

Independent Auditor's Report

To
**The Members of
NCC Vizag Urban Infrastructure Limited,**

We have audited the accompanying financial statements of **NCC Vizag Urban Infrastructure 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 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.

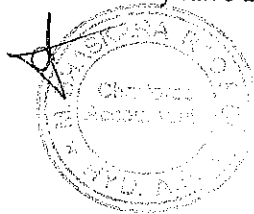
Emphasis of Matter:

We draw attention to Note 14(a) (i) to the financial statements regarding the lawsuit filed by the Company against repossession notice received from Andhra Pradesh Housing Board 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.

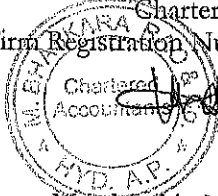
Report on Other Legal and Regulatory Requirements:

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 Paragraph 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:
- a. the Company has disclosed all known pending litigations in Note no 14(a) (i) 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.
 - b. the Company has not entered into any long term contracts including derivative contracts. Hence, reporting on making provisions as required under any law or accounting standards, for material foreseeable losses does not arise, at present.
 - c. the provisions of Investor Education Protection Fund are not applicable to the Company.

Hyderabad, April 29, 2015

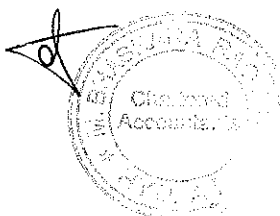
M Bhaskara Rao & Co
Chartered Accountants
Firm Registration Number: 000459S

K Muralidhar
Partner
Membership Number: 201570

NCC VIZAG URBAN INFRASTRUCTURE LIMITED

STATEMENT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The management has conducted physical verification of major fixed assets during the year and as explained to us, no material discrepancies have been noticed on such verification.
- ii. In respect of its inventories:

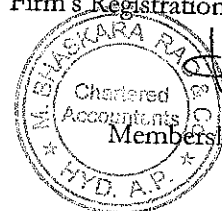
According to information and explanations given to us, the inventory consists of property development cost. Accordingly, the provisions of the clause 3(ii) (a), (b) and (c) of the Order, are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and in our opinion, the company has neither purchase of inventory/Fixed asset nor sale of goods and services. Hence provisions of clause 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the Public under the provisions of Section 73 and Section 74 of the Companies Act, 2013 and the rules framed there under. Therefore, the provisions of clause 3(v) of the Order are not applicable.
- vi. According to the information and explanations given to us and in our opinion, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
- vii.
 - a. The Company has been regular in depositing undisputed applicable statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty and Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.
 - b. According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited on account of any dispute.



- viii. Accumulated losses of the Company as at 31st March 2015 does not exceed fifty percent of its net worth. The Company has incurred cash losses during the year covered by the report and in the financial year immediately preceding the financial year.
- ix. According to the information and explanations given to us and in our opinion, as at March 31, 2015, the Company has no dues to financial institutions / banks. The Company has not issued any debentures.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us and in our opinion, during the year under report, no term loans were availed.
- xii. During the course of our examinations of the books and records of the Company carried out in accordance with the generally accepted practices in India and accordance to the information and explanations given to us, no instance of fraud on or by the Company was reported during the year, nor have we been informed of such case by the management.

Hyderabad April 29, 2015

For M Bhaskara Rao & Co.
Chartered Accountants
Firm's Registration Number: 000 459 S




[Signature]
V K Muralidhar
Membership Number: 201570

NCC VIZAG URBAN INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

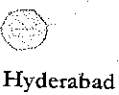
Description	Note	As At March 31, 2015		As At March 31, 2014	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
1. Share Holders' Funds					
(a) Share capital	3	52,62,50,000		52,62,50,000	
(b) Reserves and surplus	4	(58,78,081)	52,03,71,919	(54,57,794)	52,07,92,206
2. Current liabilities					
(a) Short-term borrowings	5	1,11,96,20,550		1,26,20,74,979	
(b) Other current liabilities	6	46,91,255	1,45,43,11,805	30,70,081	1,26,51,45,060
Total			1,97,46,83,724		1,78,59,37,266
II ASSETS					
Non-current assets					
(a) Fixed assets					
(i) Tangible assets	7		14,316		24,673
2. Current assets					
(a) Inventories	8	1,96,85,32,679		1,77,99,95,571	
(b) Cash and cash equivalents	9	2,06,402		5,985	
(c) Short-term loans and advances	10	59,30,327	1,97,46,69,408	59,11,037	1,78,59,12,593
TOTAL			1,97,46,83,724		1,78,59,37,266
See accompanying notes to the financial statements					

As per our report of even date attached
for M.Bhaskara Rao & Co.

Chartered Accountants


V.K. Muralidhar

Partner


Hyderabad
Date : 29th April 2015

for and on behalf of the Board


Director

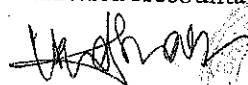
Director

NCC VIZAG URBAN INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Description	Note	Year Ended March 31, 2015	Year Ended March 31, 2014
		Rupees	Rupees
Revenue from operations			
Total Revenue		-	-
EXPENDITURE			
Administrative Expenses	11	2,62,359	3,81,125
Interest and Financial Charges	12	18,86,84,679	16,41,72,513
Depreciation	7	6,508	5,904
(Increase)/Decrease Work in progress	13	(18,85,37,108)	(16,41,70,823)
Total Expenses		4,16,438	3,88,720
Extraordinary items		-	-
Profit/(Loss) Before Tax		(4,16,438)	(3,88,720)
Less: Provision for Taxation		-	-
Profit/(Loss) After Tax		(4,16,438)	(3,88,720)
Earnings per Share of face value of Rs.10/- each			
Basic		(0.01)	(0.01)
Diluted		(0.01)	(0.01)

As per our report of even date attached
for M.Bhaskara Rao & Co.

Chartered Accountants



V.K. Muralidhar

Partner

Hyderabad

Date : 29th April 2015

for and on behalf of the Board



Director

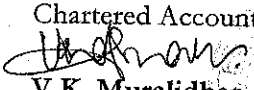
Director

NCC VIZAG URBAN INFRASTRUCTURE LIMITED
Cash Flow Statement for the Year Ended March 31, 2015

DESCRIPTION	Year Ended March 31, 2015	Year ended March 31, 2014
A. Cash Flow from operating activities:		
Net Loss before taxation and extra ordinary Items.	(4,16,438)	(3,88,720)
<u>Adjustment for</u>		
Depreciation/ Amortisation	6,508	5,904
Prior Period Items	-	-
Provision for Gratuity and Leave Encashment	-	-
Interest and finance Charges	790	1,428
Operating Loss before Working Capital Changes	(4,09,140)	(3,81,387)
<u>Adjustment for Changes in</u>		
Trade and Other Receivables	(19,290)	(22,999)
Inventories - Property Development Cost		
Trade payables and Other Liabilities	7,416	4,59,979
Cash used in operations	(4,21,014)	55,593
Taxes Paid	-	-
Net cash (Used)/ Generated in Operating Activities	(4,21,014)	55,593
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	6,22,221	(49,063)
Repayment of short term Borrowings	-	-
Proceeds received from parent company	-	-
Interest Paid	(790)	(1,428)
Net cash generated/ (used) in Financing Activities	6,21,431	(50,491)
Net change in Cash and Cash Equivalents (A+B+C)	2,00,417	5,102
Cash and Cash Equivalents as at 1st April 2014 (Op Balance)	5,985	883
Cash and Cash Equivalents as at 31st Marchr 2015 (Cl Balance)	2,06,402	5,985

As per our report of even date attached
for M.Bhaskara Rao & Co.

Chartered Accountants


V.K. Muralidhar

Partner

for and on behalf of the Board


Director

Director

Hyderabad

Date : 29th April 2015

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, 2013. 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: SIGNIFICANT ACCOUNTING POLICIES

- a) 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) **Inventories :**

Property Development: Properties held for or under development are valued at lower of cost and net realizable value. Cost comprises all direct development expenditure including borrowing costs.

c) **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.

d) **Fixed Assets and Depreciation:**

Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Depreciation is provided on the basis of useful life given in Schedule II of Companies Act, 2013.

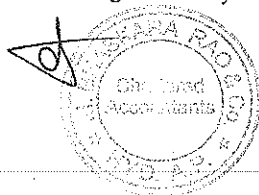
e) **Taxes:**

Current Tax:

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

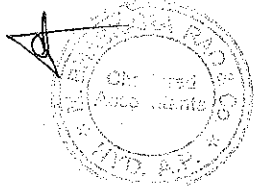
Deferred Taxes:

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 other than unabsorbed losses and depreciation 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. Deferred Tax assets arising on account of unabsorbed losses and depreciation are recognized only on virtual certainty of realization of such assets.



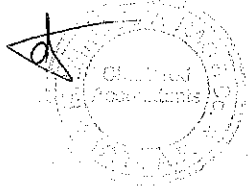
NCC VIZAG URBAN INFRASTRUCTURE LIMITED
Notes forming part of Financial Statements

Notes	Description	As At March 31, 2015		As At March 31, 2014	
		Rupees	Rupees	Rupees	Rupees
3	Share Capital				
	Authorised				
	5,50,00,000 Equity Shares of Rs.10/- each.		55,00,00,000		55,00,00,000
			55,00,00,000		55,00,00,000
	Issued, Subscribed And Paid Up				
3.a	5,26,25,000 Equity Shares of Rs.10/- each fully paid		52,62,50,000		52,62,50,000
	Total		52,62,50,000		52,62,50,000
	Reconciliation of the number of Shares Outstanding:				
	Description	As At March 31, 2015		As At March 31, 2014	
			Number		Number
3.b	At the beginning of the year		5,26,25,000		5,26,25,000
	At the end of the year		5,26,25,000		5,26,25,000
<p>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.</p> <p>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.</p>					
3.c	Shares held by the Holding Company:				
	Description	As At March 31, 2015		As At March 31, 2014	
		Number	Amount (Rs.)	Number	Amount (Rs.)
3.d	NCC LIMITED - Holding Company	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
	Details of shareholders holding more than 5% of shares in the Company:				
	Name of Shareholder	As At March 31, 2015		As At March 31, 2014	
		held	% of Holding	held	% of Holding
	NCC LIMITED Holding Company	5,00,00,000	95%	5,00,00,000	95%
	AVSR Holdings Private Limited	26,25,000	5%	26,25,000	5%
	Total	5,26,25,000	100%	5,26,25,000	100%
4	Reserves and Surplus				
	Securities premium account				
	Opening Balance	52,50,000	52,50,000	52,50,000	52,50,000
	Surplus/ Deficit in Statement of Profit and Loss				
	Opening Balance	(1,07,11,643)	(1,03,19,075)	(1,03,19,075)	(1,07,07,794)
	Loss for the year	(4,16,438)	(3,88,720)	(3,88,720)	(3,88,720)
			(1,11,28,081)		(1,07,07,794)
	Total		(58,78,081)		(54,57,794)
5	Short-term borrowings				
	Unsecured				
	From Others		1,44,96,20,550		1,26,20,74,979
	-Holding company				
	Total		1,44,96,20,550		1,26,20,74,979



NCC VIZAG URBAN INFRASTRUCTURE LIMITED
Notes forming part of Financial Statements

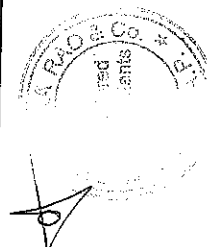
Notes	Description	As At March 31, 2015		As At March 31, 2014	
		Rupees	Rupees	Rupees	Rupees
6	Other Current Liabilities				
	Retention Money		59,416		52,000
	Advance from Others		15,63,189		15,63,189
	Other Liabilities		34,899		56,069
	Statutory Liabilities		30,33,751		13,98,823
	Total		46,91,255		30,70,081
8	Inventories				
	Property Development Cost		1,96,85,32,679		1,77,99,95,571
	Total		1,96,85,32,679		1,77,99,95,571
9	Cash and Bank Balances:				
	Cash on Hand		8,573		413
	Balances with Scheduled Banks:				
	- in Current Account		1,97,829		5,572
	Total		2,06,402		5,985
10	Loans and Advances:				
	(Unsecured and good unless otherwise stated)				
	Advances to Suppliers, Sub-contractors and Others		59,26,327		59,07,037
	Deposits with and Others		4,000		4,000
	Total		59,30,327		59,11,037



NCC VIZAG URBAN INFRASTRUCTURE LIMITED

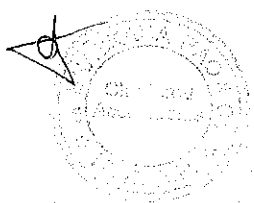
**NOTE 7
FIXED ASSETS**

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION			(Amount in Rupees)	
	As At March 31, 2014	Additions during the Year	Deletions during the Year	As At March 31, 2015	Upto March 31, 2014 Amortization	For the Year	Upto March 31, 2015	As At March 31, 2015	As At March 31, 2014
Office Equipment	12,700	-	-	12,700.00	8,851.02	3,849.00	12,700	(0.02)	3,849
Furnitures and Fixture	12,375	-	-	12,375	5,091.34	2,083.00	7,174	5,201	7,284
Office Vehicles	39,680	-	-	39,680	26,139.40	4,425.00	30,564	9,116	13,541
Total	64,755	-	-	64,755	40,082	3,849	50,439	14,316	24,673
Previous Year	64,755			64,755	34,178		40,082	24,673	30,577



NCC VIZAG URBAN INFRASTRUCTURE LIMITED
Notes forming part of Financial Statements

	Description	Year Ended March 31, 2015		Year Ended March 31, 2014	
		Rupees		Rupees	
11	Administrative Expenses				
	Watch and Ward		1,44,000		1,44,000
	Boarding & Lodging Expenses		22,191		26,800
	Office Maintenance		65,148		10,000
	Traveling and Conveyance		12,420		45,500
	Printing and Stationery		-		2,000
	Filing Fees		6,600		3,700
	Legal and Professional Charges		12,000		1,17,000
	Audit Fees		-		33,700
	Total		2,62,359		3,81,100
12	INTEREST AND FINANCIAL CHARGES				
	Interest		18,86,83,889		16,41,71,000
	Financial Charges				
	Bank Charges		790		1,400
	Total		18,86,84,679		16,41,72,500
13	(Increase)/Decrease Work in progress				
	Construction Work-in-Progress				
	- Opening Balance		77,77,59,254		61,35,88,430
	- Closing Balance		96,62,96,362		77,77,59,250
			(18,85,37,108)		(16,41,70,820)



NCC VIZAG URBAN INFRASTRUCTURE LIMITED

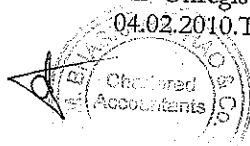
Notes forming part of Financial Statements

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. 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 2005-06 to 2007-08, paid an amount of Rs 90,68,36,000 towards Development Fee and Rs 5,10,84,305 towards interest on delayed payments of Development Fee to APHB.
- d. APHB handed over 97.30 acres (approx.) to the company. The company has to design, plan, finance, 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. The company also should earmark 5% of the ground area as per permissible FSI towards LIG Housing. APHB would take possession of all LIG Housing units from the company for a consideration of Rs 450 per square foot of super built up area.
- f. The company, towards revenue share, shall pay to APHB 3.5 % for residential development, 4 % for commercial development and 4% for IT Park development of the gross revenue from the project. The timelines for such revenue share are set out in the agreement.
- g. The company submitted Detailed Project Report to APHB on 13.11.2007.
- h. 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 2,71,05,143/- to VUDA towards conversion charges. Subsequently, the Government of Andhra Pradesh has vide Memo dated 20.11.2008, granted conversion / change of land use to an extent of Acres 14.80 cents to residential. However, the application for the conversion of the land to the extent of 49.50 acres is still pending with the Government Authorities and the management is pursuing for the said requisite conversion. The company could not commence its project with a smaller extent of land, as it would have adversely affected the viability of the project.
- i. As per the provisions of the agreement, the company shall obtain all requisite approvals from government authorities and other persons for purposes of project including approvals for constructing and developing the project and operating and maintaining the project. APHB shall exercise reasonable efforts in assisting the company to obtain the requisite approvals from the Government of Andhra Pradesh.
- j. For developing the project, the company obtained some of the requisite approvals from respective government authorities. The company also submitted detailed drawings to Greater Visakhapatnam Municipal Corporation (GVMC) on 08.11.2007. Approvals from GVMC and other balance of the approvals could not be obtained by the company, as on the reporting date, due to non conversion of remaining land to the extent of 49.50 Acres.
- k. An Unregistered Power of Attorney (POA) was issued by APHB to the company on 04.02.2010. The POA is yet to be registered and revalidated by APHB in company's favour.

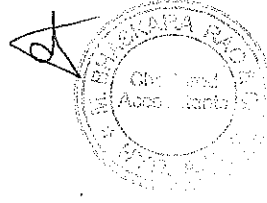


NCC VIZAG URBAN INFRASTRUCTURE LIMITED

Notes forming part of Financial Statements

As per the provisions of the agreement, the company shall complete the project within 30 months from the date of signing the POA.

- l. The company submitted proposals along with drawings and plans for construction of villas in part of the land where conversion was granted to APHB for onward submission to GVMC for sanction. APHB is yet to forward the same to GVMC for sanction.
- m. The company also completed preliminary works such as jungle clearance, feasibility certificates for supply of power, water etc. and solid waste disposal.
- n. The company, during December 2013, 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.
- o. Against 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 31-3-2014
- p. 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 economic viability of the project. Further company is also of the opinion that there would not be any impairment, in recovery of the Property Development. Impairment if any will be recognized in the year of such indication.
- q. Accordingly, the following costs including the borrowing costs incurred up to the reporting period have been accumulated under Property Development.
 - o Rs.90,68,36,000/- towards development fee paid to Andhra Pradesh Housing Board for developing the housing project at Madhurawada, Visakhapatnam.
 - o Rs.5,10,84,305/- towards interest paid to Andhra Pradesh Housing Board.
 - o Rs.2,71,05,143/- paid to Vizag Urban Development Authority towards development charges
 - o Rs.1,17,02,454/- towards consultation charges
 - o Rs.96,62,96,362/- (Previous year Rs.77,77,59,254/-) Interest on borrowings from Holding Company.
 - o Rs.55,08,415/- paid towards land development charges.



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, 2015

Sl No	Particulars	Holding Company		Fellow Subsidiary	
		Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014
1	Unsecured Borrowings	---	---	---	---
2	Interest Paid/Provided	18,86,83,889	16,41,71,085	---	---

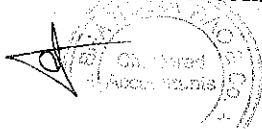
Credit balances outstanding as on 31.03.2015

Sl No	Particulars	Holding Company		Fellow Subsidiary	
		Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014
1	NCC Limited	1,44,96,20,550	1,26,20,74,979	---	---
2	NCC Urban Infrastructure Limited	---	---	15,63,189	15,63,189

14.d Earning Per Share

S.No	Particulars	31.03.2015	31.03.2014
		Rupees	Rupees
1	Net Profit available for Equity shareholders	(4,16,438)	(3,88,720)
2	Weighted Average number of equity shares for Basic EPS	Nos 5,26,25,000	Nos 5,26,25,000
3	Weighted Average number of equity shares for Diluted EPS	5,26,25,000	5,26,25,000
4	Face value per share	Rs.10/-	Rs.10/-
5	Basic EPS	(0.01)	(0.01)
6	Diluted EPS	(0.01)	(0.01)

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 As the company is still in project development stage, 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 Schedule III to the Companies Act, 2013 has not been given.
- 14.h Figures of previous period have been regrouped / rearranged wherever necessary to conform to the current period presentation

Signatures to the Notes of Accounts 1 to 14h

For and on behalf of the Board


Director

Director



Place: Hyderabad
Date : 29th April 2015