

M. BHASKARA RAO & CO.  
CHARTERED ACCOUNTANTS  
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FAX : 040-23399248

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6-3-652, SOMAJIGUDA,  
HYDERABAD-500 082. INDIA.  
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**Independent Auditor's Report**

To  
The Members of  
NCC International Convention Centre Limited

We have audited the accompanying financial statements of NCC International Convention Centre Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

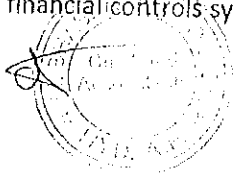
The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the fraud 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. We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with 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 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 control 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and other operating effectiveness of such controls.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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, 2015, and its loss and its cash flows for the year ended on that date.

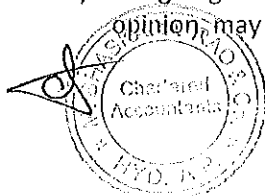
#### Emphasis of Matter:

We draw attention to Note No 11 to the financial statements regarding the lawsuit filed by the Company against Infrastructure Corporation of Andhra Pradesh (INCAP) and the matter is sub-judice. The management has prepared and presented the financial statements on a going concern basis, based on its assessment, despite uncertainty prevailing over the final outcome of the suit for the reasons stated in the said note.

Our opinion is not modified in this regard.

#### Report on Other Legal and Regulatory Requirements:


1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India, in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 of the Order.
2. 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 purpose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) the going concern matter described under the Emphasis of Matter Paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.



- f) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to the best of our information and according to the explanations given to us, and in our opinion:
- the Company has disclosed all known pending litigations in Note No 10 to the Financial Statements. In this regard, the Company's management is of the opinion that the said matter, at present, is sub judice and the outcome of which is not determinable at this stage. Accordingly, the consequential impact on the financial statements, if any, in the opinion of the management could not be quantified.
  - the Company has not entered into any long term contracts including derivative contracts.
  - the provisions of Investor Education Protection Fund are not applicable to the Company.

Hyderabad, May 04, 2015

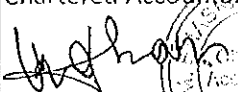
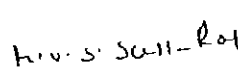
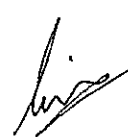
M Bhaskara Rao & Co  
Chartered Accountants  
Firm Registration Number: 000459S



*V K Muralidhar*  
V K Muralidhar  
Partner  
Membership Number: 201570

# NCC INTERNATIONAL CONVENTION CENTRE LIMITED

Balance Sheet as at March 31, 2015

Particulars		Note No.	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
I.	<b>EQUITY AND LIABILITIES</b>			
	Shareholders' funds			
	(a) Share capital	3	10,000,000	10,000,000
	(b) Reserves and surplus	4	(6,525,121)	(6,499,405)
	<b>Current liabilities</b>			
	Other current liabilities	5	46,528,821	46,506,349
	<b>TOTAL</b>		<b>50,003,700</b>	<b>50,006,944</b>
II.	<b>ASSETS</b>			
	<b>Current assets</b>			
	(a) Cash and cash equivalents	6	3,700	6,944
	(b) Other current assets	7	50,000,000	50,000,000
	<b>TOTAL</b>		<b>50,003,700</b>	<b>50,006,944</b>
	Corporate Information and Significant accounting policies	1 & 2		
Accompanying notes forming part of the financial statements				
As per our audit report of even date attached				
for M. BHASKARA RAO & CO			for and on behalf of the Board	
Chartered Accountants				
 V K Muralidhar Partner Place: Hyderabad Date: 04.05.2015			 H.V. S. Subbarao Director (MVS SUBBARAO)	
			 K. Pragna Rao Director (K. PRAGNA RAO)	

# NCC INTERNATIONAL CONVENTION CENTRE LIMITED

Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note No.	Year Ended 31.03.2015 Rupees	Year Ended 31.03.2014 Rupees
Revenue from operations		-	-
Other expenses			
Bank Charges		3,244	1,772
Audit Fee	8	16,854	16,854
Other expenses		5,618	8,324
<b>Total expenses</b>		<b>25,716</b>	<b>26,950</b>
<b>Loss before tax (III- IV)</b>		<b>(25,716)</b>	<b>(26,950)</b>
Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>Profit / (Loss) for the year (V-VI)</b>		<b>(25,716)</b>	<b>(26,950)</b>
Earnings per share:			
Equity shares of Rs.10/- each fully paid			
Basic & Diluted		(0.03)	(0.03)
Corporate Information and Significant accounting policies	1 & 2		

See accompanying notes forming part of the financial statements

As per our ~~review~~ report of even date attached  
for M. BHASKARA RAO & CO  
Chartered Accountants

V K Muralidhar  
Partner  
Place: Hyderabad  
Date: 04.05.2015

for and on behalf of the Board

H.V.S. SURESH RAO

Director

(MVS SUBBARAO)

Director

(K. SRINATH RAO)

## NCC INTERNATIONAL CONVENTION CENTRE LIMITED

Notes to the financial statements for the period ended March 31, 2015

### 1 Corporate Information

The Company was incorporated for Development of Andhra Pradesh International Centre at New Delhi, on Public-Private-Partnership mode. The project was awarded by Government of Andhra Pradesh / Infrastructure Corporation of Andhra Pradesh (INCAP) to Consortium of M/s NCC Limited and NCC Infrastructure Holdings Limited vide Letter of Award dated 06.10.2008.

### 2 Significant Accounting Policies

#### (a) Basis of preparation of financial statements

The Accounts have been prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013

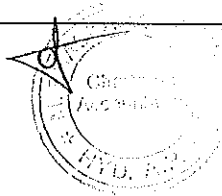
#### (b) Use of Estimates

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.

#### (c) Taxes

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

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



# **NCC INTERNATIONAL CONVENTION CENTRE LIMITED**

Notes to the financial statements for the year ended March 31, 2015

## **Note No. 3**

### **Share capital**

	As at 31.03.2015		As at 31.03.2014	
	Number	Amount	Number	Amount
<b>a) Authorised</b>				
Equity Shares of Rs.10/- each	1,000,000	10,000,000	1,000,000	10,000,000
<b>b) Issued, Subscribed and Fully Paid Up</b>				
Equity Shares of Rs.10/- each	1,000,000	10,000,000	1,000,000	10,000,000
<b>Total</b>	<b>1,000,000.00</b>	<b>10,000,000.00</b>	<b>1,000,000.00</b>	<b>10,000,000.00</b>

### **(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	31.03.2015		31.03.2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares Issued during the year				
Shares outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

### **(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.

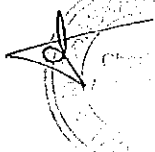
In the event of liquidation of the company, the holders of equity shares will be entitled to receive surplus from sale of assets after setting off of the liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

### **(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

Name of Shareholder	31.03.2015		31.03.2014	
	Number	Amount In Rupees	Number	Amount In Rupees
NCC Limited (along with its Nominees)	1,000,000	10,000,000	1,000,000	10,000,000

### **(d) Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	31.03.2015		31.03.2014	
	Number of shares	% of Holding	Number of shares	% of Holding
NCC Limited (along with its Nominees)	1,000,000	100.00%	1,000,000	100.00%



**NCC INTERNATIONAL CONVENTION CENTRE LIMITED**  
Notes to the financial statements for the year ended March 31, 2015

**Note No. 4**

**Reserves and surplus**

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Surplus / (defecit) in the statement of profit and loss		
Opening balance	(6,499,405)	(6,472,455)
Add: Profit/(loss) for the year	(25,716)	(26,950)
Closing Balance	(6,525,121)	(6,499,405)

**Note No. 5**

**Other Current Liabilities**

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Other payables :		
Advance from related party	46,484,542	46,484,542
Others	44,279	21,807
<b>Total</b>	<b>46,528,821</b>	<b>46,506,349</b>

**Note No. 6**

**Cash and cash equivalents**

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Balances with banks		
in current account	3,700	6,944
<b>Total</b>	<b>3,700</b>	<b>6,944</b>

**Note No. 7**

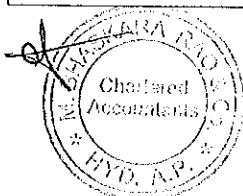
**Other Current Assetss**

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Details and information as required under paragraphs 5(viii) (a) (b) (c) (d) and (e) of		
Others:		
Advances recoverable in cash or in kind or for value to be received (Refer Note No.11)	50,000,000	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>

**Note No. 8**

**Other Expenses**

	Year ended 31.03.2015 Rupees	Year ended 31.03.2014 Rupees
Bank charges	3,244	1,772
Audit Fee - Statutory	16,854	16,854
Others	5,618	8,324
<b>Total</b>	<b>25,716</b>	<b>26,950</b>





# NCC INTERNATIONAL CONVENTION CENTRE LIMITED

Notes to the financial statements for the period ended March 31, 2015

## Note No. 9

Contingencies and Commitments : Rs. NIL (31.03.2014 Rs. NIL)

## Note No. 10

### Related Party Disclosures

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

Name of the Related Party	Relationship
M/s. NCC Ltd	Holding Company

(b) Related party transactions during the period ended March 31, 2015

Particulars	31.03.2015	31.03.2014
(i) Credit balances as at the end of the year		
M/s. NCC Ltd	46,484,542	46,484,542



**Note No. 11**

The Consortium of M/s. NCC Limited and NCC Infrastructure Holdings Ltd, was awarded the Project for Development of Andhra Pradesh International Centre at New Delhi, on Public - Private - Partnership mode, by Government of Andhra Pradesh / Infrastructure Corporation of Andhra Pradesh (INCAP) vide Letter of Award dated 06.10.2008.

In pursuance of the Letter of Award, the Consortium submitted Bank Guarantee for Rs.5.00 Crores towards bid security. The Consortium also remitted an amount of Rs.5.00 Crores towards Project Development Fee and requested for remittance of balance of Project Development Fee of Rs.25.00 Crores at the time of execution of the Development Agreement and for submission of Performance Security at the time of achieving Financial Closure. In response, vide letter dated 30.10.2008, INCAP agreed for payment of Project Development Fee by the Consortium within 30 days and submission of Performance Security at the time of execution of the Development Agreement.

As the development of the said project entailed an estimated investment of Rs.1064 Crores, to avail financial assistance from Bank(s), the Consortium addressed several letters to INCAP requesting them to provide documents relating to title deeds. But, the title documents relating to the project land were not furnished by INCAP.

Subsequently, Govt. of A.P vide G.O. Ms.No.8 dated 20.02.2009 cancelled the Letter of Award (LOA) dated 06.10.2008, alleging certain defaults on the part of the Consortium. As the alleged grounds of cancellation are baseless, the Consortium challenged the said cancellation of the Project and filed Writ Petition (WP No: 3589 / 2009) before the High Court of Andhra Pradesh. During the pendency of the Writ Petition, the Govt. of Andhra Pradesh / INCAP were directed to maintain status-quo with regard to the Bank Guarantee submitted against Bid Security.

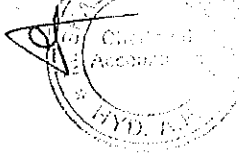
The Hon'ble Single Judge vide his Orders dated 26.06.2009 dismissed W.P.No.3589/2009. Challenging the said orders, the Consortium filed Writ Appeal (W A MP 1771 of 2009 in WA No.891/2009). As stay of operation of the orders of the Single Judge was not granted, INCAP encashed the Bank Guarantee for Rs.5.00 Crores, provided towards Bid Security.

As per the Request for Proposal, Project Development Fee has to be remitted by the Developer (Consortium) and in view of the cancellation of LOA by the Government of Andhra Pradesh, the consortium cannot be deemed to be Developer. Accordingly, the consortium filed a Writ Appeal (W A M P No 1805 / 2009 in WA no: 81 of 2009) seeking an order for refund of Project Development Fee of Rs.5.00 Crores paid to INCAP.

The appeal and the petitions are to be listed for final hearing. Based on the Legal Counsel's opinion, that the company has fair chances of success in the Writ Appeal, the management is confident of recovering the Project Development Fee of Rs. 5 Crore paid to INCAP.

In addition to the above appeal the company has filed a Civil Suit against M/s Infrastructure Corporation of Andhra Pradesh (INCAP) before the City Civil Court, Hyderabad for recovery of Rs. 13.50 crores, which includes interest @12% per annum, calculated up to the date of filing the suit.

Pending the outcome of the Writ Appeal and the civil suit the accounts have been drawn up on a going concern basis and the amount of Rs. 5 Crores paid towards Project Development Fee to INCAP has been shown as receivable from INCAP and grouped under Other Current Assets



**Note No. 12**

The Company is Primarily incorporated for Development of Andhra Pradesh International Centre at New Delhi. Hence, the quantitative details of sales and information as required under paragraphs 5(viii) (a) (b) (c) (d) and (e) of general instructions for preparation of the Statement of Profit and Loss as per Revised Schedule VI to the Companies Act, 2013 has not been given.

**Note No. 13**

Figures have been rounded off to the nearest rupee.

Place: Hyderabad

Date: 04.05.2015

For and on behalf of the Board

H. V. S. Sasi-Rao

Director

(MUSUBBARAO)

Director

(K. SATYANARAYAN RAO)

