

K. P. RAO

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## INDEPENDENT AUDITOR'S REPORT

**To Members of NCC OIL AND GAS LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **NCC OIL AND GAS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 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 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 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 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 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 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 financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 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 financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total 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, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply 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.
  - 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 no pending litigations as on the balance sheet date.



- 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  
FINANCIAL STATEMENTS OF NCC OIL AND GAS LIMITED**

We report that;

1. According to the information and explanations given to us, the company does not possess any fixed assets during the year. Accordingly, paragraph 3(i) is not applicable.
2. According to the information and explanations given to us, the company does not hold any inventory during the year. Accordingly, paragraph 3(ii) is not applicable.
3. According to the information and explanations given to us, the company has not granted any loans under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any director, given any guarantee, provided any security in connection with any loan taken by any director or made investment through more than two layers of investment companies. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
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. In our opinion and according to the information and explanations given to us, Section 148(1) (d) prescribed by the Central Government for the maintenance of cost records does not apply to the company.
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.  
  
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.



# K. P. RAO & CO.

CHARTERED ACCOUNTANTS

Continuation Sheet.....

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. The company is not restricted by the provisions of Section 197 in the payment of managerial remuneration to its directors. Accordingly, reporting under clause (xi) of paragraph 3 of the Order is not applicable.
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 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 not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**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 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF NCC OIL AND GAS 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 OIL AND GAS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the 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 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.



**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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls 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

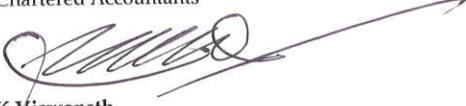
NCC OIL & GAS LIMITED  
BALANCE SHEET AS AT MARCH 31, 2018


(Amount in Thousands)

Description	Note	As At March 31, 2018		As At March 31, 2017	
<b>ASSETS</b>					
<b>1. Current assets</b>					
(a) Financial Assets					
(i) Cash and cash equivalents	3	327.80		332.56	
			327.80		332.56
<b>TOTAL</b>			<b>327.80</b>		<b>332.56</b>
<b>EQUITY AND LIABILITIES</b>					
<b>1. Equity</b>					
(a) Equity Share capital	4	500.00		500	
(b) Other Equity	5	(188.29)		(176.03)	
			311.71		323.97
<b>2. Current liabilities</b>					
(a) Trade payables	6	16.09		8.59	
			16.09		8.59
<b>Total</b>			<b>327.80</b>		<b>332.56</b>
Corporate Information & Significant Accounting Policies	1 & 2				
See accompanying notes to the financial statements					

As per our Audit report of even date attached  
for K.P. Rao & Co.  
Chartered Accountants

for and on behalf of the Board

  
K. Viswanath  
Partner  
Membership No.022812

  
Sri NR Alluri  
Director  
DIN:00026723

  
Sri ASN Raju  
Director  
DIN:00017416

Place : Hyderabad  
Date : 09/05/18




## NCC OIL &amp; GAS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Thousand)

Description	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>REVENUE</b>			
Revenue from operations			
Other Income			
<b>Total Revenue</b>		-	-
<b>EXPENDITURE</b>			
Finance Costs	7	4.75	0.980
Other Expenses	8	7.50	8.590
<b>Total Expenses</b>		12.25	9.570
<b>Profit Before Tax</b>		-	-
<b>Prior period adjustments - Depreciation</b>			
<b>Profit/(Loss) before exceptional items and tax</b>		(12.25)	(9.57)
<b>Profit/(Loss) Before Tax</b>		(12.25)	(9.57)
<b>Profit/(Loss) from Consolidation</b>			
<b>Profit/(Loss) Before Tax</b>		(12.25)	(9.57)
Less: Tax Expense		0.00	0.00
<b>Profit/(Loss) for the Year</b>		(12.25)	(9.57)
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the Year</b>		(12.25)	(9.57)
<b>Earnings per Share of face value of Rs.10/- each</b>			
Basic		(0.25)	(0.19)
Diluted		(0.25)	(0.19)
<b>Corporate Information &amp; Significant Accounting Policies</b>	1 & 2		
See accompanying notes to 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

for and on behalf of the Board

  
Sri NR Alluri  
Director  
DIN:00026723

  
Sri ASN Raju  
Director  
DIN:00017416

Place : Hyderabad  
09/05/18

Description	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash Flow from operating activities:</b>		
Net (Loss)/ Profit before taxation and extra ordinary items	(12.25)	9.57
<b>Adjustment for Changes in</b>		
Trade payables and Other Liabilities	7.49	-
Cash used in operations	(4.76)	9.57
<b>Net cash (Used)/ Generated in Operating Activities</b>	<b>(4.76)</b>	<b>9.57</b>
<b>B. Cash Flow from Investing Activities:</b>		
Net cash generated/ (used) in Investing Activities	-	0
<b>C. Cash flow from Financing activities:</b>		
Net cash generated/ (used) in Financing Activities	-	0
<b>Net change in Cash and Cash Equivalents (A+B+C)</b>	<b>(4.76)</b>	<b>9.57</b>
Cash and Cash Equivalents (Opening Balance)	332.56	342.12
Cash and Cash Equivalents (Closing Balance)	327.80	332.56

As per our Audit report of even date attached  
for **K.P. Rao & Co.**  
Chartered Accountants

for and on behalf of the Board



**K. Viswanath**  
Partner  
Membership No.022812



Sri NR Alluri  
Director  
DIN:00026723



Sri ASN Raju  
Director  
DIN:00017416

Date : 09/05/18

## **NOTE 1: CORPORATE INFORMATION**

M/s. NCC Oil & Gas Limited is a subsidiary of NCC Limited. The Main objects to be pursued by the company on its incorporation are: -

- a) To establish, provide, maintain, develop and perform engineering and related technical and consulting services including exploration and development of business for oil, gas & petroleum projects.
- b) To plan, design and construct pipelines for gas, oil and oil products and other related facilities and systems for collecting, gathering, treatment, fractionation, processing, blending, purification, distribution, marketing and sale of natural gas.
- c) To liaise, co-ordinate, formulate schemes, proposal with other gas producing, transporting, supplying, agencies, organisations, government, industrial and other users for proper utilisation of natural gas and products, by products and co-products obtained out of treated natural gas.

## **NOTE 2: 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, 2015, 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 which are measured at fair values at the end of each reporting period.

### **2.3. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## 2.4. Financial instruments:

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

### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost

## 2.5. 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.

NCC OIL & GAS LIMITED  
Notes forming part of Financial Statements

(Amount in Thousands)

Notes No	Description	As At March 31, 2018		As At March 31, 2017	
3	Cash and Cash Equivalents:				
	Cash on Hand	0.05		0.05	
	Balances with Scheduled Banks:				
	- in Current Account	327.75		332.51	
	Total		327.80		332.56

NCC OIL & GAS LIMITED  
Notes forming part of Financial Statements

(Amount in Thousands)

Notes No	Description	As At March 31, 2018		As At March 31, 2017	
6	Trade payables Services & Expenses		16.09		8.59
	Total		16.09		8.59

STATEMENT OF CHANGES IN EQUITY NCC OIL AND GAS LIMITED

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

(Amount in Thousands)

A. Equity Share Capital

Description	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
No of Shares Authorised	50.00	-	50.00
No of Shares Issued	50.00	-	50.00
No of Shares Subscribed and paidup	50.00	-	50.00
Face Value	10/-	-	10/-
Equity Share Capital	500.00	-	500.00

B. Other Equity

(Amount in Thousands)

Description	Retained Earnings	Reserves	Total
		Others	
Opening balance as at April 1, 2016	(166.47)		(166.47)
Changes in accounting policy / prior period errors			
Any other changes (to be specified)			
Transfer to retained earnings	(9.57)		(9.57)
Balance at the end of the March 31, 2017	(176.03)	-	(176.03)
Transfer to retained earnings	(12.25)	-	(12.25)
Any other changes (to be specified)		-	-
Balance at the end of the March 31, 2018	(188.29)	-	(188.29)

NCC OIL & GAS LIMITED  
Notes forming part of Financial Statements

(Amount in Thousands)

Notes No	Description	Year Ended March 31, 2018		Year Ended March 31, 2017	
7	Finance Costs				
	Bank Charges	4.75		0.98	
	Total		4.75		0.98
			4.75		0.98
8	Other Expenses				
	Auditors' Remuneration	7.50		8.59	
	Total		7.50		8.59



**NOTE 9: Additional Information to the Financial Statements**

**9.1 Contingent Liabilities – Nil** (Previous Year: Nil)

**9.2** The Company has not received any information 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 the yearend together with interest paid / payable as required under the said Act have not been given.

**9.3 Earnings Per Share**

(Amount in Thousands)

S.No.	Particulars	Year Ended 31.03.2018 Rupees	Year Ended 31.03.2017 Rupees
1	Net Profit /(Loss) available for Equity shareholders	(12.25)	(9.57)
		Nos	Nos
2	Weighted Average number of equity shares for Basic EPS	50	50
3	Weighted Average number of equity shares for Diluted EPS	50	50
4	Face value per share	Rs.10/-	Rs.10/-
5	Basic EPS	(0.25)	(0.19)
6	Diluted EPS	(0.25)	(0.19)


**9.4 Related Party Transactions:**

(a) Following is the list of related parties and relationships:

Name of the Related party		Relationship
1.	NCC Limited	Holding Company

(b) During the year, there were no transactions with related parties.

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: 09/05/18

For and on behalf of the Board

   
Sri NR Alluri      Sri ASN Raju  
Director              Director  
DIN:0026723      DIN:00017416