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INDEPENDENT AUDITOR'S REPORT

To
The Members of
NCC VIZAG URBAN INFRASTRUCTURE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NCC VIZAG URBAN INFRASTRUCTURE 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

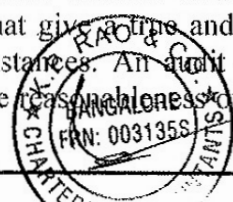
Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of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

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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

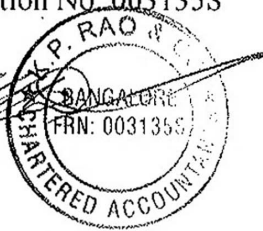
- A. As required by the Companies (Auditor's Report) Order, 2016, ('the Order'), issued by the Central Government of India in terms of Sub-section 11 of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said order.
- B. As required by 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 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 disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 14(a) (i) to the 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
FINANCIAL STATEMENTS OF NCC VIZAG URBAN INFRASTRUCTURE 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 company does not possess any fixed assets during the year. Accordingly, paragraph 3(i) (b) is not applicable.

c) According to the information and explanations given to us, the company does not hold any immovable property. Accordingly, paragraph 3(i) (c) is not applicable.
2. According to the information and explanations given to us, inventory consists of property development costs which do not have a physical existence. 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.



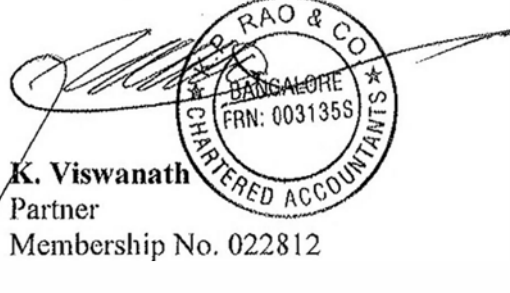
CHARTERED ACCOUNTANTS

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 explanations 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 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 VIZAG URBAN INFRASTRUCTURE 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 VIZAG URBAN INFRASTRUCTURE 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.



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 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 VIZAG URBAN INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in Thousands)

Description	Note	As At March 31, 2018		As At March 31, 2017	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment					
(i) Tangible assets	3	0.00	0.00	0.62	0.62
2. Current Assets					
(a) Inventories	4	21,85,916.00		21,85,916.00	
(b) Financial Assets					
(i) Cash and cash equivalents	5	10.87		16.41	
(c) Other Current Assets	6	5,950.82	21,91,877.69	5,974.19	21,91,906.59
TOTAL			21,91,877.69		21,91,907.21
EQUITY AND LIABILITIES					
1. Equity					
(a) Equity Share Capital	7	5,26,250.00		5,26,250.00	
(b) Other Equity	8	(2,57,023.56)	2,69,226.44	(2,56,618.33)	2,69,631.67
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	9	19,19,448.46		19,19,263.11	
(b) Other current liabilities	10	3,202.78	19,22,651.24	3,012.43	19,22,275.54
Total			21,91,877.69		21,91,907.21
Corporate Information and Significant Accounting Policies See accompanying notes to the financial statements	1 & 2				

As per our 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

Narayana Raju Alluri
Director

DIN: 00026723

A.V.N. Raju
Director

DIN: 00018965

Hyderabad

Date: 09.05.2018

NCC VIZAG URBAN INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Thousands)

Description	Note	Year Ended March 31, 2018		Year Ended March 31, 2017	
REVENUE					
Revenue from operations(including excise duty)		-		-	
Other Income		-		-	
Total Revenue			-		-
EXPENDITURE					
Finance Costs	11	150.36		2,49,501.01	
Depreciation and amortization expense	3	0.62		5.72	
Other Expenses	12	254.25		184.66	
Total Expenses			405.23		2,49,691.39
Profit/(Loss) Before Tax			(405.23)		(2,49,691.39)
Less: Tax Expenses			-		-
Profit/(Loss) for the year			(405.23)		(2,49,691.39)
Earnings per Share of face value of Rs.10/- each					
Basic			(0.01)		(4.74)
Diluted			(0.01)		(4.74)
Corporate Information and Significant Accounting Policies	1 & 2				
See accompanying notes to the financial statements					

As per our report of even date attached

For K.P. Rao & Co

Chartered Accountants

K. Viswanath
Partner
Membership No. 022842

Hyderabad

for and on behalf of the Board


Narayana Raju Alluri
Director
DIN: 00026723


A.V.N. Raju
Director
DIN: 00018965

NCC VIZAG URBAN INFRASTRUCTURE LIMITED
Cash Flow Statement for the Year Ended March 31, 2018

(Amount in Thousands)

DESCRIPTION	Year Ended March 31, 2018	Year ended March 31, 2017
A. Cash Flow from operating activities:		
Net Profit/(Loss) before taxation and extra ordinary Items	(405.23)	(190.58)
Adjustment for		
Depreciation/ Amortisation	0.62	5.72
Prior Period Items	-	-
Provision for Gratuity and Leave Encashment	-	-
Interest and finance Charges	-	2,49,509.13
Operating (Loss)/ Profit before Working Capital Changes	(404.61)	2,49,324.27
Adjustment for Changes in		
Other Current Assets	23.37	(22.19)
Inventories - Property Development Cost		
Trade payables and Other Liabilities	190.36	(853.76)
Cash used in operations	(190.89)	2,48,448.32
Taxes Paid	-	-
Net cash (Used)/ Generated in Operating Activities	(190.89)	2,48,448.32
B. Cash Flow from Investing Activities:		
Purchase of fixed assets and other capital expenditure	-	-
Investments in subsidiaries	-	-
Investment in Associates	-	-
Loans to Subsidiaries	-	-
Net cash generated/ (used) in Investing Activities	-	-
C. Cash flow from Financing activities:		
Proceeds from issue of Shares	-	-
Long Term Funds (Repaid)/ borrowed	185.34	1,025.17
Repayment of short term Borrowings	-	-
Proceeds received from parent company	-	-
Interest Paid	-	(2,49,509.13)
Net cash generated/ (used) in Financing Activities	185.35	(2,48,483.95)
Net change in Cash and Cash Equivalents (A+B+C)	(5.54)	(35.63)
Cash and Cash Equivalents as at 1st April 2017 (Op Balance)	16.41	52.03
Cash and Cash Equivalents as at 31st March 2018 (Cl Balance)	10.87	16.41

As per our 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



Narayana Raju Alluri

Director

DIN: 00026723

A.V.N.Raju

Director

DIN: 00018965

Hyderabad

Date: 09.05.2018

NCC VIZAG URBAN INFRASTRUCTURE LIMITED

Notes forming part of Financial Statements

NOTE 1: CORPORATE INFORMATION

NCC Vizag Urban Infrastructure Limited (the company) is an unlisted public company and incorporated under the provisions of the Companies Act, 1956. The company is a subsidiary of NCC Limited. The company is incorporated as a Special purpose Vehicle for developing a Housing Project at Madhurawada, Vizag, Andhra Pradesh.

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 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation thereon. Depreciation is provided on the basis of useful lives given in Schedule II of Companies Act, 2013.

2.5 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.



NCC VIZAG URBAN INFRASTRUCTURE LIMITED

Notes forming part of Financial Statements

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

2.6 Inventories

a. Property Development:

Properties held for sale or development is valued at cost. Cost comprises cost of land and direct development expenditure.

2.7 Borrowing Costs:

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

2.8 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.

2.9 Exemptions availed on first time adoption of Ind AS 101

Ind-AS101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IndAS. The Company has accordingly applied the following exemptions

a. Deemed Cost for Property, plant and equipment

The Company has elected to continue with the carrying value of all of its property plant and equipment recognised as of April, 1, 2015 (transition date) measure as per the previous GAAP and use that carrying value as its deemed cost as of the transaction date.



NOTE: 3 PROPERTY, PLANT AND EQUIPMENT

(Amount in Thousands)

Description	Office Equipment	Furniture & Fixtures	Office Vehicles	Total
Cost as at April 1, 2017	12.70	12.38	39.68	64.76
Additions	-	-	-	-
Disposals	-	-	-	-
Cost as at March 31, 2018	12.70	12.38	39.68	64.76
Accumulated depreciation April 1, 2017	12.70	11.76	39.68	64.14
Depreciation for the year	-	0.62	-	0.62
Depreciation on deletions	-	-	-	-
Accumulated depreciation March 31, 2018	12.70	12.37	39.68	64.75
				-
Net Carrying amount as at March 31,2018	-	0.00	-	0.00

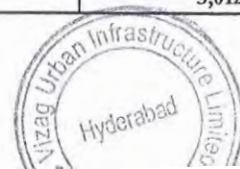
Description	Office Equipment	Furniture & Fixtures	Office Vehicles	Total
Cost as at April 1, 2016	12.70	12.38	39.68	64.76
Additions	-	-	-	-
Disposals	-	-	-	-
Cost as at March 31, 2017	12.70	12.38	39.68	64.76
Accumulated depreciation April 1, 2016	12.70	9.65	36.06	58.42
Depreciation for the year	-	2.11	3.62	5.72
Depreciation on deletions	-	-	-	-
Accumulated depreciation March 31, 2017	12.70	11.76	39.68	64.14
Net Carrying amount as at March 31,2017	-	0.62	-	0.62



Note	Description	As At March 31, 2018		As At March 31, 2017	
4	Inventories				
	Property Development Cost		21,85,916.00		21,85,916.00
	Total		21,85,916.00		21,85,916.00
5	FINANCIAL ASSETS				
	Cash and cash equivalents:				
	Cash on Hand		0.25		0.25
	Balances with Scheduled Banks:				
	- in Current Account		10.62		16.15
	Total		10.87		16.40
6	OTHER CURRENT ASSETS				
	Loans and Advances:				
	(Unsecured and considered good)				
	Advances to Others		4,612.36		4,612.36
	GST Input Transition Credit		1,338.46		1,361.83
	Total		5,950.82		5,974.19



	Description	As At March 31, 2018		As At March 31, 2017	
7	Share Capital Authorised 5,50,00,000 Equity Shares of Rs.10/- each.		5,50,000		5,50,000
			5,50,000		5,50,000
	Issued, Subscribed And Paid Up 5,26,25,000 Equity Shares of Rs.10/- each fully paid		5,26,250		5,26,250
			5,26,250		5,26,250
	Total				
7.a	Reconciliation of the number of Shares Outstanding:				
	Description	As At March 31, 2018		As At March 31, 2017	
			Nos		Nos
	At the beginning of the year		5,26,250		5,26,250
	At the end of the year		5,26,250		5,26,250
7.b	The company has only one class of shares - Equity shares having a par value of Rs. 10/- per each share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board is subject to approval by the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the share holder.				
7.c	Shares held by the Holding Company:				
	Description	As At March 31, 2018		As At March 31, 2017	
		Number	Amount	Number	Amount
	NCC LIMITED - Holding Company	50,000	5,00,000	50,000	5,00,000
7.d	Details of shareholders holding more than 5% of shares in the Company:				
	Name of Shareholder	As At March 31, 2018		As At March 31, 2017	
		held	% of Holding	held	% of Holding
	NCC LIMITED Holding Company	50,000	95%	50,000	95%
	AVSR Holdings Private Limited	2,625	5%	2,625	5%
	Total	52,625	100%	52,625	100%
8	Other Equity				
	Description	Retained Earnings	Others	Total	
	Opening balance as at April 1, 2017	(2,61,868.33)	5,250.00	(2,56,618.33)	
	Changes in accounting policy / prior period errors	-		-	
	Restated balance at the beginning of the reporting period	-		-	
	Total comprehensive income for the period	-		-	
	Dividends	-		-	
	Transfer to retained earnings	(405.23)		(405.23)	
	Any other changes (to be specified)	-		-	
	Balance at the end of the March 31, 2018	(2,62,273.56)	5,250.00	(2,57,023.56)	
9	Borrowings Unsecured From Holding Company				
			19,19,448		19,19,263
	Total		19,19,448		19,19,263
(Includes interest of Rs24,95,08.816 thousands as on March 31, 2018)					
10	Other Current Liabilities Retention Money Advance from Others Statutory Liabilities Other Liabilities				
			92.13		84.93
			3,020.80		1,564.99
			4.24		1,252.23
			85.62		110.29
	Total		3,202.78		3,012.44



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

(Amt in Thousands)

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	55,000.00	-	55,000.00
No of Shares Issued	52,625.00		52,625.00
No of Shares Subscribed and paidup	52,625.00		52,625.00
Face Value	10/-		10/-
Equity Share Capital	5,26,250.00	-	5,26,250.00

B. Other Equity

(Amount in Thousands)

Description	Retained Earnings	Reserves	Total
Opening balance as at April 1, 2017	(2,61,868.33)	5,250.00	(2,56,618.33)
Changes in accounting policy / prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	-	-
Total comprehensive income for the year	-	-	-
Dividends	-	-	-
Transfer to retained earnings	(405.23)	-	(405.23)
Any other changes (to be specified)	-	-	-
Balance at the end of the March 31, 2018	(2,62,273.56)	5,250.00	(2,57,023.56)



NCC VIZAG URBAN INFRASTRUCTURE LIMITED
Notes forming part of Financial Statements

(Amount in Thousands)

Note No	Description	As At March 31, 2018		As At March 31, 2017	
11	Financial Costs				
	Interest		150.07		2,49,508.90
	Bank Charges		0.29		0.11
	Total		150.36		2,49,509.01
12	Other Expenses				
	Watch and Ward		144.00		138.19
	Filing Fees		-		0.69
	Office Maintenance		-		0.01
	Legal and Professional Charges		25.80		15.08
	Audit Fees		30.00		30.00
	Service Tax		54.12		-
	Other expenses		0.33		0.69
	Total		254.25		184.66
13	(Increase)/Decrease Work in progress				
	Construction Work-in-Progress				
	- Opening Balance		11,83,679.68		11,83,679.68
	- Closing Balance		11,83,679.68		11,83,679.68
			-		-



NCC VIZAG URBAN INFRASTRUCTURE LIMITED

Notes forming part of Financial Statements

Notes No 14: Additional information to the Financial Statements

14(a).Contingent Liabilities: NIL (Previous Year : NIL)

14(a)(i). Project Information and Status:

- a. NCC Limited, pursuant to the Request for Proposal from Andhra Pradesh Housing Board (APHB) participated in the bidding for a development project at Vishakhapatnam. Being the highest and successful bidder, APHB issued a Letter of Award (LOA) dated 31.12.2005 in favour of a consortium led by NCC Limited. Other participant in the consortium is M/s Uppal Housing Private Limited.
- b. Pursuant to the said LOA, NCC Limited incorporated the company as a Special Purpose Vehicle. A Development Agreement dated 16.03.2007 has been entered into between APHB and the company.
- c. The company, during the period 2005-06 to 2007-08, paid an amount of Rs.9,06,836.00 thousand towards Development Fee and Rs 51,084.30 thousand towards interest on delayed payments of Development Fee to APHB.
- d. APHB handed over approximately Acres 97.30 cents to the company. The company has to design, plan, finance and market, develop necessary infrastructure, provide necessary services, operate and maintain the infrastructure, administer and manage the project in accordance with the terms and conditions set out in the agreement with APHB. 90% of the area is earmarked for residential use (including for LIG housing) and 10 % of the area is earmarked for commercial use and other amenities.
- e. After receiving the LOA and submitting a Detailed Project Report, the company for the first time came to know that part of the said land is earmarked as 'partly residential use, partly hill and partly agriculture land'. This fact came to the company's knowledge only when it applied to Visakhapatnam Urban Development Authority (VUDA), It was not disclosed to the company by APHB until then. Pursuant to the applicable laws, the company has applied for 'Change of Land Use' to 'Partly Residential and Partly Commercial Zone'. In this regard, the company paid an amount of Rs 27,105.00 thousand to VUDA towards conversion charges. Out of the said Acres 97.30 cents, an extent of Acres 33.00 cents is already converted to Residential and subsequently, the Government of Andhra Pradesh has granted conversion / change of land use for the extent of land Acres 14.80 cents to residential vide G.O.Ms No. 16074/H2/2008-1, dated 20.11.2008 and the balance extent of land of Acres 49.50 cents vide G.O.Ms No. 177 dated 06.09.2014.
- f. The company received a Notice dated December 16, 2013 from APHB terminating the said development agreement as the project has not been commenced, seeking re-possession of the entire land immediately and revoking the POA.
- g. In response to the said notice, the Company filed a writ petition (WP No: 202 of 2014) dated January 2, 2014 before the Hon'ble High Court of Andhra Pradesh. In this regard, the Hon'ble High court has issued an order stating for maintenance of status quo an posting the case for hearing on January 28, 2014. However, the matter is yet to be heard and disposed of. Consequently, there is no impact of the said action by APHB, on the financial statements of the company as at 31-3-2017.



NCC VIZAG URBAN INFRASTRUCTURE LIMITED

Notes forming part of Financial Statements

- h. Though the development of the project has been delayed due to factors completely beyond the control of the company, the company is confident of resolving the issues in its favor, and also for obtaining all the requisite sanctions, permissions and clearances including conversion of land. Considering the substantial appreciation in the surrounding land values and increase in commercial activities in the vicinity of the land, company is confident of the economic viability of the project. The company is also of the opinion that there would not be any impairment, in recovery of the Property Development.
- i. During the financial year 2017-18, the company has been very actively discussing possible options with the appropriate authorities to facilitate an early resolution to the dispute. Based on the initial responses received from the authorities, the Company is confident that the dispute would be resolved in the near future.
- j. Based on the above developments, the following costs including the borrowing costs incurred up to the reporting period have been accumulated under the head “ Property Development”

Nature	Amount(Rs in Thousands)
Development Fee to APHB	9,06,836.00
Interest paid to APHB	51,084.30
Development Charges paid to VUDA	27,105.00
Consultation Charges	11,702.00
Interest on borrowings from Holding company	11,83,679.68
Land Development Charges	5,508.00



Notes No 14 : Additional information to the Financial Statements

14.b Segmental Information

As the activities of the company falls under single business segment and geographical segment and there are no other reporting segments, no segment disclosure has been made in these financial statements

14.c Related Party Transactions:

Following is the list of related parties and relationships

Name of the Related party	Relationship
NCC Limited	Holding Company
NCC Urban Infrastructure Limited	Fellow Subsidiary

Related Party transactions during the year ended March 31, 2018

(Amount in Thousands)

Sl No	Particulars	Holding Company		Fellow Subsidiary	
		Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
1	Unsecured Borrowings	185.35	---	1,455.81	---
2	Interest Paid/Provided	---	2,49,508.90	---	---

Credit balances outstanding as on 33.03.2018

Sl No	Particulars	Holding Company		Fellow Subsidiary	
		Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
1	NCC Limited	19,19,448.46	19,19,263.11	---	---
2	NCC Urban Infrastructure Limited	---	---	3,020.80	1,564.99

14.d Earning Per Share

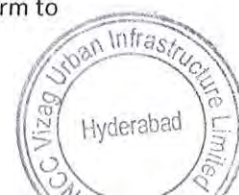
Sl.No	Particulars	31.03.2018	30.03.2017
1	Net Profit available for Equity shareholders	(405.23)	(2,49,691.39)
2	Weighted Average number of equity shares for Basic EPS	Nos 52,625.00	Nos 52,625.00
3	Weighted Average number of equity shares for Diluted EPS	52,625.00	52,625.00
4	Face value per share	Rs.10/-	Rs.10/-
5	Basic EPS	(0.01)	(4.74)
6	Diluted EPS	(0.01)	(4.74)

14.e Provision for income tax has not been made in view of loss for the period. Deferred tax asset has not been provided as a measure of prudence.

14.f 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 period end together with interest paid / payable as required under the said Act have not been given.

14.g Expenditure / income in foreign currency - Rs. Nil (Previous Year - Rs. Nil)

14.h Figures of previous period have been regrouped /rearranged wherever necessary to conform to the current period presentation



14.i Investment Property - Fair Value Disclosures

NOT APPLICABLE

14.j Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	Amount in Thousands	
	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences, unused tax losses and unused tax credits for		
-Unused Business and Depreciation loss	2,57,023.56	2,56,618.33
	<u>2,57,023.56</u>	<u>2,56,618.33</u>

14.k Financial Instruments

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:

Amount in Thousands

	As at March 31, 2018	As at March 31, 2017
Equity	2,69,226.44	2,69,631.67
Long Term Borrowings	-	-
Short Term Borrowings and Payables	19,19,448.46	19,19,263.11
Cash and cash equivalents	(10.87)	(16.41)
Net debt	19,19,437.59	19,19,246.71
Total capital (equity + net debt)	21,88,664.03	21,88,878.38

Categories of financial instruments

Amount in Thousands

	As at March 31, 2018	As at March 31, 2017
Financial assets		
Measured at amortised cost		
Cash and bank balances	10.87	16.41
Financial liabilities		
Measured at amortised cost	19,19,448.46	19,19,263.11

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.

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.

Interest rate risk

Out of total borrowings, large portion represents short term borrowings from Holding Company. The interest rate applicable is not subjected to fluctuations and interest rate risks.

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.

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.

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.



	Carrying amount	upto 1 year	1-3 year	More than 3 year	Amount in Thousands Total contracted cash flows
Accounts payable and acceptances	-	-	-	-	-
Borrowings	19,19,448.46	19,19,448.46	-	-	19,19,448.46
Other Financial Liabilities	-	-	-	-	-
Total	19,19,448.46	19,19,448.46	-	-	19,19,448.46

	Amount in Thousands
	Carrying amount
Cash and Cash Equivalents	10.87
	-
Total	10.87

				Amount in Thousands	
	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	-	-	-	-	-
Borrowings	19,19,263.11	19,19,263.11	-	-	19,19,263.11
Other Financial Liabilities	-	-	-	-	-
Total	19,19,263.11	19,19,263.11	-	-	19,19,263.11

	Amount in Thousands
	Carrying amount
Cash and Cash Equivalents	16.41
	-
	-
Total	16.41

	Fair value hierarchy	Amount in Thousands			
		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	10.87	10.87	16.41	16.41
	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Financial liabilities at cost:		19,19,448.46	19,19,448.46	19,19,263.11	19,19,263.11

K. Viswanath
Partner
Membership No: 022612


Naravana Raiu Alluri
Director
DIN: 00026723

A.V.N. Raiu
Director
DIN: 00018965

Hyderabad
Date: 09.05.2018