



# NCC Limited

Building India's Infrastructure, Driving Economic Growth

## Comprehensive Investment Overview



# COMPANY INTRO

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NCC Limited, formerly known as Nagarjuna Construction Company Limited, is one of India's leading construction and infrastructure development companies. Established in 1978, NCC has a diverse portfolio that spans across sectors such as buildings, transportation, water, electrical, irrigation, power, and real estate. The company is known for its expertise in delivering large-scale projects, including highways, bridges, airports, and urban infrastructure, with a strong commitment to quality, innovation, and sustainability. With decades of experience, NCC has built a solid reputation for timely project completion and adherence to international standards, making it a trusted name in India's infrastructure development landscape

## ABOUT THE COMPANY

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### OVERVIEW

- NCC Limited is one of India's leading construction companies, with a diversified
- portfolio that includes infrastructure, real estate, buildings, roads, water supply,
- power, and mining. Established in 1978, the company has grown to become a
- major player in India's construction and infrastructure sector, offering services
- across multiple domains.

### KEY BUSINESS AREAS

#### Operations:

- NCC Limited operates not only in India but also has a presence in the Middle East,
- leveraging its expertise in engineering and project management to participate in
- NCC Limited2global projects. The company has a strong track record of executing complex projects on time and within budget.

#### Financial Position:

- The company is publicly listed on the Bombay Stock Exchange [BSE] and the
- National Stock Exchange of India [NSE]. It has a diversified client base that
- includes government bodies, public sector enterprises, and private organizations,
- contributing to a steady revenue stream.

### KEY STRENGTHS:

- Diversified Project Portfolio: Strong presence in various segments of the construction sector.
- Proven Execution Capabilities: History of delivering complex projects efficiently.
- Strong Client Relationships: Long-term ties with public and private sector clients.
- Technology and Innovation: Adoption of advanced technology for project planning and execution.

# BUSINESS SEGMENTS

Product	Major Products	Revenue Percentage
Buildings	<ul style="list-style-type: none"><li>Residential buildings, Hospitals, Shopping Malls</li><li>Commercial buildings, Stadiums</li><li>Educational buildings (e.g., AIIMS, IIT campuses)</li><li>Industrial buildings, IT parks</li></ul>	(44%
Electrical Transmission & Distribution	<ul style="list-style-type: none"><li>Water supply pipelines, Drainage systems Sewage treatment plants</li><li>Specialized high-value water infrastructure projects</li></ul>	18%
Water & Railways Water Projects:	<ul style="list-style-type: none"><li>Water supply pipelines, Drainage systems, Sewage treatment plants</li><li>Specialized high-value water infrastructure projects Dedicated freight corridors, Zonal railway projects, Private railway sidings</li></ul>	15%
Mining	<ul style="list-style-type: none"><li>Open-cast coal mining projects</li><li>Mine Developer-cum-Operator (MDO) model</li><li>Coal extraction and transportation</li><li>Projects in Telangana and Jharkhand</li></ul>	11%
Transportation	<ul style="list-style-type: none"><li>Expressways ,Metro systems</li><li>Airport infrastructure, Road and highway networks</li><li>Collaborating with government to transform transportation infrastructure</li></ul>	2%

# BOARD OF DIRECTORS

## Dr. A S Durga Prasad

- **Independent Director - Chairman**
- Dr. Durga Prasad is an accomplished executive with over 39 years of experience in Financial Management and Cost Management, in sectors including, NCC Limited, Pharmaceuticals, Infrastructure, IT, Discrete Manufacturing etc.
- He is a Graduate of Commerce and Fellow Member of the Institute of Cost and Works Accountants of India and has a PhD

## Mr. Rajender Mohan Malla

- **Independent Director**
- Mr. Rajender Mohan Malla holds an MBA from the Faculty of Management Studies, University of Delhi, a PGDBM from MDI Gurgaon, and is a Certified Associate of the Indian Institute of Bankers [CAIIB]. He previously served as the CMD of IDBI Bank, CMD of SIDBI, CEO of IFCI, and MD and CEO of PTC India Financial Services Ltd. He currently serves on the board of several leading companies.

## Mr. Ramesh Kailasam

- **Independent Director**
- Mr. Ramesh Kailasam is a Cost Accountant with over 27 years of multi-sector experience with core strengths in governance reforms, public policy, leadership, strategy formulation and implementation, government relations, crisis management, business development, market entry etc. He has authored several books and reports for ICT, Infrastructure, Education, Health, Governance, Policy, Security, Energy, Start-ups, Consumer internet etc. widely used by various governments, industry, multilateral agencies, Think Tanks etc.

## Mrs. Uma Shankar

- **Independent Director**
- Mrs. Uma Shankar has over 37 years of experience in the financial sector with rich experience in Banking Supervision, Currency Management, Urban Banks
- Regulation, Cyber Security and Administration. She has worked with the Reserve Bank of India [RBI] in various senior positions including Executive Director and was nominated by the RBI to the Boards of reputed Institutions and banks.
- She is a Post Graduation in English, a Certified Associate of the Indian Institute of Bankers [CAIIB] and has Executive Education at Columbia Business School, New York.

## Mr. Utpal Sheth

- **Director**
- Mr. Utpal Sheth comes on board with an experience of over 23 years in financial investment, research etc. He is currently the CEO of Rare Enterprises, a proprietary asset management firm promoted by Shri Rakesh Jhunjhunwala. He is a qualified Cost Accountant [Grad.CWA] and a Chartered Financial Analyst [CFA].
- He also completed his Diploma in Systems Management [DSM] from NIIT.

## Mr. A A V Ranga Raju

- **Managing Director**
- Mr. Ranga Raju has over 44 years of experience in Construction, Infrastructure Development and allied fields. Mr. Ranga Raju, joined the family business at a very early age, soon after completing his education, he has been the MD of the company for more than three decades and has been instrumental in pushing the company ahead,

## Mr. A G K Raju

- **Executive Director**
- Mr. A G K Raju has experience of over three decades in Construction, Finance, Materials Management, Administration, HR, Corporate Communications and allied areas. It is his leadership that has helped steer the company's operations to make it more efficient and smart.
- Mr. A G K Raju holds an MBA post-graduate degree from Pune University.,

# MARKET POSITION

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## CONTRIBUTION TO GDP, TAX, AND EMPLOYMENT RATE

- The construction sector is a key driver of economic growth in India, consistently contributing 7-8% of the country's GDP.
- The infrastructure sub-segment (roads, highways, bridges) alone accounts for about 2.5-3% of the GDP, with rapid urbanization being a significant driver.
- In 2023, the sector experienced a growth rate of around 8%, supported by increased public and private spending.
- The construction of mega projects such as highways, urban infrastructure, and affordable housing plays a crucial role in GDP contribution.

### TAX CONTRIBUTION:

- The construction sector's tax contributions stem from various sources:
- Direct Taxes: Corporate tax paid by construction companies.
- Indirect Taxes: Goods and Services Tax (GST) on construction materials like cement (28%), steel (18%), and other items. Additionally, construction services are taxed at 18% under GST.
- Stamp Duty: A significant revenue source for the government, charged on the purchase of property and land.
- Construction projects also attract real estate taxes such as property tax and registration fees, further bolstering government revenues.

### EMPLOYMENT RATE:

- The sector is the second-largest employer, after agriculture, creating jobs across the spectrum.
- Skilled Labor: Engineers, architects, project managers, surveyors, and site supervisors.
- Unskilled Labor: Construction workers, carpenters, masons, electricians, and plumbers.
- It is estimated that for every INR 1 crore invested in construction, approximately 18-20 direct and indirect jobs are generated.
- The employment elasticity of the sector is high, implying that any growth in the sector leads to a proportionate increase in job opportunities.

## MARKET SHARE AND MARKET OVERVIEW

- The Indian construction market is fragmented, with major national players showing dominance:
- Large Players: Larsen & Toubro (L&T), NCC Limited, GMR Group, DLF, Shapoorji Pallonji.
- Medium Players: Gammon India, HCC, JMC Projects.
- Small Players: Numerous regional contractors focusing on local projects.
- NCC Limited holds a strong market position, particularly in the infrastructure and buildings segment, securing government and private sector contracts in sectors like water supply, transportation, and real estate.
- The Indian construction sector is projected to grow from USD 738.5 billion in 2023 to USD 1.47 trillion by 2030, with an annual growth rate of approximately 8-9%.
- Residential Construction: Major growth driver due to urbanization and increasing disposable incomes, with a focus on affordable housing under PMAY.
- Commercial Construction: Growth in office spaces, IT parks, shopping complexes, and mixed-use developments, especially in Tier 1 and Tier 2 cities.
- Infrastructure: Investments in highways, bridges, ports, airports, and urban infrastructure (metro rail, smart cities).
- Industrial: Expansion of manufacturing units, logistics parks, and special economic zones (SEZs), driven by India's "Make in India" initiative.

# GOVERNMENT SCHEMES, POLICIES, AND BUDGET

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## KEY GOVERNMENT SCHEMES AND POLICIES:

### **Pradhan Mantri Awas Yojana (PMAY)**

- Aims to build over 20 million affordable houses for urban and rural India by 2024.
- The government offers interest subsidies on home loans for the Economically Weaker Section (EWS) and Low-Income Groups (LIG).
- Focus on slum redevelopment and rehabilitation of urban poor, benefiting companies involved in low-cost housing construction.

### **Smart Cities Mission:**

- Involves the development of 100 smart cities with state-of-the-art infrastructure.
- Projects include smart lighting, traffic management, green buildings, and water conservation systems.
- Estimated investment is INR 2.05 lakh crore (USD 25 billion), opening opportunities for technology-integrated construction projects.

### **Bharatmala Pariyojana:**

- Aimed at developing 83,677 km of highways by 2025 with a budget of INR 5.35 lakh crore (USD 65 billion).
- Focus areas include border roads, coastal roads, port connectivity, and expressways, enhancing the logistics infrastructure.

### **National Infrastructure Pipeline (NIP)**

- A plan involving INR 111 lakh crore (USD 1.4 trillion) investment over five years (2020-2025) in sectors like roads, ports, railways, urban development and energy.
- Encourages public-private partnerships (PPP) to attract private investment, leading to increased project opportunities for construction.

### **Gati Shakti Master Plan:**

- Focuses on integrated infrastructure development by connecting rail, road, air, and waterways.
- Estimated investment of over USD 100 billion to enhance connectivity across sectors.
- Promotes digital mapping and use of geospatial technologies for efficient project execution.

# SERVICES BY THE COMPANY

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- **Buildings:** NCC has been a major player in this area, having contributed to construction, including industrial buildings, commercial buildings, housing projects, IT parks, shopping malls, sports complexes, hospitals and stadiums.
- **Water & Environment:** NCC has augmented its expertise to be able to execute various water supply, drainage systems and sewage treatment plants through specialised systems for high-value projects.
- **Transportation:** NCC has proved to be a reliable executor of large-scale contracts within tight schedules. Working hand-in-hand with the government, NCC is working to transform the roads & highways network in the country.
- **Railways:** NCC has undertaken to keep the wheels of growth in constant motion by engaging in projects involving dedicated freight corridors, zonal railway projects and private railway sidings.
- **Irrigation:** Irrigation infrastructure includes a network of major, medium and minor canals from Indian rivers, groundwater, well-based systems, tanks, and other rainwater harvesting projects for agricultural activities.
- **Mining:** Spurred by the government of India's firm plans for private sector participation in the mining sector, NCC is digging into this business through Mine Developer-cum- Operator MDØ, removal of overburden and extraction and transportation of coal from Open Cast Mines in India.
- **Electrical(T&D):** NCC's Electrical Division is equipped to handle extensive and demanding electrical construction projects. The vast repertoire of expertise in design, engineering, erection, testing and commissioning of EHV/ HV sub-stations & transmission lines, high voltage distribution systems, feeder separation schemes, have helped NCC plug in its strengths to various projects.

# BUSINESS MODEL

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## CUSTOMER SEGMENTATION:

- Primary customers are businesses and governments for large construction and infrastructure projects.
- Segments include residential, commercial, industrial, and public sector clients

## REVENUE STREAMS:

- Project-based revenue from construction contracts
- Recurring revenue from operation and maintenance of concession projects
- Potential revenue from sale of assets under BOT projects



## DISTRIBUTION CHANNELS:

- Primarily operates through a B2B model, bidding on and securing large construction and infrastructure projects Directly engages with clients in the public and private sectors
- May also have some direct-to-consumer (D2C)channels for smaller residential projects

## VALUE PROPOSITION:

- Executes a wide range of construction and infrastructure projects such as residential, commercial, industrial, roads, bridges, and power projects.
- Provides services across the project lifecycle including design, engineering, procurement, and construction.
- Has expertise in specialized areas like water, power, transportation, and mining projects
- Offers concession-based project delivery models like Build-Operate-Transfer (BOT) and Engineering-Procurement-Construction (EPC)

## KEY ACTIVITIES:

- Project management and execution for complex construction projects.
- In-house design, engineering, and technical capabilities
- Procurement of materials, equipment, and subcontractor services
- Operation and maintenance of projects under concession agreements

## KEY PARTNERS:

- Engineering and design firms for technical expertise
- Suppliers of construction materials and equipment
- Subcontractors and labor providers

# SWOT ANALYSIS

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## STRENGTHS

- Diversified business model across infrastructure, buildings, and energy sectors
- Strong brand reputation and market leadership in the Indian construction industry
- NCC Limited11Experienced management team with deep domain expertise
- Robust order book and project execution capabilities
- Sound financial position with low debt and healthy cash flows

## OPPORTUNITIES

- Growing demand for infrastructure development in India
- Expansion into overseas markets to diversify revenue streams
- Increasing focus on sustainable construction and green buildings
- Leveraging digital technologies to improve efficiency

## WEAKNESSES

- High concentration of operations in the domestic Indian market
- Exposure to project execution risks, especially in infrastructure projects
- Susceptibility to cost overruns and delays
- Limited vertical integration and dependence on subcontractors

## THREATS

- Intense competition from other major players in the domestic market
- Volatility in raw material prices and supply chain disruptions
- Stringent environmental regulations and sustainability requirements
- Unpredictability of government policies and spending on infrastructure



# INVESTMENTS

## CORE INVESTMENTS IN FINANCIAL PERFORMANCE

- Revenue: ₹20,971 crore Consolidated), marking a 34% YoY increase; ₹18,439 crore Standalone), up by 37%.
- EBITDA: ₹1,769 crore Consolidated, 8.5% of revenue); ₹1,648 crore Standalone, 9% of revenue).
- Order Book: Record high at ₹57,536 crore, reflecting a 15% YoY growth.
- New Orders in FY24 ₹27,283 crore, with top sectoral contributions from Electrical 30%, Buildings 32%, and Water & Railways 22%.
- Debt Management: Gross debt reduced to ₹428 crore Standalone) achieving a managed debt-to-equity ratio of 1.09.

## SERVICE LOCATIONS AND SECTORAL ENGAGEMENT

- Buildings Sector: 44% revenue share with major projects in residential, commercial, and educational buildings, e.g., AIIMS and IIT campuses.
- Electrical: Transmission & Distribution) 18% of revenue; key projects in high-voltage distribution, substations, and feeder separation.
- Water & Railways: 15% of revenue; notable projects like the Amaravati water supply pipeline, recognized in Limca Book of Records.
- NCC Limited15Mining: 11% of revenue; large-scale open-cast coal mining projects in Telangana and Jharkhand.
- Transportation: 11% of revenue; includes expressways, metro systems, and airport infrastructure.

## PRODUCT STRATEGY INVESTMENTS

Sustainable Development Goals:

- 10,000 saplings planted annually (FY24) 13,621 saplings).
- Water conservation through sewage treatment and rainwater harvesting, with targeted goals of 130 KLD STP installations by FY25.

New Segment Ventures:

- Tunnel Construction: Entered with the Mumbai Goregaon-Mulund twin tunnel project, valued at ₹3,214 crore

## SUPPLY CHAIN AND ESG INVESTMENTS

- Sustainable Supply Chain: Promotes responsible sourcing; major procurement of 98,906 MT PPC/Slag Cement for low-carbon footprint construction.
- Waste Management: Organic waste converters and sewage treatment plants across sites, ensuring adherence to ESG guidelines.
- Water Efficiency: Advanced treatment plants installed to manage wastewater and conserve resources effectively.

## INSIGHTS AND INNOVATION INVESTMENTS R&D, DIGITAL, DESIGN)

- Digital Upgrades: Automated asset monitoring and HRMS platforms to improve bid success, streamline compliance, and reduce project risks.
- Sustainability Initiatives:
  - Green Buildings: Completed 15 projects covering 70 lakh sq. ft., valued over ₹6,000 crore. In-progress projects add another 60 lakh sq. ft. worth approximately ₹12,000 crore.
  - Renewable Energy Aiming for 558 KW of solar power capacity by FY26.
  - Smart Meters New segment entry with projects worth ₹8,080 crore, supporting state-led initiatives with trials underway.

## COST STRUCTURE INVESTMENTS CAPITAL EXPENDITURE AND HUMAN CAPITAL)

Capital Expenditure:

- Green Material Use: ₹63.7 crore invested in PPC/Slag Cement to reduce environmental impact.
- Project Equipment: Investment in state-of-the-art machinery and digital asset systems to enhance operational efficiency.

Human Capital:

- Workforce of 25,794 employees, with 127 training programs across leadership, safety, and technical skills.
- CSR Investment ₹13.04 crore allocated to CSR activities, benefiting over 50,000 individuals in healthcare, education, and rural development.

## PRICING STRATEGY AND MARKET POSITIONING INVESTMENTS

- Market Position: Aligned with government initiatives like PM Gati Shakti, focusing on urban development, affordable housing, and national infrastructure.
- NCC Limited16Strategic Partnerships: Strong client base includes government bodies and major private sector players, emphasizing long-term, large-scale projects.
- Quality and Reliability: Known for timely delivery and project quality, reinforced by ESG-compliant practices.

# RISK ANALYSIS

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## A. PROJECT EXECUTION DELAYS

**Risk:** Delays in project completion due to issues like labor shortages, supply chain disruptions, or regulatory hurdles.

**Consequences:** Cost overruns, reduced profitability, and potential penalties from clients.

**Mitigations:**

- Improved project management and planning.
- Collaboration with local stakeholders to streamline approvals.
- Building a strong supply chain and maintaining an inventory buffer.

**Opportunities:**

- Establishing a reputation for timely delivery can lead to new contracts.
- Investing in technology (e.g., BIM to optimize project execution

## B. DEPENDENCE ON GOVERNMENT PROJECTS

**Risk:** A significant portion of NCC Limited's revenue comes from government contracts, which are subject to policy changes or delays in payments.

**Consequences:** Liquidity issues and revenue volatility.

**Mitigations:**

- Diversification of projects into private and international sectors.
- Building cash reserves to handle payment delays.

**Opportunities:**

- Exploring Public-Private Partnership (PPP) models to reduce dependence.

## C. FLUCTUATION IN RAW MATERIAL PRICES

**Risk:** Prices of key inputs like steel, cement, and fuel are volatile and can erode margins.

**Consequences:** Reduced profitability and higher project costs.

**Mitigations:**

- Long-term contracts with suppliers to stabilize costs.
- Hedging raw material prices through forward contracts.

**Opportunities:**

- Leveraging economies of scale to negotiate better rates.

## D. REGULATORY AND ENVIRONMENTAL RISKS

**Risk:** Stricter environmental regulations or delays in obtaining necessary permits.

**Consequences:** Increased compliance costs and potential project halts.

**Mitigations:**

- Proactive compliance and engagement with regulatory authorities.
- Investing in sustainable construction practices.

**Opportunities:**

- Positioning as a leader in green construction could attract ESG-focused investors.

## E. COMPETITIVE LANDSCAPE

**Risk:** Intense competition from both large and small players in the construction industry.

**Consequences:** Price wars, reduced margins, and loss of market share.

**Mitigations:**

- Focus on niche markets or specialized construction segments.
- Differentiating through quality and innovation.

**Opportunities:**

- Building strategic partnerships or exploring M&A opportunities to enhance competitiveness

# ESG ANALYSIS

## ENVIRONMENTAL (E)

### a. Environmental Impact of Construction Projects

- Challenges:
  - High carbon footprint due to cement and steel usage.
  - Energy consumption and water usage during construction.
  - Waste generation, including demolition debris.
- Initiatives and Strengths:
  - Adoption of sustainable construction practices (e.g., green building certifications).
  - Utilization of environmentally friendly materials.
  - Focus on renewable energy sources and water conservation at project sites.
- Opportunities:
  - Positioning as a leader in green infrastructure could attract ESG-focused investments.
  - Leveraging government incentives for sustainable projects.

## GOVERNANCE (G)

### a. Board and Leadership Structure

#### Strengths:

- Experienced board and management team with a focus on ethical decision-making.
- Strong governance framework with compliance to regulatory standards.

#### Challenges:

- Transparency in reporting project delays or cost overruns.

### b. Risk Management

#### Strengths:

- Comprehensive risk management practices for large-scale projects.
- Regular audits and evaluations of financial performance.

#### Opportunities:

- Enhanced disclosure of ESG initiatives and impacts can improve investor trust.

### c. Ethical Practices

#### Challenges:

- Risks of corruption or unethical practices in the construction industry.

#### Mitigation:

- Adherence to anti-bribery and corruption policies.
- Regular training programs for ethical practices.

## SOCIAL (S)

### a. Workforce Practices

#### Challenges:

- Managing a large and diverse workforce across multiple project sites.
- Ensuring safety in hazardous construction environments.

#### Initiatives and Strengths:

- Regular safety training programs for workers.
- Implementation of robust safety protocols and guidelines.
- Promoting diversity and inclusion in the workforce.

### b. Community Engagement

#### Challenges:

- Balancing project execution with minimal disruption to local communities.
- Addressing displacement or resource use concerns.

#### Initiatives and Strengths:

- Active involvement in Corporate Social Responsibility CSR initiatives (e.g. building schools, healthcare facilities).
- Engaging with stakeholders to address concerns during project development.

### c. Alignment with National Infrastructure Goals

#### Opportunities:

- Contributing to government initiatives like Smart Cities and affordable housing projects strengthens social impact.
- Participation in Public-Private Partnerships (PPPs) to deliver community-focused projects.

## ESG RATING AND INVESTOR PERSPECTIVE

### 1. Strengths:

- NCC's focus on sustainable infrastructure and community engagement aligns with ESG principles.
- Ongoing efforts to reduce environmental impact and improve safety standards.

### 2. Weaknesses:

- Limited disclosure of ESG-specific metrics compared to global peers.
- Need for more robust reporting on carbon emissions and sustainability initiatives.

## ESG Opportunities:

- By adopting ESG reporting standards such as GRI or SASB, NCC can attract ESG-focused funds.
- Investments in renewable energy and green building technologies can enhance environmental scores.
- Strengthened governance and transparency will boost investor confidence.

# TRENDS

Metric	Value	Metric	Value
Market Cap	₹ 17,771 Cr.	Current Price	₹ 283
High / Low	₹ 364 / 164	Stock P/E	20.8
Book Value	₹ 109	Dividend Yield	0.78 %
ROCE	22.1 %	ROE	11.4 %
Promoter Holding	22.0 %	Price to Book Value	2.59
No. Eq. Shares	62.8	Cash Equivalents	₹ 851 Cr.
Debt	₹ 1,726 Cr.	Enterprise Value	₹ 18,647 Cr.
EPS	₹ 13.3	Sales Growth	25.1 %
Profit Growth	40.1 %	Face Value	₹ 2.00

# SALES, PROFIT

Metric	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	TTM
Sales	6,968	7,272	9,513	9,527	9,001	8,391	12,896	8,901	7,949	11,138	15,553	20,845	22,469
Expenses	6,146	6,514	8,513	8,540	8,326	7,518	11,303	7,824	7,030	10,110	14,094	19,076	20,492
Operating Profit	823	758	1,000	987	675	873	1,592	1,077	919	1,028	1,459	1,769	1,977
OPM %	12%	10%	11%	10%	8%	10%	12%	12%	12%	9%	9%	8%	9%
Other Income	91	105	127	71	87	-23	17	63	105	272	144	99	102
Interest	595	654	737	643	513	460	522	554	480	478	515	595	631
Depreciation	228	235	277	248	203	172	193	199	181	187	203	212	214
Profit Before Tax	90	-27	113	167	46	219	894	387	363	635	885	1,061	1,233
Tax %	42%	-138%	45%	51%	82%	37%	37%	19%	22%	22%	27%	30%	--
Net Profit	45	-9	48	82	8	139	568	314	283	494	646	740	867
EPS (₹)	1.01	0.06	0.97	2.17	0.57	2.81	9.63	5.52	4.40	7.91	9.70	11.32	13.26
Dividend Payout %	14%	156%	41%	28%	70%	36%	16%	4%	18%	25%	23%	19%	--

COMPOUNDED SALES GROWTH

Period	Growth Rate
10 Years	11%
5 Years	10%
3 Years	38%
TTM	25%

COMPOUNDED PROFIT GROWTH

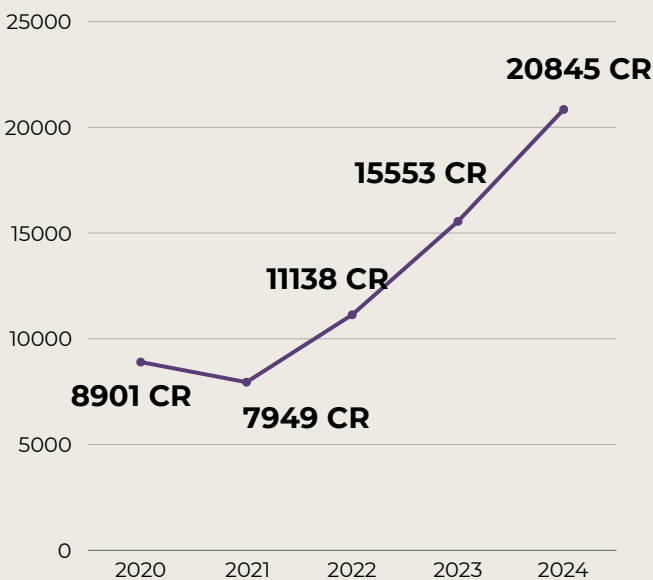
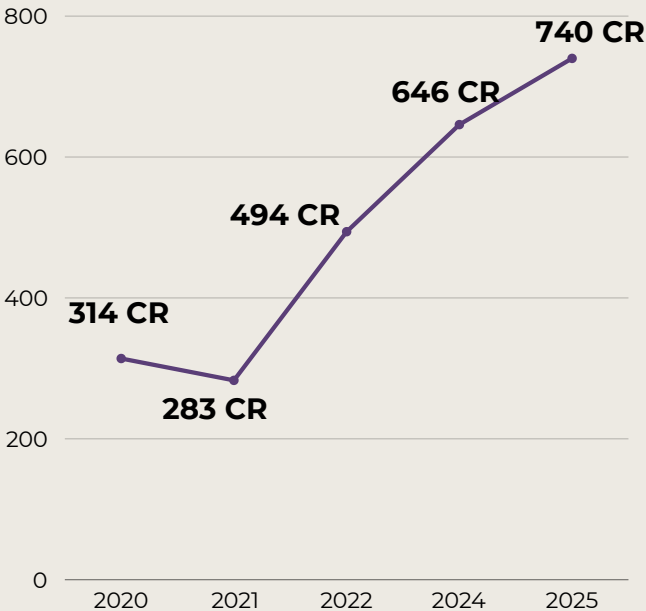
Period	Growth Rate
10 Years	57%
5 Years	3%
3 Years	41%
TTM	40%

STOCK PRIZE CAGR

Period	Growth Rate
10 Years	14%
5 Years	40%
3 Years	60%
1 Year	69%

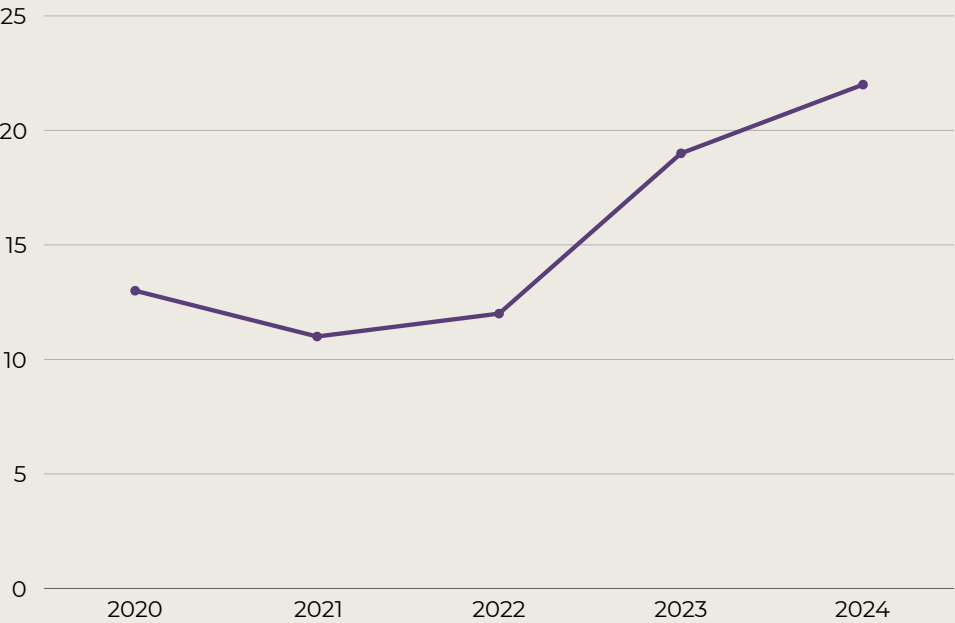
RETURN ON EQUITY

Period	ROE
10 Years	7%
5 Years	8%
3 Years	9%
Last Year	11%



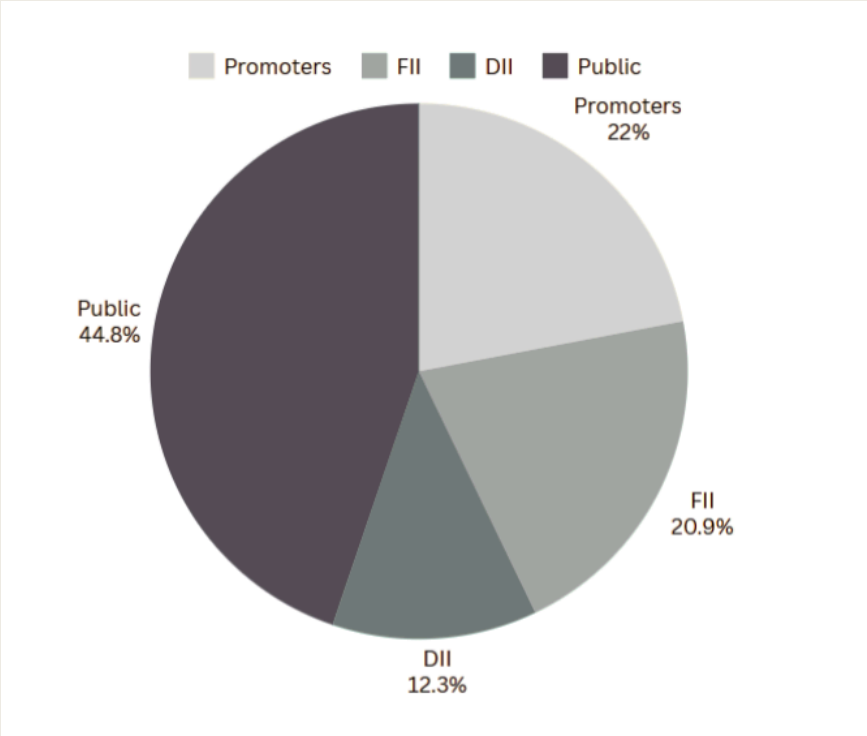
# ROCE

Metric	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Debtor Days	74	88	64	141	167	216	97	112	126	83	75	55
Inventory Days	335	312	218	265	290	338	103	166	180	117	102	87
Days Payable	278	255	175	301	335	428	328	491	565	447	393	330
Cash Conversion Cycle	130	145	107	105	122	126	-127	-213	-258	-246	-217	-189
Working Capital Days	125	134	106	119	150	153	121	157	194	120	83	61
ROCE %	9%	9%	12%	12%	8%	12%	21%	13%	11%	12%	19%	22%



# SHAREHOLDING PATTERN

Period	Promoters	FII	DII	Public	No. of Shareholders
Dec 2021	19.68%	11.62%	12.14%	56.56%	3,06,067
Mar 2022	19.68%	8.89%	12.25%	59.18%	3,38,342
Jun 2022	21.11%	9.77%	11.30%	57.82%	3,40,969
Sep 2022	21.99%	12.80%	13.10%	52.10%	3,25,180
Dec 2022	21.99%	15.76%	12.35%	49.89%	2,95,884
Mar 2023	22.00%	19.96%	12.86%	45.16%	2,87,451
Jun 2023	22.00%	22.48%	12.29%	43.24%	2,94,581
Sep 2023	22.00%	24.18%	11.03%	42.81%	3,29,498
Dec 2023	22.00%	23.89%	10.52%	43.59%	3,67,822
Mar 2024	22.00%	27.33%	10.63%	40.03%	4,05,037
Jun 2024	22.00%	23.65%	11.40%	42.96%	4,71,532
Sep 2024	22.00%	20.86%	12.34%	44.78%	5,02,087





# PEER COMPARISON

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S.No.	Name	CMP Rs.	Mar Cap Rs.Cr.	P/E	CMP / BV	EPS 12M Rs.	ROE %	ROCE %	EV / EBIT
1	NCC	283.05	17771.20	20.84	2.59	13.26	11.41	22.10	9.83
2	Man Infra	233.95	8707.34	32.28	5.51	7.28	22.84	28.06	20.52
3	Mahindra Life.	469.95	7288.27	60.65	3.98	7.75	4.66	2.01	78.43
4	Arkade	163.53	3036.16	24.72	3.67	8.08	46.90	45.21	16.00
5	PSP Projects	673.25	2688.88	28.64	2.23	24.73	14.44	19.08	14.56
6	Elpro Internatio	116.20	1969.35	15.44	0.97	7.52	5.95	7.85	13.21
7	B.L. Kashyap	78.52	1770.15	31.71	3.37	2.67	11.18	14.29	16.66

## COMPETITOR'S ANALYSIS

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- NCC has strong financial metrics that is ROE (11.41%), ROCE(22.10%), order book value (Rs. 57440 crores).
- They have substantial government connections and diversified projects.
- Planning of capex investment of Rs. 275-300 crore.
- Has highest valuation among all top competitors (17771.20 Crores).
- Has consistent net profit growth
- Strong revenue visibility from order book
- Strong revenue visibility from the order book, increased government spending on infrastructure, and focus on executing high-margin projects.

# CONCLUSION

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## Strong Investment Case for NCC Limited

- **Robust Project Pipeline:** NCC Limited boasts a healthy order book, driven by its expertise in executing large-scale infrastructure projects across sectors like transportation, urban infrastructure, and water resources.
- **Consistent Financial Growth:** The company has shown resilience in maintaining steady revenue growth and profitability, supported by operational efficiency and cost control.
- **Focus on Urban Development:** NCC is strategically positioned to benefit from government initiatives like Smart Cities, affordable housing, and transportation projects, which promise long-term revenue growth.
- **Sustainable Practices:** With a growing emphasis on green construction and ESG-focused initiatives, NCC is aligning itself with global sustainability trends, making it a strong candidate for ESG-conscious investors.

## Competitive Edge: Why NCC Stands Out

- **Diversified Operations:** Unlike many competitors, NCC operates across multiple segments, including buildings, roads, power, and water infrastructure, reducing sector-specific risks.
- **Execution Capabilities:** Proven track record of completing complex projects on time and within budget enhances its reputation and client trust.
- **Regional Leadership:** NCC's strong foothold in South India and its ability to expand into other regions make it a leader in the domestic infrastructure space.
- **Resilient Business Model:** The company has shown resilience against economic downturns and sector challenges, adapting to changing market dynamics effectively.

## Sector Attractiveness: Why Invest in Infrastructure?

- **Government Spending:** With India's focus on infrastructure development, this sector is set to be a key driver of economic growth. Increased budget allocations and policy reforms make it a lucrative space for investment.
- **Demand for Urbanization:** Rapid urbanization and industrial growth create a sustained demand for infrastructure projects, ensuring steady revenues for companies like NCC.
- **High Growth Potential:** The Indian infrastructure sector is expected to grow at a CAGR of 7-8% over the next decade, supported by rising public and private investments.
- **Economic Multiplier Effect:** Investments in infrastructure create long-term economic benefits, ensuring a favorable environment for companies in this space.

## Additional Points Worth Mentioning

- **Undervalued Stock:** NCC's current valuation, compared to its peers, offers a compelling entry point for investors seeking value.
- **Dividend Payout:** Regular dividends reflect strong cash flows and a commitment to returning value to shareholders.
- **Risk Mitigation:** The company's diversification across projects and geographies reduces dependency on any single segment, mitigating risks effectively.
- **Technological Adoption:** NCC's investment in advanced project management tools and sustainable practices enhances efficiency and reduces operational risks.

# FINAL VERDICT

NCC Limited combines a strong growth trajectory, diversified operations, and alignment with India's infrastructure goals to present a compelling investment opportunity. Its competitive edge, focus on ESG, and positioning in a high-growth sector make it a standout stock in the infrastructure space. For investors looking for long-term value in India's booming infrastructure story, NCC Limited is a solid pick.