quarterly	November 29, 2010 to October 11, 2013
(iii)	Indus Ind Bank Ltd	4	5	129.83	235.69	12 to 12.25	8 to 23	20 to 35	Monthly	April 15, 2010 to February 15, 2016
(iv)	Axis Bank Limited	1	1	30.63	43.66	10.75	24	36	Monthly	May 01, 2012 to March 01, 2016
(v)	Kotak Mahindra Bank	-	1	-	10.04	10.63	-	9	Monthly	August 02, 2011 to December 02, 2013

5.5 Term Loans from Others Parties:-

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

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

S.No.	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in million)		Interest Range % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	SREI Equipment Finance Private Limited	5	4	50.27	121.07	10.09 to 12	8 to 29	6 to 22	Monthly	May 10, 2010 to August 22, 2016
(ii)	L&T Finance Limited	3	3	96.76	129.12	11.46 to 12	28 to 30	40 to 42	Monthly	September 10, 2012 to September 05, 2016
(iii)	Siemens Financial Services (P) Limited	1	-	42.10	-	12	26	-	Monthly	June 22, 2013 to May 22, 2016
(iv)	Shri Ram Equipment Finance Company Limited	1	-	71.25	-	12.50	25	-	Monthly	June 22, 2013 to April 22, 2016
(v)	Tata Capital Financial Services Limited	3	-	42.49	-	12.04 to 12.75	31 to 33	-	Monthly	December 09, 2013 to December 14, 2016

5.6 Vehicle Loans

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 years and carry interest rate ranging between 9.49 % to 11.61 % per annum.

Notes forming part of the financial statements

	As at March 31, 2014		As at March 31, 2013	
6 Deferred Tax Liabilities (Net)				
(i) Deferred Tax Liability on timing difference due to:				
Depreciation		**432.86**		420.12
(ii) Deferred Tax Asset on timing differences due to:				
Provision for Gratuity and Compensated absences	**97.78**		90.94	
Provision for Doubtful Trade Receivables / Advances	**210.22**		97.97	
Total		**308.00**		188.91
Deferred Tax Liabilities (Net) (i) - (ii)		**124.86**		231.21
7 Other Long Term Liabilities				
Retention Money payable		**631.77**		543.37
Total		**631.77**		543.37
8 Long Term Provisions				
Provision for Employee Benefits (Refer note 8.1)				
Compensated absences		**146.78**		144.23
Gratuity		**50.63**		32.30
Total		**197.41**		176.53

8.1 *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 retiring gratuity as on March 31, 2014 is ₹ 101.88 million (31.03.2013: ₹ 97.56 million) of which ₹ 33.99 million (31.03.2013: ₹ 52.40 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 67.89 million (31.03.2013: ₹ 45.16 million) 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 and relied upon by the auditors.*

Amount to be recognised in Balance Sheet

	As at March 31, 2014	As at March 31, 2013
Present Value of Funded Obligations	**101.88**	97.56
Fair Value of Plan Assets	**(33.99)**	(52.40)
Net Liability	**67.89**	45.16

Notes forming part of the financial statements

(iii) *Expenses to be recognized in Statement of Profit and Loss.*

	Year Ended March 31, 2014	Year Ended March 31, 2013
Current Service Cost	**13.17**	13.78
Interest on Defined Benefit Obligation	**8.78**	7.46
Expected Return on Plan assets	**(3.61)**	(3.42)
Net Actuarial Losses / (Gains) Recognised in Year	**4.33**	(1.94)
Total included in "Employee Benefits Expense"	**22.67**	15.88

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

	Year Ended March 31, 2014	Year Ended March 31, 2013
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**97.56**	93.20
Current Service Cost	**13.17**	13.78
Interest Cost	**8.78**	7.46
Actuarial Losses / (Gain)	**4.33**	(1.94)
Direct Receipts	**0.06**	-
Benefits Paid	**(22.02)**	(14.94)
Closing Defined Benefit Obligation	**101.88**	97.56
Opening Fair Value of Plan assets	**52.40**	41.77
Expected Return on Plan Assets	**3.61**	3.42
Contributions by Employer	**-**	22.03
Benefits Paid	**(22.02)**	(14.82)
Closing Fair Value of Plan Assets	**33.99**	52.40
Expected Employer's Contribution Next Year	**25.50**	24.65

(v) *Summary of principal actuarial assumptions*

	Year Ended March 31, 2014	Year Ended March 31, 2013
Discount rate (p.a)	**9%**	8%
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.		
Expected Rate of Return on Assets (p.a)	**8.75%**	9.25%
This is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.		
Salary Escalation Rate (p.a)	**8%**	8%
The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
Attrition Rate	**25%**	25%

(vi) *Asset information*

	As at March 31, 2014	As at March 31, 2013
Category of Assets		
Insurer Managed Funds –Life Insurance Corporation of India	**100%**	100%
Amount - ₹ in million	**33.99**	52.40

(vii) *Experience Adjustments*

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligations	**101.88**	97.56	93.20	78.79	48.72
Plan Assets	**33.99**	52.40	41.77	28.04	18.45
Surplus/(Deficit)	**(67.89)**	(45.16)	(51.43)	(50.75)	(30.27)
Experience Adjustments on Plan Assets	**3.61**	3.42	2.54	2.70	2.62

B *Long term gratuity in respect of employees working with Joint Venture Projects / branches outside India is ₹ 0.22 million (31.03.2013: ₹ 0.20 million)*

C *The Liability for Cost of Compensated absences is ₹ 195.69 million (31.03.2013: ₹ 192.30 million) has been actuarially determined and provided for in the books.*

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
9 Short Term Borrowings				
Loans repayable on demand				
Secured Loans - Banks				
Working Capital Demand Loan (Refer note 9.1)		**4,922.00**		5,761.65
Cash Credit (Refer note 9.1)		**13,067.67**		5,712.88
Term Loans (Refer note 9.2)		**2,599.43**		3,500.00
Unsecured Loans				
Term Loans				
From Banks (Refer note 9.3)	**1,438.07**		3,868.07	
From Others (Refer note 9.4)	**300.00**		-	
		1,738.07		3,868.07
Total		**22,327.17**		18,842.60

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

a) *Hypothecation against first charge on stocks, book debts, shares of NCC Infrastracture Holdings Limited (Refer note 14.3) and other current assets of the Company, (excluding specific projects) both present and future, ranking parri passu with consortium banks.*

b) *Hypothecation against first charge on unencumbered fixed assets of the Project Division and Light Engineering Division(excluding Land & Buildings) of the Company rank parri passu with consortium banks.*

c) *Equitable mortgage of three properties (Land & Buildings).*

9.2 *Secured - term loans from Banks:*

a) *Collateral security / First charge on immovable property and second charge on current assets of the company*

b) *The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 14.00 % per annum.*

9.3 *Unsecured - term loans from Banks:*

a) *Includes an amount of ₹ 948.07 million (31.03.2013: ₹ 1,128.07 million) availed from Standard Chartered Bank under retention money discounting facility.*

b) *The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 13.05% per annum.*

9.4 *Unsecured - term loans from Others: having a maturity of less than one year and carry interest rate of 12.00 % per annum*

9.5 *Details of delay in repayment of loans as on the Balance sheet date*

Particulars	Period of Delay As at 31.03.2014	₹ in Million
Term loan from Banks:		
Syndicate Bank	31 to 59 days	500

Notes forming part of the financial statements

(₹ in million)

		As at March 31, 2014	As at March 31, 2013
10	**Trade Payables**		
	Acceptances	3,179.67	2,539.19
	Other than Acceptances (Refer note 10.1)	12,210.00	11,450.80
	Total	15,389.67	13,989.99
10.1	Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:		
a)	Principal amount remaining unpaid	6.15	8.84
b)	Interest due thereon	0.56	1.85
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	Interest accrued and remaining unpaid	0.05	1.85
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.	-	-
11	**Other Current Liabilities**		
	Current maturities of Long Term Borrowings (Refer note 5)	1,686.79	1,691.31
	Interest Accrued but not due on borrowings and others	334.03	246.58
	Unpaid Dividend Accounts (Refer note 11.1)	5.61	5.74
	Other Payables		
	Statutory remittances	758.63	650.04
	Payables on purchase of Fixed Assets	0.15	14.94
	Interest Accrued on Trade Payables (Refer note 10.1)	0.56	1.85
	Retention Money Payable	3,018.32	2,551.12
	Advances from Customers (Refer note 43)	11,165.88	8,540.38
	Mobilisation Advance	9,572.50	6,994.71
	Total	26,542.47	20,696.67
11.1	There are no amounts due for payment to the Investor Education and Protection Fund as at Balance Sheet date.		
12	**Short Term Provisions**		
	Provision for Employee Benefits (Refer note 8.1)		
	Compensated absences	48.92	48.07
	Gratuity	17.48	13.06
	Provision for Tax (Net of Advance Taxes of ₹ Nil (31.03.2013: ₹ 338.58 million))	-	245.63
	Provision for proposed Equity Dividend	51.32	76.97
	Provision for Tax on proposed Equity Dividend	8.72	13.08
	Total	126.44	396.81

Notes forming part of the financial statements

(₹ in million)

13 Fixed Assets

	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at March 31, 2013	Additions	Deductions /Adjustments (Refer note 37 (iii))	As at March 31, 2014	Upto March 31, 2013	For The Year	Deductions /Adjustments	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Land - Freehold	117.60	-	-	**117.60**	-	-	-	-	**117.60**	117.60
(Previous Year)	(97.53)	(20.07)	-	(117.60)	-	-	-	-	(117.60)	
Buildings										
Own use	191.31	3.17	5.07	**189.41**	14.30	3.46	0.84	**16.92**	**172.49**	177.01
(Previous Year)	(119.11)	(104.02)	(31.82)	(191.31)	(12.99)	(2.26)	(0.95)	**(14.30)**	(177.01)	
Given under operating lease	302.74	-	(2.55)	**305.29**	18.14	4.98	(0.43)	**23.55**	**281.74**	284.60
(Previous Year)	(362.22)	(61.15)	(120.63)	(302.74)	(24.04)	(5.94)	(11.84)	(18.14)	(284.60)	
Plant and Machinery	5,068.75	355.11	152.63	**5,271.23**	1,183.58	245.85	85.23	**1,344.20**	**3,927.03**	3,885.17
(Previous Year)	(4,793.41)	(461.28)	(185.94)	(5,068.75)	(1,000.40)	(237.23)	(54.05)	(1,183.58)	(3,885.17)	
Furniture and Fixtures	58.58	6.18	0.30	**64.46**	20.59	3.75	0.24	**24.10**	**40.36**	37.99
(Previous Year)	(72.85)	(12.79)	(27.06)	(58.58)	(18.18)	(4.87)	(2.46)	(20.59)	(37.99)	
Construction Vehicles	1,545.33	12.79	22.38	**1,535.74**	581.64	167.17	17.43	**731.38**	**804.36**	963.69
(Previous Year)	(1,300.41)	(249.64)	(4.72)	(1,545.33)	(429.14)	(153.93)	(1.43)	(581.64)	(963.69)	
Office Vehicles	412.34	51.21	15.66	**447.89**	153.16	38.61	8.84	**182.93**	**264.96**	259.18
(Previous Year)	(376.14)	(54.60)	(18.40)	(412.34)	(126.29)	(36.95)	(10.08)	(153.16)	(259.18)	
Office Equipment	319.98	32.43	7.52	**344.89**	172.78	26.71	6.65	**192.84**	**152.05**	147.20
(Previous Year)	(295.77)	(27.13)	(2.92)	(319.98)	(146.70)	(28.36)	(2.28)	(172.78)	(147.20)	
Lease Hold Improvements	53.93	-	-	**53.93**	1.06	6.14	-	**7.20**	**46.73**	52.87
(Previous Year)	(408.95)	(113.21)	(468.23)	(53.93)	(28.60)	(38.65)	(66.19)	(1.06)	(52.87)	
Construction Accessories	2,901.94	254.34	42.63	**3,113.65**	1,704.67	381.22	31.61	**2,054.28**	**1,059.37**	1,197.27
(Previous Year)	(2,467.20)	(448.71)	(13.97)	(2,901.94)	(1,321.91)	(395.34)	(12.58)	(1,704.67)	(1,197.27)	
Total	10,972.50	715.23	243.64	**11,444.09**	3,849.92	877.89	150.41	**4,577.40**	**6,866.69**	7,122.58
Previous Year	(10,293.59)	(1,552.60)	(873.69)	(10,972.50)	(3,108.25)	(903.53)	(161.86)	(3,849.92)	(7,122.58)	-
Intangible Assets										
Computer Software	100.59	4.08	-	**104.67**	37.78	17.24	-	**55.02**	**49.65**	62.81
(Previous Year)	(94.42)	(7.97)	(1.80)	(100.59)	(21.09)	(16.69)	-	(37.78)	(62.81)	
Total	100.59	4.08	-	**104.67**	37.78	17.24	-	**55.02**	**49.65**	62.81
Previous Year	(94.42)	(7.97)	(1.80)	(100.59)	(21.09)	(16.69)	-	(37.78)	(62.81)	
Capital Work in Progress									**103.62**	61.24

13.1 *Joint Venture Assets included in Gross Block of ₹ 283.89 million (31.03.2013: ₹ 359.03 million) and Net Block of ₹ 81.99 million (31.03.2013: ₹ 118.09 million).*

13.2 *Details of Assets acquired under hire purchase agreements*

(₹ in million)

PARTICULARS	GROSS BLOCK (AT COST)		ACCUMULATED DEPRECIATION		NET BLOCK	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Office Vehicles	**90.82**	107.91	**15.41**	16.81	**75.41**	91.10

13.3 *Depreciation / amortization expense*

(₹ in million)

	Year ended March 31, 2014	Year ended March 31, 2013
Tangible Assets	**877.89**	903.53
Intangible Assets	**17.24**	16.69
Total	**895.13**	920.22

13.4 *Additions for the year includes reclasification of land of ₹ Nil (31.03.2013: ₹ 20.07 million) from inventory to fixed assets.*

Figures in brackets represents previous year figures

Notes forming part of the financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
		Number of Shares	Amount	Number of Shares	Amount
14	**Investments**				
14.1	**Non Current Investments**				
A	**Trade (Unquoted) (At Cost)**				
(i)	**Investment in equity instruments**				
a	**In Subsidiaries**				
	In Shares of ₹ 10 each, fully paid up				
	NCC Infrastructure Holdings Limited (Refer note 14.3)	**471,323,320**	**4,915.80**	146,332,293	5,846.27
	NCC Urban Infrastructure Limited	**120,000,000**	**1,200.00**	120,000,000	1,200.00
	NCC Vizag Urban Infrastructure Limited	**50,000,000**	**500.00**	50,000,000	500.00
	OB Infrastructure Limited (Refer note 14.4)	**7,548,281**	**745.78**	7,548,281	745.78
	Patnitop Ropeway & Resorts Limited	**2,255,300**	**22.56**	2,255,300	22.56
	Naftogaz Engineering Private Limited	**50,000**	**0.50**	50,000	0.50
	NCC International Convention Centre Limited	**1,000,000**	**10.00**	1,000,000	10.00
	NCC Oil & Gas Limited	**40,000**	**0.40**	40,000	0.40
	Western UP Tollway Limited (Refer note 14.5)	**225,000**	**2.25**	225,000	2.25
	Vaidehi Avenues Limited	**4,510,000**	**45.10**	4,510,000	45.10
	NCC Power Projects (Sompeta) Private Limited	**69,600**	**0.69**	-	-
	Aster Rail Private Limited	**3,098,800**	**15.49**	-	-
	In Shares of Omani Rials one each, fully paid up				
	Nagarjuna Construction Company International LLC, Oman	**5,100,000**	**611.69**	5,100,000	611.69
	In Shares of US $ 10 each, fully paid up				
	NCC Infrastructure Holdings Mauritius Pte. Ltd.	**2,687,508**	**1,218.79**	2,687,508	1,218.79
	In Shares of 'AED' 1000 each, fully paid up				
	Nagarjuna Contracting Company Limited, LLC, Dubai (Refer note 14.6)	**300**	**3.44**	300	3.44
	In Shares of 'Shillings' 100, each fully paid up				
	Nagarjuna Construction Company Limited, Kenya	**65**	**-***	65	-*
	* (Valued at ₹ 3,250)				
b	**In Associates**				
	In Shares of ₹ 10 each, fully paid up				
	Jubilee Hills Land Mark Projects Limited	**2,500,000**	**25.00**	2,500,000	25.00
	Tellapur Techno City Private Limited	**14,702,600**	**147.03**	14,702,600	147.03
	Paschal Form Work (India) Private Limited	**5,668,000**	**60.32**	5,668,000	60.32
	In Shares of one USD each fully paid up				
	Apollonius Coal and Energy Pte Limited	**1,498,757**	**79.97**	1,498,757	79.97
	In Shares of 'AED' 1000 each fully paid up				
	Nagarjuna Facilities Management Services, LLC, Dubai	**147**	**1.72**	147	1.72
c	**In Jointly controlled entities**				
	In Shares of ₹ 10 each, fully paid up				
	Brindavan Infrastructure Company Limited (Refer note 14.7)	**11,062,313**	**44.26**	5,899,725	59.00
	Bangalore Elevated Tollway Limited (Refer note 14.8)	**80,400**	**0.80**	80,400	0.80
	Pondichery Tindivanam Tollway Limited (Refer note 14.9)	**1,775,250**	**168.53**	1,775,250	168.53

Notes forming part of the financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
		Number of Shares	Amount	Number of Shares	Amount
d	**In Other entities**				
	In Shares of ₹ 10 each, fully paid up				
	SNP Infrastructures Private Limited	**7,620,551**	**75.82**	7,620,551	75.82
	SNP Developers and Projects Private Limited	**548,113**	**5.39**	548,113	5.39
	SNP Ventures Private Limited	**3,368,231**	**33.20**	3,368,231	33.20
	SNP Property Developers Private Limited	**1,700,275**	**19.47**	1,700,275	19.47
	NAC Infrastructure Equipment Limited	**1,499,900**	**15.00**	1,499,900	15.00
	In Shares of ₹ 25 each, fully paid up				
	Akola Urban Co-operative Bank Limited	**4,040**	**0.10**	4,040	0.10
(ii)	**Investment in preference shares**				
	In Associates				
	2% Redeemable Preference Shares of ₹ 100 each fully paidup				
	Jubilee Hills Land Mark Projects Private Limited	**4,274,999**	**427.50**	4,274,999	427.50
(iii)	**Investment in debentures**				
	In Associates				
	Jubilee Hills Land Mark Projects Limited (of ₹ 100 each, fully paid up)	**5,092,252**	**509.23**	5,092,252	509.23
	Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up)	**737,248,092**	**737.25**	701,368,092	701.37
B	**Trade (Quoted)**				
	Investment in equity instruments				
	In Shares of ₹ 10 each, fully paid up				
	NCC Finance Limited [** (Value ₹ 90)]	**9**	**-****	9	-**
	Total		**11,643.08**		12,536.23
14.2	**Current Investments**				
	Trade (Unquoted) (At Cost)				
(i)	**In Other entities**				
	Himachal Sorang Power Limited (Refer note 14.10)	**3,400**	**0.03**	3,400.00	0.03
	Total		**0.03**		0.03
	Aggregate amount of Unquoted Investments		**11,643.11**		12,536.26
	Aggregate market value of Quoted Investments		**-****		-**

** Market value of ₹ 3.33 (31.03.2013: ₹ 7.74)

14.3 Of these 55,873,182 (31.03.2013: 25,661,000) equity shares have been pledged with State Bank of India and 20,800,000 (31.03.2013: Nil) equity shares have been pledged to Standard Chartered Bank (Refer note 43).

14.4 Of these 3,849,368 (31.03.2013: Nil) equity shareshave been pledged with IDBI Trustee Ship Services Limited for the Redeemable Non convertible debentures issued by OB Infrastructure Limited.

14.5 Of these 224,600 (31.03.2013: 224,600) equity shares have been pledged to the consortium of bankers for the term loan availed by Western UP Tollway Limited.

14.6 Of these 153 (31.03.2013: 153) equity shares are held by the joint venture partner under trust for NCC Limited.

14.7 Of these Nil (31.03.2013:5,624,725) equity shares have been pledged in favor of Infrastructure Development Finance Company Limited for the term loan availed by Brindavan Infrastructure Company Limited

14.8 Of these 40,800 (31.03.2013: 40,800) equity shares have been pledged to the consortium of bankers for the term loan availed by Bangalore Elevated Tollway Limited.

14.9 Of these 564,833 (31.03.2013: 523,552) equity shares have been pledged to IDBI Trustee Ship Services Limited and 1,37,831 (31.03.2013: 1,79,112) equity shares have been pledged to Axis Bank for the term loan availed by Pondichery Tindivanam Tollway Limited.

14.10 Of these 2,652 (31.03.2013: 2,652) equity shares have been pledged with Axis Bank and 748 (31.03.2013: 748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. During the previous year, the Company has entered into securities purchase aggrement for disposal of these shares, subject to compliance with the various conditions mentioned in the agreement.

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
15	***Long Term Loans and Advances***				
	Unsecured, Considered good				
	Capital Advances		***1.01***		*1.01*
	Loans to Related Parties (Refer note 20.1)				
	Subsidiary		***1,893.13***		*776.23*
	Partnership firm		***-***		*628.97*
	Share / Debenture Application Money to subsidiaries and associate		***4.76***		*881.87*
	Advance Taxes and Tax Deducted at Source		***665.56***		*913.58*
	(Net of Provisions of ₹ 117.09 million (31.03.2013: ₹ 1,348.53 million)				
	Total		***2,564.46***		*3,201.66*
16	***Other Non - Current Assets***				
	Unsecured, Considered good				
	Retention Money		***1,184.00***		*1,502.79*
	Deposits with Customers and Others		***3.34***		*3.63*
	Total		***1,187.34***		*1,506.42*
17	***Inventories***				
	Raw Materials - at cost or under	***3,641.68***		*4,449.50*	
	Raw Material in Transit - at cost or under	***24.19***		*59.68*	
	Work-in-progress - contract rates less profit margin	***12,115.93***		*9,522.29*	
	Property Development Cost (Refer note 17.1) - at cost or under	***205.70***		*232.06*	
	Total		***15,987.50***		*14,263.53*
17.1	*Property and property development cost ₹ 16.55 million (31.03.2013: ₹ 16.55 million) representing the cost of acquisition of land from a land owner, for which the Company holds General Power of Attorney to deal with such land including registration of the sale in the name of the Company.*				
18	***Trade Receivables***				
	Unsecured				
	Outstanding for a period exceeding six months from the date they were due for payment				
	Considered Good	***3,672.81***		*3,755.92*	
	Considered Doubtful	***60.00***		*63.47*	
		3,732.81		*3,819.39*	
	Less : Provision for doubtful trade receivables	***60.00***		*63.47*	
		3,672.81		*3,755.92*	
	Other Trade receivables				
	Considered Good	***9,737.32***		*7,673.60*	
	Total		***13,410.13***		*11,429.52*

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
19	***Cash and Bank Balances***				
	Cash and Cash Equivalents (Refer note 19.5)				
	Cash on hand (Refer note 19.1)	***16.34***		*11.60*	
	Balances with Banks				
	In Current Accounts (Refer note 19.2)	***434.86***		*639.37*	
			451.20		*650.97*
	Other Bank Balances				
	In Deposit Accounts				
	Margin Money Deposits (Refer note 19.3)	***52.30***		*38.56*	
	Long Term Deposits	***43.75***		*104.77*	
			96.05		*143.33*
	Earmarked balances with Banks				
	Unpaid dividend accounts	***5.61***		*5.74*	
	Long Term Deposits (Refer note 19.4)	***135.00***		-	
			140.61		*5.74*
	Total		***687.86***		*800.04*

19.1 *Cash on hand includes ₹ 0.14 million (31.03.2013: ₹ 0.21 million) held in foreign currency.*

19.2 *Current account balance includes ₹ 35.55 million (31.03.2013: ₹ 0.16 million) remittance in transit*

19.3 *Margin Money Deposits have been lodged with Banks against Guarantees issued by them.*

19.4 *Pursuant to notification issued by Ministry of Corporate Affairs, vide circular no. 04/2013, dated February 11, 2013, the company has deposited an amount of ₹ 135.00 million (31.03.2013: ₹ Nil) in a scheduled bank.*

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

Notes forming part of the financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
20	**Short Term Loans and Advances**				
	Secured, considered good				
	Loans to Related Parties				
	Other Body Corporate (Refer note 20.1 & 20.2)		68.25		67.32
	Unsecured, considered good				
	Loans to Related Parties (Refer note 20.1)				
	Subsidiaries	6,989.33		6,260.43	
	Associates	70.74		70.74	
			7,060.07		6,331.17
	Inter Corporate Deposits - Subsidiary (Refer note 20.1)		3,587.87		-
	Loan to Other Body Corporate		196.00		196.00
	Loans and Advances to Employees		141.96		101.40
	Prepaid Expenses		267.84		274.75
	Balances with Government Authorities				
	Sales Tax / Value Added Tax credit receivable		2,967.82		2,597.59
	Service Tax credit receivable		198.32		154.22
	Advances to Suppliers, Sub-contractors and Others (Refer note 20.3)				
	Considered Good	11,832.73		9,753.64	
	Considered Doubtful	617.10		297.10	
		12,449.83		10,050.74	
	Less : Provision for doubtful advances	617.10		297.10	
			11,832.73		9,753.64
	Advances recoverable in cash or in kind or for value to be received		835.01		733.72
	Advance Taxes and Tax Deducted at Source		1,018.90		916.67
	(Net of Provisions of ₹ 346.42 million (31.03.2013: ₹ 193.05 million)				
	Total		28,174.77		21,126.48

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

		As at March 31, 2014	Maximum outstanding during the year (2013-14)	As at March 31, 2013	Maximum outstanding during the year (2012-13)
(i)	Subsidiaries				
	NCC Urban Infrastructure Limited	4,062.20	4,062.20	4,109.04	4,109.04
	NCC Vizag Urban Infrastructure Limited	1,099.30	1,099.30	1,099.29	1,099.29
	NCC Infrastructure Mauritius Pte Limited	1,955.92	1,955.92	816.51	816.51
	Western UP Tollway Limited	235.59	235.59	235.59	235.59
	Nagarjuna Contracting Company LLC	707.55	707.55	640.78	640.78
	NCC International LLC, Oman	149.44	149.44	135.45	135.45
	NCC Power Project (Sompeta) Private Limited (Refer note 32 (i))	628.97	628.97	-	-
	NCC Infrastructure Holdings Limited	3,587.87	3,587.87	-	-
	Aster Rail Private Limited	43.49	43.49	-	-
(ii)	Associates				
	Jubilee Hills Landmark Projects Private Limited	0.74	0.76	0.74	0.76
	Himalayan Green Energy Private Limited.	70.00	70.00	70.00	70.00
(iii)	Partnership firm				
	NCC Power Project (Sompeta) (Refer note 32 (i))	-	-	628.97	628.97
(iv)	Advances in the nature of Loan to company in which Directors are interested and where there is no repayment schedule				
	NCC Blue Water Products Limited	68.25	68.25	67.32	67.32
(v)	Advances in the nature of Loans where no interest is charged or interest is below section 372A of Companies Act, 1956				
	NCC Blue Water Products Limited	68.25	68.25	67.32	67.32
	Aster Rail Private Limited - Subsidiary	43.49	43.49	-	-

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

20.3 Advances to Suppliers, Sub–contractors and others, include ₹ 3,094.13 million (31.03.2013: ₹ 1,932.70 million) representing amounts withheld by contractees and includes advance to subsidiaries and associates ₹ 232.23 million (31.03.2013: ₹ 266.32 million); Jointly Controlled Entities ₹ 0.64 million (31.03.2013: ₹ 0.65 million)

		As at March 31, 2014		As at March 31, 2013	
21	**Other Current Assets**				
	Unsecured, considered good				
	Retention Money		8,814.30		8,324.04
	Deposits with Customers and Others		764.36		506.54
	Interest Accrued on Deposits and others		1,020.88		332.58
	Total		10,599.54		9,163.16

Notes forming part of the financial statements

(₹ in million)

		Year Ended March 31, 2014		Year Ended March 31, 2013	
22	**Revenue from Operations**				
	Income from Contracts and Services		**61,102.14**		56,594.30
	Other Operating Income		**70.88**		654.88
	Total		**61,173.02**		57,249.18
23	**Other Income**				
	Interest Income				
	Deposits and Others		**28.97**		25.28
	Loans and Advances		**1,167.83**		859.49
	Income Tax refund		**185.67**		3.24
	Others		**10.02**		153.64
	Profit on Sale of Long Term Investment		**162.20**		-
	Net Gain / (Loss) on foreign currency transactions		**(118.86)**		1.04
	Other Non-Operating Income				
	Rental Income from operating lease		**14.94**		31.49
	Profit on Sale of Fixed Assets (Net)		**-**		108.00
	Miscellaneous Income		**84.53**		76.71
	Total		**1,535.30**		1,258.89
24	**Cost of Materials Consumed**				
	Construction Materials, Stores and Spares				
	Opening Stock	**4,509.18**		4,486.36	
	Add : Purchases	**27,839.52**		22,817.18	
			32,348.70		27,303.54
	Less : Closing Stock		**3,665.87**		4,509.18
	Total		**28,682.83**		22,794.36
25	**Construction Expenses**				
	Sub-contractors Work Bills		**15,085.14**		16,700.59
	Job Work Charges		**4,545.83**		5,089.63
	Transport Charges		**940.07**		648.67
	Indirect Taxes				
	Value Added Tax	**1,418.57**		1,220.55	
	Service Tax	**490.20**		633.87	
			1,908.77		1,854.42
	Repairs and Maintenance				
	Machinery	**815.56**		642.81	
	Others	**129.66**		112.60	
			945.22		755.41
	Hire Charges for Machinery and others	**1,510.82**		1,139.39	
	Power and Fuel	**127.30**		124.60	
	Technical Consultation	**311.42**		215.96	
	Royalties, Seigniorage and Cess	**344.25**		291.84	
	Other Expenses	**930.57**		610.56	
			3,224.36		2,382.35
	Total		**26,649.39**		27,431.07
26	**Changes in Inventories of Work in Progress**				
	Opening Balance		**9,522.29**		7,525.23
	Closing Balance		**12,115.93**		9,522.29
	Total		**(2,593.64)**		(1,997.06)

Notes forming part of the financial statements

(₹ in million)

		Year Ended March 31, 2014		Year Ended March 31, 2013	
27	**Employee Benefits Expense**				
	Salaries and Other Benefits		**2,183.73**		2,212.10
	Contribution to Provident Fund and Other Funds (Refer note 27.1)		**189.87**		190.98
	Staff Welfare Expenses		**30.32**		23.90
	Total		**2,403.92**		2,426.98
27.1	**Defined contribution plans**				
	The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 130.15 million (31.03.2013: ₹ 133.23 million) for Provident Fund contributions and ₹ 34.85 million (31.03.2013: ₹ 39.29 million) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.				
28	**Finance Costs**				
	Interest Expense on				
	Borrowings				
	Debentures	**224.69**		312.66	
	Term Loans	**886.42**		1,096.94	
	Working Capital Demand Loans and Cash Credit	**2,426.57**		1,764.60	
	Mobilisation Advance	**436.80**		368.96	
	Others	**233.60**		214.97	
			4,208.08		3,758.13
	Other Borrowing Costs				
	Commission on - Bank Guarantees	**293.87**		175.80	
	- Letters of Credit	**125.11**		93.30	
			418.98		269.10
	Bank and Other Financial Charges		**32.79**		43.15
	Total		**4,659.85**		4,070.38
29	**Other Expenses**				
	Rent (Refer note 37)		**505.26**		401.87
	Travelling and Conveyance		**379.69**		334.06
	Office Maintenance		**175.38**		146.38
	Electricity Charges		**48.92**		47.08
	Rates and Taxes		**63.85**		92.13
	Consultation Charges		**60.07**		58.65
	Postage, Telegrams and Telephones		**46.29**		46.33
	Insurance		**68.83**		55.76
	Printing and Stationery		**31.73**		31.34
	Legal and Professional Charges		**49.21**		59.10
	Auditors' Remuneration (Refer note 29.1)		**13.95**		13.38
	Directors' Sitting Fees		**1.25**		0.75
	Trade Receivables / Advances Written off		**15.56**		420.40
	Provision for Doubtful Trade Receivables / Advances		**419.03**		70.00
	Loss on Sale of Fixed Assets		**7.93**		-
	Miscellaneous Expenses		**94.99**		107.67
	Total		**1,981.94**		1,884.90
29.1	Auditors' Remuneration				
	(Excluding service tax and education cess thereon)				
	Statutory Audit fee		**12.62**		12.62
	Tax Audit fee		**0.59**		0.59
	Certification fee		**0.74**		0.17
	Total		**13.95**		13.38
30	**Tax Expense**				
	Current Tax		**92.49**		278.25
	Current Tax - Prior year's Tax (Refer note 44)		**(362.38)**		95.82
	Deferred Tax		**(106.36)**		(23.51)
	Total		**(376.25)**		350.56

31 Contingent Liabilities and Commitments

(i) Contingent Liability

(₹ in million)

		As at March 31, 2014	As at March 31, 2013
(a)	Claims against the company not acknowledged as debt		
	- Disputed sales tax / entry tax liability for which the Company preferred appeal	499.49	1,144.37
	- 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	5.73	5.73
	- Disputed service tax liability for which the Company preferred appeal	3,249.89	1,116.74
	- Disputed Income tax liability for which the Company preferred appeal	179.81	98.11
	(Net off Tax Deduction at Source certificates and interest thereon submitted to the Tax Authorities)		
	- Disputed sole arbitrator award in case of counter claim by Bhartiya Reserve Bank Note Mudran Private Limited, against which the Company has filed appeal before City Civil Court, Bangalore	-	30.00
	- Others	2.86	236.76
	- Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	Amount not ascertainable	Amount not ascertainable
	- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	Amount not ascertainable	Amount not ascertainable
(b)	Guarantees		
	Counter Guarantees and Letter of Credits given to the Bankers *	1,558.35	1,429.98
	Performance guarantees, given on behalf of Subsidiaries *	362.50	465.32
	Corporate Guarantees given to Banks for financial assistance extended to Subsidiaries.	11,566.06	13,655.55
	*Excludes Guarantees given against Company's liabilities, in terms of Guidance Note on Revised Schedule VI, issued by the Institute of Chartered Accountants of India.		

(ii) Commitments

(₹ in million)

		As at March 31, 2014	As at March 31, 2013
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances ₹ 1.01 million (31.03.2013: ₹ 1.01 million)]		
	Tangible	8.62	61.97
(b)	Other commitments		
	Commitment towards investment in companies [net of advances ₹ 24,480.11 million (31.03.2013: ₹ 21,421.31 million)]	2,609.11	4,417.23
	Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	517.90	517.90

32 Related Party Transactions

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

S.No	Particulars	S.No	Particulars
A)	***Subsidiaries***	*59*	*Premco - NCC*
1	*NCC Infrastructure Holdings Limited*	*60*	*SDB-NCC-NEC*
2	*NCC Urban Infrastructure Limited*	*61*	*NCC-PNC*
3	*NCC Vizag Urban Infrastructure Limited*	*62*	*NCC - SJRIPL*
4	*Nagarjuna Construction Co.Ltd and Partners LLC*	*63*	*NCC - MSKEL*
5	*OB Infrastructure Limited*		
6	*NCC Infrastructure Holdings Mauritius Pte. Limited*	***E)***	***Associates***
7	*Nagarjuna Construction Company International LLC*	*64*	*Paschal Form Work (I) Private Limited*
8	*Nagarjuna Contracting Co.LLC*	*65*	*Nagarjuna Facilities Management Services LLC*
9	*Patnitop Ropeway and Resorts Limited*	*66*	*Himalayan Green Energy Private Limited*
10	*Western UP Tollway Limited*	*67*	*Jubilee Hills Landmark Projects Private Limited*
11	*Vaidehi Avenues Limited*	*68*	*Tellapur Technocity (Mauritius)*
12	*NCC International Convention Centre Limited*	*69*	*Tellapur Technocity Private Limited*
13	*NCC Oil & Gas Limited*	*70*	*Apollonius Coal and Energy Pte.Ltd.*
14	*Nagarjuna Construction Company (Kenya) Limited*	*71*	*NCC Power Projects Limited*
15	*Naftagaz Engineering Private Limited*		
16	*NCC Power Projects (Sompeta) Private Limited**	***G)***	***Key Management Personnel***
17	*Aster Rail Private Limited*	*72*	*Sri AAV Ranga Raju*
		73	*Sri ASN Raju*
B)	***Step-Down Subsidiaries***	*74*	*Sri AGK Raju*
18	*Liquidity Limited*	*75*	*Sri AVN Raju*
19	*Dhatri Developers & Projects Private Limited*	*76*	*Sri NR Alluri*
20	*Sushanti Avenues Private Limited*	*77*	*Sri AKHS Ramaraju*
21	*Sushruta Real Estates Private Limited*	*78*	*Sri JV Ranga Raju*
22	*PRG Estates Private Limited*		
23	*Thrilekya Real Estates Private Limited*	***H)***	***Relatives of Key Management Personnel***
24	*Varma Infrastructure Private Limited*	*79*	*Dr AVS Raju*
25	*Nandyala Real Estates Private Limited*	*80*	*Smt. A.Bharathi*
26	*Kedarnath Real Estates Private Limited*	*81*	*Smt.B.Kausalya*
27	*AKHS Homes Private Limited*	*82*	*Smt.A.Satyanarayanamma*
28	*JIC Homes Private Limited*	*83*	*Smt.J.Sridevi*
29	*Sushanthi Housing Private Limited*	*84*	*Smt. Sowjanya*
30	*CSVS Property Developers Private Limited*	*85*	*Smt. A.Arundathi*
31	*Vera Avenues Private Limited*	*86*	*Sri. A. Srinivasa Rama Raju*
32	*Sri Raga Nivas Property Developers Private Limited*	*87*	*Smt. A.Swetha*
33	*VSN Property Developers Private Limited*	*88*	*Smt.A. Sridevi*
34	*M A Property Developers Private Limited*	*89*	*Sri. J.K. Chaitanya Varma*
35	*Vara Infrastructure Private Limited*	*90*	*Smt. A. Subhadra Jyothirmayi*
36	*Sri Raga Nivas Ventures Private Limited*	*91*	*Smt. A.Shyama*
37	*Mallelavanam Property Developers Private Limited*	*92*	*Smt. A.Suguna*
38	*Sradha Real Estates Private Limited*	*93*	*Sri. A. Harsha Varma*
39	*Siripada Homes Private Limited*	*94*	*Smt. A. Neelavathi Devi*
40	*NJC Avenues Private Limited*		
41	*NCC Urban Lanka (Private) Limited*	***I)***	***Enterprises owned or significantly influenced by key management personnel or their relatives***
42	*NCC WLL*		
43	*Al Mubarakia Contracting Company LLC*	*95*	*NCC Blue Water Products Limited*
44	*NCCA International Kuwait General Contracts Company LLC*	*96*	*Swetha Estates*
45	*Samashti Gas Energy Limited*	*97*	*NCC Finance Limited*
46	*NCC Infra Limited*	*98*	*Sirisha Memorial Charitable Trust*
47	*NCC Urban Homes Pvt Ltd*	*99*	*Shyamala Agro Farms Private Limited*
48	*NCC Urban Ventures Pvt. Ltd*	*100*	*Ranga Agri Impex Private Limited*
49	*NCC Urban Meadows Pvt Ltd*	*101*	*NCC Foundation*
50	*NCC Urban Villas Pvt Ltd*	*102*	*Sirisha Projects Private Limited*
51	*Nagarjuna Suites Pvt Ltd*	*103*	*Ruthvik Estates Private Limited*
		104	*Narasimha Developers Private Limited*
D)	***Joint Ventures***	*105*	*Mihika Agro Farms Private Limited*
52	*Brindavan Infrastructure Company Limited*	*106*	*Lalit Agro Farms Private Limited*
53	*Bangalore Elevated Tollway Limited*	*107*	*Bhuvanesh Realtors Private Limited*
54	*Pondicherry Tindivanam Tollway Limited*	*108*	*Arnesh Ventures Private Limited*
55	*Varapradha Real Estates Private Limited*	*109*	*Suguna Estates Private Limited*
56	*NCC - Himachal*	*110*	*AVSR Holdings Private Limited*
57	*NCC - NEC - Maytas*		
58	*NCC - VEE*		

** During the current year the partnership firm was converted into a private limited company under the name of "NCC Power Projects (Sompeta) Private Limited".*

NCC

Notes forming part of the financial statements

(ii) Related Party transactions during the year ended March 31, 2014 are as follows:

(₹ in million)

S.No	*Particulars*	*Subsidiaries*	*Associates*	*Joint ventures*	*Partnership firm*	*Keymanagement personnel and relatives*	*Enterprises owned and significantly influenced by key management personnel or their relatives*
1	*Share Application Money paid*	2,600.09 *523.52*	- -	- -	- -	- -	- -
2	*Share Application Money Refund*	2,689.78 *2,467.50*	- -	- -	- -	- -	- -
3	*Debenture Application Money paid*	- -	18.38 *17.50*	- -	- -	- -	- -
4	*Investments in Equity shares*	786.12 *129.37*	- -	- -	- -	- -	- -
5	*Investments in Debentures*	- -	35.88 -	- -	- -	- -	- -
6	*Sale of Investments*	1,827.58 -	- -	49.78 -	- -	- -	- -
7	*Loans granted*	1,076.91 *1,289.67*	- *0.40*	- -	- -	- -	0.93 *0.85*
8	*Loan Repayment Received*	46.85 -	- *0.40*	- -	- -	- -	- -
9	*Inter Corporate Deposit given*	3,587.87 -	- -	- -	- -	- -	- -
10	*Advances granted*	449.26 *193.36*	8.58 *8.15*	20.91 *0.59*	- -	- -	- -
11	*Advances Repayment received*	486.24 *185.54*	0.47 *0.23*	20.91 -	- -	- -	- -
12	*Advances received*	0.02 -	18.63 -	69.83 -	- -	- -	- -
13	*Advances repaid*	- -	9.69 -	20.05 -	- -	- -	- -
14	*Mobilisation Advance received*	- -	3,115.40 *200.00*	- -	- -	- -	- -
15	*Mobilisation Advance recovered / adjusted*	- -	1,648.46 *647.14*	- -	- -	- -	- -
16	*Retention Money recovered*	- -	1,248.63 *407.63*	- -	- -	- -	- -
17	*Share of Profit / (Loss)*	- -	- -	- *9.15*	- -	- -	- -
18	*Revenue from Operations*	219.42 *2.61*	12,808.89 *4,140.08*	30.53 *51.75*	- -	- -	- -
19	*Material Purchases*	37.18 -	*8.64* *80.26*	- -	- -	- -	- -
20	*Interest Income*	1,056.63 *734.25*	67.74 *58.76*	- -	- *79.77*	- -	- -
21	*Interest Expense*	- -	52.06 -	- -	- -	- -	- -
22	*Reimbursement of Expenses*	26.18 *14.51*	18.63 -	- -	- -	- -	- -
23	*Sub-Contractors work bills*	36.73 -	- -	- -	- -	- -	- -
24	*Remuneration (Including commission)*	- -	- -	- -	- -	81.85 *106.93*	- -
25	*Rent received*	0.53 *0.53*	- -	- -	- -	- -	- -
26	*Rent expenses*	- -	- -	- -	- -	- -	126.50 *136.52*
27	*Dividend paid*	- -	- -	- -	- -	10.11 *10.00*	5.11 *5.68*
28	*Donations*	- -	- -	- -	- -	- -	0.80 *1.11*
29	*Performance Guarantee*	- *465.32*	- -	- -	- -	- -	- -
30	*Corporate Guarantees*	8,163.03 *13,655.55*	- -	- -	- -	- -	- -
31	*Counter Guarantees and Letter of Credits*	354.28 *1,350.07*	507.69 *79.91*	- -	- -	- -	- -

Notes forming part of the financial statements

(ii) Related Party transactions during the year ended March 31, 2014 are as follows:

(₹ in million)

32	***Debit Balances outstanding as at March 31, 2014***						
	NCC Urban Infrastructure Limited	4,289.37 *4,239.20*	- -	- -	- -	- -	- -
	NCC Vizag Urban Infrastructure Limited	1,262.07 *1,099.30*	- -	- -	- -	- -	- -
	NCC Infrastructure Holdings Mauritius Pte.Limited	2,158.68 *846.40*	- -	- -	- -	- -	- -
	Nagarjuna Contracting Company LLC	864.22 *715.31*	- -	- -	- -	- -	- -
	Nagarjuna Construction Company & Partners LLC	3.14 *2.85*	- -	- -	- -	- -	- -
	Nagarjuna Construction Company International LLC	269.15 *245.79*	- -	- -	- -	- -	- -
	NCC International Convention Centre Limited	46.48 *46.48*	- -	- -	- -	- -	- -
	NCC Infrastructure Holdings Limited	3,607.09 *859.62*	- -	- -	- -	- -	- -
	Western UP Tollway Limited	270.82 *242.42*	- -	- -	- -	- -	- -
	NCC Power Project (Sompeta) Private Limited	800.46 -	- -	- -	- *708.74*	- -	- -
	OB Infrastructure Limited	8.64 *67.48*	- -	- -	- -	- -	- -
	Vaidehi Avenues Limited	0.52 *0.15*	- -	- -	- -	- -	- -
	Patnitop Ropeways Private Limited	0.13 -					
	Aster Rail Private Limited	43.49 -					
	Himalayan Green Energy Private Limited	- -	103.41 *95.31*	- -	- -	- -	- -
	NCC Power Projects Limited	- -	3,256.95 *412.60*	- -	- -	- -	- -
	Jubilee Hills Landmark Projects Private Limited	- -	201.18 *142.25*	- -	- -	- -	- -
	Tellapur Technocity Private Limited	- -	36.51 *54.01*	- -	- -	- -	- -
	Paschal Form Work (I) Private Limited	- -	5.81 *0.12*	- -	- -	- -	- -
	Bangalore Elevated Tollway Limited	- -	- -	5.23 *6.35*	- -	- -	- -
	Brindavan Infrastructure Company Limited	- -	- -	6.48 *0.57*	- -	- -	- -
	Pondicherry Tindivanam Tollway Limited	- -	- -	144.95 *145.06*	- -	- -	- -
	NCC Blue Water Products Limited	- -	- -	- -	- -	- -	68.25 *67.32*
33	***Credit Balances outstanding as at March 31, 2014***						
	Aster Rail Private Limited	18.02 -	- -	- -	- -	- -	- -
	Nagarjuna Facilities Management Services LLC	- -	- *2.17*	- -	- -	- -	- -
	NCC Power Projects Limited	- -	9,148.97 *7,529.12*	- -	- -	- -	- -
	Sri AAV Ranga Raju	- -	- -	- -	- -	7.92 *1.44*	- -
	Sri ASN Raju	- -	- -	- -	- -	3.96 *0.72*	- -
	Sri AGK Raju	- -	- -	- -	- -	3.96 *0.72*	- -
	Sri AVN Raju	- -	- -	- -	- -	3.80 *0.72*	- -
	Sri AKHS Rama Raju	- -	- -	- -	- -	2.32 -	- -
	Sri JV Ranga Raju	- -	- -	- -	- -	4.48 -	- -
	Sirisha Projects Private Limited	- -	- -	- -	- -	- -	4.09 -
	Ruthvik Estates Private Limited	- -	- -	- -	- -	- -	4.09 -
	Narasimha Developers Private Limited	- -	- -	- -	- -	- -	4.09 -
	Mihika Agro Farms Private Limited	- -	- -	- -	- -	- -	4.09 -
	Lalit Agro Farms Private Limited	- -	- -	- -	- -	- -	4.09 -
	Bhuvanesh Realtors Private Limited	- -	- -	- -	- -	- -	4.09 -
	Arnesh Ventures Private Limited	- -	- -	- -	- -	- -	4.09 -
	Suguna Estates Private Limited	- -	- -	- -	- -	- -	4.09 -
	Shyamala Agro Farms Private Limited	- -	- -	- -	- -	- -	5.07 -
	Ranga Agri Impex Private Limited	- -	- -	- -	- -	- -	0.15 -
	Figures in italics represent previous year's figures						

Notes forming part of the financial statements

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

(₹ in million)

Particulars	2013-14	2012-13
Share Application Money Paid		
- NCC Infrastructure Holdings Limited	**2,600.09**	523.52
Share Application Money Refunded		
- NCC Infrastructure Holdings Limited	**2,689.78**	2,467.50
Debenture Application Money Paid		
- Tellapur Technocity Private Limited	**18.38**	17.50
Investments in Equity Shares - Made		
- NCC Infrastructure Holdings Limited	**769.93**	-
- NCC Infrastructure Holdings Mauritius Pte. Limited	**-**	129.37
Investments in Debentures		
- Tellapur Technocity Private Limited	**35.88**	-
Sale of Investments		
- NCC Infrastructure Holdings Limited	**1,827.58**	-
Loans Granted		
- NCC Urban Infrastructure Limited	**-**	85.73
- NCC Power Projects Limited	**-**	0.40
- NCC Infrastructure Holdings Mauritius Pte. Limited	**1,033.42**	819.95
- Western UP Tollway Limited	**-**	235.59
- NCC Blue Water Products Limited	**0.93**	0.85
- Aster Rail Private Limited	**43.49**	-
Loan Repayment Received		
- NCC Power Projects Limited	**-**	0.40
- NCC Urban Infrastructure Limited	**46.85**	-
Inter Corporate Deposit given		
- NCC Infrastructure Holdings Limited	**3,587.87**	-
Advances Granted		
- Nagarjuna Contracting Company LLC, Dubai	**154.23**	67.51
- Nagarjuna Partners LLC	**71.63**	-
- NCC International LLC Oman	**218.63**	71.02
- NCC Infrastructure Holdings Mauritius Pte. Limited	**-**	35.07
Advances Repayment Received		
- Nagarjuna Contracting Company LLC, Oman	**170.41**	-
- Nagarjuna Partners LLC	**71.33**	-
- NCC International LLC Oman	**241.48**	49.65
- NCC Infrastructure Holdings Mauritius Pte. Limited	**-**	116.02
Advances Received		
- Brindavan Infrastructure Company Limited	**69.83**	-
- NCC Power Projects Limited	**18.63**	-
Advances Repaid		
- Brindavan Infrastructure Company Limited	**20.05**	-
- NCC Power Projects Limited	**9.69**	-
Mobilisation Advance received		
- NCC Power Projects Limited	**3,115.40**	200.00
Mobilisation Advance recovered / adjusted		
- NCC Power Projects Limited	**1,648.48**	647.14
Retention Money recovered		
- NCC Power Projects Limited	**1,248.63**	407.63
Share of Profit / (Loss)		
- NCC-VEE JV	**-**	9.37
Revenue from Operations		
- NCC Power Projects Limited	**12,808.89**	4,140.08
- NCC Urban Infrastructure Limited	**182.24**	-
- Brindavan Infrastructure Company Limited	**30.53**	-
- OB Infrastructure Limited	**-**	2.61
- Bangalore Elevated Tollway Limited	**-**	0.43
- Pondicherry Tindivanam Tollway Limited	**-**	30.17

Notes forming part of the financial statements

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

(₹ in million)

Particulars	2013-14	2012-13
Material Purchases		
- NCC Urban Infrastructure Limited	**37.18**	-
- Paschal Form Work (I) Private Limited	**8.64**	80.26
Interest Income		
- NCC Urban Infrastructure Limited	**486.14**	481.00
- NCC Vizag Urban Infrastructure Limited	**164.17**	142.84
- Jubilee Hills Landmark Projects Private Limited	**58.93**	49.94
- Himalayan Green Energy Private Limited	**8.81**	8.82
- Nagarjuna Contracting Company LLC	**75.17**	67.12
- NCC Power Project (Sompeta) Private Limited	**89.88**	-
- NCC Power Project (Sompeta)	**-**	79.77
Interest Expense		
- NCC Power Projects Limited	**52.06**	-
Reimbursement of Expenses		
- Nagarjuna Construction Company International LLC	**26.18**	14.51
- NCC Power Projects Limited	**18.63**	-
Sub Contract work bills		
- Aster Rail Private Limited	**36.73**	-
Rent expenses		
- Sirisha Projects Private Limited	**13.73**	14.90
- Ruthvik Estates Private Limited	**13.73**	14.90
- Narasimha Developers Private Limited	**13.73**	14.90
- Mihika Agro Farms Private Limited	**13.73**	14.90
- Lalit Agro Farms Private Limited	**13.73**	14.90
- Bhuvanesh Realtors Private Limited	**13.73**	14.90
- Arnesh Ventures Private Limited	**13.73**	14.90
- Suguna Estates Private Limited	**13.73**	14.90
- Shyamala Agro Farms Private Limited	**15.09**	17.02
Rent income		
- NCC Urban Infrastructure Limited	**(0.53)**	(0.53)
Dividend paid		
- AVSR Holdings Private Limited	**4.90**	5.39
- Dr AVS Raju	**1.19**	1.19
- Sri AAV Ranga Raju	**1.78**	1.78
- Sri ASN Raju	**1.20**	1.20
- Sri AGK Raju	**1.20**	1.20
- Sri AVN Raju	**1.11**	1.11
- Sri NR Alluri	**1.23**	1.23
Remuneration (Including commission)		
- Sri AAV Ranga Raju	**21.30**	31.52
- Sri ASN Raju	**11.03**	16.10
- Sri AGK Raju	**11.10**	16.11
- Sri AVN Raju	**10.50**	15.27
- Sri JV Ranga Raju	**18.23**	18.23
- Sri AKHS Rama Raju	**9.70**	9.70
Donations		
- NCC Foundation	**0.80**	1.11
Performance Guarantee		
- NCC Infrastructure Holdings Limited	**-**	462.82
Corporate Guarantees		
- Nagarjuna Construction Company International LLC	**8,163.03**	8,645.82
- Nagarjuna Contracting Co. LLC	**-**	4,005.17
- NCC Infrastructure Holdings Mauritius Pte. Limited	**-**	1,004.55
Counter Guarantees and Letter of Credits		
- NCC Infrastructure Holdings Limited	**156.70**	746.72
- NCC Power Projects Limited	**507.69**	79.90
- Nagarjuna Construction Company International LLC	**197.58**	-
- NCC Urban Infrastructure Limited	**-**	87.95
- NCC Infrastructure Holdings Mauritius Pte. Limited	**-**	488.70

NCC

Notes forming part of the financial statements

33 *The Company's interest in Jointly Controlled Entities as on March 31,2014 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Jointly Controlled Entities as on March 31, 2014 are given below:*

(₹ in million)

Name of the Company	NCCL %	Subsidiary Company %	Assets	Liabilities	Contingent Liabilities	Income	Expenditure
Bangalore Elevated Tollway Ltd.	***0.37%***	***25.48%***	***2,223.71***	***2,223.71***	***14.08***	***353.70***	***476.29***
(Previous Year)	*0.37%*	*37.63%*	*3,415.84*	*3,415.84*	*16.27*	*334.80*	*444.50*
Brindavan Infrastructure Co.Ltd.	***33.33%***	-	***233.27***	***233.27***	-	***187.96***	***179.66***
(Previous Year)	*33.33%*	-	*344.08*	*344.08*	-	*199.89*	*172.61*
Pondicherry Tindivanam Tollway Ltd.	***25.05%***	***15.41%***	***1,441.54***	***1,441.54***	-	***58.14***	***154.64***
(Previous Year)	*25.05%*	*22.76%*	*1,709.42*	*1,709.42*	-	*59.93*	*171.66*

Figures in brackets represents previous year figures

34 Segment Reporting

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

35 Earnings per share

	Year Ended March 31, 2014	Year Ended March 31, 2013
Net Profit after tax available for equity shareholders (₹ in million)	**405.15**	626.66
Weighted Average number of equity shares for Basic EPS (Nos)	**256,583,810**	256,583,810
Weighted Average number of equity shares for Diluted EPS (Nos)	**256,583,810**	256,583,810
Face value per share (₹)	**2.00**	2.00
Basic & Diluted EPS * (₹)	**1.58**	2.44

**The Company has no dilutive instruments during the year ended Mach 31, 2014. As such Diluted Earnings per share equals to Basic Earnings per share*

36 Disclosure pursuant to Accounting Standard – 7 "Construction Contracts"

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Contract revenue recognised as revenue in the year	**61,102.16**	56,594.30
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	**257,996.49**	228,102.86
Amount of advances received for contracts in progress	**15,334.18**	14,392.70
Amount of retention money for contracts in progress	**9,998.33**	9,826.83
Gross amount due from customers for contract work	**13,470.13**	11,457.80

37 Leases

(i) *Rental expenses of ₹ 374.34 million (31.03.2013: ₹ 400.72 million) has been charged to Statement of Profit and Loss in respect of cancellable operating lease.*

(ii) *The Company has entered into Operating Lease arrangement for certain equipments. The lease is non-cancellable for a period of 5 years from March 28, 2013 to March 27, 2018.*

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Future Minimum Lease Payments		
Not later than one year	**130.93**	130.93
Later than one year and not later than five years	**392.77**	523.70
Later than five years	**-**	-
Total	**523.70**	654.63
Lease payments recognised in the statement of Profit and Loss	**130.93**	1.15

(iii) *Deductions / Adjustments to include certain assets sold and taken on operating lease by the company during the previous year aggregating to ₹ 557.15 million. The resultant profit of ₹ 0.29 million on such sale has been recognized in Statement of Profit and Loss. The applicable lease rents, pursuant to the arrangement has been charged to Statement of Profit and Loss.*

38 Expenditure / Remittance in Foreign Currency

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
On account of Travel	**9.00**	5.82
Other Services	**4.74**	9.44
Total	**13.74**	15.26

39 Remittance in foreign currencies for dividend

The company has not remitted any amount in foreign currencies on account of dividends. The particulars of dividend paid in Indian rupees to non resident shareholders during the year ended March 31, 2014 are as under:

	Year Ended March 31, 2014	Year Ended March 31, 2013
a) Number of non-resident shareholders	**1,045**	1,145
b) Number of equity shares held by them	**2,011,977**	1,732,624
c) i) Amount of dividend paid (Gross) (₹ in million)	**0.60**	0.52
ii) Year to which dividend relates	**2012-13**	2011-12

40 Value of imports calculated on CIF basis

(₹ in million)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Material Purchases	**286.18**	89.22
Capital Goods	**73.43**	191.72
Total	**359.61**	280.94

41 Consumption of Materials, Stores and Spares

	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Qty. (Nos.)	Value (₹ in million)	Qty. (Nos.)	Value (₹ in million)
Value of Imported and Indigenous material consumed and % of each to total consumption				
Construction Materials				
Imported	**1.01%**	**286.18**	0.39%	89.22
Indigenous	**98.99%**	**28,143.38**	99.61%	22,502.75
Stores & Spares				
Imported	**-**	**-**	-	-
Indigenous	**100%**	**253.27**	100%	202.39
Total		**28,682.83**		22,794.36

42 Derivative Instruments

(i) The following derivative positions are open as at March 31, 2014. These transactions have been undertaken to act as econominc hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. Cross currency Swap Contracts (being derivative instruments), which are not intended for trading or speculative purposes but for the hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

(In million)

Particulars	As at March 31, 2014		As at March 31, 2013	
	US Dollar Equivalent	INR Equivalent	US Dollar Equivalent	INR Equivalent
Amount in FC (Buy / Sell) - Buy	-	-	1.71	78.25

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

(In million)

	As at March 31, 2014		As at March 31, 2013	
	US Dollar Equivalent	INR Equivalent	US Dollar Equivalent	INR Equivalent
Amounts receivable in foreign currency on account of				
Loans receivable	**50.32**	**3,015.67**	29.88	1,622.74
Advances receivable	**9.62**	**576.65**	7.72	419.34
Trade receivables	**8.31**	**498.12**	8.63	468.72
Other receivables	**4.17**	**250.03**	4.74	257.18
Cash and Bank balances	**0.65**	**39.04**	0.36	19.46
Amounts payable in foreign currency on account of the				
Trade payables	**6.22**	**372.70**	7.09	384.86
Other payables	**18.15**	**1087.63**	16.76	910.10

43 The Company sold 161,732,648 equity shares of ₹ 10 each of NCC Infrastracture Holdings Limited (NCCIHL) to Gayatri Energy Ventures Private Limited (GEVPL), pursuant to the agreement dated February 26, 2014 at a consideration of ₹ 1,827.58 million to GEVPL. Additionally, the Company has received an advance of ₹ 1,000.00 million, being the consideration of sale of remaining 88,495,576 of equity shares, pursuant to the agreement dated February 28, 2014.

44 During the current year the Company has received assessment orders for Income Tax for the financial years 2000-01, 2001-02 and 2003-04 to 2006-07 and refund orders aggregating to ₹ 652.26 million has been received by the Company.
Accordingly, provision of ₹ 362.38 million towards prior years has been reversed, ₹ 112.81 has been recognised as Interest on income tax refunds and ₹ 176.12 million has been adjusted towards Advance Income Tax.

45 The Shareholders of the Company approved the remuneration paid / payable to its Directors. Owing to inadequate profits for the current year, as computed under Section 349 of Companies Act, 1956, the managerial remuneration paid / payable exceeded the limits specified under Section 198 read with Section 309 of the Companies Act, 1956 by ₹ 54.43 million. The Company is in the process of obtaining the requisite approval from the Shareholders and the Central Government.

46 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

For and on behalf of the Board

R.S. RAJU
Executive Vice President (F&A)

A.A.V. RANGA RAJU
Managing Director

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

A.G.K. RAJU
Executive Director

Hyderabad, May 15, 2014

M. Bhaskara Rao & Co.

Chartered Accountants
5D, Fifth floor
6–3–352, Somajiguda
Hyderabad – 500 082

Deloitte
Haskins & Sells
Chartered Accountants
1-8-384 & 385, 3rd Floor
Gowra Grand, S P Road,
Secunderabad - 500003

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
NCC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NCC LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 49 to the Financial Statements regarding managerial remuneration. The Company is in the process of obtaining requisite approvals from shareholders and the Central Government.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of seven subsidiaries and three jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 20,279.19 million as at March 31, 2014, total revenues (net) of ₹ 9,935.52 million and net cash flows amounting to ₹ (662.53) million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 110.38 million for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of four associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

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

M V Ramana Murthy
Partner
Membership No. 206439

Ganesh Balakrishnan
Partner
Membership No.201193

Hyderabad, May 15, 2014

NCC

NCC Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(₹ in million)

	NOTE	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	513.17		513.17	
Reserves and Surplus	4	27,121.06		26,452.94	
			27,634.23		26,966.11
Minority Interest			3,705.26		1,488.52
Non Current Liabilities					
Long Term Borrowings	5	11,685.29		13,297.51	
Deferred Tax Liabilities (Net)	6	124.86		231.22	
Other Long Term Liabilities	7	945.60		594.72	
Long Term Provisions	8	657.79		422.83	
			13,413.54		14,546.28
Current Liabilities					
Short Term Borrowings	9	25,285.48		23,088.08	
Trade Payables	10	20,195.54		18,249.85	
Other Current Liabilities	11	30,830.08		26,724.93	
Short Term Provisions	12	501.98		835.09	
			76,813.08		68,897.95
Total			121,566.11		111,898.86
ASSETS					
Non Current Assets					
Fixed Assets	13				
Tangible Assets		10,932.11		10,669.89	
Intangible Assets		14,827.66		17,127.77	
Capital Work in Progress		237.49		69.61	
Goodwill on Consolidation		730.84		294.01	
Non Current Investments	14.1	2,773.84		6,256.80	
Deferred Tax Assets (Net)	6	5.11		0.53	
Long Term Loans and Advances	15	2,543.76		3,301.66	
Other Non Current Assets	16	1,265.42		1,544.45	
			33,316.23		39,264.72
Current Assets					
Current Investments	14.2	8,306.24		454.30	
Inventories	17	24,702.27		21,961.25	
Trade Receivables	18	16,575.08		14,075.58	
Cash and Bank Balances	19	1,629.14		2,494.23	
Short Term Loans and Advances	20	23,780.78		21,319.50	
Other Current Assets	21	13,256.37		12,329.28	
			88,249.88		72,634.14
Total			121,566.11		111,898.86
Corporate information and Significant accounting policies	1 & 2				

See accompanying notes forming part of the financial statements

In terms of our report attached

For ***M BHASKARA RAO & CO.*** *For* ***DELOITTE HASKINS & SELLS***
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V. RAMANA MURTHY
Partner

GANESH BALAKRISHNAN
Partner

R.S. RAJU
Executive Vice President (F&A)

A.A.V. RANGA RAJU
Managing Director

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

A.G.K. RAJU
Executive Director

Hyderabad, May 15, 2014

Hyderabad, May 15, 2014

NCC Limited

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in million)

	NOTE	YEAR ENDED MARCH 31, 2014		YEAR ENDED MARCH 31, 2013	
REVENUE					
Revenue from Operations	22	74,631.51		69,683.62	
Other Income	23	1,055.43		909.77	
Total Revenue			75,686.94		70,593.39
EXPENSES					
Cost of Materials Consumed	24	32,068.33		25,419.45	
Construction Expenses	25	31,703.37		31,408.29	
Changes in Inventories of Work in Progress	26	(3,134.93)		(1,490.91)	
Employee Benefits Expense	27	3,809.19		3,692.93	
Finance Costs	28	6,541.15		5,950.85	
Depreciation and Amortization Expense	13.3	2,354.47		2,284.08	
Other Expenses	29	2,615.74		2,427.27	
Total Expenses			75,957.32		69,691.96
(Loss) / Profit Before Tax			(270.38)		901.43
Tax Expense	30		(373.90)		381.28
Profit After Tax Before Minority Interest			103.52		520.15
Share of Loss transferred to Minority Interest			122.75		111.38
Profit After Tax After Minority Interest			226.27		631.53
Share of Loss from Associate Companies			(193.47)		(67.71)
Consolidated Profit for the year			32.80		563.82
Earnings per equity share of face value of ₹ 2 each. Basic and Diluted - ₹	42		0.13		2.20
Corporate information and Significant accounting policies	1 & 2				

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M BHASKARA RAO & CO**. For **DELOITTE HASKINS & SELLS**
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V. RAMANA MURTHY
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Executive Director

Hyderabad, May 15, 2014

Hyderabad, May 15, 2014

NCC

NCC Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in million)

Particulars	YEAR ENDED MARCH 31, 2014	YEAR ENDED MARCH 31, 2013
A. Cash flow from operating activities		
(Loss) / Profit before tax	(270.38)	901.43
Adjustments for:		
Depreciation and amortisation	2,354.47	2,284.08
Loss / (Profit) on sale / write off of assets	9.70	(68.47)
Finance costs	6,541.15	5,950.85
Interest income	(686.55)	(618.97)
Dividend income	(5.35)	-
Provision for Doubtful Trade Receivables / Advances	419.03	70.00
Rental income from operating leases	(16.62)	(30.97)
Net unrealised exchange loss	3.71	-
	8,619.54	7,586.52
Operating profit before working capital changes	8,349.16	8,487.95
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,741.02)	(1,390.49)
Trade receivables	(2,519.36)	2,837.14
Short term loans and advances	(2,929.35)	785.53
Long term loans and advances	502.98	(133.88)
Other current assets	(779.25)	(1,703.71)
Other non current assets	279.38	(213.14)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,945.69	2,007.67
Other current liabilities	3,486.51	5,613.63
Other long term liabilities	350.87	91.96
Short term provisions	1.38	352.48
Long term provisions	234.96	101.41
	(2,167.21)	8,348.61
Cash generated from operations	6,181.95	16,836.56
Income Tax paid (Net)	161.96	(639.59)
Net cash flow from operating activities (A)	6,343.91	16,196.97
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(1,573.07)	(1,102.38)
Proceeds from sale of fixed assets	1,075.91	2,589.28
Bank balances not considered as Cash and cash equivalents	113.87	(16.76)
Purchase of Current investments	(4,414.94)	151.63
Purchase of long term investments	-	(3.92)
Proceeds from sale of long-term investments	2,085.77	1,183.76
Advance sale consideration received	-	499.54
Advance received towards sale of shares	1,000.00	-
Loans (given) - Associates	(69.06)	(204.28)
Loans (given) / realised - Other Body Corporates	(0.93)	135.81
Interest received	532.97	432.34
Dividend received	5.35	-
Rental income from operating leases	16.62	30.97
Foreign Exchange translation adjustment (arising on consolidation)	561.15	242.23
Net cash flow from / (used in) investing activities (B)	(666.36)	3,938.22
C. Cash flow from financing activities		
Debentures - Issued / (redeemed)	2,666.00	(1,107.84)
Long term Borrowings - repaid (net)	(4,805.07)	(13,243.06)
Short term Borrowings - borrowed (net)	2,240.89	274.85
Finance Cost	(6,440.40)	(5,900.05)
Dividend and Dividend Tax paid	(90.19)	(89.46)
Net cash flow (used in) financing activities (C)	(6,428.77)	(20,065.56)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(751.22)	69.63
Cash and cash equivalents at the beginning of the year	1,721.46	1,651.83
Cash and cash equivalents at the end of the year (Refer note 19)	970.24	1,721.46
Note: Figures in brackets represents cash outflows.		

See accompanying notes forming part of the financial statements

In terms of our report attached

For **M BHASKARA RAO & CO**. For **DELOITTE HASKINS & SELLS**
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board

M.V. RAMANA MURTHY
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Company Secy. & Sr. V.P (Legal)

A.G.K. RAJU
Executive Director

Hyderabad, May 15, 2014

Hyderabad, May 15, 2014

Notes forming part of the Consolidated financial statements

1 Corporate Information

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

2 Significant accounting policies:

2.1 Basis of Accounting and preparation of Consolidated financial statements:

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2 Principles of Consolidation

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

a) *The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial Statements" notified under Section 211 (3c) of the Companies Act, 1956.*

b) *Interest in jointly controlled entities have been consolidated by using the 'proportionate consolidation' method as per Accounting Standard (AS) 27 - 'Financial Reporting of Interests in Joint Ventures' notified under Section 211 (3c) of the Companies Act, 1956.*

c) *In case of associates where the Company directly or indirectly through its subsidiaries holds 20% or more of equity, Investments in associates are accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" notified under Section 211 (3c) of the Companies Act, 1956.*

d) *The financial statements of the subsidiaries, the jointly controlled entities and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2014 except one Associate.*

e) *The excess of cost to the Company, of its investment in the subsidiaries and the jointly controlled entities over the Company's share of equity is recognised in the financial statements as Goodwill and tested for impairment annually.*

f) *The excess of the Company's share of equity of the subsidiaries and jointly controlled entities on the acquisition date, over its cost of investment is treated as Capital Reserve.*

g) *Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the company.*

h) *Minority Interest in the net assets of consolidated subsidiaries consists of:*

i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

ii) The minorities' share of movements in the equity since the date the parent subsidiary relationship came into existence.

i) *Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.*

j) *Intra-group balances and intra-group transactions and resulting unrealised profits / loss has been eliminated.*

k) *In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in "Foreign Currency Translation Reserve".*

l) *The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.*

Notes forming part of the Consolidated financial statements

2.3 *Investments in subsidiaries, jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard (AS) 13- "Accounting for Investments" notified under Section 211 (3c) of the Companies Act, 1956.*

2.4 ***Use of Estimates:***

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

2.5 ***Fixed Assets and Depreciation:***

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

Capital work-in-progress: Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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

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

S.No.	Description	Straight Line Method	Written Down Value Method
1	Plant and Equipment	4.75%	15% - 25%
2	Furniture and Fixtures	6.33%	10% - 20%
3	Office Equipments	4.75%	15% - 25%
4	Computers	16.21%	60%
5	Construction Vehicles	-	15% - 25%
6	Construction Accessories	20%	15% - 25%
7	Office Vehicles	9.50%	15% - 25%

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

The cost inrespect of carriageways representing the right to receive annuity in relation to the road project is ammortised on straight line basis over the concession period from the date of Commerical Operation.

The cost inrespect of carriageways representing the commercial rights to collect toll fee in relation to the road project is ammortised based on the proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of Ministry of Corporate Affairs (MCA) notification dated April 17, 2012. Total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in Traffic and Toll rates and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.

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

Notes forming part of the Consolidated financial statements

2.6 Borrowing Costs:

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

2.7 Impairment of Assets:

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

2.8 Investments:

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

2.9 Inventories

Raw Materials:

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

Work in Progress:

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

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

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

iv) Real Estate Projects:

- *Completed properties held for sale are stated at the actual cost or net realizable value, whichever is lower.*
- *Construction Work-in-progress is valued at cost. Cost is sale value less profit margin.*

2.10 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 'Employee Benefits" notified under Section 211 (3c) of the Companies Act, 1956.

Defined Benefit Plan

i) Gratuity

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

Liability on account of gratuity is:

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

ii) Compensated Absences

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

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

Defined Contribution Plan

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

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

2.11 *Revenue Recognition*

i) *Project Division: Revenue from construction contracts is recognised by reference to the percentage of completion of the contract activity gross of applicable taxes. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure.*

ii) *Annuity Income: Annuity is recognised on accrual basis in accordance with the provisions of the concession agreement.*

iii) *Toll Income: Fee collection from the users of the facility is accounted for as and when the amount is due and recovery is certain. Revenue from sale of passes to local traffic is accounted for as and when such passes are sold.*

iv) *Real Estate Project: Revenue from the sale of properties is recognised on transfer of all significant risks and rewards of ownership to the buyers, which coincides with the entering into a legally binding agreement and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on the basis of percentage completion method, measured on the basis of percentage of actual cost incurred including proportionate land cost bears to the total estimated cost of the project under execution. Revenue comprises the aggregate amount of sale price as per the terms of the agreement entered into with the customers. The recognition is subject to reaching 25% of physical progress measured in terms of estimated cost. The estimate of cost and saleable areas is reviewed periodically by the management and any effect of changes in estimates is recognised in the period of changes. Further, on periodical review if any project is expected to incur loss, the entire loss is recognised immediately.*

Cost in relation to the above includes cost of land, development cost, project over heads, borrowing cost and all cost incurred for bringing the property to marketable condition or its intended use.

v) *Management fees: Management fee is accounted on accrual basis in accordance with the terms of the agreement.*

vi) *Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.*

2.12 *Joint Venture Projects*

i) *In respect of Joint Venture Contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.*

ii) *Assets, Liabilities and Expenditure arising out of contracts executed wholly by the Company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturer's share under turnover in these financial statements.*

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

2.13 *Foreign Exchange Translation and Foreign Currency Transactions*

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

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

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

Notes forming part of the Consolidated financial statements

2.14 Leases

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

2.15 Taxes on Income

i) Current Tax: Provision for Current Tax is made based on taxable income computed for the year under the applicable tax laws.

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

2.16 Grants

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

2.17 Contingency Reserve

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

2.18 Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, "Earnings Per Share" notified under Section 211 (3c) of the Companies Act, 1956.. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

2.19 Provisions, Contingent Liabilities and Contingent Assets

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

2.20 Cash Flow Statement

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

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

2.21 Operating cycle

The Company adopts operating cycle based on the project period and accordingly all project related asstes and liabilities are classified into current and non current. Other than project related assets and liabilities are classified 12 months as its normal operating cycle.

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
		Number of shares	Amount	Number of shares	Amount
3	**Share Capital**				
	Authorised :				
	Equity Shares of ₹ 2 each	**300,000,000**	**600.00**	300,000,000	600.00
	Issued :				
	Equity Shares of ₹ 2 each	**256,833,810**	**513.67**	256,833,810	513.67
	Subscribed and Paid up :				
	Equity Shares of ₹ 2 each	**256,583,810**	**513.17**	256,583,810	513.17
	Total		**513.17**		513.17

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

(₹ in million)

	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	**256,583,810**	**513.17**	256,583,810	513.17
Add: Changes during the year	-	-	-	-
Balance at end of the year	**256,583,810**	**513.17**	256,583,810	513.17

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

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	% holding	Number of shares	% holding
Blackstone GPV Capital Partners Mauritius V-A Ltd.	**25,399,699**	**9.90**	25,399,699	9.90
Warhol Limited	**25,384,700**	**9.89**	25,384,700	9.89
Smt. Rekha Jhunjhunwala	**24,608,266**	**9.59**	16,000,000	6.24
A V S R Holdings Private Limited	**14,147,167**	**5.51**	17,967,167	7.00

3.3 Details of unsubscribed equity shares

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 2 each	**250,000**	**0.50**	250,000	0.50

3.4 Unclaimed equity shares of 97,265 (31.03.2013: 97, 265) are held in "NCC Limited - Unclaimed suspense account " in trust.

3.5 Rights of the share holders

a) The equity shares of the company having par value of ₹ 2 per share, rank pari passu in all respects including voting rights (except GDRs) 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.

b) 39,700 (31.03.2013: 39,700) equity shares represent the shares underlying outstanding GDRs. Each GDR represent one underlying equity share having par value of ₹ 2. The GDRs, rank pari passu in all respects with the equity shares issued by the Company, except in respect of voting rights.

Notes forming part of the consolidated financial statements

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
4 Reserves and Surplus				
Capital Reserve				
Opening balance	578.29		1,116.41	
Add / (Less) : Arising on account of Consolidation	40.85		(538.12)	
Closing balance (Refer note 44)		619.14		578.29
Securities Premium				
Opening balance	14,649.35		15,169.92	
Add / (Less) : Arising on account of Consolidation	-		(520.57)	
Closing balance		14,649.35		14,649.35
Debenture Redemption Reserve				
Opening balance	675.00		940.00	
Add : Transfer from / to Surplus in Statement of Profit and Loss	10.00		-	
Less : Transfer to General Reserve	200.00		265.00	
Closing balance		485.00		675.00
Legal / Statutory Reserve (Refer note 34)				
Opening balance	160.83		127.02	
Add : Transfer from Surplus in Statement of Profit and Loss	30.19		25.11	
On account of Foreign Currency Fluctuation	16.63		8.70	
Closing balance		207.65		160.83
Reserve Fund under Section 45 - IC of RBI Act, 1934		2.39		2.39
Contingency Reserve		220.00		220.00
Foreign Currency Transalation Reserve				
Opening balance	529.15		295.61	
Add: Effect of foreign exchange variations during the year	544.51		233.54	
Closing balance		1,073.66		529.15
General Reserve				
Opening balance	5,436.43		5,021.43	
Add : Transferred from Debenture Redemption Reserve	200.00		265.00	
Add : Transfer from Surplus in Statement of Profit and Loss	150.00		150.00	
Closing balance		5,786.43		5,436.43
Surplus in Statement of Profit and Loss				
Opening balance	4,201.50		3,786.65	
Add : Arising on Account of Consolidation (Refer note 40)	96.29		116.19	
Add : Profit for the year	32.80		563.82	
	4,330.59		4,466.66	
Less : Appropriations				
Transfer to Debenture Redemption Reserve	10.00		-	
Dividend proposed to be distirbuted to equity share holders ₹ 0.20 per share (31.03.2013 : ₹ 0.30 per share)	51.32		76.97	
Tax on Dividend	11.64		13.08	
Transfer to General Reserve	150.00		150.00	
Transfer to Legal / Statutory Reserve	30.19		25.11	
	253.15		265.16	
Closing balance		4,077.44		4,201.50
Total		27,121.06		26,452.94

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current*	Non Current	Current*
5 Long Term Borrowings				
Debentures				
Secured				
11.95% Redeemable, Non-convertible Debentures (Refer note 5.1)	-	500.00	-	500.00
10.50% Redeemable, Non-convertible Debentures (Refer note 5.2)	-	400.00	400.00	300.00
18% Redeemable, Non-convertible Debentures (Refer note 5.3)	250.00	-	-	-
10.90% Redeemable, Non-Convertible Debentures (Refer note 5.4)	1,728.00	148.00	-	-
11.50 % Redeemable, Non-Convertible Debentures (Refer note 5.4)	500.00	-	-	-
11.50 % Redeemable, Non-Convertible Debentures (Refer note 5.4)	750.00	90.00	-	-
Unsecured				
9.50% Redeemable, Non-convertible Debentures (Refer note 5.5)	500.00	500.00	1,000.00	500.00
Term Loans :				
Secured				
From Banks and Financial Institutions (Refer note 5.6)	4,558.89	243.89	7,430.54	1,233.98
From Other Parties (Refer note 5.7)	157.44	272.68	113.52	136.67
Vehicle Loans				
Secured				
From Banks (Refer note 5.8)	14.81	19.35	20.64	30.13
Other Loans				
Unsecured				
Loans from Related parties (Refer note 5.9)	378.79	-	644.88	-
Share from Jointly Controlled Entities	2,847.36	-	3,687.93	-
Total	11,685.29	2,173.92	13,297.51	2,700.78

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

5.1 11.95% Redeemable Non Convertible Debentures

(i) Debentures numbering to 1,000 having a face value of ₹ 1 million each aggregating to ₹ 1,000.00 million privately placed with Life Insurance Corporation of India on February 4, 2009. These are secured by first charge created in favour of IDBI Trusteeship Services Limited, trustees to the debenture holders:

- by way of hypothecation of the Company's movable properties specified in the Schedule-2 of Memorandum of Hypothecation dated April 25, 2009;
- first charge by way of equitable mortgage by deposit of title deeds of the Company's immovable property situated at Gujarat as specified in first schedule to the Debenture Trust Deed dated April 23, 2009;
- equitable mortgage by deposit of title deeds of Company's immovable properties situated at Hyderabad, Bangalore, Mumbai and New Delhi as specified in Schedule-A of Declaration and Undertaking dated April 25, 2009.

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

(iii) The debenture holders have consented for deferment of due date for final installment of ₹ 500.00 million from February 04, 2014 to September 30, 2014 with an increase in rate of interest by 25 basis points effective from February 04, 2014.

5.2 10.50% Redeemable Non Convertible Debentures

(i) Debentures numbering to 1,000 having a face value of ₹ 1 million each comprising of ten (10) Detachable and Separately Transferable, Redeemable Principal Parts ("STRPPS") aggregating to ₹ 1,000.00 million privately placed during 2009-10 with various banks and financial institutions. These are secured by first charge created in favour of IDBI Trusteeship Services Limited, trustees to the debenture holders, by way of equitable mortgage of the title deeds in respect of the company's immovable property situated at Kadi Taluka, Mehasana district, Gujarat as specified in the first schedule to the Debenture Trust Deed dated September 15, 2009 and by way of equitable mortgage by deposit of title deeds of the immovable properties of the Company and its subsidiary and its step-down subsidiaries, situated at Hyderabad as specified in Schedule-A to I of Declaration and Undertaking dated October 12, 2009.

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

5.3 18% Redeemable Non Convertible Debentures

2,500 Redeemable Non Convertible Debentures of ₹ 100,000/- each are issued by NCC Urban Infrastructure Limited to and subscribed by IDFC Real Estate Yield Fund on February 28, 2014 for the purpose of Undertaking & Executing the Company's Project at Yelahanka, Doddaballapur Road comprising of Phase II & Phase III. The said Project is being developed by the Company on a Joint development basis pursuant to the JDA Agreement with the Land Owners

Redeemable Non Convertible Debentures carries an Interest of 18% per annum & are secured by :

(a) a first charge by way of hypotecation / mortgage / assignment on the Company's rights and area share(apartments) under Phase II and Phase III JDA;

(b) a first charge on entire cashflows, receivables, book debts and revenues from the project to the extent of the company's share of whatsoever nature and whereever arising, both present and future;

(c) a first charge by way of hypotecation/mortgage/assignment, as the case may be of - (i) all the rights, title, interest, benefits, claims and demands whatsoever of the company in the Project Documents, including but not limited to the Phase II JDA, Supplemental agreements and the Power of Attorney duly acknowledged and consented to by the relavant counter parties to such Project Documents all as amended, varied or supplemented from time to time; (ii) subject to applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearances, and (iii) all the rights, title, interest, benefits, claims and demands whatsoever of the company in any Letter of credit, guarantee, perfomance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents;

(d) a first charge on the Trust and Retention account, Debt Service Reserve and any other reserves and other bank accountsof the Company whereever maintained for the Project;

(e) mortgage over 2 acres at Yelahanka, Bangalore(part of Phase III).

Notes forming part of the consolidated financial statements

5.4 *Redeemable Non Convertible Debentures issued by OB Infrastructure Limited to L&T Infrastructure Finance Limited with the following principle terms:*

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 the Company and IDBI Trusteeship Services Limited, being the Debenture Trustee. Present applicable interest rate is as follows:-

20,000 Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 10.90 % p.a. payable monthly
5,000 Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 11.50 % p.a. payable monthly
8,400 Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 100,000 each - 11.50 % p.a. payable monthly

b) Security

1) First pari passu charge on all the Company'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 the Company.
3) First pari passu charge over all accounts of the Company 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 :
i) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Agreements;
ii) All the rights, title and interest of the Company in, to and all the Clearances;
iii) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
iv) All the rights, title, interest, benefits, claims and demands whatsoever of the Company under all insurance contracts;
6) A pledge on 51% of the issued, paid up and voting equity share capital of the Company held by the promoters in the Company.

c) Redemption Schedule

(₹ in million)

Date of Installments	Series 'A'	Series 'B'	Series 'C'	Total
June 15, 2014 & December 15, 2014	148.00	-	90.00	**238.00**
June 15, 2015 & December 15, 2015	146.00	100.00	20.00	**266.00**
June 15, 2016 & December 15, 2016	176.00	150.00	20.00	**346.00**
June 15, 2017 & December 15, 2017	222.00	150.00	8.00	**380.00**
June 15, 2018 & December 15, 2018	408.00	-	10.00	**418.00**
June 15, 2019 & December 15, 2019	320.00	100.00	40.00	**460.00**
June 15, 2020 & December 15, 2020	300.00	-	198.00	**498.00**
June 15, 2021 & December 15, 2021	156.00	-	348.00	**504.00**
June 15, 2022 & December 15, 2022	-	-	106.00	**106.00**

5.5 ***9.50 % Redeemable Non-Convertible Debentures***

(i) Debentures numbering to 500 having face value of ₹ 4 million each comprising of four (4) Detachable and Separately Transferable Redeemable principal parts ("STRPPS") of face value of ₹ 1 million each aggregating to ₹ 2,000 million privately placed with ICICI Bank Limited.

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

5.6 ***Term Loans from Banks and Financial Institutions***

(i) HDFC Bank and Indus Ind Bank Ltd
- Secured by hypothecation of specific assets purchased out of the loan, comprising Plant and Machinery

(ii) Standard Chartered Bank
- Secured by hypothecation of specific assets, comprising Plant and Machinery

(iii) Axis Bank Limited and Kotak Mahindra Bank
- Secured by hypothecation of specific assets purchased out of the loan

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

Sl No	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in million)		Interest Range % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	HDFC Bank	4	5	23.37	45.39	8.61 to 10.50	13 to 29	10 to 44	Monthly	March 20, 2010 to November 06, 2016
(ii)	Standard Chartered Bank	-	4	-	78.25	7.40 to 8.23	-	2 to 3	Quarterly	November 29, 2010 to October 11, 2013
(iii)	Indus Ind Bank Ltd	4	5	129.83	235.69	12 to 12.25	8 to 23	20 to 35	Monthly	April 15, 2010 to February 15, 2016
(iv)	Axis Bank Limited	1	1	30.63	43.66	10.75	24	36	Monthly	May 01, 2012 to March 01, 2016
(v)	Kotak Mahindra Bank	-	1	-	10.04	10.63	-	9	Monthly	August 02, 2011 to December 02, 2013

(iv) Loan of OB Infrastructure Limited
- During the year, the Company has repaid the term loans availed from the Banks and Financial Institutions in earlier years and obtained confirmations with regard to repayment. The Company is in the process of obtaining Satisfaction of Charge with Registrar of Companies by IDBI Bank on behalf of all the lenders..

(v) *Loan of Nagarjuna Construction Company International LLC*

Bank of Baroda borrowings are secured either / and - or as:
- *First exclusive charge on fixed assets of value OMR 4.40 million only.*
- *Assignment of project receivables.*
- *Corporate guarantees from NCC Limited, India to the extent of OMR 8.554 million.*
- *The loan is repayable in equal monthly installments of RO.0.056 million.*

ICICI Bank Bahrain borrowings are secured either / and - or as:
- *Assignment of project receivables.*
- *Corporate guarantees from NCC Limited India to the extent of OMR 50.6 million.*
- *Corporate guarantees from NCC Limited India to the extent of OMR 8.8 million against term loan.*
- *Corporate guarantees from NCC Limited India to the extent of OMR 6.6 million against working capital facility for Qatar projects.*

(vi) *Loan of Western UP Tollway Ltd.*

Term Loans from Banks and financial institutions viz. Punjab National bank, Bank of Baroda, Infrastructure Development Finance Company

(i) *First mortgage and charge in a form satisfactory to the Security Agent of all the company's immovable properties, present and future except project assets,*

(ii) *A first charge by way of hypothecation of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, Furniture, Fixtures, Vehicles and all other movable assets, present and future, except the project assets.*

(iii) *A first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.*

(iv) *A first charge of all intangibles including but not limited to goodwill, uncalled capital, present and future.*

(v) *Subject to the provisions of the Concession Agreement, a first charge on the Escrow Account, Debt service reserve,MMR and other reserves*

(vi) *A first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum of 51% of the total paid up capital of the company held by the promoter during the currency of the Loan.*

Term Loans from Banks and Financial Institutions carry an interest of 11.50% to 12.00% and are repayable as follows:

Period	Banks		Financial Institutions	
	Number of Instalments	Amount per Instalment (₹ in million)	Number of Instalments	Amount per Instalment (₹ in million)
September 15, 2011 to March 15, 2012	3	9.88	3	10.82
June 15, 2012 to March 15, 2013	4	14.50	4	15.79
June 15, 2013 to March 15, 2014	4	17.13	4	19.23
June 15, 2014 to March 15, 2015	4	28.86	4	31.81
June 15, 2015 to March 15, 2016	4	42.43	4	46.20
June 15, 2016 to March 15, 2017	4	49.38	4	55.11
June 15, 2017 to March 15, 2018	4	48.60	4	55.48
June 15, 2018 to March 15, 2019	4	60.80	4	69.51
June 15, 2019 to March 15, 2021	8	61.26	8	70.21
June 15, 2021 to March 15, 2022	4	42.90	4	54.15
June 15, 2022 to March 15, 2023	4	51.23	4	61.66
June 15, 2023 to March 15, 2024	4	38.90	4	55.03

c) *The company has delayed repayment of loans and interest of the following:*

Particulars	March 31,2014		March 31,2013	
	Period of Default	Amount(₹) million	Period of Default	Amount(₹) million
a) Term Loans from Banks				
Principal	March, 2014	4.94	March, 2013	14.50
Interest	March, 2014	21.55	Jan, February & March, 2013	67.62
b) Term Loans from financial institutions				
Principal	March, 2014	-	March, 2013	15.79
Interest	March, 2014	7.53	February & March, 2013	65.60

Note : March, 2014 dues cleared by April 16, 2014

5.7 *Term Loans from Others*

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.

Sl No	Particulars	Number of Loans outstanding As at		Outstanding balance As at (₹ in million)		Interest Range % per annum	Number of outstanding Installments As at		Frequency of Installments	Commencing From- To
		31.03.2014	31.03.2013	31.03.2014	31.03.2013		31.03.2014	31.03.2013		
(i)	SREI Equipment Finance Private Limited	5	4	50.27	121.07	10.09 to 12	8 to 29	6 to 22	Monthly	May 10, 2010 to August 22, 2016
(ii)	L&T Finance Limited	3	3	96.76	129.12	11.46 to 12	28 to 30	40 to 42	Monthly	September 10, 2012 to September 05, 2016
(iii)	Siemens Financial Services (P) Limited	1	-	42.10	-	12	26	-	Monthly	June 22, 2013 to May 22, 2016
(iv)	Shri Ram Equipment Finance Company Limited	1	-	71.25	-	12.50	25	-	Monthly	June 22, 2013 to April 22, 2016
(v)	Tata Capital Financial Services Limited	3	-	42.49	-	12.04 to 12.75	31 to 33	-	Monthly	December 09, 2013 to December 14, 2016

5.8 *Vehicle Loans*

Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 years and carry interest rate ranging between 9.49 % to 11.61 % per annum.

5.9 *Other Loans*

Loans of Western Up Tollway Limited

Represents Loan from Gayatri Infra Ventures Limited carries zero percent interest and is repayable in six equal instalments with the approval of the lenders and after clearing their dues.

Notes forming part of the consolidated financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
6	***Deferred Tax Liabilities (Net)***				
	(i) Deferred Tax Liability on timing difference due to: Depreciation		433.79		424.99
	(ii) Deferred Tax Asset on timing differences due to:				
	Provision for Gratuity and Compensated absences	103.79		96.33	
	Provision for Doubtful Trade Receivables / Advances	210.25		97.97	
	Total		314.04		194.30
	Deferred Tax Liabilities (Net) (i) - (ii)		119.75		230.69
	(iii) Disclosure				
	Deferred Tax Liabilities (Net)		124.86		231.22
	Deferred Tax Asset (Net)		5.11		0.53
			119.75		230.69
7	***Other Long Term Liabilities***				
	Trade Payables		11.38		16.11
	Retention Money payable		905.48		559.43
	Interest accrued but not due on borrowings		28.74		-
	Share from Jointly Controlled Entities		-		19.18
	Total		945.60		594.72
8	***Long Term Provisions***				
	Provision for Employee Benefits				
	Compensated absences		155.79		152.16
	Gratuity (Refer note 39)		210.70		165.62
	Provision for contractual obligations (Refer note 8.1)		241.13		60.50
	Share from Jointly Controlled Entities		50.17		44.55
	Total		657.79		422.83

8.1 *In respect of a subsidiary Western Up Tollway Limited and OB Infrastracture Limited provision has been made for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:*

(₹ in million)

Particulars	As at March 31, 2013	Additions	As at March 31, 2014
Periodic Maintenance	60.50	180.63	241.13

(₹ in million)

	As at March 31, 2014		As at March 31, 2013	
9 Short Term Borrowings				
Loans repayable on demand				
Secured Loans - Banks				
Working Capital Demand Loan (Refer note 9.1)		6,152.74		7,990.71
Cash Credits and Overdrafts (Refer note 9.1)		13,740.54		6,782.78
Term Loans (Refer note 9.2)		2,792.70		3,636.24
Unecured Loans				
Term Loans				
From Banks (Refer note 9.3)	1,438.07		3,868.07	
From Others (Refer note 9.4)	1,161.43		810.28	
		2,599.50		4,678.35
Total		25,285.48		23,088.08

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

a) Hypothecation against first charge on stocks, book debts and other current assets of the Company,(excluding specific projects) both present and future, ranking parri passu with consortium banks

b) Hypothecation against first charge on unencumbered fixed assets of the Project Division and Light Engineering Division(excluding Land & Buildings) of the Company rank parri passu with consortium banks.

c) Equitable mortgage of three properties (Land & Buildings).

d) Loan of NCC Urban Infrastructure Limited
Working Capital facilities of ₹ 60.00 million from Bank of India, Mid-corporate branch, Hyderabad , carrying an interest of 14% per annum is secured by
- First charge on the Fixed and Current Assets of the Façade Division by way of hypothecation
- Equitable Mortgage of Ac.8.30 and Ac.9.60 of lands of Dhatri Developers and Projects Pvt Ltd and Sushruta Real Estates Private Limited respectively.
- The facilities are further secured by Corporate Guarantee provided by subsidiary companies namely Dhatri Developers and Projects Private Limited and Sushruta Real Estates Private Limited.

e) Loan of Nagarjuna Construction Company International LLC
Bank of Baroda borrowings are secured either / and - or as:
- First exclusive charge on fixed assets of value OMR 4.40 million only.
- Assignment of project receivables.
- Corporate guarantees from NCC Limited, India to the extent of OMR 14.124 million.
- The loan is repayable in equal monthly installments of RO.0.056 million.
Bank Muscat borrowings are secured either / and - or as:
- Counter guarantee from ICICI Bank Ltd.
- Corporate guarantees from NCC Limited India to the extent of OMR 7.656 million.
- Lien on fixed deposits of RO.1.54 million held with bank.
State Bank of India borrowings are secured either / and - or as:
- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of OMR 10.819 million.
- SBLC from SBI CAG Hyderabad for RO 11.155 million.
ICICI Bank Bahrain borrowings are secured either / and - or as:
- Assignment of project receivables.
- Corporate guarantees from NCC Limited India to the extent of OMR 50.6 million.
- Corporate guarantees from NCC Limited India to the extent of OMR 8.8 million against term loan.
- Corporate guarantees from NCC Limited India to the extent of OMR 6.6 million against working capital facility for Qatar projects.

f) Loan of Aster Rail Private Limited
- Loan from IDBI Bank is secured by First Pari passu charge on the entire current assets of the Company and Corporate Guarantee of NCC Limited.

9.2 Secured - term loans from Banks:

a) Collateral security / First charge on immovable property and second charge on current assets of the company

b) The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 14.00 % per annum.

c) Loan of Nagarjuna Construction Company International LLC
Term loan includes Trust Receipts of ₹ 193.27 million (31.03.2013: ₹ 136.24 million) secured against assignment of receivables from muscut municipality and corporate guarntee from NCC Limited.

9.3 Unsecured - term loans from Banks:

a) Includes an amount of ₹ 948.07 million (31.03.2013: ₹ 1,128.07 million) availed from Standard Chartered Bank under retention money discounting facility.

b) The company availed short term loans from various banks having a maturity of less than one year and carry interest rate ranging between 12.50% to 13.05% per annum.

9.4 Unsecured - term loans from Others: having a maturity of less than one year and carry interest rate of 12.00 % per annum and loan of NCC Urban Infrastructure Limited having oustanding balance of ₹ 84.90 million (31.03.2013: ₹ 11.40 million) carry interest rate of 13.00 % per annum.

9.5 Details of delay in repayment of loans as on the Balance sheet date

Particulars	Period of Delay As at 31.03.2014	₹ in Million
Term loan from Banks:		
Syndicate Bank	31 to 59 days	500

Notes forming part of the consolidated financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
10	**Trade Payables**				
	Acceptances		3,936.69		3,160.33
	Other than Acceptances		16,231.59		15,061.91
			20,168.28		18,222.24
	Share from Jointly Controlled Entities		27.26		27.61
			20,195.54		18,249.85
11	**Other Current Liabilities**				
	Current maturities of Long Term Borrowings (Refer note 5)		2,173.92		2,700.78
	Interest Accrued but due on borrowings		29.08		166.74
	Interest Accrued but not due on borrowings and others		532.65		294.24
	Unpaid Dividend Accounts (Refer note 11.1)		5.61		5.74
	Other Payables				
	Statutory remittances		776.76		660.12
	Payable on purchase of Fixed Assets		14.43		14.94
	Interest Accrued on Trade Payables		0.56		1.85
	Retention Money Payable		3,453.83		2,934.21
	Advances from Customers and others (Refer note 47)		11,539.86		9,970.01
	Advance Sale consideration received (Refer note 12.1)		499.54		499.54
	Other Liabilities		1,196.99		624.48
	Mobilisation Advance		10,478.68		8,584.55
	Share from Jointly Controlled Entities		128.17		267.73
	Total		30,830.08		26,724.93
11.1	There are no amounts due for payment to the Investor Education and Protection Fund as at Balance Sheet date.				
12	**Short Term Provisions**				
	Provision for Employee Benefits				
	Compensated absences		50.54		49.52
	Gratuity (Refer note 39)		18.73		14.15
	Obligation on sale of Investment (Refer note 12.1)		346.79		346.79
	Provision for Tax (Net of Advance Taxes of ₹ Nil (31.03.2013: ₹ 338.58 million))		5.05		309.54
	Provision for proposed Equity Dividend		51.32		76.97
	Provision for Tax on proposed Equity Dividend		8.72		13.08
			481.15		810.05
	Share from Jointly Controlled Entities		20.83		25.04
	Total		501.98		835.09

12.1 *Represents amount received for and provision made towards sale of investment in Himachal Sorang Power Limited by NCC Infrastructure Holdings Limited (Refer note 36).*

Notes forming part of the consolidated financial statements

(₹ in million)

13 Fixed Assets

	GROSS BLOCK (AT COST)					DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at March 31, 2013	Additions	Deductions /Adjustments (Refer note 46(iii))	Effect of Foreign Currency Exchange Differences	As at March 31, 2014	Upto March 31, 2013	For The Year	Deductions /Adjustments	Effect of Foreign Currency Exchange Differences	UPTO March 31, 2014	AS AT March 31, 2014	AS AT March 31, 2013
Tangible Assets												
Land												
Freehold	345.22	546.48	0.50	-	891.20	-	-	-	-	-	891.20	345.22
(Previous Year)	(1,424.01)	(64.75)	(1,143.54)	-	(345.22)	-	-	-	-	-	(345.22)	
Leasehold	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(19.76)	-	(19.76)	-	-	-	-	-	-	-	-	
Buildings												
Own	191.31	3.17	5.07	-	189.41	14.30	3.46	0.84	-	16.92	172.49	177.01
(Previous Year)	(119.46)	(104.02)	(32.17)	-	(191.31)	(13.04)	(2.26)	(1.00)	-	(14.30)	(177.01)	
Given under operating lease	302.74	-	(2.54)	-	305.28	18.16	4.98	(0.43)	-	23.57	281.71	284.58
(Previous Year)	(362.22)	(61.15)	(120.63)	-	(302.74)	(24.04)	(5.95)	(11.83)	-	(18.16)	(284.58)	
Plant and Machinery	7,798.37	391.24	174.85	270.50	8,285.26	1,736.02	389.71	93.15	55.83	2,088.41	6,196.85	6,062.35
(Previous Year)	(7,366.64)	(512.00)	(241.94)	(161.67)	(7,798.37)	(1,406.03)	(368.02)	(62.64)	(24.61)	(1,736.02)	(6,062.35)	
Furniture and Fixtures	94.80	11.68	0.96	2.72	108.24	34.18	5.92	(0.35)	1.07	41.52	66.72	60.62
(Previous Year)	(110.40)	(14.71)	(31.94)	(1.63)	(94.80)	(31.03)	(6.72)	(4.14)	(0.57)	(34.18)	(60.62)	
Construction Vehicles	2,636.27	14.29	33.53	112.75	2,729.78	1,108.37	303.79	22.54	52.65	1,442.27	1,287.51	1,527.90
(Previous Year)	(2,330.85)	(252.88)	(15.55)	(68.09)	(2,636.27)	(811.75)	(278.36)	(5.12)	(23.38)	(1,108.37)	(1,527.90)	
Office Vehicles	724.29	73.10	44.94	31.86	784.31	257.37	72.45	22.35	10.90	318.37	465.94	466.92
(Previous Year)	(681.80)	(64.42)	(41.19)	(19.26)	(724.29)	(202.98)	(68.35)	(18.15)	(4.19)	(257.37)	(466.92)	
Office Equipment	475.39	43.84	9.06	14.07	524.24	224.56	40.93	5.22	4.01	264.28	259.96	250.83
(Previous Year)	(446.51)	(34.34)	(13.84)	(8.38)	(475.39)	(186.71)	(41.93)	(5.90)	(1.82)	(224.56)	(250.83)	
Lease Hold Improvements	59.79	0.12	-	-	59.91	5.31	6.19	-	-	11.50	48.41	54.48
(Previous Year)	(414.81)	(113.21)	(468.23)	-	(59.79)	(32.63)	(38.87)	(66.19)	-	(5.31)	(54.48)	
Construction Accessories	3,669.56	314.58	87.96	74.25	3,970.43	2,257.08	487.52	70.10	48.72	2,723.22	1,247.21	1,412.48
(Previous Year)	(3,197.56)	(468.94)	(41.94)	(45.00)	(3,669.56)	(1,724.90)	(542.55)	(33.20)	(22.83)	(2,257.08)	(1,412.48)	
Share from Jointly Controlled Entities	67.75	0.15	21.04	-	46.86	40.25	7.18	14.68	-	32.75	14.11	27.50
(Previous Year)	(66.27)	(1.64)	(0.16)	-	(67.75)	(32.98)	(7.31)	(0.04)	-	(40.25)	(27.50)	
Total	16,365.49	1,398.65	375.37	506.15	17,894.92	5,695.60	1,322.13	228.10	173.18	6,962.81	10,932.11	10,669.89
Previous Year	(16,540.29)	(1,692.06)	(2,170.89)	(304.03)	(16,365.49)	(4,466.09)	(1,360.32)	(208.21)	(77.40)	(5,695.60)	(10,669.89)	-
Intangible Assets												
Computer Software	100.59	4.08	-	-	104.67	37.78	17.23	-	-	55.01	49.66	62.81
(Previous Year)	(95.14)	(7.97)	(2.52)	-	(100.59)	(21.32)	(16.68)	(0.22)	-	(37.78)	(62.81)	
Carriage way	13,971.77	2.44	(9.94)	-	13,984.15	1,970.96	732.79	-	-	2,703.75	11,280.40	12,000.81
(Previous Year)	(13,291.67)	(131.39)	548.71	-	(13,971.77)	(1,313.17)	(657.79)	-	-	(1,970.96)	(12,000.81)	
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(1,234.20)	-	(1,234.20)	-	-	-	-	-	-	-	-	
Share from Jointly Controlled Entities	6,145.24	-	1,451.54	-	4,693.70	1,081.09	282.32	167.31	-	1,196.10	3,497.60	5,064.15
(Previous Year)	(6,226.07)	(16.14)	(96.97)	-	(6,145.24)	(831.80)	(249.29)	-	-	(1,081.09)	(5,064.15)	
Total	20,217.60	6.52	1,441.60	-	18,782.52	3,089.83	1,032.34	167.31	-	3,954.86	14,827.66	17,127.77
Previous Year	(20,847.08)	(155.50)	(784.98)	-	(20,217.60)	(2,166.29)	(923.76)	(0.22)	-	(3,089.83)	(17,127.77)	-
Capital Work in Progress	-	-	-		-	-	-	-	-	-	237.49	69.61

13.1 Joint Venture Assets included in Gross Block of ₹ 283.89 million (31.03.2013: ₹ 359.03 million) and Net Block of ₹ 81.99 million (31.03.2013: ₹ 118.09 million).

13.2 Details of Assets acquired under hire purchase agreements

(₹ in million)

PARTICULARS	GROSS BLOCK (AT COST)		ACCUMULATED DEPRECIATION		NET BLOCK	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Office Vehicles	90.82	107.91	15.41	16.81	75.41	91.10

13.3 Depreciation / amortization expense

(₹ in million)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Tangible Assets	1,322.13	1,360.32
Intangible Assets	1,032.34	923.76
Less: Depreciation on Tangible Assets Capitalised	-	-
Total	2354.47	2,284.08

13.4 Additions for the year includes reclasification of land of ₹ Nil (31.03.2013: ₹ 64.75 million) from inventory to fixed assets

Figures in brackets represents previous year figures

Notes forming part of the consolidated financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
		Number of Shares	Amount	Number of Shares	Amount
14	**Investments**				
14.1	**Non Current Investments**				
A	**Trade (Unquoted) (At Cost)**				
(i)	**Investment in equity instruments**				
a	**In Subsidiaries** (Refer note 33.1)				
	In Equity Shares of "LKR" 10 each, fully paid up				
	NCC Urban Lanka Private Limited (Value in ₹ 7)	2	-	2	-
	In Shares of ₹ 10/- each, fully paid up				
	Naftogaz Engineering Private Limited	50,000	0.50	50,000	0.50
b	**In Associates**				
	In Shares of ₹ 10 each, fully paid up				
	Jubilee Hills Land Mark Projects Private Limited	2,500,000	-	2,500,000	-
	Tellapur Techno City Private Limited	14,702,600	-	14,702,600	-
	NCC Power Projects Limited (Refer note 14.3 & 45)	-	-	346,214,091	3,437.00
	Paschal Form Work (I) Private Limited	5,668,000	25.98	5,668,000	39.77
	Himalayan Green Energy Private Limited	1,000,000	143.00	1,000,000	134.60
	In Shares of one USD each fully paid up				
	Apollonius Coal and Energy PTE Limited	3,698,757	211.82	3,698,757	199.43
	In Shares of 1000 Dirham each fully paid up				
	Nagarjuna Facilities Management Services,LLC, Dubai	147	3.64	147	3.71
	In Shares of US $ one each fully paid up				
	Tellapur Technocity (Mauritius)	17,140,129	916.81	17,140,129	925.60
c	**In Other entities**				
	In Shares of ₹ 10 each, fully paid up				
	SNP Infrastructures Private Limited	7,620,551	75.82	7,620,551	75.82
	SNP Developers and Projects Private Limited	548,113	5.39	548,113	5.39
	SNP Ventures Private Limited	3,368,231	33.20	3,368,231	33.20
	SNP Property Developers Private Limited	1,700,275	19.47	1,700,275	19.47
	NAC Infrastructure Equipment Limited	1,499,900	15.00	1,499,900	15.00
	Machilipatnam Port Limited	1,000	0.01	1,000	0.01
	In Shares of ₹ 25 each, fully paid up				
	Akola Urban Co-operative Bank Limited	4,040	0.10	4,040	0.10
(ii)	**Investment in preference shares**				
	In Associates				
	2% Redeemable Preference Shares of ₹ 100 each fully paidup				
	Jubilee Hills Land Mark Projects Private Limited	4,274,999	302.43	4,274,999	355.74
(iii)	**Investment in debentures**				
	In Associates				
	Jubilee Hills Land Mark Projects Private Limited (of ₹ 100 each, fully paid up)	5,092,252	509.23	5,092,252	509.23
	Tellapur Techno City Private Limited (of ₹ 1 each, fully paid up)	701,368,092	510.44	701,368,092	479.56
(iv)	**In Association Of Persons (AOP)**				
	JV of Aster Teleservices & MCML		1.00		-
B	**Trade (Quoted)**				
	Investment in equity instruments				
	In Shares of ₹ 10 each, fully paid up				
	NCC Finance Limited [* (Value ₹ 90)]	-	-*	-	-*
C	Share from Jointly Controlled Entities		-		22.67
	Total		**2,773.84**		6,256.80
14.2	**Current Investments**				
A	**In Associates (Unquoted)**				
	In Shares of ₹ 10 each, fully paid up				
	NCC Power Projects Limited (Refer note 14.3 & 45)	818,691,749	7,548.96	-	-
B	**In Other entities (Unquoted)**				
	In Shares of ₹ 10 each, fully paid up				
	Himachal Sorang Power Limited (Refer note 14.4)	3,994,890	402.52	3,994,890	402.52
C	**In Mutual Funds (Quoted)**				
	L&T Mutual Fund (Refer note 14.5)		-		
	- Debt Funds	20,089,516	220.00	-	-
	- Liquid Funds	45,817	80.03	-	-
D	Share from Jointly Controlled Entities		54.73		51.78
	Total		**8,306.24**		454.30
	Aggregate value of current Quoted Investments		**300.03**		-
	Aggregate amount of Unquoted Investments		**10,780.05**		6,711.10
	Aggregate market value of Non Current Quoted Investments		**-***		**-***
	* Market value of ₹ 3.33 (31.03.2013: ₹ 7.74)				
	Aggregate market value of Current Quoted Investments		**301.86**		-

14.3 a) 468,532,791 shares (31.03.2013: 168,158,078 shares) have been pledged with the lenders against the term loans availed by NCC Power Projects Limited.
b) 74,749,590 shares have been pledged with IFCI against the Compulsorily Convertible Debentures issued by Gayatri Energy Ventures Private Limited.

14.4 Of these 39,94,138 shares (31.03.13 : 39,94,138 shares) are pledged with Axis Bank Limited as security for term loans availed by Himachal Sorang Power Limited and 748 (31.03.2013: 748) equity shares have been pledged with IDBI Trustee Ship Services Limited for the term loan availed by Himachal Sorang Power Limited. During the previous year, the Company has entered into securities purchase aggrement for disposal of these shares, subject to compliance with the various conditions mentioned in the agreement.

14.5 Includes investments held pursuant to the provisions of Debenture Trust Deed to meet Debt Service Reserve Account (DSRA) ₹ 150.00 million and Major Maintenance Reserve ₹ 70.00 million.

Notes forming part of the consolidated financial statements

(₹ in million)

		As at March 31, 2014	As at March 31, 2013
15	**Long Term Loans and Advances**		
	Un-Secured, Considered good		
	Capital Advances	**1.01**	1.01
	Loans and Advances to Related Parties		
	Partnership firm	**-**	628.97
	Joint ventures	**663.21**	634.81
	Associate	**17.67**	14.03
	Advance towards debenture application money		
	Associate	**4.76**	22.26
	Deposits with Customers and Others	**4.13**	4.04
	Advance for Purchase of Land (Refer note 15.1)	**202.01**	197.60
	Deposits - Joint Development (Refer note 15.2)	**669.59**	599.19
	Advance Taxes and Tax Deducted at Source (Net of Provisions of ₹ 126.17 million (31.03.2013: ₹ 1,348.53 million)	**672.52**	913.58
	Other Loans and Advances	**308.86**	286.17
	Total	**2,543.76**	3,301.66

15.1 *Advances for Purchase of Land includes ₹ 167.35 million (31.03.2013: ₹ 197.60 million) towards three properties during the years from 2005-2006 to 2008-2009, in respect of which agreements were expired. The registrations in the name of the Company are pending due to non-fulfillment of certain obligations like obtaining necessary permissions, sanctions, clearances, approvals for conversions, etc from statutory authorities as per the agreement, either by the Company or by the vendor. Erosion, if any, is not ascertainable. Company is confident of negotiating with the respective vendors for extension of the agreements and/ or registration as per mutually agreed terms.*

15.2 *Represents Deposits made for Joint Development ₹ 669.59 million (31.03.2013: ₹ 599.19 million) with respective land owners against registered Joint Development Agreements (JDAs). The lands under respective development agreements are in the possession of the company. The company is assessing the present market scenario and accordingly execute the project/s at an appropriate time.*

		As at March 31, 2014	As at March 31, 2013
16	**Other Non - Current Assets**		
	Un-Secured, Considered good		
	Long term Trade Receivables	**18.99**	20.66
	Interest accrued on loans	**3.92**	1.90
	Retention Money	**1,210.34**	1,497.30
	Deposits with Customers and Others	**32.14**	24.56
	Share from Jointly Controlled Entities	**0.03**	0.03
	Total	**1,265.42**	1,544.45

Notes forming part of the consolidated financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
17	**Inventories**				
	Raw Materials - at cost or under	**4,327.39**		5,148.82	
	Material in Transit - at cost or under	**24.19**		59.68	
	Work-in-progress - contract rates less profit margin	**16,770.01**		13,692.00	
	Property Development Cost (Refer note 17.1 & 17.2) - at cost or under	**3,471.29**		3,012.49	
	Share from Jointly Controlled Entities	**109.39**		48.26	
	Total		**24,702.27**		21,961.25
17.1	Property development cost ₹ 286.55 million (31.03.2013: ₹ 286.55 million) representing the cost of acquisition of land from different land owners, for which the Company holds General Power of Attorney to deal with such land including registration of the sale in the name of the Company.				
17.2	Includes land admeasring Acre 46.33 guntas located at Poppalaguda Village, Devar Yamzal Village held by a subsidiary in respect of which charge was created in connection with issue of Non-convertible debentures of ₹ 1,000.00 million by NCC Limited to banks / institutions on private placement basis and 124.97 Acres located at Neman Village and Acre 6.44 cents located at Zamin Pallavaram Village, Tamil Nadu of land which was offered as collateral security to Syndicate bank and Laksmi Villas Bank respectively for loans availed.				
18	**Trade Receivables**				
	Unsecured				
	Outstanding for a period exceeding six months from the date they were due for payment				
	Considered Good	**4,014.42**		3,946.33	
	Considered Doubtful	**80.27**		76.37	
		4,094.69		4,022.70	
	Less : Provision for doubtful trade receivables	**80.27**		76.37	
		4,014.42		3,946.33	
	Other Trade receivables				
	Considered Good	**12,409.41**		9,978.01	
			16,423.83		13,924.34
	Share from Jointly Controlled Entities		**151.25**		151.24
	Total		**16,575.08**		14,075.58
19	**Cash and Bank Balances**				
	Cash and Cash Equivalents (Refer note 19.1)				
	Cash on hand	**21.87**		19.29	
	Balances with Banks :				
	In Current Accounts	**948.35**		1,691.89	
	In Deposit Accounts	**0.02**		10.28	
	(Includes ₹ Nil (31.03.2013: ₹ 10.26 million in IDBI Mutual Funds - Daily Dividend Scheme))				
			970.24		1,721.46
	Other Bank Balances				
	In Deposit Accounts				
	Margin Money Deposits (Refer note 19.2)	**139.27**		107.83	
	Long Term Deposits	**305.57**		611.62	
	Earmarked balances with Banks		**444.84**		719.45
	Unpaid dividend accounts	**5.61**		5.74	
	Long Term Deposits (Refer note 19.3)	**135.00**		-	
	Escrow accounts (Refer note 31 (i) (a))	**30.60**		28.95	
			171.21		34.69
	Share from Jointly Controlled Entities		**42.85**		18.63
	Total		**1,629.14**		2,494.23

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

19.2 Margin Money Deposits have been lodged with Banks against Guarantees issued by them.

19.3 Pursuant to notification issued by Ministry of Corporate Affairs, vide circular no. 04/2013, dated February 11, 2013, the company has deposited an amount of ₹ 135.00 million (31.03.2013: ₹ Nil) in a scheduled bank.

Notes forming part of the consolidated financial statements

(₹ in million)

		As at March 31, 2014		As at March 31, 2013	
20	***Short Term Loans and Advances***				
	Secured, considered good				
	Loans to Related Parties				
	Other Body Corporate (Refer note 20.1)		***68.25***		*67.32*
	Unsecured considered good				
	Loans to Related Parties				
	Associates	***70.74***		*70.74*	
	Joint venture	***8.44***		*13.92*	
			79.18		*84.66*
	Loans to Other Body Corporates		***196.00***		*196.00*
	Loans and Advances to Employees		***173.79***		*132.11*
	Prepaid Expenses		***361.92***		*393.48*
	Balances with Government Authorities				
	Sales Tax / Value Added Tax credit receivable		***2,974.87***		*2,597.59*
	Service Tax credit receivable		***198.32***		*154.22*
	Advances to Suppliers, Sub-contractors and Others (Refer note 20.2)				
	Considered Good	***17,446.75***		*15,619.71*	
	Considered Doubtful	***617.10***		*297.10*	
		18,063.85		*15,916.81*	
	Less : Provision for doubtful advances	***617.10***		*297.10*	
			17,446.75		*15,619.71*
	Advances recoverable in cash or in kind or for value to be received		***1,071.03***		*906.22*
	Advance Taxes and Tax Deducted at Source (Net of Provisions of ₹ 368.50 million (31.03.2013: ₹ 228.79 million)		***1,088.34***		*1,049.29*
	Share from Jointly Controlled Entities		***122.33***		*118.90*
	Total		***23,780.78***		*21,319.50*

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

20.2 *Advances to Suppliers, Sub–contractors and others, includes ₹ 3,088.89 million (31.03.2013: ₹ 1,730.12 million) amounts withheld by contractees and includes advance to enterprises owned are significantly influenced by key management personnel or their relatives ₹ 5,101.81 million (31.03.2013: ₹ 4,216.35 million).*

		As at March 31, 2014		As at March 31, 2013	
21	***Other Current Assets***				
	Unsecured, considered good				
	Retention Money		***11,517.99***		*10,986.13*
	Deposits with Customers and Others (Refer note 21.1)		***833.87***		*584.50*
	Interest Accrued on Deposits and Others		***484.14***		*332.58*
	Unbilled Revenue - Annuity Accrued		***390.93***		*390.93*
	Share from Jointly Controlled Entities		***29.44***		*35.14*
	Total		***13,256.37***		*12,329.28*

21.1 *Includes ₹ 50.00 million which is under litigation (Refer note 35).*

Notes forming part of the consolidated financial statements

(₹ in million)

	YEAR ENDED MARCH 31, 2014		YEAR ENDED MARCH 31, 2013	
22 Revenue from Operations				
Income from Contracts and Services		**71,797.04**		66,314.51
Other Divisions		**2,076.57**		2,077.36
Other Operating Income		**150.43**		700.49
Share from Jointly Controlled Entities		**607.47**		591.26
Total		**74,631.51**		69,683.62
23 Other Income				
Interest Income				
Deposits and Others		**33.20**		42.93
Loans and Advances		**454.78**		419.16
Income Tax refund		**188.55**		3.24
Others		**10.02**		153.64
Dividend Income from Investments		**5.35**		-
Net Gain on foreign currency transactions		**(118.86)**		1.04
Other Non-Operating Income				
Rental Income		**16.62**		30.97
Profit On Sale of Fixed Assets		**-**		68.47
Miscellaneous Income		**459.50**		184.92
Share from Jointly Controlled Entities		**6.27**		5.40
Total		**1,055.43**		909.77
24 Cost of Materials Consumed				
Construction Materials, Stores and Spares				
Opening Stock	**5,208.50**		5,240.26	
Add : Purchases	**31,231.78**		25,387.69	
		36,440.28		30,627.95
Less : Closing Stock		**4,387.57**		5,208.50
Share from Jointly Controlled Entities		**15.62**		-
Total		**32,068.33**		25,419.45
25 Construction Expenses				
Sub-contractors Work Bills		**17,189.11**		18,260.36
Job Work Charges		**5,526.25**		6,005.54
Transport Charges		**951.37**		663.23
Indirect Taxes				
Value Added Tax	**1,421.08**		1,220.55	
Service Tax	**490.61**		633.94	
		1,911.69		1,854.49
Repairs and Maintenance				
Machinery	**1,328.39**		1,084.79	
Others	**356.01**		295.08	
		1,684.40		1,379.87
Hire Charges for Machinery and others	**2,091.58**		1,551.14	
Power and Fuel	**147.74**		143.61	
Technical Consultation	**376.39**		266.74	
Royalties, Seigniorage and Cess	**354.98**		303.40	
Property Development Cost	**121.32**		61.84	
Other Expenses	**1,286.80**		857.60	
Share from Jointly Controlled Entities	**61.74**		60.47	
		4,440.55		3,244.80
Total		**31,703.37**		31,408.29
26 Changes in Inventories of Work in Progress				
Opening Balance		**13,692.00**		12,180.93
Closing Balance		**16,770.01**		13,692.00
		(3,078.01)		(1,511.07)
Less: Translation Difference		**-**		20.16
Share from Jointly Controlled Entities		**(56.92)**		-
Total		**(3,134.93)**		(1,490.91)

Notes forming part of the consolidated financial statements

(₹ in million)

		YEAR ENDED MARCH 31, 2014		YEAR ENDED MARCH 31, 2013	
27	**Employee Benefits Expense**				
	Salaries and Other Benefits		**3,312.86**		3,230.34
	Contribution to Provident Fund and Other Funds		**255.95**		258.72
	Staff Welfare Expenses		**215.22**		184.22
	Share from Jointly Controlled Entities		**25.16**		19.65
	Total		**3,809.19**		3,692.93
28	**Finance Costs**				
	Interest Expense on				
	Borrowings				
	Debentures	**271.00**		312.66	
	Term Loans	**1,841.44**		2,115.68	
	Working Capital Demand Loans and Cash Credit	**2,610.85**		1,941.31	
	Mobilisation Advance	**436.80**		368.96	
	Others	**381.85**		320.64	
			5,541.94		5,059.25
	Other Borrowing Costs				
	Commission on - Bank Guarantees	**341.40**		254.95	
	- Letters of Credit	**140.16**		108.17	
			481.56		363.12
	Bank and Other Financial Charges		**154.79**		136.88
	Share from Jointly Controlled Entities		**362.86**		391.60
	Total		**6,541.15**		5,950.85
29	**Other Expenses**				
	Rent (Refer note 46)		**577.34**		462.93
	Travelling and Conveyance		**463.85**		406.36
	Office Maintenance		**186.25**		158.19
	Electricity Charges		**81.15**		79.48
	Rates and Taxes		**95.50**		112.63
	Consultation Charges		**86.37**		72.70
	Postage, Telegrams and Telephones		**67.87**		73.26
	Insurance		**112.68**		103.31
	Printing and Stationery		**40.83**		40.86
	Legal and Professional Charges		**117.21**		161.54
	Auditors' Remuneration		**17.90**		16.95
	Directors' Sitting Fees		**1.33**		0.78
	Trade Receivables / Advances Written off		**41.28**		420.40
	Loss on Sale of Fixed Assets (Net)		**9.70**		-
	Provision for Doubtful Trade Receivables / Advances		**419.03**		70.00
	Miscellaneous Expenses		**184.72**		186.75
	Share from Jointly Controlled Entities		**112.73**		61.13
	Total		**2,615.74**		2,427.27
30	**Tax Expense**				
	Current Tax		**97.95**		406.61
	Current Tax - Prior year's Tax (Refer note 48)		**(362.38)**		-
	Deferred Tax		**(109.47)**		(25.33)
			(373.90)		381.28

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

(i) ***Contingent Liability***

(₹ in million)

		As at March 31, 2014	As at March 31, 2013
(a)	Claims against the Group not acknowledged as debt		
	- Disputed sales tax / entry tax liability for which the Company preferred appeal	**503.92**	1,144.37
	- 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	**5.73**	5.73
	- Disputed service tax liability for which the Company preferred appeal	**3,249.89**	1,116.74
	- Disputed income tax liability for which the Company preferred appeal (Net off Tax Deduction at Source and interest thereon submitted to the Tax Authorities)	**182.05**	100.33
	- Disputed sole arbitrator award in case of counter claim by Bhartiya Reserve Bank Note Mudran Private Limited, against which the Company has filed appeal before City Civil Court, Bangalore	**-**	30.00
	- Others (Includes claim by National Highway Authority of India (NHAI) towards certain operating non-compliances by the company. NHAI has written to the company's Escrow Agent M/s. IDBI Bank Limited to hold ₹ 30.60 million (31.03.2013: ₹ 28.95 million) in Escrow account pending recovery. The company has represented to NHAI for releasing the amount kept on hold and is confident of a favourable decision by the NHAI).	**58.44**	290.61
	- Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	**Amount not ascertainable**	Amount not ascertainable
	- Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Hon'ble High Court of Andhra Pradesh	**Amount not ascertainable**	Amount not ascertainable
	- Compensation payable to land owners, in respect of Joint Development Agreements where delays have occurred in executing the projects and handing over the same to the respective land owners.	**Amount not ascertainable**	Amount not ascertainable
(b)	Guarantees		
	Counter Guarantees given to the Bankers *	**1,565.91**	947.50
	Performance guarantees, given on behalf of Subsidiaries and Associates*	**362.50**	465.32
	Corporate Guarantees given to Banks and financial institutions on behalf of Associate.	**35,784.74**	52,850.00
	*Excludes Guarantees given against Company's liabilities, in terms of Guidance Note on Revised Schedule VI, issued by the Institute of Chartered Accountants of India.		
(c)	Share of group in contingent liabilities of Joint ventures	**14.08**	16.27

(ii) ***Commitments***

(₹ in million)

		As at March 31, 2014	As at March 31, 2013
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible	**127.50**	179.71
(b)	Other commitments		
	Commitment towards investment in companies	**2,625.80**	4,445.99
	Future Export commitments on account of import of machinery and equipments at concessional rate of duty under EPCG scheme	**517.90**	517.90
(c)	Share of group in commitments of Associates	**23,092.60**	26,148.74

NCC

Notes forming part of the consolidated financial statements

Note 32 Related Party Transactions

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

S.No.	Particulars	S.No.	Particulars
A)	***Subsidiaries*** *(Refer note 33.1)*	***F)***	***Relatives of Key Management Personnel***
1	NCC Urban Lanka (Private) Limited	39	Dr. AVS Raju
2	Naftagaz Engineering Private Limited	40	Smt. A. Bharathi
		41	Smt. B. Kausalya
B)	***Joint Ventures***	42	Smt. A. Satyanarayanamma
3	Brindavan Infrastructure Company Limited	43	Smt. J.Sridevi
4	Bangalore Elevated Tollway Limited	44	Smt. Sowjanya
5	Pondicherry Tindivanam Tollway Limited	45	Smt. A. Arundathi
6	Varaprada Real Estates Private Limited	46	Sri. Srinivasa Rama Raju
7	Premco – NCC	47	Smt. A. Swetha
8	SDB – NCC – NEC	48	Smt. A. Sridevi
9	NCC – PNC	49	Sri. J.K. Chaitanya Varma
10	NCC – SJRIPL	50	Smt. A. Subhadra Jyothirmayi
11	NCC - Himachal	51	Smt. A. Shyama
12	NCC – NEC – Maytas	52	Smt. A. Suguna
13	NCC – VEE	53	Sri. A. Harsha Varma
14	NCC – MSKEL	54	Smt. A. Neelavathi Devi
15	NCCL ECIECCL ARPL JV		
16	Aster Teleservices & MCML JV	***G)***	***Enterprises owned or significantly influenced by key management personnel or their relatives***
	Other Venturers	55	NCC Blue Water Products Limited
17	KMC Constructions Limited	56	Swetha Estates
18	Gayatri Infra Ventures Limited	57	NCC Finance Limited
19	Gayatri Projects Limited	58	Sirisha Memorial Charitable Trust
20	IL & FS Engineering and Construction Company Limited	59	Shyamala Agro Farms Private Limited
		60	Ranga Agri Impex Private Limited
21	Soma Enterprise Limited	61	NCC Foundation
22	Terra Projects Limited	62	Sirisha Projects Private Limited
		63	Ruthvik Estates Private Limited
C)	***Associates***	64	Narasimha Developers Private Limited
23	Paschal Form Work (I) Private Limited	65	Mihika Agro Farms Private Limited
24	Nagarjuna Facilities Management Services LLC	66	Lalit Agro Farms Private Limited
25	Himalayan Green Energy Private Limited	67	Bhuvanesh Realtors Private Limited
26	Jubilee Hills Landmark Projects Private Limited	68	Arnesh Ventures Private Limited
27	Tellapur Technocity (Mauritius)	69	Suguna Estates Private Limited
28	Tellapur Technocity Private Limited	70	AVSR Holding Private Limited
29	Apollonius Coal and Energy Pte.Ltd.	71	NCC Urban Infrastructure Company Limited Dubai - U.A.E
30	NCC Power Projects Limited (Refer note 45)		
D)	***Key Management Personnel***		
31	Sri. AAV Ranga Raju		
32	Sri. ASN Raju		
33	Sri. AGK Raju		
34	Sri. AVN Raju		
35	Sri. NR Alluri		
36	Sri. AKHS Ramaraju		
37	Sri. JV Ranga Raju		
38	Sri. KV Rao		

Notes forming part of the consolidated financial statements

(ii) Related Party transactions during the year ended March 31, 2014 are as follows:

(₹ in million)

S.NO	***Particulars***	***Associates***	***Joint ventures***	***Partnership firm***	***Keymanagement personnel and relatives***	***Enterprises owned and significantly influenced by key management personnels or their relatieves***
1	*Share Application Money pending allotment*	4,042.31 -	- -		- -	- -
2	*Share Application Money refund*	20.72 979.50	- -		- -	- -
3	*Debenture Application Money paid*	18.38 *17.50*	- -		- -	- -
4	*Share Application Money received*	- -	629.94 -		- -	- -
5	*Investments in Debentures*	35.88 *16.29*	- -		- -	- -
6	*Sale of Investments*	- -	49.78 -		- -	- -
7	*Loans granted*	- *0.40*	- -		- -	0.93 *0.85*
8	*Loan Repayment Received*	- *0.40*	- -		- -	- -
9	*Advances granted*	12.23 *13.23*	64.81 *273.29*		- -	- -
10	*Advances Repayment received*	0.47 *0.23*	20.91 -		- -	- -
11	*Advances received*	18.63 -	69.83 -		- -	- -
12	*Advances repaid*	9.69 -	20.05 -		- -	- -
13	*Mobilisation Advance received*	3,115.40 *200.00*	- -		- -	- -
14	*Mobilisation Advance recovered / adjusted*	1,648.48 *647.14*	- -		- -	- -
15	*Retention Money recovered*	1,248.63 *407.63*	- -		- -	- -
16	*EPC Dues paid*	- -	5.09 -		- -	- -
17	*Share of Profit/ (Loss)*	- -	- *9.15*		- -	- -
18	*Revenue from Operations*	12,808.89 *4,140.08*	30.53 *181.60*		- -	1.53 -
19	*Material Purchases*	8.64 *80.26*	- -		- -	- -
20	*Interest Income*	69.98 *60.12*	- -	 79.77	- -	- -
21	*Interest Expense*	52.06 -	31.93 -		- -	- -
22	*Reimbursement of Expenses*	18.63 -	- -		- -	0.10 -
23	*Remuneration (Including commission)*	- -	- -		81.85 *106.93*	- -
24	*Rent paid*	- -	- -		- -	131.19 *141.60*
25	*Management fees*	- -	5.70 *4.80*		- -	- -
26	*Lease charges paid*	- -	- -		- -	0.32 *0.32*
27	*Utility shifting bills*	- -	- *31.29*		- -	- -
28	*Dividend paid*	- -	- -		10.11 *10.00*	5.11 *5.68*
29	*Donations*	- -	- -		- -	0.80 *1.11*
30	*Counter Guarantees and Letter of Credits*	507.69 *79.91*	- -		- -	- -

Notes forming part of the consolidated financial statements

(ii) Related Party transactions during the year ended March 31, 2014 are as follows:

(₹ in million)

S.NO	Particulars	Associates	Joint ventures	Partnership firm	Keymanagement personnel and relatives	Enterprises owned and significantly influenced by key management personnels or their relatieves
31 (a)	**Debit Balances outstanding as at 31.03.2014**					
	Himalayan Green Energy Private Limited	125.00 *111.24*	- -		- -	- -
	Jubilee Hills Landmark Projects Private Limited	201.18 *142.25*	- -		- -	- -
	NCC Blue Water Products Limited	- -	- -		- -	68.25 *67.32*
	Bangalore Elevated Tollway Limited	- -	406.91 *408.03*		- -	- -
	Pondicherry Tindivanam Tollway Limited	- -	406.48 *378.19*		- -	- -
	Brindavan Infrastructure Company Limited	- -	6.48 *0.57*		- -	- -
	NCC Power Projects Limited	3,256.95 *412.60*	- -		- -	- -
	Tellapur Technocity Private Limited	36.51 *54.01*	- -		- -	- -
	NCC Urban Infrastructure Company Limited Dubai	- -	- -		- -	5,101.81 *4,216.35*
	Paschal Form Work (I) Private Limited	5.81 *0.12*	- -		- -	- -
	NCC Power Project (Sompeta) Private Limited	- -	- -	- 708.74	- -	- -
	NCCL ECIECCL ARPL JV	- -	- -		- -	22.89 -
	Aster Teleservices & MCML Sersvices JV	- -	- -		- -	8.44 -
31 (b)	**Credit Balances outstanding as at 31.03.2014**					
	Nagarjuna Facilities Management Services LLC	27.31 *27.08*	- -		- -	- -
	KMC Constructions Limited	- -	4.97 *3.27*		- -	- -
	NCC Power Projects Limited	9,148.97 *7,259.12*	- -		- -	- -
	Gayatri Projects Limited	- -	300.97 *275.56*		- -	- -
	Gayatri Infra Ventures Limited	- -	378.79 *378.79*		- -	- -
	NCC Blue Water Products Limited	- -	- -		- -	0.97 *0.68*
	Sri AAV Ranga Raju	- -	- -		7.92 1.44	- -
	Sri ASN Raju	- -	- -		3.96 0.72	- -
	Sri AGK Raju	- -	- -		3.96 0.72	- -
	Sri AVN Raju	- -	- -		3.80 0.72	- -
	Sri AKHS Rama Raju	- -	- -		2.32 -	- -
	Sri JV Ranga Raju	- -	- -		4.48 -	- -
	Sirisha Projects Private Limited	- -	- -		- -	4.25 -
	Ruthvik Estates Private Limited	- -	- -		- -	4.25 -
	Narasimha Developers Private Limited	- -	- -		- -	4.25 -
	Mihika Agro Farms Private Limited	- -	- -		- -	4.25 -
	Lalit Agro Farms Private Limited	- -	- -		- -	4.25 -
	Bhuvanesh Realtors Private Limited	- -	- -		- -	4.25 -
	Arnesh Ventures Private Limited	- -	- -		- -	4.25 -
	Suguna Estates Private Limited	- -	- -		- -	4.25 -
	Shyamala Agro Farms Private Limited	- -	- -		- -	5.23 -
	Ranga Agri Impex Private Limited	- -	- -		- -	0.15 -
	Figures in italics represent previous year's figures.					

Notes forming part of the consolidated financial statements

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

(₹ in million)

Particulars	*2013-14*	*2012-13*
Share Application Money pending allotment		
- NCC Power Projects Limited	**4,037.52**	-
Debenture Application Money paid		
- Tellapur Technocity Private Limited	**18.38**	17.50
Share Application Money received		
- Gayatri Energy Ventures Private Limited	**629.94**	-
Share Application Money Refunded		
- NCC Power Projects Limited	**20.72**	979.50
Investments in Equity Shares - Made		
- Apollonius Coal and Energy Pte.Ltd.	-	16.29
Investments in Debenture		
- Tellapur Technocity Private Limited	**35.88**	-
Sale of Investments		
- Brindavan Infrastructure Company Limited	**49.78**	-
Advances / Loan granted		
- Varaprada Real estates Private Limited	**15.50**	-
- KMC Constructions Limited	-	2.70
- Brindavan Infrastructure Company Limited	**20.91**	158.07
- Pondichery tindivanam	**28.40**	112.00
- Himalayan Green Energy Private Limited	**12.23**	13.22
- NCC Blue water Projects Limited	-	0.87
- Sirisha Projects Private Limited		5.80
Advances / Loan Repayment Received		
- Himalayan Green Energy Private Limited	**0.47**	-
- Sirisha Projects Private Limited	-	5.80
Advances Received		
- Brindavan Infrastructure Company Limited	**69.83**	-
- NCC Power Projects Limited	**18.63**	-
Advances repaid		
- Brindavan Infrastructure Company Limited	**20.05**	-
- NCC Power Projects Limited	**9.69**	-
Mobilisation Advance received		
- NCC Power Projects Limited	**3,115.40**	200.00
Mobilisation Advance recovered / adjusted		
- NCC Power Projects Limited	**1,648.48**	647.14
Retention Money recovered		
- NCC Power Projects Limited	**1,248.63**	407.63
EPC Dues paid		
- KMC Constructions Limited	**5.09**	-
Share of Profit / (Loss)		
- NCC-VEE JV	-	9.37
Revenue from Operations		
- NCC Power Projects Limited	**12,808.89**	4,140.08
- Brindavan Infrastructure Company Limited	**30.53**	30.71
- Gayatri Projects Limited	-	129.85
- NCCL ECIECCL ARP JV	**1.53**	-

Notes forming part of the consolidated financial statements

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

(₹ in million)

Particulars	2013-14	2012-13
Material Purchases		
- Paschal Form Work (I) Private Limited	**8.64**	80.26
Interest Income		
- Jubilee Hills Landmark Projects Private Limited	**58.93**	49.94
- Himalayan Green Energy Private Limited	**11.05**	10.18
Interest Expense		
- NCC Power Projects Limited	**52.06**	-
- Gayatri Projects Limited	**31.93**	-
Reimbursement of Expenses		
- NCC Power Projects Limited	**18.63**	-
- Aster Teleservices & MCML Services JV	**0.10**	
Remuneration (Including commission)		
- Sri AAV Ranga Raju	**21.30**	31.52
- Sri ASN Raju	**11.03**	16.10
- Sri AGK Raju	**11.10**	16.11
- Sri AVN Raju	**10.50**	15.27
- Sri JV Ranga Raju	**18.23**	18.23
- Sri AKHS Rama Raju	**9.70**	9.70
Rent paid		
- Sirisha Projects Private Limited	**14.25**	15.46
- Ruthvik Estates Private Limited	**14.25**	15.46
- Narasimha Developers Private Limited	**14.25**	15.46
- Mihika Agro Farms Private Limited	**14.25**	15.46
- Lalit Agro Farms Private Limited	**14.25**	15.46
- Bhuvanesh Realtors Private Limited	**14.25**	15.46
- Arnesh Ventures Private Limited	**14.25**	15.46
- Suguna Estates Private Limited	**14.25**	15.46
- Shyamala Agro Farms Private Limited	**15.61**	17.59
Management fees		
- Bangalore Elevated Tollway Limited	**4.50**	4.50
- Brindavan Infrastructure Company Limited	**1.20**	1.20
Lease charges paid		
- NCC Blue Water Products Limited	**0.32**	0.32
Utility shifting bills paid		
- Gayatri Projects Limited	**-**	31.29
Dividend paid		
- AVSR Holdings Private Limited	**4.91**	5.39
- Dr AVS Raju	**1.19**	1.19
- Sri AAV Ranga Raju	**1.78**	1.78
- Sri ASN Raju	**1.20**	1.20
- Sri AGK Raju	**1.20**	1.20
- Sri AVN Raju	**1.11**	1.11
- Sri NR Alluri	**1.23**	1.23
Donations		
- NCC Foundation	**0.80**	1.11
Counter Guarantees and Letter of Credits		
- NCC Power Projects Limited	**507.69**	79.90

Notes forming part of the consolidated financial statements

33 The Subsidiaries, Jointly Controlled Entities and Associate companies considered for Consolidated financial statements are:

Name of the Entity	Country of incorporation	Proportion of Ownership Interest	
		As at March 31, 2014	As at March 31, 2013
Subsidiaries of the Company			
NCC Urban Infrastructure Limited	India	80%	80%
NCC Infrastructure Holdings Limited	India	67.71%	100%
NCC Vizag Urban Infrastructure Limited	India	95%	95%
OB Infrastructure Limited	India	64.02%	64.02%
Nagarjuna Construction Co.Ltd & Partners LLC	Sultanate of Oman	100%	100%
Nagarjuna Construction Company International LLC	Sultanate of Oman	100%	100%
NCC Infrastructure Holdings Mauritius Pte.Limited	Mauritius	100%	100%
Patnitop Ropeway & Resorts Limited	India	100%	100%
Nagarjuna Contracting Company LLC	Dubai	100%	100%
NCC International Convention Centre Limited.	India	100%	100%
NCC Oil & Gas Limited	India	80%	80%
Nagarjuna Construction Company (Kenya) Limited	Kenya	65%	65%
Vaidehi avenues Limited	India	100%	100%
Aster Rails Private Limited	India	100%	-
NCC Power Projects (Sompeta) Private Limited	India	100%	-
Subsidiaries of NCC Urban Infrastructure Limited			
Dhatri Developers & Projects Private Limited	India	100%	100%
Sushanti Avenues Private Limited	India	100%	100%
Sushruta Real Estates Private Limited	India	100%	100%
PRG Estates Private Limited	India	100%	100%
Thrilekya Real Estates Private Limited.	India	100%	100%
Varma Infrastructure Private Limited	India	100%	100%
Nandyala Real Estates Private Limited	India	100%	100%
Kedarnath Real Estates Private Limited	India	100%	100%
AKHS Homes Private Limited	India	100%	100%
JIC Homes Private Limited	India	100%	100%
Sushanthi Housing Private Limited	India	100%	100%
CSVS Property Developers Private Limited	India	100%	100%
Vera Avenues Private Limited	India	100%	100%
Sri Raga Nivas Property Developers Private Limited	India	100%	100%
VSN Property Developers Private Limited	India	100%	100%
M A Property Developers Private Limited	India	100%	100%
Vara Infrastructure Private Limited	India	100%	100%
Sri Raga Nivas Ventures Private Limited	India	100%	100%
Mallelavanam Property Developers Private Limited	India	100%	100%
Sradha Real Estates Private Limited	India	100%	100%
Siripada Homes Private Limited	India	100%	100%
NJC Avenues Private Limited	India	100%	100%
Nagarjuna Suites Private Limited	India	100%	100%
NCC Urban Homes Private Limited	India	100%	100%
NCC Urban Ventures Private Limited	India	100%	100%
NCC Urban Meadows Private Limited	India	100%	100%
NCC Urban Villas Private Limited	India	100%	100%
Jointly Controlled Entity of NCC Urban Infrastructure Limited			
Varaprada Real Estates Private Limited	India	40%	40%
Partnership Firm			
NR Avenues	India	100%	100%
Subsidiary of NCC Infrastructure Holdings Limited			
Western UP Tollway Limited	India	51%	51%
NCC Infra Limited	India	100%	100%
Samashti Gas Energy Limited	India	100%	100%
Subsidiary of NCC Infrastructure Holdings Mauritius Pte. Limited			
Liquidity Limited	Mauritius	100%	100%
Al Mubarakia Contracting Co.LLC	Dubai	100%	100%
Subsidiary of Nagarjuna Construction Company International LLC			
NCCA International Kuwait General Contracts Company LLC	Kuwait	100%	100%
NCC WLL	Qatar	100%	-
Jointly Controlled Entities			
Brindavan Infrastructure Company Limited	India	33.33%	33.33%
Bangalore Elevated Tollway Limited	India	25.85%	38%
Pondicherry Tindivanam Tollway Limited	India	40.46%	47.80%
Associates of the Company			
Jubilee Hills Landmark Projects Private Limited	India	25%	25%
Himalayan Green Energy Private Limited	India	50%	50%
Nagarjuna Facilities Management Services LLC	Dubai	49%	49%
Tellapur Technocity (Mauritius)	Mauritius	26%	26%
Tellapur Technocity Private Limited	India	26%	26%
Paschal Form Work (I) Private Limited	India	26%	26%
Apollonius Coal and Energy Pte. Ltd.	Singapore	43.96%	43.96%
Associates of NCC Infrastructure Holdings Limited			
NCC Power Projects Limited (Refer note 45)	India	55%	55%

33.1 In respect of subsidiary companies, NCC Urban Lanka (Private) Limited, where there are no transactions during the year and Naftogaz Engineering Private Limted which is in the process of dissolution have not been considered for consolidation.

34 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 Company'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 Company's paid up share capital. Accordingly, the company has transferred an appropriate amount to the legal reserve.

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

In pursuance of the Letter of Award, the Consortium submitted Bank Guarantee for ₹ 50.00 million towards bid security. The Consortium also remitted an amount of ₹ 50.00 million towards Project Development Fee and requested for deferment of balance of Project Development Fee of ₹ 250.00 million at the time of execution of the Development Agreement and for submission of Performance Security at the time of achieving Financial Closure. In response, vide letter dated October 30, 2008, INCAP agreed for payment of Project Development Fee by the Consortium within 30 days submission of Performance Security at the time of execution of the Development Agreement.

As the development of the said project entailed an estimated investment of ₹ 10,640.00 million, to avail financial assistance from Bank (s), the Consortium addressed several letters to INCAP requesting them to provide documents relating to title deeds. But, the title documents relating to the project land were not furnished by INCAP.

Subsequently, Govt. of A.P vide G.O.Ms.No.8 dated February 20, 2009 cancelled the Letter of Award (LOA)dated October 6, 2008, alleging certain defaults on the part of the Consortium. The Consortium challenged the said cancellation of the Project and filed Writ Petition (WP No.3589/2009) before the High Court of Andhra Pradesh. During the pendency of the Writ Petition, the Govt. of Andhra Pradesh/ INCAP were directed to maintain status- quo with regard to the Bank Guarantee submitted against Bid Security.

The Hon'ble Single Judge vide his Orders dated June 26, 2009 dismissed W.P.No 3589/2009. Challenging the said orders, the Consortium filed Writ Appeal (W A MP 1771 of 2009 in WA No. 891/2009) as stay of operation of the orders of the Single Judge was not granted, INCAP encashed the Bank Guarantee for ₹ 50.00 million, provided towards Bid Security.

As per the Request for Proposal, Project, Development Fee has to be remitted by the Developer (Consortium) and In view of the cancellation of LOA by the Government of Andhra Pradesh, the consortium cannot be deemed to be Developer. Accordingly, the consortium filed a Writ Appeal (W A M P No. 1805 2009 in WA no: 81 of 2009) seeking an order for refund of Project Development Fee of ₹ 50.00 million paid to INCAP.

The appeal and the petitions are to be listed for final hearing. Based on the Legal Counsel's opinion, that the company has fair chances success in the Writ Appeal, the management is confident of recovering the Project Development Fee of ₹ 50.00 million paid to INCAP.

In addition to the above appeal the company has filed a Civil Suit against M/s Infrastructure Corporation of Andhra Pradesh (INCAP) before the City Civil Court, Hyderabad for recovery of ₹ 135 million, which includes interest @12% per annum, calculated up to the date of filing the suit.

Pending the outcome of the Writ Appeal the accounts of the subsidiary company have been drawn up on a going concern basis and the amount of ₹ 50 million paid towards Project Development Fee to INCAP has been shown as receivable from INCAP and grouped under Other Current Assets (Refer note 21).

36 Sale of investments in Himachal Sorang Power Limited

During the year 2012 - 13, NCC Infrastructure Holdings Limited (NCC IHL) a wholly owned subsidiary of NCC Limited, together with IL & FS Energy Development Company Limited (IEDCL), NCC Limited, Infrastructure Leasing and Financial Services Limited (ILFS), and Himachal Sorang Power Limited (HSPL) entered into a Securities Purchase Agreement (SPA) on September 19, 2012 with TAQA Jyothi Energy Ventures Private Limited (TAQA) for sale of Equity Shares and Zero Coupon Irredeemable Fully Convertible Debentures (ZCD) at a total consideration of ₹ 2,783.30 million .

Further, NCCIHL along with NCC Limited and IEDCL entered into a Share Holders Agreement (SHA) with TAQA, pursuant to which NCCIHL has transferred the control of operations to TAQA effective from December 10, 2012.

The SPA, amongst other terms provided the following:

a) Sale of securities in two tranches:

i) 'Initial Sale' – 5% of Equity Shares (152,810 Equity Shares held by NCC IHL and 65,490 Equity Shares held by IEDCL) and sale of entire 13,643,000 ZCDs for a consideration of ₹ 2,167.58 million (NCC IHL – ₹ 1,183.28 million and IEDCL – ₹ 984.30 million).

ii) 'Subsequent Sale' – balance of 95% of Equity Shares (3,991,490 Equity Shares NCC IHL; 3,400 Equity Shares held by NCC Limited and 152,810 Equity Shares held by IEDCL) to be transferred after receiving the requisite approvals for a consideration of ₹ 615.72 million (NCC IHL – ₹ 589.52 million; NCC – ₹ 0.50 million and IEDCL – ₹ 25.70 million).

b) The project cost was fixed at ₹ 8,900.00 million and was to be completed by March 31, 2013. Any cost escalations are to be borne by NCC IHL. However, if such cost escalations are due to force majeure reasons, such escalations will be shared between, NCC IHL and IEDCL as per the terms of the Interse agreement dated October 9, 2012.

Company provided the following to TAQA:

i) Security Bond 1: At the request of NCC Limited, the Holding Company, on behalf of the Company, Andhra Bank and Allahabad Bank have furnished Bank Guarantees for an aggregate amount of ₹ 3.60 million which TAQA can invoke in the event of failure to commission the project by the agreed date - March 31, 2013. This Bank Guarantee was initally valid till June 30,2013. The same were further extended upto June 30, 2014.

ii) NCC Limited., the Holding Company, on behalf of the Company has furnished a Bank Guarantee for an amount of ₹ 5.90 million which TAQA can invoke, in the event of failure to transfer of Subsequent Sale shares within the agreed time. The said Guarnatees are valid till March 31, 2015.

iii) The company has to furnish Security Bond II in the form of Bank Guarantee for an amount of ₹ 1.80 million which TAQA can invoke in the event of project failing to achieve certain specific performance parameter tests. This Bank Guarantee is required to be furnished on or before wet commissioning date.

As per the terms of the agreement:

NCC IHL had out of it's share of consideration received ₹ 1,682.80 million (including advance sale consideration received ₹ 499.54 million, Refer Note 11) and the balance of ₹ 90.00 million was to be received on fulfilment of conditions of SPA. Accordingly NCC IHL had completed initial sale of shares and ZCDs. NCC Limited was in receipt of consideration of ₹ 0.50 million.

The wet commissioning of the project not having been achieved by March 31, 2013, the control over the construction and commisioning of the project was ceded to TAQA in term of SPA and is been continued by them. The cost, if any, of the project beyond the agreed amount of ₹ 8,900.00 million to be borne by the company which is indeterminalble at this stage pending final settlement with TAQA. Project constuction is still under progress as at March 31, 2014.

The progress of the project was hampered due to force-majure events and as per Clause 5 of Inter - Se Agreement, the Company raised a claim on IEDCL which has denied such claims. The company issued a dispute notice on March 22, 2014 to IEDCL and awaiting reply from them.

Meanwhile, the Company, made a request to TAQA for a One Time Settlement and the discussions are under progress.

The company during the year ended March 31, 2013 had estimated cost escalations for project overrun aggregating to ₹ 346.79 million (net of ₹ 172.78 million to be incurred and relating the subsequent sale), which has been adjusted against the sale consideration received from sale of Shares and Debentures. At present, the Company, estimates that the said provision is sufficient to settle the issue with TAQA and further costs, to be incurred, if any, towards cost overrun will be recognized as and when the liability crystalizes.

Pending fulfilment of the obligations by the parties concerned, as per the terms of the agreement, and the consequent approvals required from appropriate authorities, the subsequent sale has not been consummated. Accordingly, the Company has classified such amounts under Current Investments.

37 *The subsidiary NCC Infrastructure Holdings Limited which has invested in Equity Shares and / or in Preference Shares or has advanced monies in the following companies have incurred losses during the year and also have accumulated losses as at the end of the reporting period*

i) Western UP Tollways Limited (ii) Bangalore Elevated Tollway Limited (iii) Pondicherry Tindivanam Tollway Limited

Management is of the opinion that the erosion in the value of the investment and present financial position of these companies is temporary in nature and that the fair value of these investments is more than the cost. Hence, no provision for diminution in the value of investments has been made. Further, management is of the opinion that the advances are fully recoverable and hence no provision has been made.

38 *In respect of subsidiary Nagarjuna Construction Company Limited and Partners LLC as at March 31, 2014 the company had accumulated losses of R.O. 1.41 million equivalent to ₹ 220.17 million and net liabilities of R.O.1.23 million equivalent to ₹ 191.14 million. These factors, amongst others, indicate that the Company shall require continued financial support from its members. The financial statements have been prepared on the going concern basis on the assumption that the Members of the Company will continue to provide the necessary financial support.*

The Company's Members have confirmed that they shall continue to support and provide the necessary financial assistance to the Company and on the strength of this assurance, the financial statements have been prepared on the going concern basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

39 Employee Benefits

Liability for retiring gratuity as on March 31, 2014 is ₹ 101.88 million (31.03.2013: ₹ 97.56 million) of which ₹ 33.99 million (31.03.2013: ₹ 52.40 million) is funded with the Life Insurance Corporation of India. The balance of ₹ 67.89 million (31.03.2013: ₹ 45.16 million) is included in Provision for Gratuity.

The liability for retiring gratuity as on March 31, 2013 in respect of employees working with branches outside India is ₹ 0.22 million (31.03.2013: ₹ 0.20 million).

The liability for retiring gratuity as on March 31, 2014 in respect of subsidiary companies NCC Infrastructure Holdings Limited is ₹ 1.47 million (31.03.2013: ₹ 1.57 million), NCC Urban Infrastructure Limited is ₹ 9.43 million (31.03.2013: ₹ 9.38 million), OB Infrastructure Limited is ₹ 0.35 million (31.03.2013: 0.05 million), Western UP Tollway Limited ₹ 0.10 million (31.03.2013: ₹ 0.19 million), Aster Rail Private Limited ₹ 1.04 million (31.03.2013: ₹ Nil), Nagajuna Construction Co. International LLC ₹ 133.43 million (31.03.2013: ₹ 113.05 million), Nagajuna Constracting Company LLC ₹ 13.10 million (31.03.2013: ₹ 7.70 million) and Al Mubarakia Contracting Co. LLC ₹ 2.39 million (31.03.2013: ₹ 2.47 million).

40 *Adjustment to Net consolidated profit represents the changes in the Group's share holding in the Jointly Controlled Entities. (31.03.2013: represents the carried forward losses and the minorities share of loss inrespect of Himachal Sorang Power Limited which has ceased to be a subsidiary with effect from December 10, 2012).*

41 Segment Reporting

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

42 Earnings per share

(₹ in million)

	Year Ended March 31, 2014	***Year Ended March 31, 2013***
Net Profit after tax available for equity shareholders (₹ in million)	***32.80***	***563.82***
Weighted Average number of equity shares for Basic EPS (Nos)	***256,583,810***	***256,583,810***
Weighted Average number of equity shares for Diluted EPS (Nos)	***256,583,810***	***256,583,810***
Face value per share (₹)	***2.00***	***2.00***
*Basic & Diluted EPS * (₹)*	***0.13***	***2.20***

**The Company has no dilutive instruments during the year ended Mach 31, 2014. As such Dilutive Earnings per share equals to Basic Earnings per share*

Notes forming part of the consolidated financial statements

43 *In respect of an associate Himalayan Green Energy Private Limited, Ministry of Environment and Forest (MOEF) vide its letter dated October 8, 2008 had ordered a restriction on the construction of dams and large scale development activities above a specified area in which the project of the company is situated. However, on further studies the MOEF had vide its letter dated May 31, 2010 permitted the company to conduct the geological investigation and hydrological studies. However, as on March 31, 2012 due to certain local issues and resistance, the survey and investigation works was not carried out. The management is confident of the technical and financial viability of the project and obtaining all the requisite permissions and clearances and achieving the financial closure.*

Meanwhile, the Government of Sikkim vide letter dated December 5, 2011 has issued a show cause notice regarding termination of Implementation Agreement on account of non-compliance of various mandatory provisions of the Implementation Agreement. The company has applied to the Government of Sikkim for extending the Implementation Agreement.However, the Government of Sikkim has cancelled the Implementation Agreement on June 22, 2012 without citing any reasons. Since, NCC Limited is very keen to pursue development of this Project, it has represented to the Government of Sikkim to re-consider the cancellation of the Implementation Agreement and allow the company to develop this Project. Company filed Writ Petition (WP (C) No.43 of 2012)on November 1, 2012 before the Hon'ble High Court of Sikkim. Hon'ble High Court in its order dated directed that the Government of Sikkim shall not, in the mean time, create any third party right in respect of the said project and that the State Government shall ensure the protection of the property of the company if any lying at the project site.

Upon hearing, the writ petition was disposed off by the Hon'ble High Court of Sikkim on August 12, 2013 and directed that the parties shall appoint an arbitrator or arbitrators in terms of clause 9.1 of the supplementary IA dated January 18, 2008 entered into between the Government of Sikkim and the company.
The company has suggested the name of the arbitrator and awaiting for the response from the Government of Sikkim.
Inspite of the adverse developments, management is confident about the technical and financial viability of the project; obtaining all the requisite permissions, clearances; achieving the financial closure and successful execution of the project. Accordingly accounts for the year have been drawn on going concern basis and interest expenditure, for the year under review, incurred on unsecured loans and other revenue expenditure, for the year under review, incurred on unsecured loans and other revenue expenses have been charged off to statement fo profit and loss.

44 *In respect of a subsidiary Western UP Tollway Limited Capital Reserve includes group share of ₹ 287.54 million (31.03.2013: ₹ 287.54 million) and in respect of share from Jointly Controlled Entity Pondicherry Tindivanam Tollway Limited of ₹ 215.10 million (31.03.2013: ₹ 215.10 million) towards equity support received from National Highways Authority of India during the construction period.*

45 *The Group is proposing to sell / dilute its stake in NCC Power Projects Limited (NCCPPL), and the Control in the subsidiary is intended to be temporary and accordingly, NCCPPL is considered as an 'Associate' in the Consolidated Financial Statements.*

46 ***Leases***

(i) Rental expenses of ₹ 446.41 million (31.03.2013: ₹ 461.78 million) has been charged to Statement of Profit and Loss in respect of cancellable operating lease.

(ii) The Company has entered into Operating Lease arrangement for certain equipments. The lease is non-cancellable for a period of 5 years from March 28, 2013 to March 27, 2018.

(₹ in million)

	Year Ended March 31, 2014	*Year Ended March 31, 2013*
Future Minimum Lease Payments		
Not later than one year	***130.93***	*130.93*
Later than one year and not later than five years	***392.77***	*523.70*
Later than five years	**-**	-
Total	***523.70***	*654.63*
Lease payments recognised in the statement of Profit and Loss	***130.93***	*1.15*

(iii) Deductions / Adjustments to include certain assets sold and taken on operating lease by the company during the previous year aggregating to ₹ 557.15 million. The resultant profit of ₹ 0.29 million on such sale has been recognized in Statement of Profit and Loss. The applicable lease rents, pursuant to the arrangement has been charged to Statement of Profit and Loss.

47 *The Company sold 161,732,648 equity shares of ₹ 10 each of NCC Infrastracture Holdings Limited (NCCIHL) to Gayatri Energy Ventures Private Limited (GEVPL), pursuant to the agreement dated February 26, 2014 at a consideration of ₹ 1,827.58 million to GEVPL. Additionally, the Company has received an advance of ₹ 1,000.00 million, being the consideration of sale of remaining 88,495,576 of equity shares, pursuant to the agreement dated February 28, 2014.*

48 *During the current year the Company has received assessment orders for Income Tax for the financial years 2000-01, 2001-02 and 2003-04 to 2006-07 and refund orders aggregating to ₹ 652.26 million has been received by the Company.*

Accordingly, provision of ₹ 362.38 million towards prior years has been reversed, ₹ 112.81 has been recognised as Interest on income tax refunds and ₹ 176.12 million has been adjusted towards Advance Income Tax.

49 *The Shareholders of the Company approved the remuneration paid / payable to its Directors. Owing to inadequate profits for the current year, as computed under Section 349 of Companies Act, 1956, the managerial remuneration paid / payable exceeded the limits specified under Section 198 read with Section 309 of the Companies Act, 1956 by ₹ 54.43 million. The Company is in the process of obtaining the requisite approval from the Shareholders and the Central Government.*

50 *Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.*

For and on behalf of the Board

R.S. RAJU
Executive Vice President (F&A)

A.A.V. RANGA RAJU
Managing Director

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

A.G.K. RAJU
Executive Director

Hyderabad, May 15, 2014

MATERIAL DEVELOPMENTS

There have been no developments since March 31, 2014 which affect the operations, performance, prospects or financial condition of our Company or any circumstances that materially or adversely affect or likely to affect or the value of our assets or our ability to fulfil our obligation to pay our lenders and other material liabilities within the next twelve months.

Recent Developments

Our Board of Directors, at its meeting held on May 15, 2014, has recommended dividend of 10% i.e. ₹ 0.20 per Equity Share for the year ended March 31, 2014, subject to approval of members at the AGM.

WORKING RESULTS

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, the information relating to the working results for the period between the last date of the financial statements and up to the end of the last but one month preceding the date of the Letter of Offer will be updated in the Letter of Offer to be filed with the Stock Exchanges.

ACCOUNTING AND OTHER RATIOS

(₹ in millions except EPS and no. of shares)

Particulars	Year Ended March 31, 2014 (standalone basis)	Year Ended March 31, 2014 (consolidated basis)
Net Profit after Tax (A)	405.15	32.80
Less: Preference Dividend & Dividend tax	-	-
Profit Available for Equity Share Holders (B)	405.15	32.80
Net Worth (C)	25,202.73	27,634.23
Return on Net Worth (%) (A/C) (D)	1.61%	0.12%
No. of Shares at the end of Year (E)	25,65,83,810	25,65,83,810
Basic Earnings Per Share (₹) (A/E)	1.58	0.13
Net Asset Value/Book Value per Equity Share of ₹ 2 each (C/E)	98.22	107.70

Notes: Definition of Ratios:

Basic Earnings Per Share	(Net Profit after tax)/(Total number of equity shares outstanding during the year/period)
Return on Net Worth (%)	(Net Profit after tax)/(Net worth at the end of the year/period)
Net Asset Value Per Share	(Net Worth at the end of the year/period)/ (Total number of equity shares outstanding during the year/period)
Net Worth	Equity share capital + Preference Capital + Reserves (excluding Revaluation Reserves)

CAPITALISATION STATEMENT

The capitalisation statement of the Company on standalone basis as at March 31, 2014 as adjusted post the Issue is as follows:

Amount (₹ in millions)

Particulars	**Pre Issue As at March 31, 2014**	**As Adjusted Post Issue***
Debt:		
Short Term Debt	22,327.17	[●]
Long Term Debt	2,418.94	[●]
Total Debt:	24,746.11	[●]
Shareholders Fund:		
Share Capital	513.17	[●]
Reserve & Surplus	24,689.56	
Total Shareholders Fund:	25,202.73	[●]
Long Term Debt/Shareholders Fund	0.10	
Total Debt/Shareholders Fund	0.98	[●]

The corresponding post Issue figures will be determined upon finalisation of the Issue Price.

The capitalisation statement of the Company on consolidated basis as at March 31, 2014 as adjusted post the Issue is as follows:

Amount (₹ in millions)

Particulars	**Pre Issue As at March 31, 2014**	**As Adjusted Post Issue***
Debt:		
Short Term Debt	25,285.48	[●]
Long Term Debt	13,859.21	[●]
Total Debt:	39,144.69	[●]
Shareholders Fund:		
Share Capital	513.17	[●]
Reserve & Surplus	27,121.06	
Total Shareholders Fund:	27,634.23	[●]
Long Term Debt/Shareholders Fund	0.50	

Particulars	Pre Issue As at March 31, 2014	As Adjusted Post Issue*
Total Debt/Shareholders Fund	1.42	[●]

**The corresponding post Issue figures will be determined upon finalisation of the Issue Price.*

MARKET PRICE INFORMATION

As of the date of this Draft Letter of Offer 25,65,83,810 Equity Shares have been issued and are fully paid up. The Equity Shares are listed on the NSE and the BSE. As the Equity Shares are actively traded on both the BSE and the NSE, the stock market data has been given separately for each of the BSE and the NSE.

We have received in-principle approval for listing of the Rights Equity Shares to be issued pursuant to this Issue from the NSE vide its letter dated [●] and from the BSE vide its letter dated [●].

The closing price of our Equity Shares as on April 10, 2014 (the trading day immediately following the day on which the Board resolution was passed approving the Issue) was ₹ 45.50 on the BSE and ₹ 45.60 on the NSE.

The high and low closing market prices of the Equity Shares of our Company during the preceding three calendar years were recorded, as stated below:

NSE						
Calendar Year	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**
2011	151.85	January 3, 2011	22,65,148	32.50	December 28, 2011	16,38,497
2012	64.40	February 21, 2012	21,21,983	29.55	June 1, 2012	10,78,580
2013	60.55	January 4, 2013	23,52,072	16.80	September 3, 2013	6,11,966

(Source: www.nseindia.com)

BSE						
Calendar Year	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**
2011	151.90	January 3, 2011	4,99,308	32.60	December 28, 2011	58,936
2012	64.15	February 21, 2012	1,53,150	29.50	June 1, 2012	1,74,452
2013	60.50	January 4, 2013	6,57,159	16.75	September 3, 2013	4,07,247

(Source: www.bseindia.com)

Monthly high and low closing prices on the NSE for the six months preceding the date of filing of this Draft Letter of Offer is as stated below:

NSE						
Month	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**
December, 2013	33.25	December 31, 2013	16,06,843	26.05	December 3, 2013	7,01,481
January, 2014	33.70	January 1, 2014	13,80,089	24.80	January 31, 2014	5,42,387
February, 2014	27.15	February 10, 2014	8,39,990	23.65	February 3, 2014	8,02,254
March, 2014	36.35	March 27, 2014	52,85,207	27.35	March 3, 2014	21,21,817
April, 2014	54.10	April 25, 2014	48,40,433	35.40	April 1, 2014	9,77,224
May, 2014	80.35	May 23, 2014	28,12,780	48.40	May 5, 2014	10,52,321

(Source: www.nseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

Monthly high and low closing prices on the BSE for the six months preceding the date of filing of this Draft Letter of Offer is as stated below:

BSE						
Month	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**
December, 2013	33.25	December 31, 2013	4,92,811	25.95	December 3, 2013	2,00,203
January, 2014	33.80	January 1, 2014	3,83,796	24.75	January 31, 2014	1,41,664
February, 2014	27.10	February 10, 2014	2,06,521	23.70	February 19, 2014	1,05,653
March, 2014	36.40	March 27, 2014	10,21,404	27.30	March 3, 2014	4,52,247
April, 2014	54.55	April 25, 2014	11,07,726	35.45	April 1, 2014	2,17,581
May, 2014	80.55	May 23, 2014	7,47,105	48.25	May 5, 2014	2,95,155

(Source: www.bseindia.com)

Week end prices of Equity Shares of our Company for the last four weeks on the NSE along with the highest and lowest closing prices for the weeks are as below:

NSE						
For the week ended on	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**
June 6, 2014	81.40	June 4, 2014	29,42,953	75.55	June 2, 2014	16,25,387
June 13, 2014	81.85	June 9, 2014	23,02,787	69.15	June 13, 2014	23,02,787
June 20, 2014	76.15	June 18, 2014	38,20,356	68.70	June 20, 2014	17,07,231
June 27, 2014	77.65	June 25, 2014	44,09,530	69.40	June 23, 2014	11,00,505

(Source: www.nseindia.com)

Week end prices of Equity Shares of our Company for the last four weeks on the BSE along with the highest and lowest closing prices for the weeks are as below:

BSE						
For the week ended on	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**
June 6, 2014	81.30	June 4, 2014	7,20,888	75.35	June 2, 2014	4,82,132
June 13, 2014	82.05	June 9, 2014	5,46,728	69.05	June 13, 2014	4,49,701
June 20, 2014	76.10	June 18, 2014	10,39,154	68.90	June 20, 2014	3,45,823
June 27, 2014	77.60	June 25, 2014	11,27,215	69.30	June 23, 2014	2,62,356

(Source: www.bseindia.com)

The closing market price of our Equity Shares as on June 27, 2014 on the BSE and the NSE was ₹ 76.80 and ₹ 76.60, respectively.

The Issue price of ₹ [●] has been arrived at in consultation between our Company, the Lead Managers and the Designated Stock Exchange**.**

In the event the high, or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purpose of this section.

PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY

a.) Set forth below is brief summary of our outstanding financing arrangements as on May 31, 2014:

1. Secured Loans:

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
State Bank of India, acting as the lead banker, Canara Bank, Andhra Bank, State Bank of Hyderabad, Syndicate Bank, Indian Overseas Bank, Allahabad Bank, ICICI Bank Limited, IDBI Bank Limited and Standard Chartered Bank (“**Consortium Banks**”)	Working capital facilities	1) State Bank of India: I) Fund Based Cash Credit/ Working capital demand loan – 5,330; II) Non Fund Based : a) Bank Guarantee – 14,750, b) Letter of credit: 1,250	1) State Bank of India: I) Fund Based Cash Credit/ Working capital demand loan – 5,692.04; II) Non Fund Based : a) Bank Guarantee – 11,252.61, b) Letter of credit: 1,338.32	Base rate plus such other interest as prescribed by the consortium banks.	Repayable on demand	1. First charge on all the current assets of the Company namely stocks of raw materials, semi- finished goods and finished goods, stores and spares not relating to the plant and machinery, bills receivable and book debts and other current assets of the Company (excluding specific project assets of the Company) ranking pari-passu as detailed in deed of hypothecation dated October 7, 2013. 2. Pari passu first charge on the unencumbered movable fixed assets of the Company as per deed of hypothecation dated October 7, 2013. 3. Pari passu first charge on flat no. 301, 302 and 303 situated at Batavia Chambers, No. 8. South End Street, Kumara Park East, Bangalore. 4. Pledge of 5,58,73,182 shares of NCC Infrastructure Holdings Limited.
		2) Canara Bank: I) Fund Based Cash Credit/ Working capital demand loan – 1,730; II) Non Fund Based : a) Bank Guarantee – 10,350, b) Letter of credit: 890	2) Canara Bank: I) Fund Based Cash Credit/ Working capital demand loan – 1,850.05; II) Non Fund Based : a) Bank Guarantee – 7,586.73, b) Letter of credit: 1,440.72			
		3) State Bank of Hyderabad: I) Fund Based Cash Credit/ Working capital demand loan	3) State Bank of Hyderabad: I) Fund Based Cash Credit/ Working capital demand loan			

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
		– 1,300; II) Non Fund Based : a) Bank Guarantee – 8,000, b) Letter of credit: 660	– 1,317.33; II) Non Fund Based : a) Bank Guarantee – 4,455.99, b) Letter of credit: 726.89			
		4) Andhra Bank: I) Fund Based Cash Credit/ Working capital demand loan – 1,730; II) Non Fund Based : a) Bank Guarantee – 6,450, b) Letter of credit: 600	4) Andhra Bank: I) Fund Based Cash Credit/ Working capital demand loan – 1,879.39; II) Non Fund Based : a) Bank Guarantee – 5,891.77, b) Letter of credit: 741.04			
		5) Syndicate Bank: I) Fund Based Cash Credit/ Working capital demand loan – 2,510; II) Non Fund Based : a) Bank Guarantee – 6,630, b) Letter of credit: 450	5) Syndicate Bank: I) Fund Based Cash Credit/ Working capital demand loan – 2,514.43; II) Non Fund Based : a) Bank Guarantee – 6,165.65, b) Letter of credit: 808.32			
		6) Indian Overseas Bank: I) Fund Based Cash Credit/ Working capital demand loan	6) Indian Overseas Bank: I) Fund Based Cash Credit/ Working capital demand loan			

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
		– 600; II) Non Fund Based : a) Bank Guarantee – 5,580, b) Letter of credit: 450	– 602.82; II) Non Fund Based : a) Bank Guarantee – 5,596.84, b) Letter of credit: 419.04			
		7) Allahabad Bank: I) Fund Based Cash Credit/ Working capital demand loan – 860; II) Non Fund Based : a) Bank Guarantee – 6,140, b) Letter of credit: 450	7) Allahabad Bank: I) Fund Based Cash Credit/ Working capital demand loan – 1,022.84; II) Non Fund Based : a) Bank Guarantee – 4,066.40, b) Letter of credit: 252.01			
		8) ICICI Bank Limited: I) Fund Based Cash Credit/ Working capital demand loan – 1,000; II) Non Fund Based : a) Bank Guarantee – 4,980, b) Letter of credit: 250	8) ICICI Bank Limited: I) Fund Based Cash Credit/ Working capital demand loan – 643.70; II) Non Fund Based : a) Bank Guarantee – 2,950.86, b) Letter of credit: 175.55			
		9) IDBI Bank Limited: I) Fund Based Cash Credit/ Working capital	9) IDBI Bank Limited: I) Fund Based Cash Credit/ Working capital			

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
		demand loan – 1,520; II) Non Fund Based Bank Guarantee – 2,120	demand loan – 1,518.77; II) Non Fund Based Bank Guarantee – 865			
		10) Standard Chartered Bank : Overdraft facility – 2,200 *(part of ₹ 3,000 million loan sanctioned)*	10) Standard Chartered Bank : Overdraft facility – 2,303.93			
Standard Chartered Bank	Overdraft facility	800 *(part of ₹ 3,000 million loan sanctioned)*	800 *(part of ₹ 3,000 million loan sanctioned)*	14.75% per annum	Repayable within a period of one year i.e. November 12, 2014	Pledge of 2,08,00,000 shares of NCC Infrastructure Holdings Limited.
Vijaya Bank	Short term working capital and general corporate purpose	600	600	Base rate + 2.30% i.e. presently 12.55% per annum payable at monthly rests	Eight equal quarterly instalments of ₹ 75 million each commencing after a moratorium period of 12 months from the date of disbursement i.e. December 23, 2013.	Creation of charge as collateral security on 52 acres and 14 guntas in aggregate of survey no. 373, 376 and 353 situated at Gajularamaram and survey no. 126 and 137 situated at Bachupally villages, Qutbullapuram Mandalam, Ranga Reddy District.
Syndicate Bank Limited	Short term loan - Working capital requirements for infrastructure projects.	1,000	1,000	Base rate + 2.50% i.e. 12.75% per annum at present	Bullet form at the end of 12 months from the date of release i.e. August 14, 2013.	Second/subsequent equitable mortgage on land to the extent of 18 acres 16 guntas situated at Bowrampeta, Qutubullapur Mandal, Ranga Reddy District. Second charge on current assets of the Company that is stocks/raw materials , moveable property, etc.
Shriram	Machinery	100	66.21	12.50% per	35 equated	Hypothecation of 35 AMW

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
Equipment Finance Company Limited	loan			annum	monthly instalments of ₹ 3.25 million each starting from June 20, 2013 to April 20, 2016.	3118 TP/95 Tippers.
HDFC Bank	Machinery loan	39.84	13.83	10.30% per annum	35 equated monthly instalments of ₹ 1.32 million starting from June 20, 2012 to April 20, 2015	Hypothecation of 25 nos of vehicle namely L&T Komastu PC, Caterpillar Track, LPK2518 TC, TM Model 4M6SHC, Cement Storage SILO, Mekaster Model, JCB 3DX, Stetter TM Model, LPK2518 TC 38, Setter TM Model, JCB 3DX Backhoe Loader, LPT 1613/42, Hindustan 2021Z Bar FE Loader, Air Compressor Model and Builders Hoists.
		11.94	4.51	10.50% per annum	35 equated monthly instalments of ₹ 0.40 million starting from July 5, 2012 to May 5, 2015	Hypothecation of 4 nos of equipment namely AMW 2518 CP, Builder Host Height 63, Putzmeister Make Boom Pump Model.
		1.21	0.73	10.50% per annum	47 equated monthly instalments of ₹ 0.03 million starting from September 15, 2012 to July 15, 2016	Hypothecation of 1 no of vehicle namely TATA 1613.
		1.63	1.11		47 equated monthly instalments of ₹ 0.04 million starting from January 5, 2013 to November 5, 2016	

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
L&T Finance Limited	Machinery loan	57.60	35.15	12% per annum	47 equated monthly instalments of ₹ 1.54 million each starting from September 9, 2012 to July 10, 2016	First and exclusive charge by way of hypothecation of 1 no. Chemetron Mobile Flast Butt Welding Machine Model Chem-110.
		80.94	52.69		47 equated monthly instalments of ₹ 2.17 million starting from November 5, 2012 to September 5, 2016	First and exclusive charge by way of hypothecation of 1 no. Leibherr Telescopic Mobile Crane Model LTM – 1200.
		4.99	3.13	11.46% per annum	47 equated monthly instalments of ₹ 0.13 million starting from October 5, 2012 to August 5, 2016	First and exclusive charge by way of hypothecation of 1 no. L&T Komatsu PC-200 Hydraulic Excavator.
SREI Equipment Finance Private Limited	Machinery loan	32.24	8.27	10.67% per annum	35 monthly instalments of ₹ 1.08 million each	Hypothecation of Four nos. Cat 950H Wheel Loaders with Bucket.
		30	20.56	10.25% per annum	34 monthly instalments of ₹ 1.03 million each	Hypothecation of speco asphalt mixing plant with accessories, escorts tandem roller, wet mix plant, machines with 360 KVA and 180 KVA, escorts viv compactor.
		16.6	4.70	12% per annum	23 monthly instalments of ₹ 0.81 million each	Hypothecation of hot mix plant, wet mix plant, DG set and schwing stetter batching plant and accessories.
		9.28	7.42	11.47% per annum	35 monthly instalments of ₹ 0.31 million each	Hypothecation of backhoe loader

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
		4.94	3.38	10.25% per annum	34 monthly instalments of ₹ 0.17 million each	Hypothecation of JCB 3DX excavator loader, atlas copco crawler drill and portable air compressor.
Axis Bank Limited	Machinery loan	54.44	28.32	10.75% per annum	47 equal monthly instalments of ₹ 1.42 million each commencing from May 1, 2012 to March 1, 2016	Hypothecation of equipment/vehicles that is TATA 2518 fully built Tipper (25 Nos).
Tata Capital Financial Services Limited	Machinery loan	Total amount sanctioned is ₹ 50 million out of which the amount availed by our Company is as mentioned below.				
		30.91	28.91	12.75% per annum	35 monthly instalments of ₹ 1.10 million each	Hypothecation of one zoomlion topless tower crane.
		6.93	6.09	12.75% per annum	35 monthly instalments of ₹ 0.24 million each starting from January 21, 2014 to November 21, 2016	Hypothecation of concrete mixers, one stetter concrete mixing plant, one schwing high-pressure concrete pump and Silo 100, Machine Tools.
		6.19	5.28	12.04% per annum	35 monthly instalments of ₹ 0.21 million each.	Hypothecation of Argo 4000. .
Siemens Financial Services Private Limited	Machinery loan	55.60	39.23	12% per annum	36 monthly instalments of ₹ 1.85 million each starting from June 22, 2013 to May 22, 2016.	First and exclusive charge on assets refinanced as mentioned below: i) 1 no. of Writgen Surface Miner Model 2200 SM with all its accessories ; ii) 1 no. of TESMEC Hydraulic Puller with all its accessories;

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
						iii) 1 no. of OMAC Hydraulic Puller with all its accessories.
IndusInd Bank Limited	Machinery loan	500	127.45	12.25% per annum	42 equal monthly instalments for each of the tranches with first instalment commencing at the end of six months from the date of disbursement.	Exclusive first charge on movable assets/plants and machineries/construction equipment procured out of the loan facility.
IDBI Trusteeship Services Limited (acting as a debenture trustee for LIC of India)	Issuance of 1,000 redeemable, non-convertible debentures for general corporate requirement	1,000	450	12.20% per annum	Repayable on or before September 30, 2014	Mortgage over piece and parcel of land situated at Mouje Bodakdev, Taluka Daskroi in Ahmedabad District in Gujarat. First charge by way of hypothecation on specified movable properties.
IDBI Trusteeship Services Limited (acting as a debenture trustee for various debenture holders)	Issuance of 1,000 redeemable, non-convertible debentures for medium term resourses and general corporate purposes	1,000	400	10.50% per annum	Final redemption date on July 24, 2014.	First pari-passu charge on fixed assets (including immovable property of the Company and/or its subsidiaries havin minimum asset cover.
ING Vysya Bank Limited	Working capital requirement	500	250	Minimum of the banks base rate (presently being 14.50% per annum)	Repayable within period of 4 months i.e. before September 30, 2014.	Second charge on the current assets of the Company both present and future; Personal guarantee of Mr. AA V Ranga Raju; and Post dated cheque alongwith undertaking letter for the principal amount.
Lakshmi	Short term	1,000	400	Base rate +	Repayable in	Equitable mortgage of the

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule	Security
Vilas Bank Limited	loan – General corporate purposes			2.75% (presently being 14.00% per annum)	five equal monthly instalments of ₹ 200 million each commencing from 20th month from the date of first drawdown i.e. March 26, 2014	residential flats owned by the Company situated at survey no. 46/part and 53/Palki, Flat No: B-101, B-102, B-103 and B-104, First floor, "Nagarjuna Residency" Apartments, Gachibowli Main Road, Sellingampally Mandal, Ranga Reddy District, Andhra Pradesh. Equitable mortgage over land and building owned by the Company situated at No: 19/5, Nagarjuna Suits, Panathur Main Road, Bangalore. Equitable mortgage over land owned by NCC Urban Infrastructure Limited situated at Zamin Pallavaram Village, Kanchipuram District. Collateral securities to an extent of 125% of the loan amount.
In addition to the loans mentioned above, our Company has availed of various hire purchases loans for purchase of vehicles from HDFC Bank, ICICI Bank Limited, Axis Bank and Kotak Mahindra Prime Limited aggregating to ₹ 72.02 million and the amount outstanding as on May 31, 2014 is ₹ 28.21 million.						
Total fund based secured borrowings outstanding as on May 31, 2014 is ₹23,730.51 million.						

2. Unsecured Loans:

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule
DBS Bank Limited	Working capital loan	1,500	490	12.75% per annum	Three equal instalments on September 30, 2014, November 28, 2014 and December 31, 2014
IDBI Trusteeship	Issuance of 500 redeemable, non-	2,000	1,000	9.50% per annum	Final redemption date on August 11, 2015

Name of the Lender	Nature of facility	Amount Sanctioned (in ₹ million)	Amount Outstanding as of May 31, 2014 (in ₹ million)	Interest Rate	Repayment Schedule
Services Limited (acting as a debenture trustee for ICICI Bank Limited)	convertible debentures for general corporate purposes				
Standard Chartered Bank	Retention receivable discounting facility	2,000	592.76	14.75% per annum	Repayable within a period of one year i.e. September 5, 2014
Other Loans					
SBPL Infrastructure Limited	Inter-corporate deposit	172.50	172.50	12% monthly compounded	October 31, 2014
G.S.G Constructions (P) Limited	Inter-corporate deposit	100	100	12% monthly compounded	August 23, 2014
G.S.G Builders and Infrastructure Limited	Inter-corporate deposit	27.50	27.50	12% monthly compounded	October 31, 2014
Rita Commodity Private Limited	Inter-corporate deposit	145	145	13% monthly compounded	Repayable within period of 180 days from the date of disbursal.
Total unsecured borrowings outstanding as on May 31, 2014 is ₹2,527.76 million.					

b.) Set forth below is a brief summary of corporate guarantees given to banks by our Company as on March 31, 2014:

Sr. No.	Lender to whom the guarantee is extended	Name of the borrower in whose favour the guarantee is extended	Amount of the guarantee as at March 31, 2014	Amount outstanding as at March 31, 2014 (₹ in million)
1.	First Gulf Bank	Nagarjuna Contracting Company LLC, Dubai	Dirhams 100 million	1,632.00
2.	HSBC Bank, Middle East Limited	Nagarjuna Contracting Company LLC, Dubai	Dirhams 108.53 million	1.771.20
3.	State Bank of India, Oman	Nagarjuna Construction Company International LLC	10.82 million Rial Omani	1,684.10
4.	Bank of Baroda, Sultanate	Nagarjuna	8.55 million Rial	1,331.60

Sr. No.	Lender to whom the guarantee is extended	Name of the borrower in whose favour the guarantee is extended	Amount of the guarantee as at March 31, 2014	Amount outstanding as at March 31, 2014 (₹ in million)
	of Oman	Construction Company International LLC	Omani	
5.	ICICI Bank Limited	Nagarjuna Construction Company International LLC	USD 50.60 million	3,032.50
6.	Bank Muscat, Sultanate of Oman	Nagarjuna Construction Company International LLC	7.66 million Rial Omani	1,191.80
7.	ICICI Bank Limited, Bahrain	Nagarjuna Construction Company International LLC	USD 8.8 million	527.40
8.	ICICI Bank Limited, Bahrain	Nagarjuna Construction Company International LLC	USD 6.6 million	395.50
				11,566.10

Note: Conversion rate of one Rial Omani in Rupees was ₹ 155.67 on March 31, 2014.
Conversion rate of one USD in Rupees was ₹ 59.93 on March 31, 2014.
Conversion rate of one Dirham in Rupees was ₹ 16.32 on March 31, 2014.

c.) Corporate Actions:

Many of our financing arrangments entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities.

For instance, we are required to intimate to the lenders in the following instances:

- to alter our capital structure in any manner;
- formulate any scheme of amalgamation, reconstruction or consolidation;
- declare or pay dividend for any year except out of profits for the year and after meeting the bank's obligations;
- create any further charge, lien or encumbrance on hypothecated assets or any part thereof;
- undertake any new projects or implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the banks;
- sells, assign, mortgage or otherwise dispose off any of the fixed assets charged to the banks;
- invest by way share capital in or lend or advance funds to or place to or deposits with any other concern (including group companies);
- enter into borrowing arrangements either secured or unsecured with any other bank, financial institution or Company otherwise or accept deposits apart from the arrangement indicated in the fund flow statements submitted to the bank with the prior permission of the bank and the financial institutions concerned;
- undertake any guarantee obligation on behalf of any other company (including group companies);

- enter into any contractual obligation of a long term nature or affecting the Company financially to a significant extent;
- change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc;
- undertake any trading activity other than the sale of products arising out of its own manufacturing operations;
- permit any transfer of the controlling interest or make any drastic change in the management set-up;
- repayment of monies brought in by the promoters/directors/principal shareholders and their friends and relatives by way of deposits/loans/advances;
- waive, release, settle, compromise or abandon any contract of sale or in respect of any approved debt or any associated right or do or omit to do any other act or thing; and
- any dispute which has arisen or might arise between the Company and any governmental body or authority, or of any action/proceeding before a court, tribunal or any other competent authority relating to or concerning the business, assets or operations of the Company.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule V of the Companies Act, 2013) against our Company that would have a material adverse effect on our business. Further there are no defaults, nonpayment or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and arrears of cumulative preference shares that would have a material adverse effect on our business.

Further, except as disclosed below, the Company and its Subsidiaries are not subject to any material litigation.

In terms of the SEBI (ICDR) Regulations, the following litigation will be considered material:

a) Any litigation, which if resulting in adverse outcome, would materially and adversely affect the operations or financial position of the Company.

b) Any litigation involving issues of moral turpitude or criminal liability on the part of the Company material violations of statutory regulations by the Company, or economic offences where proceedings have been initiated against the Company in the preceding ten years.

c) Any litigation which may not have any impact on the future revenues, where:

1. The aggregate amount involved in such individual litigation exceeds 1% of the net worth of the Company as the case may be, for Fiscal 2014; or

2. The decision in one case is likely to affect the decision in similar cases, even though the amount involved in a single case individually may not exceed 1% of the net worth of the Company as the case may be, for Fiscal 2014.

d) Any litigation which may have an impact on the future revenues, where:

1. The aggregate amount involved in such individual litigation is likely to exceed 1% of the total revenue of the Company as the case may be, for Fiscal 2014; or

2. The decision in one case is likely to affect the decision in similar cases, even though the amount involved in a single case individually may not exceed 1% of the total revenue of the Company, as the case may be, for Fiscal 2014.

All outstanding civil, arbitral and tax related litigations and disputes which individually or collectively are of value more than ₹ 250 million are material to our Company and its Subsidiaries in terms of the Schedule VIII Part E (XII) of the SEBI (ICDR) Regulations. As on the date of this Draft Letter of Offer, we had the following legal proceedings pending before various courts and authorities have been disclosed hereunder:

A. LEGAL PROCEEDINGS FILED AGAINST OUR COMPANY

1. Water Resources Department, Government of Jharkhand ("**Appellant**") has filed an appeal no. L.P.A No. 432/2011 dated March 26, 2012 against the Company ("**Respondent**") before the division bench of the High Court of Jharkhand, challenging the order passed by the single bench of the High Court of Jharkhand dated September 19, 2011 ("**Order**"). The Order of the single bench had quashed the Appellant's order of cancelling the registration and blacklisting of the Respondent and imposing of penal action during the pendency of the arbitration proceedings in connection with dispute arising out of the agreement dated August 30, 2004 pursuant tender for SURU Irrigation Project was allotted to the Respondent by the Appellant. The matter is pending for hearing.

2. Steel Authority of India Limited ("**Appellants**") has filed an appeal no. M.A.T. 339/2014 against our Company ("**Respondent**") before the High Court of Calcutta, challenging the order passed by single

judge bench of the High Court of Calcutta on December 17, 2013 on the grounds that the Appellants were right in deducting labour cess from the bills payable to the Respondent under the tender agreement dated May 22, 2008 for expansion of IISCO Steel plant at Burnpur. The matter is pending for hearing.

3. M/s NHPC Limited ("**Petitioner**") has filed a company petition no. 73/2014 against our Company and M/s IL&FS Engineering & Construction Co. Limited ("**Respondents**") before the High Court of Andhra Pradesh, seeking winding up of the Respondents under Sections 433(e) and 434 read with Section 439 of the Companies Act, 1956 on the alleged ground that the Respondents failed to pay for the financial liability to the tune of 281,59,94,645/- (Rupees two hundred eighty one crores fifty nine lac ninety four thousand six hundred forty five only) arising from the construction of civil and hydro-mechanical works for head race tunnel and associated works (LOT PB-II) tender allotted to Himachal JV in which the sharing ratio of our Company, M/s IL&FS Engineering & Construction Co. Limited and Sri Shankarnarayana Construction Co. pursuant to joint venture agreement dated August 6, 2001 is 10%, 45% and 45%, respectively. Our Company has filed counter affidavit on June 2, 2014 challenging the petition of winding up on the ground that the same is not maintainable either in law or on facts and has sought for dismissal of the same. The matter is pending for hearing.

4. Kirloskar Brothers Limited ("**Petitioner**") has filed a writ petition vide W.P. no. 1066/2006 against our Company and others ("**Respondents**") before the High Court of Andhra Pradesh on January 21, 2006, seeking issuance of Writ of Mandamus and declaring the tender allotment for execution of works under 'Phase-II J. Chokka Rao Godavari Lift Irrigation Project' *vide* its tender no. 9/2004/2005 dated January 18, 2005 was illegal and arbitrary. Our Company submitted a counter affidavit on May 31, 2006, denying the allegations made by the Petitioner in its writ petition. The matter is pending for hearing.

5. A. Jagannadha Rao, S. Kamesh and S. Laxmi Narayana ("**Petitioners**") has filed a writ petition vide W.P. no. 17448 of 2011 against our Company and others ("**Respondents**") before the High Court of Andhra Pradesh on June 12, 2011, seeking issuance of Writ of Mandamus declaring the action on part of the Respondents to declare setting up of coal based thermal power plant on the land in survey no. 152 of Reshikudda Village, survey no. 23/9 of Benkili village under Takkali Revenue Division of Srikakulam District as illegal and unconstitutional and setting aside of the government order vide G.O. No. 1107 dated September 15, 2008 ("**Government Order**") issued by Government of Andhra Pradesh to the Company regarding alienation of government land to an extent of 1046.21 acres in Sompeta Mandal for setting up of 1980 MW Thermal Power Project and also to restrain the Respondents from using the lands covered by the Government Order. The Company has filed counter affidavit on July 12, 2011 seeking dismissal of the writ petition filed by the Petitioners and to vacate the interim stay order dated June 23. 2011 passed by the High Court of Andhra Pradesh restraining the Company from using the government land granted to it pursuant to the Government Order. The matter is pending for hearing.

6. Gundupalli Dandasi, Gondela Purushottam, Bodda Manmadha Rao and Pollai Mandala Suryanarayana ("**Petitioners**") has filed a writ petition vide W.P. no. 8326 of 2010 against our Company and others ("**Respondents**") before the High Court of Andhra Pradesh on April 12, 2010, seeking issuance of Writ of Mandamus declaring the action on part of the Ministry of Environment and Forests ("**MoEF**"), one of the Respondents granting permission dated December 9, 2009 to the Company to set up 2 X 660 M.W. (Phase – I) critical coal based Thermal Power Plant in Sompet Mandal of Srikakulam District as illegal and unconstitutional and setting aside of the environmental clearance dated December 9, 2009 issued by MoEF to the Company on the grounds that the said lands granted to the Company for setting up power plant should not be alienated in favour of any other activity which are wetlands. The matter is pending for hearing.

7. The charge sheet dated January 31, 2010 was filed by Inspector of Police, Central Bureau of Investigation and Anti-corruption Bureau, Chennai against the Company, Mr. A. Rangaraju, the managing director of the Company and others seeking cognizance of the offences alleged to be committed by the Company and others punishable under section 120-B read with section 420 of the Indian Penal Code and section 13(2) read with 13(1)(d) of Prevention of Corruption Act, 1988 in relation to grant of award by certain officials of Public Water Department (other accused) to the Company for construction of water treatment plants at Yanam region at wrongful prices. The High

Court of Judicature at Madras on November 10, 2010 quashed the proceedings initiated against Mr. A. Rangaraju, the managing director of the Company and allowed the same to be continued against the Company. The Company has filed the petition under section 305 of the Criminal Procedure Code, 1908 before the Court of Honourable Special Judge (Principal District Judge) at Puducherry seeking representation of the Company by Mr. Sreeniviasan, senior engineer of the Company in the aforesaid matter. The matter is pending for hearing.

B. LEGAL PROCEEDINGS FILED BY OUR COMPANY

1. Our Company has filed a writ petition no. W.P. 455/2012 before the High Court of Madras against the Chief Engineer and Executive Engineer, Public Works Department, Puducherry and Director General of Works, Central Public Works Department, New Delhi (collectively referred herein as "**Defendants**") for the quashing of the notice no. 325/Info/AD(Press)2011-12 dated December 26, 2011 published in New India Express, Puducherry edition ("**Notice**") whereby our Company was placed in the blacklist and banned from dealing with the Public Works Department, Puducherry for a period of 3 years on the recommendation of the Anti-corruption Branch, CBI Chennai. The Hon'ble High Court of Judicature at Madras vide order dated February 21, 2012 has granted interim stay on the operation of the Notice. The matter is still pending hearing.

2. Our Company has filed original suit(s) vide O.S. No. 190 of 2012 on October 16, 2012 and O.S. No. 216 of 2012, 217 of 2012 and 218 of 2012 on December 6, 2012 before the court of the Principal District Judge, Warrangal against the National Institute of Technology, Warrangal ("**Respondent**") seeking payment of amount aggregating to ₹ 269 million along with interest of 18% from the date of suit till relisation on the alleged ground of non payment of the said amount by the Respondent to the Company in connection with execution of various work allocated to the Company by the Respondent. The Respondent had filed written statement(s) before the Court of Additional District Judge, Warrangal seeking dismissal of the suit on the grounds that the work contracts allotted to the Company are void. The matter is still pending hearing.

3. Our Company has filed various complaints before the Courts of Special Magistrate, Hyderabad under Section 138 read with Section 141 of the NI Act, 1881 against the dishonour of cheques issued by the M/s. Naftogaz India Private Limited ("**NIPL**") for payment of loan availed by the NIPL from our Company purusuant to the joint venture agreements dated December 17, 2007 entered between NIPL and the Company for the execution of projects of Oil and Natural Gas Corporation Limited and Bina Oil Refineries Limited. The Company has sought for granting award for maximum permissible sentence for NIPL and its key managerial personnels and compensation amounting to ₹ 591.30 million in aggregate along with interest at the rate of 14% per annum. The Courts of Special Magistrate have passed orders against key managerial personnel of NIPL in relation to certain complaints for dishonor of cheques ("**Orders**") against NIPL and its key managerial personnel against which the key managerial personnel of NIPL have preferred appeals before the Court of Honourable Metropolitan Sessions Judge at Hyderabad. Our Company has also filed appeals before the Court of Honourable Metropolitan Sessions Judge at Hyderabad against the Orders seeking enhancement of the fine imposed on NIPL and its key managerial personnel to the maximum permissible under law. The matters are still pending hearing.

C. TAX PROCEEDINGS

INCOME TAX PROCEEDINGS

Our Company has filed an appeal on March 31, 2013 under section 246(A)(1)(a) of the Income Tax Act, 1961 for the Assessment year 2010-2011 before the Commissioner of Income Tax (Appeals) against the order dated March 30, 2013 passed under section 143(3) read with section 153(A) by the Deputy Commissioner of Income Tax, Hyderabad on the ground that the order passed by Commissioner of Income Tax is prejudicial to the interest of the Company and the same is liable to be quashed. However, liability thereon is already provided for in the books of accounts and paid to the Income Tax Department.

SERVICE TAX PROCEEDINGS

1. Our Company has filed an appeal along with stay application dated May 22, 2014 before Customs Excise & Service Tax Appellate Tribunal against the order dated February 28, 2014 passed by the Commissioner of Customs, Central Excise and Service Tax ("**Order**") regarding service tax liability (including penalty) of ₹ 826.53 million (towards service tax liability on EPC contracts for Government departments and mobilization advances on EPC contracts) in terms of section 73 and section 78 of the Finance Act, 1994 confirmed by the Commissioner along with additional penalty of 1% of service tax payable under section 76 of the Finance Act, 1994 and penalty of ₹ 10,000 under section 77(2) of the Finance Act, 1994 along with applicable interest under section 75 of the Finance Act, 1994 payable for the period starting from financial year 2008 to financial year 2011 from the first day of the month after due date till the actual payment of service tax which shall not exceed the amount of service tax payable. The matter is currently pending.

2. Our Company has filed an appeal along with stay application dated March 26, 2014 before Customs Excise & Service Tax Appellate Tribunal against the order dated December 31, 2013 passed by the Commissioner of Customs, Central Excise and Service Tax ("**Order**"), regarding service tax liability of ₹ 447.76 million (towards disputing the method of arriving at the tax liability for ongoing contracts) in terms of section 73 of the Finance Act, 1994 confirmed by the Commissioner along with penalty of ₹ 200 per day or 2% per month for the period of default till April 7, 2011 and penalty of ₹ 100 per day or 1% per month after April 8, 2011, whichever is higher under section 76 of the Finance Act, 1994 and ₹ 5,000 under section 77(2) of the Finance Act, 1994 along with applicable interest under section 75 of the Finance Act, 1994. The matter is currently pending.

3. Our Company has filed an appeal along with stay application dated May 6, 2013 before Customs Excise and Service Tax Appellate Tribunal against the order dated February 27, 2013 passed by the Commissioner of Customs, Central Excise and Service Tax ("**Order**"), regarding service tax liability of ₹ 518.08 million (including penalty) confirmed by the Commissioner on EPC contracts for Government departments in terms of section 73 of the Finance Act, 1994 along with additional penalty of ₹ 200 per day or 2% per month for the period of default till April 7, 2011 and penalty of ₹ 100 per day or 1% per month after April 8, 2011, whichever is higher in terms of section 76 and penalty ₹ 10,000 in terms of section 77 of the Finance Act, 1994, along with applicable interest on service tax dues under section 75 of the Finance Act, 1994. The matter is currently pending.

4. Our Company has filed an appeal along with stay application dated May 6, 2013 before Customs Excise and Service Tax Appellate Tribunal against the order dated March 31, 2013 passed by the Commissioner of Customs, Central Excise and Service Tax ("**Order**"), regarding service tax liability of ₹ 481.60 million (including penalty) confirmed by the Commissioner in terms of section 73 and section 78 of the Finance Act, 1994 along with applicable interest on service tax dues under section 75 of Finance Act, 1994. The matter is currently pending.

D. ARBITRATION PROCEEDINGS INVOLVING OUR COMPANY

1. Our Company filed a claim before the Arbitral Tribunal on August 8, 2012 against Gas Authority of India Limited (**"GAIL"**) seeking payment of claims along with interest amounting to ₹ 478.44 million in aggregate alleged to be incurred on grounds of prolongation of the civil and structural works for HDPE Unit – 2, Petrochemical Expansion Project at PATA beyond scheduled date of completion which was on account of delay in mobilization due to law and order problem, water connection for construction purpose, availability of work fronts, issue of drawings, grant of approvals for wrapping coating material, release of payments and curtailment of working hours. The matter is pending before the Arbitral Tribunal.

2. Our Company filed a claim before the Arbitral Tribunal on February 15, 2011 against M.P. Audyogik Kendra Vikas Nigam (Indore) Limited (**"MPAKVN"**) seeking payment of claims amounting to ₹ 260.58 million along with interest @ 10% p.a. on the same from the due date of claim till its realization on the alleged grounds of prolongation of the constuction of software and technology park and gems and jewellery park building and ancillary works project at Indore beyond scheduled date of completion due to non-payment of agreed amount payable for project, compensation for increase in price of steel, increase in minimum wages and extra work executed at project site, additional expenses incurred by our Company on the part of MPAKVN and loss of profit due to prolongation of the project. MPAKVM has filed a counter claim for dismissal of the claims of the Company and seeking

compensation of ₹ 246.30 million on the alleged grounds of delay by the Company in complying with conditions of the contract entered between MPAKVN and the Company and forfeiture of security deposit, recovery of excess amount paid for the value of work done by the Company and compensation for loss of income on the investment and payment made to the Company and interest @ 15% on such counterclaim. The matter is pending before the Arbitral Tribunal.

E. LEGAL PROCEEDINGS INVOLVING OUR SUBSIDIARIES

NCC Vizag Urban Infrastructure Limited ("**NVUIL**"), a wholly owned subsidiary of our Company has filed a writ petition vide WP No. 202 of 2014 on January 2, 2014 before the High Court of Andhra Pradesh at Hyderabad against Andhra Pradesh Housing Board ("**APHB**") and Government of Andhra Pradesh seeking issuance of Writ of Certiorari quashing the notice no. 145/VZG/MWA/AE/PC/2005 dated December 16, 2013 issued by APHB ("**Notice**") and suspension of proceedings under the Notice which terminated the development agreement dated March 16, 2007 entered between NVUIL and APHB for development of housing project at Madhurwada, Vishakapatnam, revoking the power of attorney dated February 4, 2010 issued by APHB to NVUIL in connection with the said development and seeking possession of 97.30 acres of project land by declaring the same as arbitrary and illegal. The APHB has filed counter affidavit on March 26, 2014 for disposal of the aforesaid writ petition and vacate the interim order dated January 3, 2014. The Honourable High Court of Andhra Pradesh at Hyderabad has granted status quo pursuant to order dated January 28, 2014. The matter is currently subjudice.

F. ARBITRATION PROCEEDINGS INVOLVING OUR SUBSIDIARIES

1. O B Infrastructure Limited, subsidiary of our Company, has filed a claim before the Arbitral Tribunal on January 30, 2014 against National Highway Authority of India ("**NHAI**") seeking payment of principal amount of ₹ 2,285.17 million along with the interest @ 2% aggregating to ₹ 1,175.84 million alleged to be incurred due to force majeure events, prolongation of the project of four laning of the existing Orai – Bhognipur Section on NH-25 & Bhognipur – Barah Section basis in the State of Uttar Pradesh, non-availability of access to any part of existing right of way and additional right of way under the agreement, delayed annuity payments, change of scope and additional payment made to EPC contractors. The matter is pending before the Arbitral Tribunal.

2. Western U.P. Tollway Limited ("**WUPL**"), a subsidiary of our Company and NHAI has referred for arbitration for a certain dispute arising out of concession agreement dated September 9, 2005 entered into between NHAI and WUPL relating to construction work project for improvement of the existing 2- Lane to 4- Lane divided Highway of NH-58 between Meerut and Muzaffarnagar granted to the Company by NHAI. WUPL and NHAI have appointed presiding arbitrator for resolving the said dispute and the matter is yet to be filed before arbitral tribunal.

GOVERNMENT AND OTHER APPROVALS

We have obtained necessary consents, licenses, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business, except as stated below. Some of the approvals and licenses that we require for our present business operations may expire in the ordinary course of business, and we will apply for their renewal from time to time.

Stated below are the details of the pending approvals and pending renewals of licenses in relation to our business:

Sr. No.	Type of Application	Application Number/Reference Number	Granting Authority	Date of application
1.	Renewal of certificate of registration under the Andhra Pradesh Shops and Establishment Act, 1988 for the premises located at Survey no. 64, Durgam Cheruvu Road, Madhapur, Ranga Reddy District, Andhra Pradesh currently employing 798 employees.	1560112050214	Department of Labor, Government of Andhra Pradesh	February 5, 2014

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue is being made pursuant to a resolution passed by the committee of the Board of Directors of our Company on April 9, 2014, pursuant to Section 62(1) and 62(2) of the Companies Act, 2013 and other applicable provisions of the Companies Act. Pursuant to resolution passed by our Board on [●], the Board has determined a Rights Entitlement of [●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date and a price of ₹ [●] per Rights Equity Share as the Issue Price. The Issue Price has been arrived in consultation with the Lead Managers and the Designated Stock Exchange.

RBI Approval for Renunciation

The Company has made an application on May 5, 2014 to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Eligibility for the Issue

Our Company is an existing listed company registered under the Companies Act, 1956, whose Equity Shares are listed and traded on the NSE and the BSE. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of Chapter IV of the SEBI (ICDR) Regulations.

Our Company is in compliance with the provisions of clause (I) of Part E of Schedule VIII of the SEBI (ICDR) Regulations as explained below.

(a) our Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing this Draft Letter of Offer with SEBI;

(b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the Stock Exchanges or on a common e-filing platform specified by SEBI; and

(c) our Company has investor grievance-handling mechanism which includes meeting of the Shareholders' or Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Further, as our Company satisfied the conditions specified in clause (1) of Part E of Schedule VIII of the SEBI (ICDR) Regulations, our Company has complied with the requirements of clause (5) of Part E of Schedule VIII of the SEBI (ICDR) Regulations, to the applicable extent, in terms of the disclosures made in this Draft Letter of Offer.

Listing on the Stock Exchanges

The Equity Shares of our Company are listed on the NSE and BSE. We have received in-principle approvals for listing of the Rights Equity Shares from the NSE by letter dated [●] and from the BSE by letter dated [●]. We will make applications to the Stock Exchanges for final listing and trading approvals in respect of the Rights Equity Shares being offered in terms of this Draft Letter of Offer.

Prohibition by SEBI or RBI

1. Our Company, our Promoters and Promoter Group, our Group Entities, Directors or person(s) in control of our Promoters have not been prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI;

2. None of our Promoters and Promoter Group, Directors or persons in control of our Company was or also is a promoter, director or person in control of any other company which has been restrained, prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI;

3. Our Company, our Directors, our Promoters and Promoter Group, our Group Entities and the relatives (as per the Companies Act, 2013) of our Directors, our Promoters, have not been declared as willful defaulters by RBI or any other governmental authority;

4. Except, Mr. Ramachandra Venkataramana Shastri who is a director on the board of Religare Invesco Trustee Co. Limited, none of the Directors of our Company are associated with the securities markets in any manner.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGERS, ICICI SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGERS, ICICI SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2014, WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

   (a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER

COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) **THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013 AND THE COMPANIES ACT, 1956, TO THE EXTENT APPLICABLE, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS – <u>NOT APPLICABLE</u>.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS – <u>NOT APPLICABLE</u>.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – <u>NOT APPLICABLE</u>.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO**

ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE**.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC**.

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR– <u>NOT APPLICABLE BEING A RIGHTS ISSUE</u>.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – <u>COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DLOF</u>**

The filing of this Draft Letter of Offer does not, however, absolve our Company from any liabilities under Section 34 or Section 38 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearance as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Managers any irregularities or lapses in this Draft Letter of Offer.

Disclaimer Statement from our Company and the Lead Managers:

Our Company and the Lead Managers, namely ICICI Securities Limited and SBI Capital Markets Limited accept no responsibility for statements made otherwise than in the Draft Letter of Offer or in the advertisement or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented by our Company and the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Caution

We and the Lead Managers shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in the Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the equity shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Applicants will be required to confirm and will be deemed to have represented to our Company and the Lead Managers and its directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares. Our Company, the Lead Managers and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Managers and its affiliates may engage in transactions with, and perform services for, our Company and our Group Entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our Group Entities or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Hyderabad, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be [●].

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Selling Restrictions

The distribution of this Draft Letter of Offer and the issue of the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares to its Eligible Equity Shareholders and will dispatch the Letter of Offer and the CAF to the Eligible Equity Shareholders who have an Indian address.

The GDRs of our Company were issued pursuant to the deposit agreement between the Company and Deutsche Bank Trust Company Americas ("**Depositary**") dated December 14, 2005 ("**Deposit Agreement**"). Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed ICICI Bank Limited, Mumbai as Custodian to receive and hold on its behalf the share certificates in respect of certain equity shares. Our GDRs are listed on the Luxembourg Stock Exchange.

The Depositary for the Equity Shares underlying the GDRs will deal with the Rights Entitlements corresponding to the GDRs in accordance with the applicable laws and in the manner specified in the Deposit Agreement, entered into for the issuance of the GDRs.

No action has been or will be taken to permit this Issue in any jurisdiction, or the possession, circulation or distribution of this Draft Letter of Offer or any other material relating to our Company, the Rights Equity Shares or the Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the same in or into the US or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company‘s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Each person who exercises Rights Entitlement and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlement or the Rights Equity Shares shall do so in accordance with the restrictions set out in this section.

Filing

This Draft Letter of Offer has been filed with the Corporation Finance Department of the SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India for its observations. After SEBI gives its observations, the final Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Consents

Consents in writing of our Directors, Company Secretary and Compliance Officer, the Auditors, the Lead Managers, the legal counsels, the Registrar to the Issue, Bankers to the Company, Bankers to the Issue and experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Except as stated below, the Company has not obtained any expert opinions:

The Company has received consent from the Joint Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. M. Bhaskara Rao & Co, Chartered Accountants to include their names as "Experts" under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Draft Letter of Offer in relation to their report on the audited consolidated and standalone financial statements of the Company for the year ended March 31, 2014 provided under section "Financial Statements" on page 109, and the tax benefit statement provided under section "Statement of Tax Benefits" on page 70. Further, the Company has received consent from M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. M. Bhaskara Rao & Co, Chartered Accountants to include their name as an "Expert" under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Draft Letter of Offer in relation to their report on the audited consolidated and standalone financial statements of the Company for the year ended March 31, 2014 provided under section "Financial Statements" on page 109. Further, these consents have not been withdrawn as of the date of this Draft Letter of Offer.

Expenses of the Issue

The expenses of the Issue payable by our Company includes brokerage fees and reimbursement to the Lead Managers, Auditors, Legal Advisor to the Issue, Registrar to the Issue, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses and will be met out of the Issue Proceeds.

S. No.	Activity Expense	Amount (in ₹millions)*	Percentage of Total Estimated Issue Expenditure*	Percentage of Issue Size*
1.	Fees payable to intermediaries (including the Lead Managers, Legal Counsels, Auditors, Registrars, Escrow Collection Banks, Underwriters and the Monitoring Agency)	[●]	[●]	[●]
2.	Printing and stationery, distribution, postage, etc	[●]	[●]	[●]
3.	Advertising and marketing expenses	[●]	[●]	[●]
4.	Fees paid/payable to regulatory/statutory agencies	[●]	[●]	[●]
5.	Other and miscellaneous expenses	[●]	[●]	[●]
	Total	[●]	[●]	[●]

***** *To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with Stock Exchanges.*

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for the SAFs:	[●]
Issue Closing Date:	[●]

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Allotment Advices / Refund Orders

Our Company will issue and dispatch allotment advice / share certificates/ demat credit and/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 15 days from the date of closure of the Issue.

Investors residing at the centers where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS. In case of any failure in processing of refunds through NECS, the Refund Bank shall make refunds by the issue of refund warrants/demand drafts in connection with the relevant amount liable to be refunded.

In case of those Applicants who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, an advice regarding their credit of the Rights Equity Shares shall be given separately. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of the Issue.

In case of those Applicants who have opted to receive their Rights Entitlement in physical form, our Company will issue the corresponding share certificates under Section 56 of the Companies Act, 2013 or other applicable provisions.

Refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole / first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Investor Grievances and Redressal System

Our Company has adequate arrangements for redressal of Investor complaints. Well-arranged correspondence system has been developed for letters of routine nature. Our share transfer agent handles the share transfer and dematerialization for our Company. Letters are filed category wise after having attended to. Redressal norm for response time for all correspondence including shareholders complaints is within 15 days. Additionally, we have been registered with the SEBI Complaints Redress System, ("**SCORES**"), as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011.

The Company has constituted a Shareholders and Investor grievances Committee which looks into the redressal of the Investor complaints and complaints received from the stock exchanges. The said committee deals with redressal of matters relating to transfer/transmission of shares, non-receipt of balance sheet, non-receipt of dividend declared etc.

Status of Complaints

- Number of complaints outstanding as on March 31, 2014: Nil
- Time normally taken by our Company for disposal of various types of Investor grievances: 15 days

Investor Grievances arising out of this Issue

Our Company's Investor grievances arising out of the Issue will be handled by Mr. M.V. Srinivasa Murthy, Compliance Officer and Company Secretary and Karvy Computershare Private Limited, who are the Registrars to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, Karvy Computershare Private Limited, situated at Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Investor, number and type of shares applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

All Investor complaints pertaining to the Issue would be redressed in accordance with SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, through the SEBI Complaints Redress System (SCORES) mechanism.

The average time taken by the Registrar for attending to routine grievances will be 15 days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Compliance Officer & Company Secretary and/or the Registrar to the Issue, in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/share certificates/ demat credit/refund orders, the following address:

Mr. M.V. Srinivasa Murthy
Company Secretary and Sr. Vice President (Legal)
NCC House, 9^{th} Floor
Madhapur
Hyderabad – 500 081
Andhra Pradesh, India
Telephone: +91 40 2326 8888
Fax: +91 40 2312 5555
Website: www.ncclimited.com
Email: srinivasamurthy.mv@nccltd.in;
ho.secr@nccltd.in

The contact details of the Registrar to the Issue are as follows:

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Telephone: +91 40 44655000
Facsimile: +91 40 23431551
Email: ncc.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. Rakesh Santhalia

Changes in Auditors during the last three years

There have been no changes in our statutory auditors in the last three years preceding the date of this Draft Letter of Offer.

Capitalisation of Reserves or Profits

Our Company has not capitalized any of its reserves or profits for the last five years.

Revaluation of Fixed Assets

There has been no revaluation of our Company's fixed assets for the last five years.

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

This Section applies to all Applicants. ASBA Applicants should note that the ASBA process involves procedures that may be different from that applicable to other Applicants and should carefully read the provisions applicable to such Applications, in the Letter of Offer, Abridged Letter of Offer and the CAF, before submitting an Application Form. The Company and the Lead Managers are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer.

OVERVIEW

The Rights Equity Shares proposed to be issued on rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF, the provisions of the Memorandum and Articles of Association of our Company, the provisions of the Companies Act, FEMA, the SEBI regulations, the guidelines, notifications and regulations for the issue of capital and for listing of securities issued by the Government of India and any other statutory and regulatory authorities from time to time, the terms of listing agreements entered into by the Company with the Stock Exchanges, and, the terms and conditions as stipulated in the allotment advice or the security certificate.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. The Renouncees and Physical Shareholders are not eligible ASBA Investors and must only apply in the Issue through the non-ASBA process, irrespective of the application amounts.

Accordingly, an eligible ASBA Investor is an Applicant who:

- holds the Equity Shares in dematerialised form as on the Record Date and has applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renouncee; and
- applies through a bank account maintained with one of the SCSBs

Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For the Eligible Equity Shareholders wishing to apply through the ASBA process for the Issue, kindly refer section titled "*Procedure for Application through the Applications Supported by Blocked Amount ("**ASBA**") Process*" on page 239.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/12/2012 dated September 13, 2012 and SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Equity Shareholders in relation to Application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

This Issue is being made pursuant to a resolution passed by the Board of Directors of our Company on April 9, 2014 pursuant to Section 62 and all other applicable provisions of the Companies Act, 2013.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders, whose names appear, (i) as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and, (ii) on the register of members of our Company in respect of the Equity Shares held in physical form, at the close of business hours on the Record Date, i.e. [●]. The basis of allotment for the Rights Equity Shares shall be finalised in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], you are entitled to the number of the Equity Shares as set out in Part A of the CAFs.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute under and including any court proceedings and / or currently under transmission or are held in a demat suspense account pursuant to the clause 5A of the Listing Agreement and for which our Company has withheld the dividend, shall be held in abeyance and the CAFs in relation to these Rights Entitlement shall not be dispatched pending resolution of the dispute / completion of the transmission or pending the release of the Equity Shares from demat suspense account. On submission of such documents / records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases, to the satisfaction of the Issuer, the Issuer shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares with respect to these Rights Entitlement at the Issue Price of ₹ [●] per Equity Share as adjusted for any bonus shares, consolidation or spilt of shares (as may be applicable) in accordance with the provisions of the Companies Act and all other applicable laws. For details in relation to basis of allotment, please see "—Basis of Allotment" beginning on page 250.

The distribution of this Draft Letter of Offer and the issue of the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Our Company is making the issue of the Rights Equity Shares on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Equity Shareholders who have a registered address in India. Any person who acquires the Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the US and/or in other restricted jurisdictions which have any restrictions in connection with offering, issuing and allotting any shares within its jurisdiction, and/or to its citizens.

Persons who may acquire Rights Entitlements or come into possession of the Letter of Offer or the CAF are advised to consult their own legal advisors as to restrictions applicable to them and to observe such restrictions. The Letter of Offer may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. No action has been or will be taken that would permit the offering of the Equity Shares or the Rights Entitlements

pursuant to the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Letter of Offer or the CAF in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer or the CAF may not be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with applicable law and procedures of and in any such jurisdiction. Recipients of the Letter of Offer, Abridged Letter of Offer or the CAF, including the Eligible Equity Shareholders and the Renouncees, are advised to consult their legal counsel prior to applying for the Rights Entitlement and additional Equity Shares or accepting any provisional allotment of the Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or the Rights Entitlement.

PRINCIPAL TERMS AND CONDITIONS OF THE RIGHTS EQUITY SHARES

Face Value

Each Rights Equity Share will have the face value of ₹ 2.

Issue Price

Each Rights Equity Share shall be offered at an Issue Price of ₹ [●] for cash at a premium of ₹ [●] per Rights Equity Share. The Issue Price has been arrived at after consultation between our Company and the Lead Managers.

Rights Entitlement Ratio

The Eligible Equity Shareholders shall be entitled to apply for [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Terms of payment

Full amount of ₹ [●] per Equity Share will be payable at the time of making application.

The payment towards the Rights Equity Shares offered will be applied as under:

₹ [●] per Rights Equity Share towards Equity Share capital of our Company; and

₹ [●] per Rights Equity Share towards securities premium account of our Company.

Where an applicant has applied for additional Rights Equity Shares and is allotted lesser number of Rights Equity Shares than applied for, the excess application money shall be refunded. The excess application monies would be refunded within 15 days from the closure of the Issue.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to the existing Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. For the Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Equity Shareholders whose fractional entitlements are being ignored as above would be given preferential consideration for the Allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

For example, if an Equity Shareholder holds between [●] and [●] Equity Shares, he will be entitled to [●] Rights Equity Shares on a rights basis. He will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if he has applied for the same.

Those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights

Equity Shares under this Issue shall be despatched a CAF with ‘Zero’ entitlement. Such Equity Shareholders are entitled to apply for additional Rights Equity Shares and would be given preference in the allotment of one additional Rights Equity Share if, such Equity Shareholders have applied for the additional Rights Equity Shares. However, they cannot renounce the same in favour of third parties. The CAFs with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Equity Shareholder holds between one and [●] Equity Shares, he will be entitled to zero Rights Equity Shares on a rights basis. He will be given a preference for Allotment of one additional Rights Equity Share if he has applied for the same.

It is clarified that additional Rights Equity Shares, required in connection with the aforementioned allotments would be adjusted from the unsubscribed portion of the Issue, if any.

Ranking

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari passu, in all respects including dividend, with our existing Equity Shares.

Mode of Payment of Dividend

We shall pay dividend to our Equity Shareholders as per applicable statutory and regulatory requirements, including inter alia the provisions of the Companies Act and our Company’s Articles of Association.

Listing and trading of the Rights Equity Shares proposed to be issued

Our Company’s existing Equity Shares are currently listed and traded on the National Stock Exchange of India Limited (symbol: NCC) and traded on BSE Limited (scrip code: 500294) under the ISIN Code INE868B01028. The Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be Allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchanges. Upon receipt of such listing and trading approval, the Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN of the Company and be available for trading.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges under the existing ISIN for the Equity Shares of our Company. All steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within 7 Working Days from finalization of the basis of allotment. The Company has made applications to the Stock Exchanges seeking “in-principle” approval for the listing of the Rights Equity Shares pursuant to the Issue in accordance of the Listing Agreement and has received such approval from the NSE pursuant to letter no. [●] dated [●] and from BSE pursuant to letter no. [●] dated [●]. Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The GDRs of our Company were issued pursuant to the deposit agreement between the Company and Deutsche Bank Trust Company dated December 14, 2005. Our GDRs are listed on the Luxembourg Stock Exchange. The Depositary for the Equity Shares underlying the GDRs will deal with the rights entitlements corresponding to the GDRs in the manner specified in the offering circular and the deposit agreement, entered into for the issuance of the GDRs.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Rights of the Eligible Equity Shareholder

The Rights Equity Shares allotted in this Issue shall rank *pari passu* with the existing Equity Shares in all respects including dividend. Subject to applicable laws, the Eligible Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote/ poll in person or by proxy;
- Right to receive offers for Rights Equity Shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of the Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Listing Agreement and Memorandum and Articles of Association.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

GENERAL TERMS OF THE ISSUE

Market lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Equity Shares in dematerialised mode is one Equity Share. In case an Eligible Equity Shareholder holds the Equity Shares in physical form, our Company would issue to the Allottees one certificate for the Rights Equity Shares allotted to each folio, ("**Consolidated Certificate**"). However, our Company would issue split certificates on receipt of written requests along with such Consolidated Certificate from the Eligible Equity Shareholders. Our Company shall not charge a fee for splitting any of the share certificates.

Nomination

In terms of Section 72 of the Companies Act, 2013 nomination facility is available for the Rights Equity Shares. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of the Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Rights Equity Shares. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Rights Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Shares, in the event of death of the said holder(s), during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Rights Equity Shares are held by two or more persons, the nominee shall become entitled to receive the Rights Equity Shares only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. An Eligible Equity Shareholder can make the nomination by filling in the relevant portion of the CAF.

In accordance with Articles of Association of our Company and as per applicable laws, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for the Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of the Rights Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant ("DP") of the Applicant would prevail. Any Applicant desirous of changing the existing nomination is requested to inform its respective DP.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association of our Company. In case of joint holders, the CAF would be required to be signed by all the joint holders to be considered as valid for allotment of the Rights Equity Shares.

In case such Eligible Equity Shareholders who are joint holders wish to renounce their Rights Entitlement, all such Eligible Equity Shareholders who are joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable for rejection.

Subscription by our Promoters and/or Promoter Group

The Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and have confirmed that the subscription and consequent Allotment shall be in such a manner that the aggregate shareholding of the Promoter and the members of the promoter group shall not exceed 25% of the post Issue capital of our Company. In addition to subscription to their Rights Entitlements, the Promoters and members of the Promoter Group have further confirmed that they intend to subscribe to additional Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 25% of the post Issue capital of our Company.

For details, see "- Basis of Allotment" on page 250.

Our Company expects to complete the Allotment within a period of 15 Working Days from the Issue Closing Date in accordance with the Listing Agreement with the Stock Exchanges. Our Company shall retain no oversubscription.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date (in case the Issue is non-underwritten) or shall refund the entire subscription amount received within 70 days from the Issue Closing Date, in the event the minimum subscription including devolvement obligation paid by the Underwriter has not been received within 60 days of the Issue Closing Date (in case the Issue is underwritten).

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper, one Hindi national daily newspaper and one regional language daily newspaper with wide circulation in Hyderabad, Andhra Pradesh and/or, will be sent by post to the registered address of the Eligible Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders from time to time.

Offer to Non-Resident Equity Shareholders/Applicants / Foreign Institutional investors

As per Regulation 6 of Notification No. FEMA 20/200-RB dated May 3, 2000, the RBI has given general permission to Indian companies to issue the Rights Equity Shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be *inter alia,* subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of application moneys, allotment of the Rights Equity Shares and issue of letter of allotment. **The Abridged Letter of Offer and the CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Applicants has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of the Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which the Rights Equity Shares are issued on rights basis.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.

No Offer in the United States

The Rights Entitlements and the Rights Equity Shares of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended, ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, ("**United States**" or "**U.S.**"), or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act, ("**Regulation S**"), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or rights. Accordingly, this Draft Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a "U.S. person" (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this Issue of the Rights Equity Shares on a rights basis to its Eligible Equity Shareholders and the Abridged Letter of Offer and the CAF will be dispatched to the Eligible Equity Shareholders who have an Indian address.

Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorised to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person' (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the US and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the US; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Our Company is informed that there is no objection to a US shareholder selling its rights in India. Rights Entitlement may not be transferred or sold to any U.S. person.

PROCEDURE FOR APPLICATION

How to Apply

The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. In case the original CAFs are not received by the Applicant or is misplaced by the Applicant, the Applicant may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000. Accordingly, an eligible ASBA Investor is an Applicant who:

- holds the Equity Shares in dematerialised form as on the Record Date and has applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renouncee; and
- applies through a bank account maintained with one of the SCSBs.

Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;
Part B: Form for renunciation of Rights Equity Shares;
Part C: Form for application of the Rights Equity Shares by the Renouncees; and
Part D: Form for request for the SAFs.

Please note that neither the Company nor the Registrar to the Issue, shall be responsible for any delay in the receipt of the CAF/duplicate CAF which is attributable to postal delays or if the CAF/duplicate CAF are misplaced in transit.

Options available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of the Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in the Issue, then he can:

A. Apply for his Rights Entitlement in full;
B. Apply for his Rights Entitlement in part (without renouncing the other part);
C. Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
D. Renounce his entire Rights Entitlement to one or more renouncees; or
E. Apply for his Rights Entitlement in part and renounce the other part.

Options A and B: Acceptance of the Rights Entitlement

The Eligible Equity Shareholders may accept their Rights Entitlement and apply for the Rights Equity Shares offered, either (i) in full or (ii) in part, without renouncing the other part, by completing Part A of the CAF. For details in relation to submission of the CAF and mode of payment please refer to the section titled "*Terms of the Issue - Submission of Application and Modes of Payment for the Issue*" on page 236.

Option C: Acceptance of the Rights Entitlement and Application for Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favor of any other person(s). Applications for additional Rights Equity Shares shall be considered, and the allotment shall be made at the sole discretion of the Board/ Committee of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue – Basis of Allotment*" on page 250.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Any Renouncee applying for all the Rights Equity Shares renounced in their favor may also apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Options D and E: Renunciation of the Rights Entitlement

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot and/or register the Rights Equity Shares in favour of the following Renouncees:

- More than three persons, including joint holders;
- Partnership firms or their nominees, (partners of the partnership firm are eligible for allotment of the Rights Equity Shares if they have applied for the same in their individual capacity as partners of such firm);
- Minors other than who have a valid beneficiary account, as per demographic details provided by Depositaries;
- Hindu Undivided Families (HUFs) (kartas of a HUF are eligible for allotment of the Rights Equity Shares if they have applied for the same on behalf of or for the benefit of the HUF); or
- Any trusts or societies (unless registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or any other law applicable to trusts and societies and subject further to the trusts or society being authorised under its constitution or bye-laws to hold equity shares of a company, as the case may be);
- Any person or entity in the United States or to, or for the account or benefit of, a "U.S. Person" (as defined in Regulation S); or

- Any person situated or subject to jurisdiction where the offering in terms of the Letter of Offer could be illegal or requires compliance with securities laws.

'Part A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation ('Part B' of the CAF) duly filled in shall be conclusive evidence for our Company of the Renouncees applying for the Rights Equity Shares in 'Part C' of the CAF to receive allotment of such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. 'Part A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. The Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). The Renouncee(s), applying for the Equity Shares renounced in their favor, can also apply for additional Rights Equity Shares in the Issue. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue – Basis of Allotment*" on page 250. If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

The Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Those Eligible Equity Shareholders who have a holding of less than [●] Equity Shares and therefore entitled to zero Rights Equity Shares will be given a preference for allotment of one additional Rights Share if he has applied for the same. For further details please refer to the section titled "*Terms of the Issue – Basis of Allotment*" on page 250.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of the Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. The Eligible Equity Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation by and/or in favor of Non Residents

Any renunciation: (i) from resident Indian equity shareholder(s) to non-resident(s); (ii) from non-resident equity shareholder(s) to resident Indian(s); or (iii) from a non-resident equity shareholder(s) to other non-resident(s), and subscription of Equity Shares by such renounce are subject to the renouncer(s)/

renouncee(s) obtaining the necessary regulatory approvals. The Company vide its letter dated sought approval from RBI for renunciation of Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). In case the Company does not receive such approval, the renouncer/ renouncee is required to obtain such approval and attach to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

The Company has made an application on May 5, 2014 to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in 'Part A', in whole, please complete 'Part B' of the CAF. In case of joint holding, all joint holders must sign 'Part B' of the CAF. The person in whose favour renunciation has been made should complete and sign 'Part C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign part C of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of the SAFs, in the space provided for this purpose in 'Part D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for the SAFs, i.e. [●] of this Draft Letter of Offer. On receipt of the required number of the SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed. In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign 'Part C' of the CAF and submit the entire CAF to the Bankers to the Issue on or before the Issue Closing Date along with the application money in full. A Renouncee cannot further renounce.

Change and/or introduction of additional holders

If you wish to apply for the Rights Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above, shall have to be followed. However, this right of renunciation is subject to the express condition that the Board shall be entitled in its absolute discretion to reject the request for allotment from the Renouncee(s) without assigning any reason thereof. All such applications will be treated as applications from the Renouncees and shall have to be made through the non-ASBA process only to be considered valid for allotment. Please also see section titled "*Terms of the Issue – Basis of Allotment*" on page 250.

Instructions for Filling the CAF

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, by using the CAF as detailed herein:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign)*
2. Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares *(All joint holders must sign)*
3. Renounce your Rights Entitlement in full to one person *(Joint Renouncees are considered as one)*.	Fill in and sign Part B *(all joint holders must sign)* indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(All joint Renouncees must sign)*
4. Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR **Renounce your Rights Entitlement of all the Rights Equity Shares offered to you to more than one Renouncee**	Fill in and sign Part D *(all joint holders must sign)* requesting for the SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for the SAFs. Splitting will be permitted only once. **On receipt of the SAF take action as indicated below.** For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of the Rights Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them.
5. Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Applicants must provide information in the CAF as to their savings bank/current account number and the name of the bank with whom such account is held, to enable the Registrar to print the said details in the refund orders after the names of the payee(s) in case of the Equity Shares held in the physical form. Failure to comply with this may lead to rejection of the application. Bank account details furnished by the Depositories will be printed on the refund warrant in case of the Equity Shares held in electronic form.

Please note that:

- Options 3 – 5 will not be available for Equity Shareholders applying through the ASBA process
- 'Part A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholders to whom this Draft Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for the SAFs or SAF should be made for a minimum of one Rights Share or in multiples thereof.
- A request by the Applicant for the SAF should reach our Company on or before [●].

- Only the Eligible Equity Shareholders to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for the SAFs. Forms once split cannot be split further.
- The SAFs will be sent to the applicant(s) by post at the Applicant's risk.
- While applying for or renouncing their Rights Entitlement, joint holders must sign in the same order and as per the specimen signatures registered with our Company or the Depositories.
- In the case of a renunciation, the submission of the CAF to the Bankers to the Issue at the collecting branches specified on the reverse of the CAF together with Part B of the CAF duly completed shall be conclusive evidence of the right of the person applying for the Rights Equity Shares to receive allotment of such Rights Equity Shares.
- The Eligible Equity Shareholders may not renounce in favour of persons or entities in the United States, who would otherwise be prohibited from being offered or subscribing for the Rights Equity Shares or the Rights Entitlement under applicable securities laws.
- Non-resident Equity Shareholders: Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of the Equity Shares Allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

Applicants must write their CAF Number at the back of the cheque/demand draft

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the Applicant who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 8 days from the Issue Opening Date. Please note that those who are making the application in the duplicate CAF should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the applicant violates any of these requirements, he / she shall face the risk of rejection of both the CAFs.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft / cheque / pay order payable at Hyderabad which should be drawn in favor of the "NCC Limited- Rights Issue - R" in case of resident shareholders/applicants and shareholders/applicants applying on non repatriable basis or "NCC Limited - Rights Issue - NR" in case of non-resident shareholders applying on repatriable basis and the Eligible Equity Shareholders should send the same by registered post / speed post directly to the Registrar to the Issue. The envelope should be superscribed "NCC Limited – Rights Issue - R" in case of resident shareholders/applicants or shareholders/applicants applying on non repatriable basis or "NCC Limited - Rights Issue -NR" in case of non-resident shareholders/applicants applying on repatriable basis and should be postmarked in India.

The application on plain paper, duly signed by the Applicants including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being NCC Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;

- Registered Folio Number/DP and Client ID no.;
- Number of the Equity Shares held as on Record Date;
- Number of the Rights Equity Shares entitled to;
- Number of the Rights Equity Shares applied for;
- Share certificate numbers and distinctive numbers, if the Equity Shares on the Record Date are held in physical form;
- Number of additional Rights Equity Shares applied for, if any;
- Allotment option preferred for the Rights Equity Shares - Physical or Demat (Rights Equity Shares will be allotted in physical form only if the Equity Shares held on the Record Date i.e. [●] are in the physical form)
- Total number of the Rights Equity Shares applied for;
- The total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Particulars of demand draft/cheque/pay order;
- In case of the Equity Shares allotted in physical form, Savings/Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order (In case of the Equity Shares allotted in demat mode, the bank account details will be obtained from the information available with the depositories);
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue; subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or the Depositories;
- In case of Non Resident Shareholders, NRE/ FCNR/ NRO A/c No. Name and Address of the Bank and Branch;
- If payment is made by a draft purchased from NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/ FCNR/ NRO Account;
- A representation that the Eligible Equity Shareholder is not a "U.S. Person" (as defined in Regulation S under the Securities Act);
- For ASBA Investors, the Application on plain paper should contain details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB.
- Additionally, Non Resident applicants shall include the representation in writing that:

    1. "I/We understand that the Rights Entitlement have not been, and will not be, registered under the United States Securities Act of 1933, as amended, ("**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof or to, or for the account or benefit of, "**U.S. Persons**" (as defined in Regulation S under the US Securities Act), except in a transaction exempt from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Equity Shares referred to in this application are being offered in India but not in the United States of America. None of our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company has reason to believe is, a resident of the United

States and to whom an offer, if made, would result in requiring registration of this application with the United States Securities and Exchange Commission.

2. I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

3. I/We understand and agree that the Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act."

Please note that the Eligible Equity Shareholders who are making an application otherwise than on a CAF, (i.e., on plain paper as stated above on page 231), shall not be entitled to renounce their rights and should not utilize the CAF for any purpose, including renunciation, even if it is received subsequently. If the Eligible Equity Shareholder does not comply with any of these requirements, he/she shall face the risk of rejection of both the applications and the application money received shall be refunded. However, our Company and/or any Director of our Company will, notwithstanding anything to the contrary contained herein, not be liable to pay any interest whatsoever on the Application Money so refunded.

The Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in the application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to such Eligible Equity Shareholders.

General instructions for Applicants

(a) Please read the instructions printed on the CAF carefully.

(b) Application should be made on the printed CAF, provided by our Company except as mentioned under the head application on plain paper and should be completed in all respects. For further details see section titled *"Terms of the Issue - Application on Plain Paper"* on page 231. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer and/or the Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Applicants, details of occupation, address, father's / husband's name must be filled in block letters.

(c) The CAF together with cheque/demand draft should be submitted to the Bankers to the Issue/ collecting branch of the Escrow Collection Bank(s) or dispatched to the Registrar to the Issue and not to our Company or Lead Managers to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Hyderabad and send their CAFs to the Registrar to the Issue by REGISTERED POST. If any portion of the CAF is/are detached or separated, such application is liable to be rejected. All CAFS along with the Demand Drafts will need to reach the Registrar on or before the Issue Closing Date to be considered valid for allotment.

(d) Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue, must be submitted along with the CAF. The CAF without a PAN will be considered incomplete and is liable to be rejected, subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity. However, in case of an Applicant who is exempt from holding a PAN and has made an application(s) for Rights Share(s) in physical form, it is the liability of the Applicant(s) to submit sufficient supporting documents, on or before the Issue Closing Date with the Registrar for evidencing such exemption. In the absence of such supporting documents, the application is liable to be rejected.

(e) Applicants are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees for the Equity Shares held in the physical form. Application not containing such details is liable to be rejected. For the Eligible Equity Shareholders holding the Equity Shares in dematerialized form, such bank details will be drawn from the demographic details of the Eligible Equity Shareholder in the records of the Depository.

(f) All payments should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company.

(g) In case of an application under power of attorney and / or by a body corporate or by a society, a certified true copy of the relevant power of attorney and / or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and/or bye laws of such body corporate or **society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF.** In case the above referred documents are already registered with our Company, the same need not be furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are received by the Registrar to the Issue after the Issue Closing Date, then the application is liable to be rejected. **In no case should these papers be attached to the application submitted to the Bankers to the Issue.**

(h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint Applicants who are the Renouncees, the number of Applicants should not exceed three. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of the Rights Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest and export of share certificates. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and the Rights Equity Shares may be restricted by applicable securities laws. **The Abridged Letter of Offer and the CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.**

(i) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number. Please note that any intimation for change of address of the Eligible Equity Shareholders, after the date of allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of the Equity Shares held in physical form and to the respective depository participant, in case of the Equity Shares held in dematerialized form.

(j) Payment by cash: The Registrar will not accept any payments against any applications, if made in cash. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(k) The SAFs cannot be re-split.

(l) Only the person or persons to whom the Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain the SAFs.

(m) Applicants must write their CAF number at the back of the cheque /demand draft.

(n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

(o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

(p) No receipt will be issued for application money received. The Bankers to the Issue / collecting branch of the Escrow Collection Bank(s) / Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

(q) An applicant which is a mutual fund can make a separate application in respect of each scheme of the mutual fund registered with SEBI and such applications in respect of more than one scheme of the mutual fund shall not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made. The application made by the asset management company or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is made.

(r) The distribution of this Draft Letter of Offer and issue of the Rights Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard this Draft Letter of Offer and not to attempt to subscribe for the Rights Equity Shares.

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;

(b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in part A of the CAF and necessary details are filled in;

(c) In the event you hold the Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;

(d) Ensure that your Indian address is available to our Company and the Registrar, in case you hold the Equity Shares in physical form or the depository participant, in case you hold the Equity Shares in dematerialized form;

(e) Ensure that the value of the cheque / draft submitted by you is equal to the (number of the Equity Shares applied for) X (Issue Price of the Equity Shares, as the case may be) before submission of the CAF;

(f) Ensure that you receive an acknowledgement from the collection centers of the collection bank for your submission of the CAF in physical form;

(g) Ensure that you mention your PAN allotted under the I.T. Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts. Please ensure that the PAN for all joint holders have been mentioned on the CAF, in the absence of which the application is liable to be rejected;

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;

(i) Ensure that the demographic details with your Depository Participant(s) are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

(a) Do not apply if you are in the United States of America or are not eligible to participate in the Issue in accordance with the securities laws applicable to your jurisdiction;

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection center of the collection bank;

(c) Do not pay the amount payable on application in cash, by money order or by postal order;

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

(e) Do not submit Applications accompanied with Stock invest.

SUBMISSION OF APPLICATION AND MODES OF PAYMENT FOR THE ISSUE (OTHER THAN ASBA APPLICANTS)

Applicants who are Resident Equity Shareholders

1. Applicants who are applying through CAF and residing at places where the bank collection centres have been opened for collecting applications, are requested to submit their applications at the corresponding collection centre together with cheque/bank demand draft drawn on any bank (including a co-operative bank), for the full application amount favouring "NCC Limited -Rights Issue - R" and marked 'A/c Payee only'.

2. Applicants who are applying through CAF and residing at places other than places where the bank collection centers have been opened for collecting applications, are requested to send their applications together with a demand draft of full amount net of bank and postal charges favouring "NCC Limited -Rights Issue - R" and marked 'A/c Payee only' payable at Hyderabad directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

3. Applicants who are applying on plain paper, are requested to send their applications on plain paper together with a demand draft of full amount for the Rights Equity Shares favouring "NCC Limited - Rights Issue - R" and marked 'A/c Payee only' payable at Hyderabad directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applicants who are Non-Resident Equity Shareholders

Application with repatriation benefits

Applicants who are Non-Resident Equity Shareholders and are applying on a repatriation basis, are required to submit the completed CAF or application on plain paper, as the case may be, along with the payment made through any of the following ways:

1. By Indian Rupee drafts purchased from abroad and payable at Hyderabad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate).

2. By Local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance.

3. FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.

4. For the Eligible Equity Shareholders / Applicants, applying through CAF, the CAF is to be sent at the bank collection centre specified in the CAF along with cheques/drafts in favour of "NCC Limited - Rights Issue - NR" and crossed 'A/c Payee only' for the amount payable.

5. For the Eligible Equity Shareholders / Applicants, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with drafts in favour of "NCC Limited-Rights Issue - NR" payable at Hyderabad and crossed 'A/c Payee only' for the amount payable so as to reach them on or before the Issue Closing Date.

6. For the Eligible Equity Shareholders/ Applicants applying through CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with drafts of the full amount net of bank and postal charges in favour of "NCC Limited -Rights Issue - NR" payable at Hyderabad and crossed 'A/c Payee only' for the amount payable so as to reach them on or before the Issue Closing Date.

A separate cheque or bank draft must accompany each application form. All payments should be made by cheque/bank demand draft/pay order drawn on any bank, (including a co-operative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and the CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash. Applicants may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account

Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence of the above the application shall be considered incomplete and is liable to be rejected.

Pursuant to the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest scheme has been withdrawn and accordingly, payment through Stockinvest will not be accepted in the Issue.

In the case of NRIs who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the applicant's Bankers.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any.

Payments through Non Resident Ordinary Account (NRO account) will not be permitted.

Application without repatriation benefits

For Non Resident Eligible Equity Shareholders/Applicants applying on a non-repatriation basis, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained and can be deposited at the designated collection centers opened by our Company or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Hyderabad. **In such cases, the allotment of the Rights Equity Shares will be on non-repatriation basis.**

For Non Resident Equity Shareholders/Applicants, applying through the CAF, the CAF is to be sent at the bank collection centre specified in the CAF along with cheques/demand drafts drawn for the full amount after deducting bank and postal charges in favor of "NCC Limited -Rights Issue - R" and crossed 'A/c Payee only' for the amount payable.

For Non Resident Eligible Equity Shareholders/Applicants, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with demand drafts drawn in favor of "NCC Limited -Rights Issue - R" payable at Hyderabad to be confirmed for so as to reach them on or before the Issue Closing Date.

For Non Resident Eligible Equity Shareholders/ Applicants applying through the CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with drafts net of banking and postal charges of an amount in favour of "NCC Limited-Rights Issue - R" payable at Hyderabad for the amount payable so as to reach them on or before the Issue Closing Date.

If the payment is made by a draft purchased from an NRO account, an Account Debit Certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the NRO account, should be enclosed with the CAF. In the absence of the above, the application shall be considered incomplete and is liable to be rejected.

New dematerialised accounts must be opened for the Eligible Equity Shareholders who have had that change in status from resident Indian to NRI.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any, on this account and applications received through mail after closure of the Issue are liable to be rejected. Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Managers or the Registrar. Applicants are requested to strictly adhere to these instructions.

The Renouncees who are NRIs/FIIs/Non-Resident should submit their respective applications either by hand delivery or by registered post / speed post with acknowledgement due to the Registrar to the Issue only along with the cheque/demand draft payable at Hyderabad so that the same are received on or before the closure of the Issue.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and Non-CTS 2010 instruments in the three CTS grid locations. As per this circular, processing of non-CTS cheques shall be done only on three days of the week.

In order to enable to ensure listing of Equity Shares issued and allotted pursuant to this Issue in a timely manner, investors are advised to use CTS cheques or use ASBA facility to make payment.

Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. The Eligible Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up and also ensure that the number of the Rights Equity Shares applied for by such Eligible Equity Shareholders do not exceed the applicable limits under laws or regulations.

The Lead Managers, our Company, its directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for the Rights Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her/their Rights Entitlements or additional Rights Equity Shares in the Issue, in a dematerialised form;
- have not renounced his/her/their Rights Entitlements in full or in part;
- are not the Renouncee/s; and

- apply through a bank account maintained with one of the SCSBs

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000.

Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

CAF

The Registrar will dispatch the CAF to all the Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF, provide necessary details, and submit the same to the SCSB with whom such applicant's bank account is maintained. The SCSB in turn would block the application amount in the Applicant's account as per the authority contained in the CAF and undertake other tasks as per the specified procedures signifying blocking of the relevant application monies on the CAF.

Submission of the CAF / Plain Paper Application

The Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only or in plain paper Application and indicate that they wish to apply through the ASBA payment mechanism. On submission of the CAF after selecting the ASBA Option in Part A or plain paper Applications indicating application through the ASBA payment mechanism, the Eligible Equity Shareholders are deemed to have authorized (i) the SCSB to do all acts as are necessary to make the CAF in the Issue, including blocking or unblocking of funds in the bank account maintained with the SCSB specified in the CAF or the plain paper, transfer of funds to the separate bank account maintained by our Company as per the provisions of Section 40(3) of the Companies Act, 2013 on receipt of instruction from the Registrar to the Issue after finalization of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the CAF or plain paper, upon finalization of the basis of Allotment and to transfer the requisite funds to the separate bank account maintained by our Company as per the provisions of Section 40(3) of the Companies Act, 2013.

Application in electronic mode will only be available with such SCSB who provides such facility. The Equity Shareholder shall submit the CAF/ plain paper Application to the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. However, no more than five (5) applications (including the CAF and plain paper Application) can be submitted per bank account in the Issue. In case of withdrawal / failure of the Issue, the Lead Managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the Equity Shareholder applying through ASBA within one (1) day from the day of receipt of such notification.

The relevant Designated Branch of each SCSB would upon receipt and verification of ASBA Applications and blocking of the relevant application monies upload details of each Application Form received by it on the online-application platform provided by the Stock Exchanges, and issue an acknowledgement to the ASBA Applicant in connection with submission of the ASBA Application.

Mode of payment

The Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per Registrar's instruction allocable to the Eligible Equity Shareholders applying under the ASBA Process from bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI (ICDR) Regulations, into the separate bank account maintained by our Company as per the provisions of Section 40(3) of the Companies Act, 2013. The balance amount remaining after the finalization of the basis of allotment shall be either unblocked by the SCSBs or refunded to the investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Managers to the respective SCSB.

The Eligible Equity Shareholders applying under the ASBA Process would be required to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of the CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF or (ii) more than five (5) applications are submitted per account held with the SCSB in the Issue. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
• Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign)*
• Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares *(All joint holders must sign)*

The Equity Shareholder applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSB with the relevant details required under the ASBA process option and SCSB blocks the requisite amount, then that CAF would be treated as if the Equity Shareholder has selected to apply through the ASBA process option.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of the Rights Equity Shares that you are entitled to, provided that (i) you have applied for all the Rights Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue – Basis of Allotment*" on page 250.

If you desire to apply for additional Rights Equity Shares please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF.

Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation under the ASBA Process

Renouncees cannot participate in the Issue through the ASBA Process.

Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. The Eligible Equity Shareholders applying on the basis of a plain paper Application are required to indicate their choice of applying under the ASBA Process.

The envelope should be super scribed "NCC Limited– Rights Issue - R" in case of resident shareholders/applicants or shareholders/applicants applying on non repatriable basis or "NCC Limited-Rights Issue -NR" in case of non-resident shareholders/applicants applying on repatriable basis and should be postmarked in India. The application on plain paper, duly signed by the Applicants including joint holders, in the same order as per specimen recorded with our Company, must reach the Designated Branch of the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Company, being NCC Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/DP and Client ID no.;
- Number of the Equity Shares held as on Record Date;
- Number of the Rights Equity Shares entitled to;
- Number of the Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of the Rights Equity Shares applied for;
- Total amount blocked at the rate of ₹ [●] per Equity Share;
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or the Depositories;
- Authorizing such SCSB to block an amount equivalent to the amount payable on the application in such bank account maintained with the same SCSB;
- In case of non-resident investors, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- A representation that the Equity Shareholder is not a "U.S. Person" (as defined in Regulation S under the Securities Act); and
- Additionally, Non Resident applicants shall include the representation in writing that:

1. "I/We understand that the Rights Entitlement have not been, and will not be, registered under the United States Securities Act of 1933, as amended, ("**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof or to, or for the account or benefit of,

"**U.S. Persons**" (as defined in Regulation S under the US Securities Act), except in a transaction exempt from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Equity Shares referred to in this application are being offered in India but not in the United States of America. None of our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company has reason to believe is, a resident of the United States and to whom an offer, if made, would result in requiring registration of this application with the United States Securities and Exchange Commission.

2. I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

3. I/We understand and agree that the Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act."

Option to receive the Rights Equity Shares in Dematerialized Form

THE ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE BEING HELD ON RECORD DATE.

Issuance of Intimation Letters:

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Investors who have been allocated the Rights Equity Shares in the Issue, along with:

- The number of the Rights Equity Shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the separate account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to in above paragraph, shall be transferred to separate account opened by our Company for the Issue; and
- The details of rejected ASBAs, if any, along with reasons for rejection to enable SCSBs to unblock the respective ASBA Accounts.

General instructions for the Eligible Equity Shareholders applying under the ASBA Process

a. Please read the instructions printed on the respective CAF carefully.
b. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected. The CAF / plain paper Application must be filled in English.
c. The CAF / plain paper Application in the ASBA Process should be only at a Designated Branch of the SCSB and whose bank account details are provided in the CAF **and not to the Bankers to the Issue/ collecting branch of the Escrow Collection Bank(s)** (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Managers to the Issue. **The onus of due completion and submission of such ASBA applications shall solely be that of the applicant**.

d. All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, **CAFs / plain paper Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of the Rights Equity Shares shall be made into the accounts of such Investors.**

e. All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

f. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF / plain paper Application as per the specimen signature recorded with our Company /or Depositories.

g. In case of joint holders, all joint holders must sign the relevant part of the CAF / plain paper Application in the same order and as per the specimen signature(s) recorded with our Company. In case of joint applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

h. All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

i. Only the person or persons to whom the Rights Equity Shares have been offered and not the Renouncee(s) shall be eligible to participate under the ASBA process.

j. Only persons outside restricted jurisdictions and who are eligible to subscribe for the Rights Entitlement and the Rights Equity Shares under applicable securities laws are eligible to participate.

k. Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.

l. The Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.

m. **Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000.**

n. **Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.**

Do's:

(a) Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in. In case of non-receipt of the CAF, the application can be made on plain paper indicating application through the ASBA payment mechanism with all necessary details as indicated under the section titled "*Terms of the Issue – Application on Plain Paper*" on page 231.

(b) Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.

(c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.

(d) Ensure that the CAFs / plain paper Applications are submitted at the registered branch of the SCSBs for blocking of application monies in the relevant account maintained with such SCSB and details of the correct bank account have been provided in the CAF.

(e) Ensure that there are sufficient funds (equal to {number of the Rights Equity Shares applied for} X {Issue Price of the Rights Equity Shares}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(f) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF / plain paper Application, in the bank account maintained with the respective SCSB, of which details are provided in the CAF / plain paper Application and have signed the same.

(g) Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF /plain paper Application in physical form or electronic mode.

(h) Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the IT Act.

(i) Ensure that the name(s) given in the CAF / plain paper Application is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF / plain paper Application is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF / plain paper Application.

(j) Ensure that the Demographic Details with your Depository Participant(s) are updated, true and correct, in all respects.

(k) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.

(l) Apply under the ASBA process only if you comply with the definition of an ASBA Investor, namely such Retail Individual Investors who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee; and
- apply through a bank account maintained with one of the SCSBs.

Note: Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Don'ts:

(a) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(b) Do not pay the amount payable on application in cash, by money order or by postal order.

(c) Do not send your physical CAFs / plain paper Applications to the Lead Managers to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(e) Do not instruct your respective banks to release the funds blocked under the ASBA Process.

(f) Do not apply if the ASBA Account has been used for five Applicants.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under *"Terms of the Issue - Grounds for Technical Rejection"* beginning on page 254, applications under the ABSA Process are liable to be rejected on the following grounds:

(a) Application for Rights Entitlements or additional shares in physical form.

(b) DP ID and Client ID mentioned in the CAF / plain paper Application not matching with the DP ID and Client ID records available with the Registrar.

(c) Sending CAF / plain paper Application to the Lead Managers / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.

(d) Renouncee applying under the ASBA Process.

(e) Insufficient funds are available with the SCSB for blocking the amount.

(f) Funds in the bank account with the SCSB whose details are mentioned in the CAF / plain paper Application having been frozen pursuant to regulatory orders.

(g) Account holder not signing the CAF / plain paper Application or declaration mentioned therein.

(h) Submitting the GIR number instead of the PAN.

(i) Submission of more than five CAFs per ASBA Account

(j) Applications by investors who are not eligible ASBA Investors made through the ASBA process.

(k) Application on the SAF.

(l) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

(m) CAFs which have evidence of being executed in/dispatched from restricted jurisdiction.

(n) QIBs and Non Institutional Investors who are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009) not applying through the ASBA process. Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non-Retail Investors are liable for rejection.

(o) The application by an Eligible Equity Shareholder whose cumulative value of the Rights Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.

(p) Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000. Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.

(q) Multiple CAFs, including cases where an Investor submits the CAFs along with a plain paper Application

(r) Applications by persons not competent to contract under the Contract Act, 1872, as amended, including by minors other than minors who have a valid beneficiary account, as per demographic details provided by Depositaries.

Depository account and bank details for the Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM. ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF / PLAIN PAPER APPLICATION. THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF / PLAIN PAPER APPLICATION IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF / PLAIN PAPER APPLICATION IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATION.

The Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper Application, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation, ("**Demographic Details**"). Hence, the Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF / plain paper Application.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by the Eligible Equity Shareholders in the CAF / plain paper Application would not be used for any other purposes by the Registrar. Hence, the Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs / plain paper Applications, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account in the SCSB and which details are provided in the CAF / plain paper Application and not the bank account linked to the DP ID. The Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF / plain paper Application would be used only to ensure dispatch of letters intimating unblocking of bank account.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Managers shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Eligible Equity Shareholders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such applications are liable to be rejected.

Transfer of Funds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA bank accounts for (i) transfer of requisite funds to the separate bank account maintained by our Company as per the provisions of Section 40(3) of the Companies Act, 2013 (ii) rejected / unsuccessful ASBAs.

In case of failure or withdrawal of the Issue, on receipt of appropriate instructions from the Lead Managers through the Registrar to the Issue, the SCSBs shall unblock the bank accounts latest by the next day of receipt of such information.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made.

Applications made by asset management companies or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which application is being made.

As per the current norms prescribed by SEBI, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Rights Equity Shares of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000.

Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.

Bids by FIIs, QFIs and FPIs

In terms of the SEBI FPI Regulations, the issue of the Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, in terms of the SEBI FPI Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI FPI Regulations, until January 6, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000.

Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.

Procedure for Application by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3) (i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. NRI Applicants should note that applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided, are liable to be rejected.

NR Applicants are requested to send their Application Forms either to the collection centers of the Bankers to the Issue mentioned on the CAF or, if applying from places other than places where collection centers have been opened by the Bankers to the Issue, directly to the Registrar to the Issue by speed/registered post, so as to reach on or before the Issue Closing Date. The Company, the Lead Managers, the Registrar to the Issue and the Bankers to the Issue will not be responsible for any postal delays or loss of Applications in transit.

NRs Applying on repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to the NRE or FCNR accounts maintained with an authorised dealer registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 ("**Authorised Dealer**"). NRIs Bidding on repatriation basis are required to submit a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be, along with the Application Form. NRIs Applying on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as the NRO/Non-Resident (Special) Rupee Account ("**NRSR**")/Non-Resident Non-Repatriable Term Deposit Account ("**NRNR**") accounts. NRIs Bidding on non-repatriation basis are required to submit a bank certificate confirming that the payment has been made by debiting to the NRE/FCNR/NRO/NRSR/NRNR account, as the case may be, along with the Application Form. For more information, see "*Terms of the Issue - Submission of Application and Modes of Payment for the Issue*" on page 236.

If the Equity Shares are Allotted on non-repatriation basis, dividend and sale proceeds of the Equity Shares cannot be remitted outside India. If the Equity Shares are Allotted on repatriation basis, interest, dividend, sales proceeds derived from the investment in the Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors (including all companies and bodies corporate) and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000.

Please note that all (i) who have applied through split application forms, (ii) who have renounced their Rights Entitlement and (ii) Renouncees (including the Renouncees who are Individuals), shall apply in the Issue only through the non-ASBA process.

Acceptance of the terms of the Issue

By applying for the Rights Equity Shares offered, you will be deemed to have accepted the terms of the Issue. Applicants may apply for the Rights Equity Shares offered, either in full or in part by filling Block III of Part A of the enclosed CAF and submit the same along with the application money payable to the Bankers to the Issue or any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board thereof in this regard. Applicants at centers not covered by the branches of Bankers to the Issue can send their CAF together with demand draft payable at Hyderabad to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

Note:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the

investment in the Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to Income Tax Act, 1961.

2. In case the Rights Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. The CAFs duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of business hours on or before the Issue Closing Date. Separate cheque or bank draft must accompany each CAF.

4. In case of a CAF received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

Last date of Application

The last date for submission of the duly filled in the CAF is [●]. The Issue will be kept open for a minimum of 15 days and our Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/Committee of Directors, the offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board/Committee of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section titled "*Terms of the Issue – Basis of Allotment*" on page 250.

APLLICANTS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for the Rights Equity Shares renounced in their favour, in full or in part.

(b) For the Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored and shall be entitled to zero Rights Equity Shares. The Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If the number of the Rights Equity Shares required for allotment under this head are more than the number of the Rights Equity Shares available after allotment under (a) above, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue and have also applied for additional Rights Equity Shares. The allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of

Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

(d) Allotment to the Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full allotment under (a), (b) and (c) above. The allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

In case the permission to deal in and for an official quotation of the Rights Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay without interest, all monies received from the applicants in pursuance of this Draft Letter of Offer.

Underwriting

Our Company has not currently entered into any underwriting arrangement. We may enter into such an arrangement for the purpose of this Issue at an appropriate time and on such terms and conditions as we may deem fit. In the event our Company enters into such an arrangement, which shall be done, prior to the filing of the Letter of Offer with the Designated Stock Exchange, we shall disclose the details of the underwriting arrangement in the letter of offer as required under the SEBI (ICDR) Regulations.

Allotments and Refunds

Our Company will issue and dispatch allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within 15 days from the Issue Closing Date.

Applicants residing at the centers where clearing houses are managed by the RBI will get refund through NECS only if the Applicants are otherwise applicable/eligible to get refunds through NEFT, direct credit and RTGS, provided however that the relevant MICR details are recorded with the Depositories or our Company.

In case of those Applicants who have opted to receive their Right Entitlement in dematerialized form by using electronic credit under the depository system, an advice regarding the credit of the Rights Equity Shares shall be given separately. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of the Issue Closing Date. In case of those Applicants who have opted to receive their Rights Entitlement in physical form, our Company will issue the corresponding share certificates under Section 56 of the Companies Act, 2013 or other applicable provisions if any. All refund orders will be dispatched by registered post/ speed post to the sole/ first Applicant‘s registered address. Such cheques or pay orders will be payable at par at all places where the applications were originally accepted and will be marked “Account Payee only” and would be drawn in the name of the sole/ first Applicant. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. **NECS –** Payment of refund would be done through NECS for applicants having an account at one of the centers specified by the RBI, where such facility has been made available.

   This would be subject to availability of complete Bank Account Details including MICR code wherever applicable from the depository. The payment of refund through NECS is mandatory for applicants having a bank account at any of the centers where NECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through NECS including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. **NEFT –** Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. **Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Applicants through this method.**

3. **Direct Credit** – Applicants having bank accounts with the refund bankers shall be eligible to receive refunds through direct credit. Charges, if any, levied by the refund banker(s) for the same would be borne by our Company.

4. **RTGS –** Applicants having a bank account at any of the abovementioned centers specified by RBI and whose refund amount exceeds ₹ 2,00,000, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched by Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Applicant and payable at par.

6. Credit of refunds to Applicants in any other electronic manner permissible under applicable banking laws which are in force and as permitted by SEBI from time to time.

For shareholders opting for allotment in physical mode, bank account details as mentioned in the CAF shall be considered for electronic credit or printing of refund orders, as the case may be. Refund orders will be made by cheques, pay orders or demand drafts drawn on the Refund Bank(s) and payable at par at places where the applications were received and will be marked account payee and will be drawn in the name of Sole/First Applicant. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Refund payment to Non-Resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Hyderabad, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF. Export of letters of allotment (if any)/ share certificates/ demat credit to non-resident Allottees will be subject to RBI approval.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Applicant or respective beneficiary accounts will be credited within 15 days from the Issue Closing Date. In case our Company issues allotment advice, the share certificates will be dispatched within one month from the date of allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive the Rights Equity Shares in Dematerialized Form

Applicants to the Rights Equity Shares of our Company, and holding Equity Shares in the physical form as on the Record Date, shall be allotted the Rights Equity Shares in dematerialized (electronic) form at the option of the Applicant. Our Company signed a tripartite agreement dated December 9, 2011, with NSDL and the Registrar, which enables the Applicants to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates. Our Company has also signed a tripartite agreement dated October 12, 2011, with CDSL and the Registrar, which enables the Applicants to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates.

In this Issue, the Allottees, currently holding the Equity Shares in physical form and who have opted for the Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF with a depository participant. Applicant will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order, (if any), would be sent directly to the applicant by the Registrar to the Issue but the applicant‘s depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the applicant‘s depository account. Applications, which do not accurately contain this information, will be given the Rights Equity Shares in physical form. No separate applications for the Rights Equity Shares in physical and/or dematerialized form should be made. If such applications are made, the application for physical Rights Equity Shares will be treated as multiple applications and is liable to be rejected.

APPLICANTS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE BSE AND NSE ONLY IN DEMATERIALIZED FORM.

Procedure for availing the facility for allotment of the Rights Equity Shares in this Issue in the electronic form is as under:

(i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is exhibited in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as with our Company). In case of Applicants having various folios in our Company with different joint holders, the Applicants will have to open separate accounts for such holdings. *Those Eligible Equity Shareholders who have already opened such beneficiary account (s) need not adhere to this step.*

(ii) For the Eligible Equity Shareholders already holding the Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in the records of our Company.

(iii) Responsibility for correctness of information (including Applicant's age and other details) filled in the CAF vis-à-vis such information with the Applicant's depository participant, would rest with the Applicant. Applicants should ensure that the names of the applicants and the order in which they appear in the CAF should be the same as registered with the applicant's depository participant.

(iv) For applicants holding the Equity Shares in physical form as on the Record Date and who have opted to receive the Rights Equity Shares in dematerialized form, if incomplete / incorrect beneficiary account details are given in the CAF the Applicant will get the Rights Equity Shares in physical form.

(v) The Renouncees will also have to provide the necessary details about their beneficiary account for allotment of the Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

(vi) The Rights Equity Share allotted to an Applicant in the electronic account form will be credited directly to the Applicant's respective beneficiary account(s) with depository participant.

(vii) Applicants should ensure that the names of the Applicants and the order in which they appear in the CAF should be the same as registered with the Applicant's depository participant.

(viii) Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(ix) The Rights Equity Shares pursuant to this Issue allotted to Applicants opting for dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar to the Issue but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. No intimation of allotment of the Rights Equity Shares will be provided by the Registrar and / or the Company to the individual Allottees.

(x) It may be noted that the Rights Equity Shares in electronic form can be traded only on the NSE and BSE having electronic connectivity with NSDL or CDSL.

(xi) Dividend or other benefits with respect to the Rights Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners to be given by the Depository Participant to our Company as on the date of book closure / record date.

GROUNDS FOR TECHNICAL REJECTIONS

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

(a) Amount paid does not tally with the amount payable for;

(b) Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);

(c) Submission of the CAFs to the SCSBs.

(d) Submission of plain paper Applications to any person other than the Registrar to the Issue

(e) Age of first Applicant not given while completing Part C of the CAFs;

(f) Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value;

(g) GIR number provided instead of the PAN;

(h) In case of application under power of attorney relevant documents are not submitted;

(i) In case of application by limited companies, corporate, trust, relevant documents are not submitted;

(j) If the signature of the existing Eligible Equity Shareholder does not match with the one given on the CAF and for the Renouncee(s) if the signature does not match with the records available with their depositories;

(k) If the Applicant holding the Equity Shares in physical form as on Record Date desires to have the Rights Equity Shares in electronic form, but the CAF does not have the Applicant's depository account details;

(l) Application forms are not submitted by the Applicants within the time prescribed as per the CAF and this Draft Letter of Offer;

(m) Applications not duly signed by the sole/joint Applicants. All Applications need to be signed by all joint Applicants. Absence of signatures of any of the joint Applicants or mismatch in signatures of any of the joint Applicants may result in the CAF being rejected;

(n) Applications by OCBs unless accompanied by specific approval from RBI permitting the OCBs to participate in the Issue;

(o) Applications accompanied by Stockinvest;

(p) In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's identity;

(q) For applications by Applicants that are located outside of the United States and that are not U.S. persons, such applications that do not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations;

(r) Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and applications on plain paper where a registered address in India has not been provided;

(s) Applications by the Eligible Equity Shareholders who are joint holders, where Part A of the CAF is not signed by all such joint holders;

(t) Applications by the Renouncees of the Eligible Equity Shareholders who are joint holders, where Part B of the CAF is not signed by all such joint holders;

(u) Applications where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;

(v) Multiple Applications including cases where an Investor submits the CAFs along with an application on plain paper;

(w) Applications which are not made through the ASBA process by Non Retail Investors who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI circular dated December 30, 2009);

(x) Applications by investors who are not eligible ASBA Investors made through the ASBA process;

(y) Applications by the Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors (other than minors who have a valid beneficiary account, as per demographic details provided by Depositaries); and

(z) Please read this Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are each an integral part of this Draft Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer or the CAF.

MISCELLANEOUS

Payment by Stockinvest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application monies received by our Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto. In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on the Equity Shares allotted, will be refunded to the Applicant within a period of 15 days from the Issue Closing Date.

Utilisation of Issue Proceeds

Our Board confirms that:

(a) All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to Section 40(3) of the Companies Act, 2013;

(b) Details of all monies utilized out of the Issue referred to in clause (i) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

(c) Details of all unutilized monies out of the Issue, if any, referred to in clause (i) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

(d) The Company may utilize the funds collected in the Issue only after the basis of Allotment is finalized.

Undertakings by our Company

Our Company undertakes:

1. The complaints received in respect of the Issue shall be attended to by the company expeditiously and satisfactorily;

2. That all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the securities are to be listed are taken within 7 Working Days of finalization of basis of allotment;

3. The funds required for making refunds to unsuccessful applicants under the Issue as per the mode(s) disclosed in this Draft Letter of Offer shall be made available to the Registrar to the Issue;

4. That where refund are made through electronic transfer of funds, a suitable communication shall be sent to the applicant/s under the Issue within 15 days of the Issue Closing Date giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund.

5. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment under the Issue.

6. At any given time, there shall be only one denomination for the Equity Shares.

7. The Company shall comply with such disclosure and accounting norms specified by the SEBI from time to time.

8. The certificates of the securities or refund orders to non-resident shareholders will be dispatched within specified time

9. No further issue of securities shall be made till the securities offered through the Draft Letter of Offer are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc.

Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms to the best of his knowledge and belief, there are no other facts or the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable inquiries to ascertain such facts.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

As a matter of abundant caution, attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years"

All enquiries in connection with this Draft Letter of Offer or accompanying CAF and requests for the SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Applicant as mentioned on the CAF and superscribed *"**NCC Limited – Rights Issue - R**"* in case of resident shareholders/applicants or shareholders/applicants applying on non repatriable basis or "***NCC Limited - Rights Issue -NR***" in case of non-resident shareholders/applicants applying on repatriable basis on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Telephone: +91 40 44655000
Facsimile: +91 40 23431551
Email: ncc.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. Rakesh Santhalia

It is to be specifically noted that this Issue of the Equity Shares is subject to the risks as detailed in the section titled "*Risk Factors*" beginning on page 11.

Issue to remain open for a minimum of 15 days and maximum of 30 days as may be determined by the Board.

SECTION VIII –STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office of our Company from 10:00 A.M. to 5:00 P.M. from the date of this Draft Letter of Offer until the Issue Closing Date, on Working Days.

(A) Material Contracts

1. Issue Agreement dated June 25, 2014 between our Company and the Lead Managers to the Issue.
2. Memorandum of understanding dated June 26, 2014 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Managers, the Registrar to the Issue, and Bankers to the Issue.

(B) Documents

1. Certificate of incorporation dated March 22, 1990 and fresh certificate of incorporation dated February 25, 2011.
2. Certificate of commencement of business dated April 02, 1990.
3. Memorandum and Articles of Association of our Company.
4. Board resolution dated April 9, 2014, authorizing this Issue.
5. Shareholders agreement dated October 3, 2007 and amendment agreement dated June 7, 2014 entered into between our Company, Blackstone GPV Capital Partners Mauritius V-A Limited, Blackstone FP Capital Partners (Mauritius) V FII Limited and Blackstone GPV Capital Partners (Mauritius) V-H Limited.
6. Consents of the Directors, Company Secretary and Compliance Officer, Auditor, Lead Managers to the Issue, Registrar to the Issue and the Legal Advisor to the Issue to include their names in this Draft Letter of Offer to act in their respective capacities.
7. Statement of Tax Benefits dated June 30, 2014 from the Auditor of our Company as disclosed in this Draft Letter of Offer.
8. The Reports of the Auditors dated May 15, 2014 in relation to the audited financial statements of our Company as at and for the financial year esnded March 31, 2014.
9. Annual Reports of our Company for 2010, 2011, 2012, 2013 and 2014.
10. In-principle listing approval dated [●] from the NSE.
11. In-principle listing approval dated [●] from the BSE.
12. Due diligence certificate dated June 30, 2014 addressed to SEBI from the Lead Managers.
13. Tripartite agreement with October 12, 2011 dated with CDSL and Karvy Computershare Private Limited.
14. Tripartite agreement with December 9, 2011 dated with NSDL and Karvy Computershare Private Limited.

15. Letter No. [●] dated [●], issued by SEBI in connection with the Issue.

16. Application dated May 5, 2014 made to RBI in connection with renunciation of rights entitlement by, and to, persons resident outside India.

17. Letter of offer filed in the year 1996 in connection with issue of unsecured fully convertible debentures on rights basis to the equity shareholders of the Company and prospectus filed in the year 1992 in connection with public issue of equity shares of the Company.

    Any of the contracts or documents mentioned in this Draft Letter of Offer as may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that, all the legal requirements connected with the said Issue as also the regulations, guidelines, instructions, etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Name	Signature
Mr. Alluri Ananta Venkata Ranga Raju *(Managing Director)*	
Mr. Alluri Gopala Krishnam Raju *(Executive Director)*	
Mr. Alluri Sreemannarayana Raju *(Whole-time Director)*	
Mr. Alluri Venkata Narasimha Raju *(Whole-time Director)*	
Mr. Alluri Kodanda Harinatha Rama Raju *(Whole-time Director)*	
Mr. Jampana Venkata Ranga Raju *(Whole-time Director)*	
Mr. Alluri Narayana Raju *(Director)*	
Mr. Prathipati Abraham *(Director)*	
Mr. R. V. Shastri *(Director)*	
Mr. Hemant Madhusudan Nerurkar *(Additional Director)*	
Mr. Amit Dixit *(Additional Director)*	
Sri Utpal Sheth *(Additional Director)*	
Mr. Thothala Narayanaswamy Manoharan *(Director)*	
Mr. Anil Prakash Gupta *(Director)*	

Date: June 30, 2014
Place: Hyderabad

Mr. R. S. Raju
Sr. Vice President (Finance & Accounts)