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INDEPENDENT AUDITOR'S REPORT

To
The Members of
NCC INFRASTRUCTURE HOLDINGS LIMITED

Report on the Special Purpose Standalone Ind AS Financial Statements

We have audited the accompanying special purpose standalone Ind AS financial statements of **NCC Infrastructure Holdings Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flow for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Special Purpose Standalone Ind AS Financial Statements

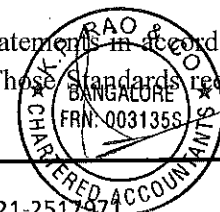
The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these special purpose standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the special purpose standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require



Branches

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CHARTERED ACCOUNTANTS

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the special purpose standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the special purpose standalone Ind AS financial statements.

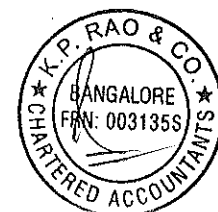
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2018, and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2016, ('the Order'), issued by the Central Government of India in terms of Sub-section 11 of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
- B. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid special purpose standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.



- e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its special purpose standalone Ind AS financial statements – Refer Note 24 to the special purpose standalone Ind AS financial statements.
 - ii. The Company has no long term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred to the Investor Education & Protection Fund by the Company.

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No.: 003135S


K. Viswanath
Partner
Membership No.: 022812



Place: Hyderabad
Date: May 09, 2018

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF NCC INFRASTRUCTURE HOLDINGS
LIMITED**

We report that;

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

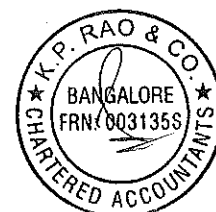
b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

c) According to the information and explanations given to us the company has not held any immovable property during the year and hence paragraph 3(i)(c) of the Order is not applicable for the company.
2. In respect to inventories, the Company does not hold any inventories. Accordingly reporting under clause (ii) of paragraph 3 is not applicable.
3. According to the information and explanations given to us, the Company has granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Act.

a) According to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

b) In our opinion and according to the information and explanation provided to us the loan amount shall be repayable in instalments after commencement of Commercial Utilization of the project or subject to the availability of funds, whichever is earlier. Also, no interest is receivable on this loan.

c) According to the information and explanations given to us and on verification of the documents, no amount is overdue for more than ninety days.
4. In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
6. According to the information and explanation given to us, the provisions of sub-section 1 of section 148 of the Companies Act, 2013 and rules made thereunder relating to maintenance of Cost Records are not applicable to the company for the year under audit. Accordingly reporting under clause (vi) of paragraph 3 is not applicable.
7. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.



K. P. RAO & CO.
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Continuation Sheet.....

- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess, which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks & Financial Institutions.
9. The Company has not raised any monies, during the reporting period, by way of initial public offer or further public offer. The Company has not raised any monies, by way of term loans during the year.
10. According to the information and explanations given to us, no fraud by, or by its officers or employees on the Company has been noticed or reported during the year.
11. According to the information and explanation given to us and based on our examination of the records of the company, managerial remuneration has been paid/provided during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the reporting period. Accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with any directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial (Non- Deposit Accepting or Holding) Company (NBFC).

For K.P.Rao & Co.,
Chartered Accountants

Firm's Registration No. 003135S

K. Viswanath

Partner

Membership No. 022182

Place: Bangalore

Date: May 09th, 2018



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE SPECIAL PURPOSE STANDALONE IND AS FINANCIAL STATEMENTS OF NCC INFRASTRUCTURE HOLDINGS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NCC Infrastructure Holdings Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the special purpose standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the special purpose standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



CHARTERED ACCOUNTANTS**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of special purpose standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the special purpose standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For K.P.Rao & Co.,

Chartered Accountants

Firm's Registration No. 003135S

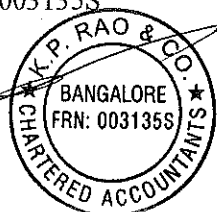

K. Viswanath

Partner

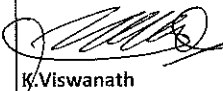


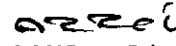
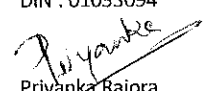
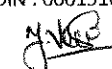
Membership No. 022812

Place: Hyderabad

Date: May 09, 2018



NCC INFRASTRUCTURE HOLDINGS LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
All Amounts in Rupees in Lakhs unless otherwise stated

Particulars	Note No	As At March 31, 2018	As At March 31, 2017
ASSETS			
Non-current assets			
(a)Property,Plant and Equipment	3	53.33	60.34
(b)Financial Assets			
(i)Investments	4	44,586.71	21,500.53
(ii)Loans	5	3,866.79	3,816.39
(c)Other Non -Current Assets	6	196.68	213.48
		48,703.52	25,590.74
Current assets			
(a)Financial Assets			
(i)Investments	4	757.46	32,567.86
(ii)Trade Receivables	7	25.92	21.00
(iii)Cash and Cash equivalents	8	87.30	27.65
(iv)Loans	9	8,947.26	8,921.32
(b)Other Financial Assets	10	1,247.11	1,765.01
		11,065.05	43,302.84
Total Assets		59,768.57	68,893.58
EQUITY AND LIABILITIES			
EQUITY			
(a)Equity Share Capital	11	69,605.04	69,605.04
(b)Other Equity	12	(18,031.08)	(9,881.80)
		51,573.96	59,723.25
LIABILITIES			
Non-current liabilities			
(a)Financial Liabilities			
(i)Borrowings	13	-	2,591.18
(b) Provisions	14	85.40	1,573.07
		85.40	4,164.25
Current liabilities			
(a)Financial Liabilities			
Trade payables	15	25.82	19.91
(b)Other Financial Liabilites	16	1,340.98	3,388.24
(c)Provisions	17	6,742.41	1,597.95
		8,109.21	5,006.10
Total Equity and Liabilities		59,768.57	68,893.58
Accompanying notes forming part of the financial statements As per our Audit Report of even date attached			
K.P.Rao & Co Chartered Accountants		For and on behalf of the Board	
  K.Viswanath Partner Membership No. 022812		 Raghu Varma Alluri Wholetime Director DIN : 01033094	
Place: Hyderabad Date: 09-05-2018		 A A V Ranga Raju Director DIN : 00019161	
		 Priyanka Rajora Company Secretary	
		 Y.V.Rao CFO	



NCC INFRASTRUCTURE HOLDINGS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2018
All Amounts in Rupees in Lakhs unless otherwise stated

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from operations	18	48.00	131.31
Profit on Sale of Investment		-	8,677.22
Other income	19	4.25	40.48
Income from Loan Amortization		477.65	425.58
Total Income		529.90	9,274.58
Expenses:			
Employee benefits expense	20	149.45	152.36
Finance costs	21	391.30	485.12
Depreciation and amortization expense	3	8.12	6.61
Provision for standard assets		9.94	15.71
Provision for Doubtful Debts		-	446.19
Loss on Sale of Investment		202.95	11,740.68
Less : Provision for Dimunition on value of Investment made		-	(3,257.06)
Provision for Commitments		-	1,500.00
Other expenses	22	66.24	1,451.06
Total expenses		827.99	12,540.67
Profit/(loss) before exceptional items and tax		(298.08)	(3,266.09)
Exceptional items:			
Obligation on Sale Investment (Refere Note 24)		6,551.62	-
Dimunition on value of Investment (Refer Note 25.1)		1,300.00	-
Profit/(loss) before Tax		(8,149.70)	(3,266.09)
Tax expenses:			
(1) Current tax		-	-
(2) Deferred Tax		-	-
Profit (Loss) for the period		(8,149.70)	(3,266.09)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
Remeasurements of the defined benefit plans (Refer Note No.33)		0.42	(15.75)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		-	-
Total Comprehensive Income for the period (comprising Profit(Loss) and Other comprehensive Income for the period)		(8,149.28)	(3,281.84)
Earnings per equity share:			
(1) Basic & Diluted	32	(1.17)	(0.47)

Accompanying notes forming part of the financial statements
As per our Audit Report of even date attached

K.P.Rao & Co
Chartered Accountants

K.Viswanath
Partner
Membership No. 022812



Place: Hyderabad
Date: 09-05-2018

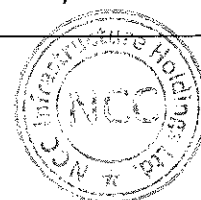
For and on behalf of the Board

Raghu Varma Alluri
Raghu Varma Alluri
Whofetime Director
DIN : 01033094

Priyanka Rajora
Priyanka Rajora
Company Secretary

A A V Ranga Raju
A A V Ranga Raju
Director
DIN : 00019161

Y.V.Rao
Y.V.Rao
CFO



NCC INFRASTRUCTURE HOLDINGS LIMITED

Statement of Changes in Equity for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

Equity Share Capital

Description	Number of Shares	Amount
Balance as at March 31, 2016	6,961	69,605
Add: Equity shares allotted during the year		
Balance as at March 31, 2017	6,961	69,605
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2018	6,961	69,605

Other Equity

Description	Retained Earnings	Reserves		Security Premium Account	Other Comprehensive Income	Total
		Reserve Under Section 45 IC - RBI Act	General Reserve			
Opening balance as at March 31, 2016	(9,498.78)	23.85	18.50	2,856.45	-	(6,599.98)
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Profit for the year	(3,266.09)	-	-	-	-	(3,266.09)
Remeasurements of the defined benefit plans	-	-	-	-	(15.75)	(15.75)
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-
Balance as at March 31, 2017	(12,764.87)	23.85	18.50	2,856.45	(15.75)	(9,881.81)
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Profit for the year	(8,149.70)	-	-	-	-	(8,149.70)
Remeasurements of the defined benefit plans	-	-	-	-	0.42	0.42
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-
Balance as at March 31, 2018	(20,914.57)	23.85	18.50	2,856.45	(15.31)	(18,031.08)

Accompanying notes forming part of the financial statements

As per our Audit Report of even date attached

for K.P.Rao & Co

Chartered Accountants

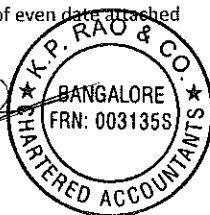
K.Viswanath

Partner

Membership No. 022812

Place: Hyderabad

Date: 09-05-2018



Raghu Varma Alluri

Wholetime Director

DIN : 01033094

Priyanka Rajora

Company Secretary

A A V Ranga Raju

Director

DIN : 00019161

Y.V.Rao

CFO



NCC INFRASTRUCTURE HOLDINGS LIMITED
 CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018
 All Amounts in Rupees in Lakhs unless otherwise stated

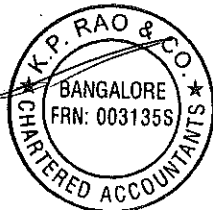
Particulars	Year ended 31, 2018	Year ended 31, 2017
A. Cash Flow from Operating Activities:		
Net Profit before Tax	(8,149.28)	(3,707.40)
Adjustments for:		
Profit on Sale of investments	202.95	(8,677.22)
Diminution on value of asset	1,300.00	-
Provision for Obligation on Sale of Investment	6,551.62	-
Loss on Sale of Investment	-	6,161.67
Loss on sale of Asset	-	2,321.95
Provision on Standard assets	9.94	15.73
Provision for Doubtful Loans	-	446.17
Provision for Commitments	-	1,500.00
Finance costs	391.30	406.18
Depreciation	8.12	6.61
Interest Income from Loan Amortization	(477.65)	(425.58)
Operating Profit / (Loss) before working capital changes	(163.00)	(1,951.88)
Changes in Working Capital :		
Increase/(decrease) in Trade Payables	5.91	(57.35)
Increase/(decrease) in Other Current Liabilities	(113.47)	(238.32)
Increase/(decrease) in Short Term Provisions	(1,496.43)	4.88
(Increase)/decrease in Trade Receivables	(4.92)	12.64
(Increase)/decrease in Other Non Current Assets	-	(15.77)
(Increase)/decrease in Other Current Assets	314.95	(1,750.23)
(Increase)/decrease in Short Term Loans and Advances	(25.94)	(8,493.31)
Cash generated from operations	(1,482.91)	(12,489.35)
Income taxes refunded	16.80	6.41
Net Cash flow from operating activities: (A)	(1,466.11)	(12,482.93)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(1.10)	(61.97)
Proceeds from sale of long-term investments	28,542.97	33,327.61
Purchase of Investment	(24,023.53)	(3,042.57)
Net cash flow from investing activities (B)	4,518.33	30,223.07
C. Cash Flow from Financing Activities:		
Proceeds from Long term borrowings	-	3,946.52
Repayment of the current portion of long term borrowings	(2,283.27)	(27,530.60)
Finance cost paid	(391.30)	(417.89)
(Increase)/decrease in Long Term Loans and Advances	(318.00)	6,228.14
Net cash flow used in financing activities (C)	(2,992.57)	(17,773.82)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	59.65	(33.69)
Cash and cash equivalents at the beginning of the year	27.65	61.34
Cash and cash equivalents at the end of the year	87.30	27.65

Accompanying notes forming part of the financial statements

- Note: 1) The Cash Flow Statement is prepared in accordance with the indirect Method stated in Indian Accounting Standards (Ind AS)-7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 2) Cash and Cash Equivalents comprises of cash and bank balances.
- 3) Figures in bracket represent cash outflows.

As per our Audit Report of even date attached

K.P.Rao & Co
 Chartered Accountants
 K.Viswanath
 Partner
 Membership No. 022812



Place: Hyderabad
 Date: 09-05-2018

For and on behalf of the Board

A.V. Ranga Raju
 Raghu Varma Alluri
 Wholetime Director
 DIN : 01033094

A.V. Ranga Raju
 A A V Ranga Raju
 Director
 DIN : 00019161

Priyanka Rajora
 Priyanka Rajora
 Company Secretary

Y.V. Rao
 Y.V. Rao
 CFO



NCC Infrastructure Holdings Limited
Notes forming part of the financial statements

1. Corporate Information

NCC Infrastructure Holdings Limited ("the Company") is an unlisted public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is registered with the Reserve Bank of India ("the RBI") as a Non-Banking Financial (Non-Deposit Accepting or Holding) Company ("NBFC") under the classification of Investment Company. The company is engaged in setting up infrastructure projects through special purpose entities and investing in the said entities by way of equity / debt participation. The Company also provides project management consultancy services to such infrastructure projects. The Company is a subsidiary of NCC

2. Significant Accounting Policies

2.1 Statement of compliance:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous generally accepted accounting principles ("Previous GAAP"), which includes Accounting Standards ("AS") notified under the Companies (Accounting Standards) Rules, 2006 and prescribed under Section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements which it believes to be 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 period in which the results are known / materialised.

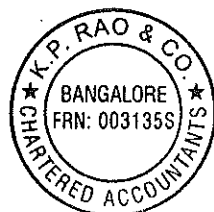
2.4 Revenue Recognition:

Management Fee

Revenue from project management consultancy services are recognized on accrual basis in accordance with the terms of the agreement.

Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable (accrual basis) in accordance with the terms of the agreement.



2.5 Employee Benefits :

Liability for employee benefits both Short and Long Term, for present and past services as per the terms of employment are recorded in accordance with Accounting Standard (AS) - 15 " Employee Benefits" issued by the Companies (Accounting Standards) Rules, 2006.

Defined contribution plans

Company's contribution to provident fund made to Regional Provident Fund Commissioner is recognized as an expense.

Defined Benefit Plans :

Gratuity:

In accordance with the Payment of Gratuity Act, 1972 the company provides for gratuity covering eligible employees. Liability on account of gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

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.

2.6 Taxes:

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

Deferred Tax: The company is not recognising Deferred Tax Assets for timing differences including losses as the management is unable to assess the probability of the deferred tax assets being set off against future taxable profits.

2.7 Property, Plant & Equipment

Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon 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 up to that date. Up to 31st March 2014, Depreciation is provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. From 1st April 2014, Depreciation is provided on straight line method, in the manner stated in Schedule II to the Companies Act, 2013 and as per the useful lives stated in Part C to the said Schedule.

2.8 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 assets 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 recognized 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.

2.9 Financial instruments

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

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

2.9 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets



NCC Infrastructure Holdings Limited
Notes forming part of the financial statements

Classification of financial assets:

(a) Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably recognised in profit or loss are included in the 'Other income' line item.

(b) Derecognition of financial assets :

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.10 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.11 Earnings per Share

The earnings considered in ascertaining the company's Earnings per share (EPS) comprise the net profit / (loss) after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period/year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and weighted average number of equity shares which could have been issued on the conversion of diluted potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, and unless they have been issued at a later date.

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.13 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.



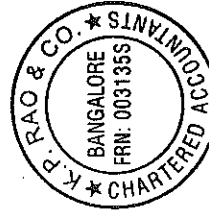
NCC INFRASTRUCTURE HOLDINGS LIMITED

Notes to the Financial Statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

3. Property, Plant & Equipment

Tangible Assets	Gross Block at cost			Depreciation			Net Block		
	As at April 01, 2017.	Additions	Disposals / Discarded	As at March 31, 2018	Upto April 01, 2017	Depreciation for the year	Disposals / Discarded	As at March 31, 2018	As at March 31, 2017
Furniture and Fixtures	3.46	-	-	3.46	3.39	-	-	3.39	0.07
Vehicles	85.12	-	-	85.12	26.84	7.38	-	34.22	58.28
Office equipment	38.73	1.10	-	39.83	36.73	0.74	-	37.47	2.00
Total	127.31	1.10	-	128.41	66.96	8.12	-	75.08	60.35
As at March 31, 2017	65.34	61.96	-	127.30	60.35	6.61	-	60.34	4.99



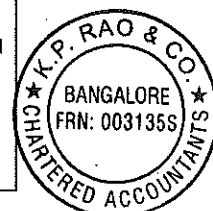
NCC INFRASTRUCTURE HOLDINGS LIMITED

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

4. Investments		As At	As At
		March 31, 2018	March 31, 2017
4.1	Non Current Investments		
	In Equity Instruments in Subsidiaries	15,465.35	14,997.35
	In Equity Instruments in Associates	5,097.83	6,503.18
	In Compulsory Convertible in to Equity Debentures IN Group companies	24,023.53	-
4.2	Current Investments		
	in Equity Instruments in Others	757.46	32,567.86
		45,344.17	54,068.39

4.3	Details of Investments - Non Current Investments		
	Investments carried at fair value through Profit and Loss		
	A. In Equity Shares of Rs.10/- each, fully paid up		
	(i) In Subsidiaries		
	Samashti Gas Energy Limited	5.00	5.00
	50,000 Equity shares (March 31, 2017: 50,000 Equity Shares)		
	NCC Infra Limited	1,773.00	1,305.00
	50,000 Equity shares (March 31, 2017: 50,000 Equity Shares)		
	OB Infrastructure Limited (Refer Notes 4.5 (a))	12,455.43	12,455.43
	9,447,681 Equity shares (March 31, 2017: 9,447,681 Equity Shares)		
	Savitra Agri Industrial Park Private Limited	1,231.92	1,231.92
	69,600, Equity shares (March 31, 2017: 69,600 Equity Shares)		
	(ii) In Associate companies		
	Pondicherry Tindivanam Tollway Limited (Refer Notes 4.5 (b))	6,397.83	6,503.18
	3,387,940 Equity shares (March 31, 2017: 3,387,940 Equity Shares)		
	Less: Provision for diminution in value of Investments	1,300.00	-
	B. In Compulsorily Convertible in to Equity Debentures		
	(i) Promoter Group Company		
	Gayatri Energy Ventures Private Limited (Refer Note No. 25)	24,023.53	-
		44,586.71	21,500.53
4.4	Details of Investments of Current Investments		
	Current Investments (AT COST)		
	Trade Investments (Unquoted)		
	A. In Equity Shares of Rs.10/- each, fully paid up		
	(i) In Other Entities		
	Sembcorp Gayatri Power Limited (Refer Note No.25 & 4.6(a))	-	28,542.97
	345,752,370 Equity shares (March 31, 2017: 345,752,370 Equity Shares)		
	Himachal Sorang Power Limited (Refer Notes 4.6, & Note 24)	4,024.89	4,024.89
	3,991,490 Equity shares (March 31, 2017: 3,991,490 Equity Shares)		
	Less : Sale consideration received in advance (Refer Note 4.7)	(3,267.43)	-
		757.46	32,567.86
	Aggregate Amount of Quoted Investments	-	
	Aggregate Amount of Unquoted Investments	45,344.17	54,068.39
	Aggregate Market Value of Quoted Investments	-	
	Notes:		
	4.5 (a) Of these 4,818,369 Shares (March 31, 2017 : 4,818,369 shares) are pledged with IDBI Trusteeship Services Limited as security for NCD issued by OB Infrastructure Limited		
	4.5(b) Of these 1,853,656 Shares (March 31, 2017 :1,234,408 shares) are pledged with Axis Bank & WITCO as security for term loans availed by Pondicherry Tindivanam Tollway Limited. 83,415 shares physically pledged with Axis Bank & WITCO. Also include 702,667 shares purchased from NCC Limited (the Holding Company), during 2016-17, to be transferred to the Company.		
	4.6 (a) Of these Nil Shares (March 31, 2017 : 34,21,80,574 shares) are pledged with Rural Electrification corporation Limited		
	4.6 (b) Of these 3,991,486 Shares (March 31, 2017 : 3,991,486 shares) are pledged with Axis Bank Limited as security for term loans availed by Himachal Sorang Power Limited		
	4.7. Advance consideration for sale of investment classified under Other current liabilities in previous year financials now regrouped to Investments		



NCC INFRASTRUCTURE HOLDINGS LIMITED

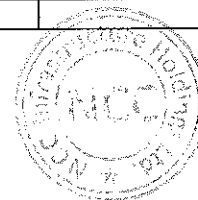
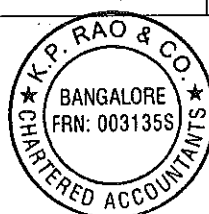
Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

	As at March 31, 2018	As at March 31, 2017
5. Long Term Loans and Advances		
Loans and advances to related parties (Refer Note 5a and 31(d)(a))		
(Unsecured, considered good)		
Subsidiaries	-	-
Associates	1,200.12	1,107.15
	1,200.12	1,107.15
(Considered doubtful)		
Subsidiaries	142.09	142.09
Enterprises owned or significantly influenced by key management personnel or their relatives	195.70	195.70
	337.79	337.79
Less : Provision for Doubtful Advances	(337.79)	(337.79)
	1,200.12	1,107.15
Other loans and advances		
Unsecured, considered good (Refer Note 24)	2,666.67	2,709.24
	-	-
	2,666.67	2,709.24
Total	3,866.79	3,816.39

5a. These advances are valued at Fair value through Profit or Loss and the difference between the carrying values and the present value as at the transition date is charged to Opening balance of Retained Earnings in case of the projects substantially in progress/completed as at the transition date and in other cases, to Inventory.

6. Other Non-Current Assets		
Interest accrued on loans	108.38	108.38
Less : Provision for Doubtful Advances	(108.38)	(108.38)
	-	-
Advance income tax and tax deducted at source	184.69	213.48
GST Input Credit	11.99	-
Total	196.68	213.48
7. Trade Receivables		
(Unsecured, considered good)		
Other trade receivables	25.92	21.00
Total	25.92	21.00
8. Cash and Cash Equivalents		
Cash on Hand	0.01	0.02
Balance with banks:		
In Current Account	87.29	27.64
Total	87.30	27.65
9. Short Term Loans and Advances		
(Unsecured, considered good)		
Loans & Advances to related Parties		
Subsidiaries	8,944.45	8,919.45
Prepaid Expenses	1.40	1.27
Advances recoverable in cash or in kind or for value to be received	1.41	0.59
Total	8,947.26	8,921.32
10. Other Financial Assets		
Other Receivables	1,247.11	1,765.01
Total	1,247.11	1,765.01



NCC INFRASTRUCTURE HOLDINGS LIMITED

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

11. SHARE CAPITAL	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
<u>Authorised</u> Equity Shares of Rs.10/-each	750,000,000	75,000.00	750,000,000	75,000.00
	750,000,000	75,000.00	750,000,000	75,000.00
<u>Issued, Subscribed and Fully Paid Up</u> Equity Shares of Rs.10/-each	696,050,446	69,605.04	696,050,446	69,605.04
	696,050,446	69,605.04	696,050,446	69,605.04

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount		
At the beginning of the year	696,050,446	69,605.04	696,050,446	69,605.04
Issued during the Period	-	-		
At the end of the Period	696,050,446	69,605.04	696,050,446	69,605.04

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all liabilities. The distribution will be in proportion to the

(c) Shares held by the Holding company

	As at March 31, 2018		As at March 31, 2017	
	Number	Rupees		
NCC Limited	432,437,351	4,324.37	382,827,745	3,828.28

(d) Details of share holders holding more than 5% share in the Company

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% Holding		
NCC Limited (the Holding Company - along with its nominees)	432,437,351	62.13%	382,827,745	55.00%
Gayathri Energy Ventures Private Limited	263,613,095	37.87%	313,222,701	45.00%

(e) Details of shares issued for consideration other than cash:

	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Bonus Shares to NCC Limited in the year 2013-2014 (the Holding Company)	409,730,426	40,973.04	409,730,426	40,973.04

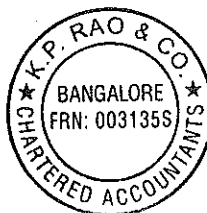


NCC INFRASTRUCTURE HOLDINGS LIMITED

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

12. Notes to Other Equity	As at March 31, 2018	As at March 31, 2017
Securities premium account		
Opening balance	2,856.45	2,856.45
Closing balance	2,856.45	2,856.45
General Reserve		
Opening balance	18.50	18.50
Closing balance	18.50	18.50
Reserve under Section 45 IC of RBI Act, 1934		
Opening balance	23.85	23.85
Closing balance	23.85	23.85
Other Comprehensive Income (Refer Note 33)	(15.33)	(15.75)
Other Equity :		
Ind as Adjustment Loan Discounted value	(910.57)	(910.57)
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(11,854.28)	(8,588.21)
Add: (Loss)/ Profit for the period/year	(8,149.70)	(3,266.07)
Closing balance	(20,003.98)	(11,854.28)
Total of Reserves and Surplus	(18,031.08)	(9,881.80)
13 LONG TERM BORROWINGS		
Unsecured		
Loan from Holdings Company (Refer Note 13a)	-	2,591.18
	-	2,591.18
13 a. Loan taken from the holdings company, NCC Limited which carries an interest of 12% pa. Repayable after November 30, 2018 as mutually agreed upon with holding company		
14 LONG TERM PROVISIONS		
Provision for employee benefits:		
Provision for gratuity	1.63	0.79
Provision for compensated absences	13.16	11.61
Provision for Commitments	-	1,500.00
Provison on Standard Assets	70.61	60.67
	85.40	1,573.07



NCC INFRASTRUCTURE HOLDINGS LIMITED

Notes to the financial statements for the period ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017
15 TRADE PAYABLES		
Other than acceptances	25.82	19.91
	25.82	19.91
16 OTHER FINANCIAL LIABILITIES		
Loan from Holdings Company (Refer Note 13a)	1,333.65	-
Interest Accrued but not due on Loan from Holding company	-	110.20
Advance consideration for sale of Investment (Refer Note 4.7)	-	3,267.43
Other payables		
Statutory remittances	7.34	10.61
	1,340.98	3,388.24
17 SHORT TERM PROVISIONS		
Provision for employee benefits:		
Provision for gratuity	0.86	0.64
Provision for compensated absences	2.58	1.62
	3.44	2.26
Provision - Others		
Obligation pursuant to sale of Investment in HSPL -(Refer Note No.24)	6,738.96	1,595.69
Total	6,742.41	1,597.95



NCC INFRASTRUCTURE HOLDINGS LIMITED

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

	Year Ended March 31, 2018	Year Ended March 31, 2017
18. REVENUE FROM OPERATION		
Interest on Loans	-	51.98
Management Fee	48.00	79.33
	48.00	131.31
19. OTHER INCOME		
Interest on I.T.Refund	4.25	2.43
Interest on Bank Deposit	-	20.70
Upfront Fee	-	17.35
	4.25	40.48
20. EMPLOYEE BENEFITS		
Salaries, Wages & Other allowances	139.93	159.13
Contribution to Provident funds	8.17	8.90
Staff welfare expenses	0.92	0.08
	149.02	168.11
21. FINANCE COST		
Interest to others	302.04	406.16
Commission on Bank Guarantee	87.74	63.95
Bank Charges	1.52	15.01
	391.30	485.12
22. OTHER EXPENSES		
Rent	9.43	9.40
Rates and Taxes	0.63	0.98
Power charges	3.48	3.37
Travelling and Conveyance	17.64	26.05
Insurance	5.34	5.67
Repairs and Maintenance - other assets	0.15	1.37
Professional Charges	67.75	1,156.27
Audit Fees (Refer Note 22.1)	3.25	8.86
Director Sitting Fees	-	-
Office Maintenance	2.02	4.11
Arbitration Costs	71.08	222.73
Miscellaneous Expenses	3.15	12.25
Refund from SIAC	(117.68)	-
	66.24	1,451.06
22.1 Audit Fees		
Statutory Audit Fee	2.60	2.60
Tax audit Fee	0.45	0.45
Other Services	0.20	5.81
	3.25	8.86



NCC Infrastructure Holding Limited;

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

23. Contingent Liabilities and commitments (to the extent not provided for)

	As at March 31, 2018	As at March 31, 2017
Contingent liabilities :		
Corporate Guarantee to banks and financial institutions on account of Sembcorp Gayatri Power Limited	-	84,229

24. Sale of Investment in HSPL

The Company, during the year 2012-13, entered into a Securities Purchase Agreement (SPA) with TAQA India Power Ventures Private Ltd - formerly TAQA Jyothi Energy Ventures Private Ltd (TAQA) for sale of 41,44,300 equity shares of Rs. 10/- each and 78,58,900 Zero Coupon Irredeemable Fully Convertible Debentures held by it in Himachal Sorang Power Limited (HSPL).

In terms of SPA, the sale of shares to be effected in two tranches viz initial sale and subsequent sale.

- Initial Sale (on the date of the SPA) envisaged transfer of : 152810 shares and 7858900 Zero Coupon Irredeemable Fully Convertible Debentures of Rs. 10/- each of HSPL held by the company and the same completed and realized the proceeds

- In respect of Subsequent Sale Shares Transfer, 39,91,490 Equity Shares of Rs. 10/- each of HSPL held by the company Value of Rs. 402489083/- is to be effected. The Company received an amount of Rs. 49,95,18,200 from TAQA against gross consideration of Rs.58,95,18,200/-. The net amount of Rs. 32,67,43,176/- (received amount of Rs. 49,95,18,200/- netted with estimated related costs to be incurred aggregating to Rs. 17,27,75,024/-) is treated as "Sales Consideration received in advance " is presented under "Investments Schedule - netting off with Investment Value. As at the reporting date, the transfer could not be effected due to various reasons.

During the year 2012-13, the management has estimated and made a provision of Rs. 51,95,68,675/- towards its obligation to meet cost over runs, contingencies, etc. TAQA during 2014 - 15 invoked bank guarantee of Rs.36,00,00,000, submitted by the Company as security. The net amount of Rs.15,95,68,675/- (net of amount of bank guarantee invoked) is presented under 'Short-term provisions -- Obligation on sale of investments in HSPL .

In terms of SPA, the Company had obligation to achieve wet commissioning by March 2013 within agreed cost of Rs.890 Crores and failing which has to bear the cost over run exceeding Rs 890 Crores, subject to relevant clauses in terms of SPA.

TAQA has taken control of operations of HSPL effective from December 2012 by taking over the majority control in the Board of Directors of HSPL. Further, TAQA also took over the management of the project of HSPL during December 2013.

During 2014 - 15, TAQA and HSPL had invoked the arbitration proceedings under the SPA, in Singapore International Arbitration Centre, detailing various disputes / claims aggregating to Rs. 409,89,88,202/-, which is revised to Rs. 671,42,90,000/- during the Arbitration Process. The Company denied all the disputes / claims in its entirety and also raised Counter Claims aggregating to Rs. 210,33,49,952/- (subsequently revised to Rs. 78,50,25,093/-). The Learned Arbitral Tribunal has while quashing the claims of TAQA, has allowed certain claims of HSPL Amounting to Rs 108,38,25,790/- (after adjustments of receivables) together with interest commencing on varied dates

Aggrieved by the order of the learned Tribunal, the company is initiating the process to challenge the award in the Courts of Singapore as per the SIAC Rules and the International Arbitration Act.

In the meantime in March 2018 TAQA and HSPL has filed a petition before the honourable High Court of Delhi for Enforcement of a Foreign Award and the Company has raised preliminary objections on the grounds of Jurisdiction and the next hearing is slated on 2nd August 2018.

Based on the above developments and as prudent practice, management has provided Rs.65.51 Crores as provision for "Obligation on sale of investment of HSPL ."

25 : Sale of shares Sembcorp Gayathri Power Limited

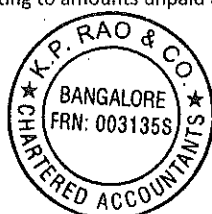
The Company sold 12% Equity shares paid up capital of Sembcorp Gayatri Power Limited held by NCCIH amounting to INR 285,42,96,740/- for a consideration of value of INR 285,42,96,740/-to Gayatri Energy Ventures Private Limited (GEVPL")

25.1 : Provision for Diminution in the value of Investments / for recoverability of advances of Associates

The company has invested in Equity and advance monies in Pondicherry Thindivanam Tollway Private Limited, have incurred losses during the year and also accumulated losses at the reporting period. Hence, during the year under report, the company made a provision of Rs. 13 Cr. for diminution on Value of Investments basing on fairvalue measurement by considering future cashflow and certain claims receivable.

26. Disclosure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid/payable as required under the said Act, have not been given.



NCC Infrastructure Holding Limited

Notes to Financial Statements for the year ended March 31, 2018

27. Employee Benefits

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 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.

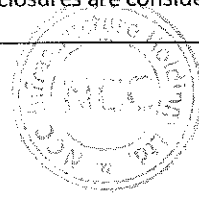
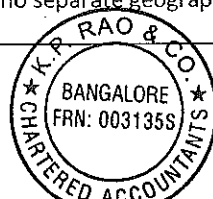
Liability for retiring gratuity as on March 31, 2018 is Rs.16.67 lakhs (March 31, 2017: 14.97 lakhs) of which Rs. 14.17 lakhs is funded with the Life Insurance Corporation of India. The balance of Rs. 2.49 lakhs is included in provision for Gratuity.

The liability cost of compensated absence Rs. 15,73,671/- (March 31, 2016 Rs. 13,22,999/-) are unfunded and has been actuarially determined and provided for in books of account.

	March 31, 2018	March 31, 2017
	in Lakhs	in Lakhs
Expenses recognised in Statement of Profit and Loss		
Current service cost	1.15	1.41
Interest cost	0.97	1.14
Benefits Paid	(1.31)	(7.35)
Net actuarial (gain)/loss	0.89	1.61
Net benefit expense	1.70	(3.20)
Benefit asset/liability	March 31, 2018	March 31, 2017
Present value of defined benefit obligation	16.67	14.97
Fair value of plan assets	-	-
Net liability	16.67	14.97
The above Liability Classified as		
Long Term	1.63	0.79
Short Term	0.86	0.64
Change in present value of the defined benefit obligations	March 31, 2018	March 31, 2017
Opening defined benefit obligation	14.97	18.17
Current service cost	1.15	1.41
Interest cost	0.97	1.14
Benefits paid	(1.31)	(7.35)
Actuarial (gains)/losses on obligation	0.89	1.61
Closing defined benefit obligation	16.67	14.97
Actuarial (gain)/loss recognized	March 31, 2018	March 31, 2017
Actuarial (gain)/loss of obligation	0.89	(1.61)
Actuarial (gain)/loss of planned assets	-	-
Total (gain)/loss for the period	0.89	(1.61)
Actuarial (gain)/loss recognized	0.89	1.61
unrecognized actuarial (gain)/losses		
	March 31, 2018	March 31, 2017
Assumptions for gratuity and Leave encashment		
Discount rate	8%	8%
Rate of increase in compensation levels	6%	6%
Rate of return on plan assets	0	0
Expected average future service of employees (years)	16	16

28. Segment Information

The Company's operations predominantly consist of Investment in Group Companies. Hence there are no reportable segments under Accounting Standard-17. During the year under report, the Company's business has been carried in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.



29 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
-Unused Business and Depreciation loss	11,537.19	11,334.24
-Unused Long Term Capital Loss	10,301.67	10,301.67
	<u>21,838.85</u>	<u>21,635.91</u>

30 Financial instruments**30.1 Capital management**

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain / enhance credit rating.

The Company determines the amount of capital required on the basis of long-term strategic plans. The funding requirements are met through long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital and other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

	As at March 31, 2018	As at March 31, 2017
Equity	51,573.96	59,723.25
Long Term Borrowings	-	2,591.18
Short Term Borrowings	1,333.65	3,267.43
Cash and cash equivalents	(87.30)	(27.65)
Net debt	1,246.35	5,830.96
Total capital (equity + net debt)	52,820.31	65,554.21

Categories of financial instruments

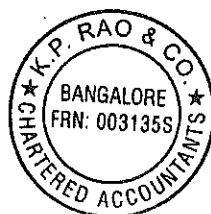
	As at March 31, 2018	As at March 31, 2017
Financial assets		
Measured at Cost		
Cash and bank balances	87.30	27.65
Investments	45,344.17	54,068.39
Loans	12,811.25	12,735.84
Trade Receivables	25.92	21.00
Other Financial assets	1,247.11	1,765.01
Financial liabilities		
Measured at amortised cost	25.82	19.91

30.2 Financial risk management objectives

The company's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The company's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

30.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. There are no significant exposure to market risk considering the current status of its project and other operations of the Company.



30.4 Interest rate risk

Total borrowings, represents short term borrowings from Holding Company.

30.5 Equity risks

The company is exposed only to non-listed equity investments and as a policy matter the company bringing down the equity investment exposure to the various companies. The company continuously in the process of disinvestment of its investments in the companies. As the exposure has come down significantly and does not have any equity investment in the listed entities, the impact of change in equity price on profit or loss is not significant.

30.6 Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents advances given by the Company.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies.

30.7 Trade and Other Receivables

The Company exposure to credit risk is influenced mainly by the individual characteristic of each customer the demographics of the customer, including the default of the industry and country in which the customer operates, also has an influence on credit risk

Particulars	for the year ended	
	As at March 31, 2018	As at March 31, 2017
Revenue from customers	48.00	79.33

One customer accounted for more than 10% of the revenue for the year ended March 31, 2018. However none of the customers accounted for more than 10% of the receivable for the year ended March 31, 2018. One customer accounted for more than 10% of the revenue for the year ended March 31, 2017. However none of the customers accounted for more than 10% of the receivable for the year ended March 31,

30.7 Liquidity risk management

The Company manages liquidity risk by maintaining borrowing facilities from its group companies, by continuously monitoring forecast and actual cash flows for the projects undertaken by the Company.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	25.82	25.82	-	-	25.82
ICD and Interest thereon	1,333.65	110.20	1,223.45	-	1,333.65
			-		-
Total	1,359.47	136.02	1,223.45	-	1,359.47

The table below provides details of financial assets as at March 31, 2018

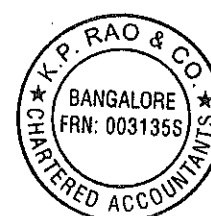
	Carrying amount	Fair Value
Investments	45,344.17	45,344.17
Loans	12,811.25	12,811.25
Other financial Assets	25.92	25.92
Total	45,344.17	45,344.17

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	19.91	19.91	-	-	19.91
ICD and Interest thereon	2,701.38	110.20	2,591.18	-	2,701.38
Total	2,721.29	130.11	2,591.18	-	2,721.29

The table below provides details of financial assets as at March 31, 2017

	Carrying amount	Carrying amount
Investments	54,068.39	54,068.39
Loans	12,737.70	12,737.70
Other financial Assets	21.00	21.00
Total	54,068.39	54,068.39



30.8 Fair value measurements

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

Financial assets / financial liabilities	Fair Value as at*		Fair value	Valuation techniques & key inputs used
	As at March 31, 2018	As at March 31, 2017		
Investments in unquoted equity instruments at FVTPL	757.46	4,024.89	Level 2	Refer Note
Investments in unquoted equity instruments at FVTPL	-	28,542.97	Level 2	Refer Note

*Positive value denotes financial asset (net) and negative value denotes financial liability (net)

Notes:

There were no transfers between Level 1 and 2 in the period.

The Level 1 financial instruments are measured using quotes in active market

The following table shows the valuation technique and key input used for Level 2:

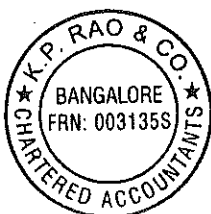
Financial Instrument	Key Inputs used
(a) Unquoted Equity Instruments	
1. Himachal Sorang Power Limited	Fair Value of Investments has been arrived either realisable value of underlying assets or as per Contractually realisable values

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Financial assets at amortised cost:					
Cash and bank balances	Level 2	87.30	87.30	27.65	27.65
Investments	Level 2	44,586.71	44,586.71	21,500.53	21,500.53
Loans	Level 2	12,811.25	12,811.25	12,735.84	12,735.84
Other Financial assets measured at amortised cost	Level 2	1,247.11	1,247.11	1,765.01	1,765.01
	Fair value hierarchy	As at		As at	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Financial liabilities at amortised cost:					
- Borrowings	Level 2	1,333.65	1,333.65	2,591.18	2,591.18
- Trade payables	Level 2	25.82	25.82	19.91	19.91
- Other financial liabilities	Level 2	-	-	3,388.24	3,388.24

30.9 Details of Provisions

Name of the Provision	Opening Balance as at 01.04.17	Provision during 2017 - 18	Released during the period 31.03.18	Closing Balance as at 31.03.18
Provision for Standard Assets - RBI	60.67	9.94	-	70.61
Provision for Diminishing Value of Investment	-	13.00	-	13.00



NCC Infrastructure Holding Limited

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

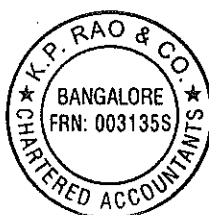
31. Related party transactions

a) List of related parties and relationship

Name of the Related party	Relationship
M/s. NCC Limited	Holding Company
M/s. Gayatri Energy Ventures Private Limited	Promoter Group Company
M/s. Samishti Gas Energy Limited	Subsidiary
M/s. NCC Infra Limited	Subsidiary
M/s. OB Infrastructure Limited	Subsidiary
M/s. Savitra Agri Industrial Park Private Limited	Subsidiary
M/s. Pondicherry Thindivanam Tollway Limited	Associate
M/s. Himalayan Green Energy Private Limited	
M/s. Sirisha projects Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives
Mr. Raghu Varma Alluri, Whole Time Director	
Mr. S.Jogarao, Company Secretary	
Ms. Priyanka Rajora (w.e.f as CS 01.08.2017)	Key Managerial Personnel
Mr. K. Sriram Raju, C.F.O.	
Mr. Y.Venkateswara Rao (w.e.f.as CFO 01.11.2017)	

b) Related party transactions entered into during the year are as follows

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Inter Corporate Deposit Received		
M/s. NCC Limited	1,588.74	3,899.00
(ii) Interest on Inter Corporate Deposit		
M/s. NCC Limited	302.04	406.18
(iii) Expenses/BG Commission debited by the holding company		
M/s. NCC Limited	85.15	152.72
(iv) Inter Corporate Deposit Refunded		
M/s. NCC Limited	2,932.02	29,403.66
(v) Interest on Inter Corporate Deposit Refunded		
M/s. NCC Limited	412.23	417.88
(vi) Expenses Debited by the holding company repaid		
M/s. NCC Limited	-	105.21
(vii) Advance paid to Holding company		
M/s. NCC Limited	-	6,964.24
(viii) Advance refunded by holding company		
M/s. NCC Limited	-	2,111.55
(ix) Acquisition of Investment of Holding company		
M/s. Savitra Agri Industrial Park Private Limited	-	1,231.92

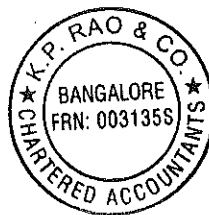


NCC Infrastructure Holding Limited

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

(x) Equity stake transfer by holding company	-	-
M/s. Pondicherry Thindivanam Tollway Limited	-	1,810.65
(xi) Loan stake transfer by holding company	-	-
M/s. Pondicherry Thindivanam Tollway Limited	-	1,449.55
(xii) Trade payables repaid	-	-
M/s. NCC Limited	-	18.08
(xiii) Loans/Advances given	-	-
M/s. NCC Infra Limited	468.00	-
M/s Savitri Agri Industrial Park Private Limited	25.00	8,919.45
M/s. Himalayan Green Energy Private Limited	-	1.00
(xiv) Loans/Advances refund received	-	-
M/s. Pondicherry Thindivanam Tollway Limited	150.00	
(xv) Interest income on Loans given	-	-
M/s. Himalayan Green Energy Private Limited	-	17.52
(xvi) Management Fee (Excluding Servicetax)	-	-
M/s. OB Infrastructure Limited	48.00	48.00
(xvii) Provision for Doubtful Advances/Loans and Interest		
M/s. Samishti Gas		142.08
M/s. Himalayan Green Energy Private Limited		304.08
(xix) Rent Paid	-	-
M/s. Sirisha projects Private Limited	9.43	10.80
(xx) Remuneration paid to Key Managerial Personnel		
Mr. Raghu Varma Alluri	67.00	67.00
Mr. S.Jogarao	12.72	12.00
Ms. Priyanka Rajora	5.31	-
Mr. K.Srirama Raju	9.52	17.87
Mr. Y.Venkateswara Rao	10.00	-
(c) Credit Balances Outstanding		
(a) Inter Corporate Deposit from Holding Company		
M/s. NCC Limited	1,333.65	2,591.18
(b) Interest Accrued but not Due on ICD		-
M/s. NCC Limited	-	110.20
(c) Rent Payable		-
M/s. Sirisha projects Private Limited	-	-



NCC Infrastructure Holding Limited

Notes to the financial statements for the period ended March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

(d) Debit Balances Outstanding		
(a) Long Term Loans/Advances		
Subsidiaries		
M/s. Samishti Gas	142.09	142.09
M/s. NCC Infra Limited	1,768.00	1,300.00
M/s Savitri Agri Industrial Park Private Limited	8,944.45	8,914.25
In Associates		
M/s. Pondicherry Thindivanam Tollway Limited	1,200.12	1,107.15
In Promoter Group Company		
M/s Gayatri Energy Ventures Private Limited	-	-
In Enterprises owned or significantly influenced by key management personnel or their relatives		
M/s. Himalayan Green Energy Private Limited	195.70	195.70
(b) Interest Accrued on Loans		
M/s. Himalayan Green Energy Private Limited	108.38	108.38
(c) Trade Receivables		
M/s. OB Infrastructure Limited	25.92	21.00

32. Earnings per share (EPS)		
	Year Ended March 31 2018	Year Ended March 31 2017
Net Profit/(Loss) after tax available for equity shareholders	(8,149.70)	(3,266.09)
Weighted average no of equity shares for Basic EPS	6,960.50	6,960.50
Weighted average no of equity shares for diluted EPS	6,960.50	6,960.50
Face value per share	10.00	10.00
Basic EPS	(1.17)	(0.47)
Diluted EPS	(1.17)	(0.47)

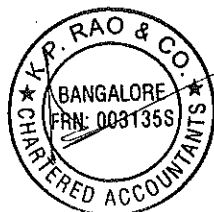
33. During the current reporting period Actuarial gains and losses on Defined Benefit plans have been presented in Other Comprehensive Income. Accordingly previous year amounts also reclassified as the same was presented in Profit & Loss account

34. Introduction of new Ind AS Standard/Amendments to Ind AS Standards

Through a Notification dated 28th March 2018, the Ministry of Corporate Affairs has indicated 1st April 2018 as the effective date for the implementation of Ind AS 115- Revenue from Contracts with Customers. The company is in the process of assessing the impact of Ind AS 115. The impact of this Standard is expected to be minimal considering the operations of the company.

Signatories to Note "1 to 34"

for and on behalf of the board



Place : Hyderabad
Date : 09-05-2018

R. V. Alluri
Raghu Varma Alluri
Wholetime Director
DIN : 01033094
Priyanka Rajora
Priyanka Rajora
Company Secretary

A A V Ranga Raju
A A V Ranga Raju
Director
DIN : 00019161
Y.V. Rao
Y.V. Rao
CFO

