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## INDEPENDENT AUDITOR'S REPORT

To Members of NCC URBAN INFRASTRUCTURE LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NCC 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS ) prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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



### Branches

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 profits, total comprehensive income, changes in equity and its cash flows for the year ended on that date.


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

- A. As required by the Companies (Auditor's Report) Order, 2016, ('the Order'), issued by the Central Government of India in terms of Sub-section 11 of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said order.
- B. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
  - e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations as on the balance sheet date.
  - ii. The Company has no long term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. There were no amounts that were required to be transferred to the Investor Education & Protection Fund by the Company.

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

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



Place: Hyderabad  
Date: May 09, 2018

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**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF NCC 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 fixed assets have been physically verified by the management at regular intervals. No material discrepancies were noticed on such verification of fixed assets.  
  
c) The title deeds of the immovable properties held by the Company are in the name of the Company.
2. The inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the company has granted interest free unsecured loans to twenty seven wholly owned Subsidiary Companies covered in the registered maintained under section 189 of the Companies Act, 2013. The yearend balance of the loans granted to such companies is Rs. 41,83,88,865/-
  - a) In our opinion, the loan granted by the Company to such subsidiaries is not prejudicial to the interests of the Company.
  - b) There is no stipulated schedule of repayment as such loan amount will be repaid to the Company either on the realisation of lands or completion of projects.
  - c) As the loans are interest free in nature, clause (iii) (c) of paragraph 3 is not applicable.
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 as per the provisions of section 185 and 186 of the Act. 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 dues of Service Tax which are disputed as follows -

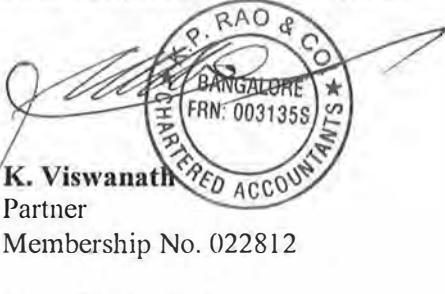
Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	3,03,07,400/-	2012-13 to 2014-15	CESTAT

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks & Financial Institutions.
9. The Company has not raised any monies, during the reporting period, by way of initial public offer or further public offer. The Company has not raised any monies, by way of term loans during the year.
10. According to the information and explanations given to us, no fraud by, or by its officers or employees on the Company has been noticed or reported during the year.
11. According to the information and 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 Standalone Financial Statements, as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the reporting period. Accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.



15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with any directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is 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  
STANDALONE FINANCIAL STATEMENTS OF NCC 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 URBAN INFRASTRUCTURE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 standalone financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 standalone 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 URBAN INFRASTRUCTURE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in mns)

Description	Notes	As At March 31, 2018		As At March 31, 2017	
<b>ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Property, Plant and Equipment Tangible assets	3	68.80		81.57	
(b) Investment Property	4	51.24		52.24	
(c) Financial Assets					
(i) Investments	5	1,321.14		1,320.92	
(ii) Others	6	486.79		452.18	
(d) Deferred Tax Assets(net)		88.79		56.43	
(e) Other Non-Current Assets	7	159.35		159.35	
			<b>2,176.11</b>		<b>2,122.68</b>
<b>2. Current Assets</b>					
(a) Inventories	8	5,607.35		5,339.03	
(b) Financial Assets					
(i) Trade and other receivables	9	691.94		403.87	
(ii) Cash and cash equivalents	10	52.94		46.58	
(iii) Bank balances other than (ii) above	11	41.01		48.62	
(iv) Loans	12	326.14		247.90	
(v) Other current financial assets	13	21.72		18.53	
(c) Current Tax Assets (Net)		23.90		12.37	
(d) Other Current Assets	14	105.02	<b>6,870.00</b>	76.23	<b>6,193.14</b>
<b>TOTAL</b>			<b>9,046.11</b>		<b>8,315.83</b>
<b>EQUITY</b>					
<b>1. Equity</b>					
(a) Equity Share capital	15	1,500.00		1,500.00	
(b) Other Equity	16	132.27		63.28	
			<b>1,632.27</b>		<b>1,563.28</b>
<b>LIABILITIES</b>					
<b>2. Non-Current Liabilities</b>					
(a) Financial Liabilities					
Borrowings	17	3,611.00		776.18	
(b) Provisions	18	20.35		22.70	
			<b>3,631.36</b>		<b>798.88</b>
<b>3. Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	19	1,203.29		4,801.90	
(ii) Trade payables	20	361.76		266.66	
(iii) Other current financial liabilities	21	1,557.47		238.67	
(b) Other Current Liabilities	22	659.12		645.51	
(c) Provisions	23	0.85		0.93	
			<b>3,782.49</b>		<b>5,953.66</b>
<b>Total</b>			<b>9,046.11</b>		<b>8,315.83</b>
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: 022812



for and on behalf of the Board

  
N.R. Alluri  
Managing Director  
DIN:00026723

  
J.S.R. Raju  
Director  
DIN:01158196

  
G. Srinivasa Rao  
Chief Financial Officer

  
U. Ravi Kumar  
Company Secretary

Hyderabad: May 09, 2018

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

(Amount in mns)

Description	Notes	Year Ended March 31, 2018		Year Ended March 31, 2017	
<b>REVENUE</b>					
Revenue from operations	24	1,457.09		828.78	
Other income	25	122.42		94.32	
<b>Total Revenue</b>			<b>1,579.52</b>		<b>923.10</b>
<b>EXPENDITURE</b>					
Cost of materials consumed	26	780.78		741.48	
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	-235.80		-717.98	
Employees benefit expenses	28	115.90		151.64	
Finance costs	29	717.66		734.29	
Depreciation and amortization expense	3 & 4	.17.03		18.07	
Other expenses	30	141.50		155.98	
<b>Total Expenses</b>			<b>1,537.07</b>		<b>1,083.49</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>			<b>42.44</b>		<b>-160.38</b>
Exceptional Items			-		-
<b>Profit/(Loss) Before Tax</b>			<b>42.44</b>		<b>-160.38</b>
Less: Tax Expense					
- Current Tax		7.00		-	
- Deferred Tax		-32.76		-50.42	
<b>Profit/(Loss) for the Period</b>			<b>-25.76</b>		<b>-50.42</b>
			<b>68.20</b>		<b>-109.97</b>
Profit/(Loss) for the Period from discontinued operations					
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to Profit or Loss					
Remeasurements of the defined benefit plans		1.18		2.15	
Income tax relating to items that will not be reclassified to profit or loss		-0.39		0.00	
<b>Total Other Comprehensive Income</b>			<b>0.79</b>		<b>2.15</b>
<b>Total Comprehensive Income for the Period</b>			<b>68.99</b>		<b>-112.12</b>
Earnings per Share of face value of Rs.10/- each					
Basic			0.45		(0.73)
Diluted			0.45		(0.73)
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: 022812



for and on behalf of the Board

N.R.Alluri

Managing Director

DIN:00026723

J.S.R.Raju

Director

DIN:01158196

G.Srinivasa Rao

Chief Financial Officer

U.Ravi Kumar

Company Secretary

Hyderabad: May 09, 2018

**NCC URBAN INFRASTRUCTURE LIMITED**  
Cash Flow Statement for the Period ended March 31, 2018

(Amount in mns)

Description	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash Flow from operating activities:</b>		
Net Profit/ (Loss) before taxation	43.62	-158.23
<b>Adjustment for</b>		
Depreciation/ Amortisation	17.03	18.07
Provision for gratuity and leave encashment	-2.42	-4.56
Interest and Finance charges	717.66	734.29
Loss/(Profit) on sale of assets	-0.04	-0.35
<b>Operating Profit before Working Capital Changes</b>	<b>775.85</b>	<b>589.22</b>
<b>Adjustment for changes in</b>		
Trade and other receivables	-467.05	-73.64
Inventories	-268.31	-705.08
Trade payables and other liabilities	126.56	46.36
Cash used in operations	167.04	-143.14
Taxes Paid	15.65	0.36
<b>Net cash generated/ (used) in Operating Activities</b>	<b>182.69</b>	<b>-142.78</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of fixed assets and other capital expenditure	-3.89	-7.50
Sale of Fixed Assets	0.67	1.73
Investments in subsidiaries/Associates	-0.22	-0.22
<b>Net cash used in Investing activities</b>	<b>-3.45</b>	<b>-5.99</b>
<b>C. Cash flow from Financing activities:</b>		
Long term funds (repaid)/ borrowed	-151.46	239.99
Proceeds from/(Repayment of) short term borrowings	280.40	-4.73
Proceeds from/(Repayment to) parent company	759.98	-614.72
Proceeds received from other corporates	920.00	1,243.50
Rpayments to other corporates	-1,275.91	0.00
Interest paid	-713.51	-734.29
<b>Net cash (Used)/ Generated in Financing Activities</b>	<b>-180.50</b>	<b>129.75</b>
<b>Net change in Cash and Cash Equivalents (A+B+C)</b>	<b>-1.25</b>	<b>-19.02</b>
Cash and Cash Equivalents (Opening Balance)	95.20	114.22
Cash and Cash Equivalents (Closing Balance)	93.95	95.20

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

Chartered Accountants


K.Viswanath  
Partner


Membership No: 022812




for and on behalf of the Board

  
N.R.Alluri  
Managing Director  
DIN:00026723

  
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G.Srinivasa Rao  
Chief Financial Officer

  
U.Ravi Kumar  
Company Secretary

Hyderabad: May 09, 2018

**NCC URBAN INFRASTRUCTURE LIMITED**  
**Notes forming part of Standalone financial statements**

**NOTE 1: CORPORATE INFORMATION**

NCC Urban Infrastructure Limited ("the Company") was incorporated during 2005-2006 in Hyderabad. The Company is engaged in building/developing Residential /Commercial Buildings in various locations across India. The Company is a subsidiary of NCC Limited.

**NOTE 2: ACCOUNTING POLICIES**

**A. Significant accounting policies:**

**2.1. Statement of compliance**

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

Upto the Year ended March 31, 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 & 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 carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in profit or loss for the period.

For transition into Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 1, 2015 ( transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes forming part of Standalone financial statements

**2.5. Investment property:**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

**2.6. Depreciation & Amortization:**

Depreciation on Property, plant and equipment and Investment property is being provided in the manner and on straight Line method as per the useful lives as specified in Schedule II to the Companies Act, 2013 on all the assets except for Construction Accessories, which were depreciated over 5 years, based on the management's estimate of useful life of such assets.

No depreciation is charged on capital work in progress and free hold land.

**2.7. Financial instruments:**

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

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

**Cash and cash equivalents**

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

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows, on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.



# NCC URBAN INFRASTRUCTURE LIMITED

## Notes forming part of Standalone financial statements

### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

### 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

## 2.8. Impairment of Assets:

**Property, plant and equipment:** Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**Financial Assets:** The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

## 2.9. Inventories

### a. Raw Materials:

Raw Materials, Construction materials and stores and spares are valued at weighted average cost. Cost excludes refundable duties and taxes.

### b. Work-in-progress:

- i. Completed properties held for sale are stated at the actual cost or net realizable value, whichever is lower.
- ii. Construction work-in-progress is valued at cost. Cost is sales value less estimated profit margin.

### c. Property Development:

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



**NCC URBAN INFRASTRUCTURE LIMITED**  
**Notes forming part of Standalone financial statements**

**2.10. Borrowing cost**

Borrowing costs that are directly attributable to the construction of qualifying inventory capitalised as part of their costs. Borrowing costs are considered as part of the inventory cost when the activities that are necessary to prepare the assets for their intended sale are in progress. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

**2.11. Revenue Recognition:**

- a. Revenue from the sale of properties is recognized on transfer of all significant risks and rewards of ownership to the buyers, which coincides with the entering into a legally binding agreement and it is not unreasonable to expect ultimate collection and no significant uncertainty exist regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognized on the basis of percentage completion method, measured on the basis of percentage the actual cost incurred, including proportionate land cost, bears to the estimated cost of the project under execution.

Revenue comprises the aggregate amounts of sale price as per the terms of the agreement entered into with the customers. The revenue is recognized only upon reaching 25% of physical progress measured in terms of estimated cost and upon compliance of other conditions stipulated in the Guidance note on Accounting for Real estate transactions (Ind AS compliant companies) issued by ICAI.

The estimate of cost and saleable areas is reviewed periodically by the management and any effect of changes in estimates is recognized in the period of changes. Further, on periodical review if any project is expected to incur loss, the entire loss is recognized immediately.

- b. Cost in relation to the above includes cost of land, development cost, project over heads, borrowing cost and all cost incurred for bringing the property to marketable condition or its intended use.

**2.12. Interest Income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.13. Employee Benefits:**

Liability for Employee benefits both short and Long Term, for present and past services as per the terms of employment are recorded in accordance with Ind AS 19 "Employee Benefits" notified under the Companies ( Indian Accounting Standards) Rules, 2015.

**a. Retirement benefit costs and termination benefits:**

Payment to defined contribution retirement benefit plans are recognised as expenses when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.





**NCC URBAN INFRASTRUCTURE LIMITED**  
**Notes forming part of Standalone financial statements**

**b. Provident Fund**

Contribution to Provident fund (a defined contribution plan) made to Regional Provident Fund Commissioner are recognised as expense.

**c. Compensated Absences:**

The employees are entitled to accumulate leave subject to certain limits, for future encashment, as per the policy of the Company.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and is recognized in the Statement of Profit and Loss.

**2.14. Taxes:**

Income tax expense represents sum of the tax currently payable and deferred tax

**Current Tax:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

**Deferred Taxes:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.15. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments



**NCC URBAN INFRASTRUCTURE LIMITED**  
**Notes forming part of Standalone financial statements**

that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.16. 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.

**2.17. Leases:**

The company's leasing arrangements are mainly in respect of operating leases for premises. The aggregate lease rents payable are charged as rent in the statement of profit and loss account.

**2.18. Fair value measurement**

The Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**2.19. Operating cycle:**

The Company adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non-current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

**2.20. Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that may arise because of a gain that is contingent on future events that are not under an entity's control. Existence of the contingent asset is required to be disclosed when the inflow of economic benefits is probable.



NCC URBAN INFRASTRUCTURE LIMITED  
Notes forming part of the Financial Statements as at March 31, 2018

NOTE: 3 PROPERTY, PLANT AND EQUIPMENT

Description	(Amount in mms)									
	Plant and Machinery	Construction Accessories	Tools and Equipment	Office Equipment	Furniture and Fixtures	Construction Vehicles	Office Vehicles	Lease Hold Improvements	Total	
Cost as at April 1, 2017	108.96	70.47	2.97	17.38	7.59	0.51	6.36	10.55	224.80	
Additions	0.67	2.83	0.05	0.35	0.00	0.00	0.00	0.00	3.89	
Disposals	1.29	2.12	0.03	1.33	0.01	0.00	0.26	0.00	5.04	
Cost as at March 31, 2018	108.34	71.18	2.99	16.40	7.59	0.51	6.10	10.55	223.66	
Accumulated depreciation April 1, 2017	49.36	60.47	0.80	14.90	5.57	0.48	3.78	7.89	143.24	
Depreciation for the year	8.84	3.41	0.26	0.90	0.83	0.00	0.71	1.07	16.03	
Depreciation on deletions	0.82	2.08	0.02	1.23	0.01	0.00	0.25	0.00	4.41	
Accumulated depreciation March 31, 2018	57.37	61.80	1.03	14.57	6.39	0.48	4.24	8.96	151.86	
Net Carrying amount as at March 31, 2018	50.97	9.38	1.96	1.83	1.19	0.03	1.86	1.59	68.80	



NCC URBAN INFRASTRUCTURE LIMITED  
Notes forming part of the Financial Statements as at March 31, 2018

NOTE : 4 INVESTMENT PROPERTY

Description	(Amount in mns)		
	Land	Building	Total
Cost as at April 1, 2017	21.60	31.43	53.03
Additions	0.00	0.00	0.00
Disposals			0.00
Cost as at March 31, 2018	21.60	31.43	53.03
Accumulated depreciation April 1, 2017	0.00	0.79	0.79
Depreciation for the year	0.00	1.00	1.00
Depreciation on deletions			0.00
Accumulated depreciation March 31, 2018	0.00	1.79	1.79
Net Carrying amount as at March 31, 2018	21.60	29.64	51.24

Fair value of the investment properties

The fair value of the investment properties as at March 31, 2018 Rs 53.03/- Mns and as of March 31, 2017 Rs 53.03/- Mns have been arrived at on the basis of a valuation carried out as on 31st March 2017, as there is no significant change in the fair value. For the buildings given under operating lease which are located in India, the fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the investment properties and information about the fair value hierarchy as at March 31, 2018, March 31, 2017, are as follows:

	Level 2	Level 3	Fair value as at 31.03.2018
Investment Property	53.03	0.00	53.03
Total	53.03	0.00	53.03

	Level 2	Level 3	Fair value as at 31.03.2017
Investment Property	53.03	0.00	53.03
Total	53.03	0.00	53.03



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes Forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Particulars	As At March 31, 2018		As At March 31, 2017	
	Nos.	(Amount in mns)	Nos	(Amount in mns)
<b>NOTE - 5</b>				
<b>NON-CURRENT INVESTMENTS</b>				
<b>A) INVESTMENTS CARRIED AT FAIR VALUE THROUGH P&amp;L</b>				
Fully paid equity shares (unquoted) - (Refer Note 1)		1,321.14		1,320.92
<b>B) DETAILS OF INVESTMENTS</b>				
<b>IN TRADE INVESTMENTS</b>				
<b>IN WHOLLY OWNED SUBSIDIARIES</b>				
<b>In Equity Shares of Rs.10/- each, fully paid up (Unquoted)</b>				
AKHS Homes Private Limited	50,000	31.23	50,000	31.22
CSVS Property Developers Private Limited	50,000	18.44	50,000	18.44
Dhatri Developers Private Limited	1,00,000	64.11	1,00,000	64.10
JIC Homes Private Limited	50,000	18.39	50,000	18.39
M A Property Developers Private Limited	50,000	17.51	50,000	17.50
Mallelavanam Property Developers Private Limited	50,000	9.97	50,000	9.96
Sri Raga Nivas Property Developers Private Limited	50,000	33.66	50,000	33.66
Sushanti Housing Private Limited	50,000	17.51	50,000	17.50
Sradha Real Estates Private Limited	50,000	0.60	50,000	0.59
Sushrutha Real Estate Private Limited	1,00,000	17.90	1,00,000	17.89
Sri Raga Nivas Ventures Private Limited	50,000	0.81	50,000	0.80
Sushanti Avenues Private Limited	1,00,000	46.82	1,00,000	46.81
Vera Avenues Private Limited	50,000	14.17	50,000	14.16
VSN Property Developers Private Limited	50,000	33.71	50,000	33.70
Vara Infrastructure Private Limited	50,000	0.59	50,000	0.59
Kedarnath Real Estates Private Limited	1,71,300	49.09	1,71,300	49.08
Nandyala Real Estates Private Limited	1,16,300	57.49	1,16,300	57.48
PRG Estates Private Limited	10,000	59.08	10,000	59.08
Thrilekya Real Estates Private Limited	1,15,300	44.74	1,15,300	44.73
Varma Infrastructure Private Limited	10,000	68.41	10,000	68.41
NJC Avenues Private Limited (Refer Note 2)	50,000	0.50	50,000	0.50
Sripada Homes Private Limited	50,000	0.59	50,000	0.59
Nagarjuna Suites Private Limited	10,000	0.14	10,000	0.14
NCC Urban Ventures Pvt Limited	10,000	0.17	10,000	0.16
NCC Urban Homes Pvt Limited	10,000	0.17	10,000	0.16
NCC Urban Meadows Pvt Limited	10,000	0.17	10,000	0.16
NCC Urban Villas Pvt Limited	10,000	0.17	10,000	0.16
<b>In Equity Shares of LKR 10/- each, fully paid up (unquoted)</b>				
NCC Urban Lanka (Private) Limited	2	0.00	2	0.00
<b>IN ASSOCIATE</b>				
<b>In Equity Shares of Rs.10/- each, fully paid up (Unquoted)</b>				
Varapradha Real Estates Private Limited	1,33,44,973	714.99	1,33,44,973	714.99
<b>Total</b>		<b>1,321.14</b>		<b>1,320.92</b>

Note 1: Investments in wholly owned subsidiaries include interest free unsecured loans of Rs. 418.4 mns as at March 31, 2018 ( as at March 31, 2017, Rs 418.2 mns)  
These loans are equity support in nature and given for the purpose of investments in the assets of the respective entities and are repayable as and when such assets are liquidated.

In view of the same, the said loans given were treated as investments and added to the initial cost of the equity instruments.

Note 2: These Shares are pledged to M/s Varapradha Real Estates Pvt Ltd, in respect of loan availed by NJC Avenues Pvt Ltd.



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Notes No	Description	As At March 31, 2018		As At March 31, 2017	
<b>6</b>	<b>OTHER FINANCIAL ASSETS</b>				
	Deposits - Joint Development (refer 6.a,6.b,6.c)	472.87		433.69	
	Deposits - Utilities and Others	13.92		18.49	
	<b>Total</b>		486.79		452.18
<b>6.a</b>	Deposits-Joint Development represents deposits with respective land owners against registered Joint Development Agreements (JDAs)/Memorandum of Understanding(MOU). The lands under respective JDA's /MOU are in the possession of the company. The company is assessing the market scenario and accordingly initiate execution of the project/s at an appropriate time.				
<b>6.b</b>	Deposits - Joint development are interest free, refundable deposits and the gross amount as at March 31,2018 Rs 657.23/- mns ( PY Rs.675.69/- mns )				
<b>6.c</b>	These deposits are valued at Fair value through P&L and the difference between the carrying values and the present value as at the IND AS transition date is charged to Opening balance of Retained Earnings in case of the projects substantially in progress/completed as at that date and in other cases, to Inventory.				
<b>6.c</b>	Deposits -Joint Development and Utilities & Others are reclassified from Loans to Other Financial Assets				
<b>7</b>	<b>OTHER NON- CURRENT ASSETS</b>				
	Advances for Purchase of Land (refer 7.a)	159.35		159.35	
	<b>Total</b>		159.35		159.35
<b>7.a</b>	Advances for Purchase of Land represent advances paid towards three properties during the years from 2005-2006 to 2008-2009, in respect of which agreements have expired.Company is confident of negotiating with the respective vendors for extension of the agreements and/ or registration as per mutually agreed terms or for recovery of advances.				
<b>8</b>	<b>INVENTORIES</b>				
	Materials	105.38		72.56	
	Work-in-progress	5,171.56		4,941.53	
	Finished Goods - Tiles Trading	41.31		41.61	
	Property & Development Cost	289.10		283.33	
	<b>Total</b>		5,607.35		5,339.03
	Work in Progress/Property & Development Cost includes Rs.270.00 mns (Previous Year Rs.270.00/- mns) representing the cost of acquisition of land from holding company, and in possession of the company for which registration in the name of the company is pending.				
	The amount of borrowing costs capitalised during the period is Rs.496.50/- mns.				
<b>9</b>	<b>TRADE AND OTHER RECEIVABLES</b> (unsecured, considered good)				
	Trade receivables		691.94		403.87
	<b>Total</b>		691.94		403.87



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Notes No	Description	As At March 31, 2018		As At March 31, 2017	
10	<b>CASH AND CASH EQUIVALENTS:</b>				
	Cash on Hand	0.31		0.20	
	Balances with Scheduled Banks: - in Current Account	52.63		46.38	
	<b>Total</b>		52.94		46.58
11	<b>BANK BALANCES OTHER THAN ABOVE</b>				
	Balances with Scheduled Banks: - in Deposit Account (Lodged with Government Authorities)	0.10		0.10	
	Deposits of Maturity for more than 12 months - (refer 11a)	26.15		35.53	
	Margin Money Deposit (Lodged with banks for guarantees issued)	14.76		13.00	
	<b>Total</b>		41.01		48.62
11a	Represents deposits for Debt Service Reserve Rs 26.15/- mns including Interest accrued (Previous Year - Rs 35.53/- mns), pursuant to the conditions of Term Loan agreement with ICICI Bank.				
12	<b>LOANS</b> (Unsecured, considered good)				
	Loans and Advances to Related Parties				
	Advances to Varapradha Real Estate Pvt Ltd (Associate)	326.14		247.90	
	<b>Total</b>		326.14		247.90
12a.	Advances to Varapradha Real Estate Pvt Ltd (Associate) are reclassified from Other Current Financial Assets to Loans.				
13	<b>OTHER CURRENT FINANCIAL ASSETS</b> (Unsecured, considered good)				
	Retention Money	19.36		14.55	
	Advances recoverable in cash or kind or for value to be received	2.36		3.98	
	<b>Total</b>		21.72		18.53
14	<b>OTHER CURRENT ASSETS</b>				
	<b>Other Loans and Advances (Unsecured, considered good)</b>				
	Advances to Suppliers, Sub-contractors and Others	77.96		72.50	
	GST Input Credit/VAT Receivable	25.71		3.06	
	Prepaid Expenses	1.35		0.67	
	<b>Total</b>		105.02		76.23



**NCC URBAN INFRASTRUCTURE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018.**

**A. EQUITY SHARE CAPITAL**

Description	No of Shares	(Amount in mns)
Balance as at 1 April 2016	150.00	1,500.00
Add: Equity shares allotted during the year	-	-
Balance as at 31 March 2017	150.00	1,500.00
Add: Equity shares allotted during the year	-	-
Balance at March 31, 2018	150.00	1,500.00

**B. OTHER EQUITY**

Particulars	(Amount in mns)			Total
	Reserves and Surplus		Items of other comprehensive income	
	Retained Earnings	General Reserve		
Balance at April 1, 2016	47.80	125.00	-1.70	171.10
Profit/(Loss) for the period	-109.97	0.00	0.00	-109.97
Other comprehensive income for the period	0.00	0.00	2.15	2.15
Others	0.00	0.00	0.00	0.00
Balance at March 31, 2017	-62.17	125.00	0.45	63.28
Profit for the year	0.00	0.00	0.00	0.00
Other comprehensive income for the year	68.20	0.00	0.00	68.20
Others	0.79	0.00	0.00	0.79
Balance at March 31, 2018	6.82	125.00	0.45	132.27





**NOTE 16: OTHER EQUITY**

(Amount in mns)

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	Retained Earnings	General Reserve		
<b>Balance at April 1, 2016</b>	47.80	125.00	-1.70	171.10
Profit/(Loss) for the period	-109.97		0.00	-109.97
Other comprehensive income for the period	0.00		2.15	2.15
Others	0.00	0.00		
<b>Balance at March 31, 2017</b>	<b>-62.17</b>	<b>125.00</b>	<b>0.45</b>	<b>63.28</b>
Profit for the year	68.20			68.20
Other comprehensive income for the year	0.79		0.00	0.79
Others				
<b>Balance at March 31, 2018</b>	<b>6.82</b>	<b>125.00</b>	<b>0.45</b>	<b>132.27</b>



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes Forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Notes No	Description	As At March 31, 2018		As At March 31, 2017		
15	<b>SHARE CAPITAL</b> <b>Authorised</b> 150,000,000 Equity Shares of Rs.10/-each		1,500.00		1,500.00	
			<b>1,500.00</b>		<b>1,500.00</b>	
		<b>Issued, Subscribed and Paid Up</b> 150,000,000 Equity Shares of Rs.10/-each fully paid	1,500.00		1,500.00	
		<b>Total</b>	<b>1,500.00</b>		<b>1,500.00</b>	
15.a	<b>Reconciliation of the number of Shares Outstanding:</b>					
	Description	As At March 31, 2018		As At March 31, 2017		
			Number		Number	
		At the beginning of the year	15,00,00,000		15,00,00,000	
	At the end of the year	15,00,00,000		15,00,00,000		
15.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.					
15.c	<b>Shares held by the Holding Company:</b>					
	Description	As At March 31, 2018		As At March 31, 2017		
		Number	Amount (Mns)	Number	Amount (Mns)	
	N C C LIMITED - Holding Company	12,00,00,000	1,200.00	12,00,00,000	1,200.00	
15.d	<b>Details of shareholders holding more than 5% of shares in the Company:</b>					
	Name of Shareholder	As At March 31, 2018		As At March 31, 2017		
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
		N C C LIMITED Holding Company	12,00,00,000	80%	12,00,00,000	80%
		AVSR Holdings Limited	3,00,00,000	20%	3,00,00,000	20%
	<b>Total</b>	<b>15,00,00,000</b>	<b>100%</b>	<b>15,00,00,000</b>	<b>100%</b>	



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes Forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Notes No	Description	Non -Current		Current	
		As At March 31, 2018	As At March 31, 2018	As at 31 March, 2017	As at 31 March, 2017
<b>17</b>	<b>BORROWINGS</b>				
	<b>A) Secured Term Loan</b>				
	<b>From Banks :</b>				
	Secured Term Loan - ICICI Bank - (refer 17.a, b)	327.91	428.17	776.18	131.36
	Less : Disclosed under Current Liabilities		-428.17		-131.36
	<b>B) Unsecured</b>				
	From Holding company - (refer 17.c)	3,283.09	1,000.00	0.00	3,523.11
	Less : Disclosed under Current Liabilities (FY 2017:Current Borrowing)		-1,000.00	0.00	-3,523.11
	<b>Total</b>	<b>3,611.00</b>	<b>0.00</b>	<b>776.18</b>	<b>0.00</b>
<b>17.a</b>	<p>The company entered into a Facility Agreement with ICICI Bank Ltd for availing term loans aggregating to Rs 1500 Mns receivable in 5 tranches - RTL 1 - Rs 200 Mns; RTL 2 - Rs 250 Mns, RTL 3 - Rs 300 Mns, RTL 4 - Rs 350 Mns, RTL 5 - Rs 400 Mns.</p> <p>The said Term loan consists of five components - RTL -1,2,3,4,5.</p> <p>RTL 1, 2, 3 shall be utilized towards repayment of unsecured loans from NCC Limited which were interalia utilized towards project development expenses of NCC Urban Meadows II, Bengaluru, NCC Urban Nagarjuna Residency, Hyderabad, NCC Urban Gardenia, Hyderabad.</p> <p>RTL 4 and 5 shall be utilized towards construction cost of NCC Urban Gardenia, Hyderabad and NCC Urban Green Province, Bengaluru.</p> <p>Term Loan carry an interest rate of bank's "I-Base" rate plus a spread. The rate of interest, as at 31.03.2018 aggregates to 12.40%.</p> <p>(a) Exclusive charge by way of equitable mortgage on Company's share of Unsold units in NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad &amp; NCC Urban Green Province - Bengaluru.</p> <p>(b) Second and subservient charge by way of equitable mortgage on approx 11,545 sqft and 32,495 sqft of saleable area mortgaged to Greater Hyderabad Municipal Corporation (GHMC) in NCC Urban Nagarjuna Residency - Hyderabad and of NCC Urban Gardenia - Hyderabad, respectively.</p> <p>(c) Exclusive charge by way of hypothecation on the future scheduled receivables of NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad &amp; NCC Urban Green Province - Bengaluru and all the insurance proceeds, both present and future.</p> <p>(d) Exclusive charge by way of registered hypothecation on the Escrow accounts of NCC Urban Meadows II - Bengaluru, NCC Urban Nagarjuna Residency - Hyderabad, NCC Urban Gardenia - Hyderabad &amp; NCC Urban Green Province - Bengaluru and the Debt Service Reserve (DSR) Account all monies credited/deposited therein (in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be).</p> <p>(e) Exclusive charge by way of equitable mortgage on landparcel/ property located in Semmenchery on the Old Mahabalipuram Road, Chennai to the extent of 7.53 acres with survey numbers 552/1A1 - 0.09 Acre, 553/2B1A - 0.15 Acre, 553/2B2A - 0.16 Acre, 742 - 1.9 Acre, 743/3 - 2.57 Acres, 744 - 0.57 Acre, 745/1 - 1.43 Acre, 745/2 - 0.66 Acre.</p> <p>Term Loan shall be repayable in 36 structured monthly installments commencing from 15th August, 2016 and ending on 15th July, 2019.</p> <p>There are no overdue's towards Principal or Interest as on 31.03.2018.</p>				
<b>17.b</b>	Long term borrowings are net of unamortised transaction costs of Rs 4.79 /- Mns as at March 31, 2018 ( PY Rs 8.62 Mns/- )				
<b>17.c</b>	Unsecured Loans from Holding Company are reclassified from Current Borrowing to Non Current Borrowing and carry interest rate of 12% per annum.				



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes Forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Notes No	Description	As At March 31, 2018		As At March 31, 2017	
18	<b>PROVISIONS:</b> for Gratuity for Leave Encashment  <b>Total</b>		12.32 8.03 <b>20.35</b>		13.27 9.43 <b>22.70</b>
19	<b>BORROWINGS</b> <b>A) Secured</b> Term Loan - Aditya Birla Finance Limited - (refer 19.a) Cash Credit- (refer 18.b)  <b>B) Unsecured</b> From Holding company - (refer 17.c) From Other Corporates - (refer 19.c)  <b>Total</b>		550.00 39.28  0.00 614.01  614.01 <b>1,203.29</b>		0.00 35.29  3,523.11 1,243.50  4,766.61 <b>4,801.90</b>
19.a	The company during the current year, entered into a Loan Agreement with Aditya Birla Finance Limited for availing term loan aggregating to Rs 550 Mns. Term Loan carry an interest rate of 9.5% as at 31.03-2018 by securing NCC Limited Shares held by AVSR Holdings Private Limited.				
19.b	Working Capital facility of Rs.109.3 Mns is from Bank of India, Mid-corporate branch, Hyderabad, carry an interest @ 14% and is secured by: a) First charge on the Fixed and Current Assets of the Façade Division by way of hypothecation b) Equitable Mortgage of Ac.8.30 and Ac.9.60 of lands of Dhatri Developers and Projects Pvt Ltd and Sushruta Real Estates Private Limited respectively. c) The facility is further secured by Corporate Guarantee provided by subsidiary companies namely Dhatri Developers and Projects Private Limited and Sushruta Real Estates Private Limited.				
19.c	Repayable within a period of 12 months and carry interest rate of 12% per annum				
20	<b>TRADE PAYABLES - (refer 19.a)</b> Supplies Services & Expenses Contractor - NCC Ltd  <b>Total</b>		236.35 121.86 3.55 <b>361.76</b>		164.35 98.76 3.55 <b>266.66</b>
20.a	The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act are not possible.				
21	<b>OTHER CURRENT FINANCIAL LIABILITIES</b> Current Maturities of Long Term Borrowings Interest Accrued but not due Retention Money  <b>Total</b>		1,428.17 4.15 125.15 <b>1,557.47</b>		131.36 0.00 107.30 <b>238.67</b>
22	<b>OTHER CURRENT LIABILITIES</b> Advance from Customers Advance from Others Statutory Dues  <b>Total</b>		510.80 137.81 10.51 <b>659.12</b>		451.27 175.00 19.24 <b>645.51</b>
23	<b>PROVISIONS</b> Employee benefits Gratuity Leave Encashment  <b>Total</b>		0.56 0.29 0.85 <b>0.85</b>		0.59 0.33 0.93 <b>0.93</b>



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes Forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Notes No	Description	Year Ended March 31, 2018		Year Ended March 31, 2017	
24	<b>REVENUE FROM</b>				
	Real Estate Division	1,200.22		567.14	
	Manufacturing Division	18.67		34.89	
	Tile Trading Division	3.34		2.61	
	Works Contracts	268.97		206.61	
	Technical & Professional Charges	7.59		9.99	
	Maintenance Income	86.11		74.85	
			1,584.90		896.09
	Less: GST, Service Tax and VAT		127.38		65.21
	Less: Rebates		0.43		2.09
	<b>Total</b>		<b>1,457.09</b>		<b>828.78</b>
25	<b>OTHER INCOME</b>				
	Interest income - from Banks/Others		47.62		20.39
	Profit/(Loss) on sale of Assets		0.04		0.35
	Rental Income from Investment Property		12.33		14.28
	Miscellaneous Receipts		1.20		5.01
	Fair Value Adjustments		61.24		54.29
	<b>Total</b>		<b>122.42</b>		<b>94.32</b>
26	<b>COST OF MATERIALS CONSUMED</b>				
	<b>Material Consumption</b>				
	Cement	66.81		77.02	
	Steel	44.98		107.37	
	Other Construction Materials	301.90		231.56	
	Cost of Sales - Tile Trading	0.35		6.67	
			414.04		422.63
	<b>Construction expenses</b>				
	Contractor Work Bills	115.07		64.91	
	Property development expenses	6.39		5.58	
	Stores and Spares	20.44		25.36	
	Power Charges	4.10		14.14	
	Transport Charges	2.53		3.80	
	Labour Charges	218.22	366.75	205.06	318.85
	<b>Total</b>		<b>780.78</b>		<b>741.48</b>
27	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>				
	Property development				
	- Opening Balance	283.33		858.43	
	- (Less): Transfer to Investment Property	0.00		-21.60	
	- Closing Balance	289.10	-5.77	283.33	553.50
	Construction Work-in-Progress				
	- Opening Balance	4,941.53		3,701.48	
	- (Less): Transfer to Investment Property	0.00		-31.43	
	- Closing Balance	5,171.56		4,941.53	
			-230.03		-1,271.48
	<b>Total</b>		<b>-235.80</b>		<b>-717.98</b>



**NCC URBAN INFRASTRUCTURE LIMITED**  
Notes Forming part of the Financial Statements as at March 31, 2018

(Amount in mns)

Notes No	Description	Year Ended March 31, 2018		Year Ended March 31, 2017	
28	<b>EMPLOYEES BENEFIT EXPENSES</b>				
	- Salaries and Other Benefits		103.14		136.06
	- Contribution to Provident Fund and Other Funds		10.62		12.97
	- Staff Welfare Expenses		2.14		2.61
	<b>Total</b>		<b>115.90</b>		<b>151.64</b>
29	<b>FINANCE COSTS</b>				
	<b>Interest expense on</b>				
	Term Loans	111.54		104.37	
	Cash Credit facility	5.85		6.66	
	Others	592.42		617.82	
			709.81		728.85
	<b>Financial Charges</b>				
	Commission on - Bank Guarantees	0.65		0.72	
	Processing Charges	6.58		3.83	
	Bank Charges	0.63		0.90	
			7.86		5.45
	<b>Total</b>		<b>717.66</b>		<b>734.29</b>
30	<b>OTHER EXPENSES</b>				
	Repairs and Maintenance				
	- Machinery	0.70		1.00	
	- Others	10.78		9.57	
	Hire Charges for Machinery and Others	3.62		4.16	
	Technical Consultation	7.13		14.70	
	Watch and Ward	21.11		21.64	
	Rent, Rates and Taxes	47.95		35.09	
	Office Maintenance	2.96		3.41	
	Electricity & Water Charges	11.82		18.02	
	Postage, Telegrams and Telephones	1.52		2.49	
	Travelling and Conveyance	4.96		8.34	
	Printing and Stationery	0.90		3.34	
	Insurance	1.60		2.74	
	Advertisement	10.45		12.92	
	Legal and Professional Charges	4.59		5.24	
	Business Promotion Expenses	0.79		1.31	
	Auditors' Remuneration	0.68		0.58	
	Directors Sitting Fees	0.51		0.45	
	Marketing Expenses	8.96		9.40	
	CSR Expenses	0.00		1.02	
	Miscellaneous Expenses	0.47		0.56	
	Provision for Doubtful Debts				
	<b>Total</b>		<b>141.50</b>		<b>155.98</b>



## 31.a Contingent Liability:

1. Bank Guarantees furnished to Statutory Authorities and Government bodies is Rs.20.86/- Mns (Previous Year Rs.20.80/- Mns)

2. The company has received a demand order of Rs. 30.31/- Mns along with interest & penalty from the Office of Central Tax-GST Commissionerate with respect to service tax on land owners' share in residential projects from the FY 2012-13 to 2014-15. The company has filed appeal before the Appellate Tribunal (CESTAT) against the order on January 11, 2018.

## 31.b Employee Benefit plans

## i. Defined contribution plan:

The Company makes Provident Fund contribution for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 10.25/-Mns (March 31, 2017 Rs 12.20/-Mns) for Provident Fund contributions in the Statement of Profit and Loss.

## ii. Defined benefit plan:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. Unfunded Liability for retiring gratuity as at March 31, 2018 is Rs 12.88/- Mns ( March 31, 2017: Rs 13.86/- Mns). The liability for gratuity has been actuarially determined and provided for in the books.

Changes in Present Value of Obligation as at	31-03-2018	31-03-2017
Present value of obligation as on last valuation	14.83	16.59
Current Service Cost	1.59	2.13
Interest Cost	0.98	1.14
Participant Contribution	N/A	N/A
Plan Amendments: Vested portion at end of period(Past Service)	1.51	-
Plan Amendments: Non-Vested portion at end of period(Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	-0.40	1.06
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	-1.14	-3.18
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	4.12	2.90
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other(Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	13.24	14.83

Changes in Fair Value of Plan Assets as at	31 March 2018	31 March 2017
Fair value of Plan Assets at Beginning of period	0.97	0.19
Interest Income	0.07	0.01
Employer Contributions	3.81	3.64
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	-	-
Benefits Paid	4.12	2.90
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange Rates	-	-
Administrative Expenses and Insurance Premium	-	-
Return on Plan Assets excluding Interest Income	-0.37	0.03
Fair value of Plan Assets at End of measurement period	0.35	0.97

Table Showing Reconciliation to Balance Sheet	31 March 2018	31 March 2017
Funded Status	-12.88	-13.86
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer Contribution(Expected)	-	-
Unfunded Accrued/Prepaid Pension cost	N/A	N/A
Fund Asset	0.35	0.97
Fund Liability	13.24	14.83

Discount Rate	7.71%	7.50%
Expected Return on Plan Asset	7.71%	7.50%
Rate of Compensation Increase(Salary Inflation)	8.00%	8.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	20	20
Average Duration of Liabilities	20	20

Mortality Table	IALM 2006-2008 Ultimate	IALM 2006-2008 ULTIMATE
Superannuation at age-Male	60	60
Superannuation at age-Female	60	60
Attrition Rate	1%	1%
Voluntary Retirement	Ignored	Ignored



Expense Recognized in Statement of Profit/Loss as at	31 March 2018	31 March 2017
Current Service Cost	1.59	2.13
Past Service Cost(vested)	1.51	0.00
Past Service Cost(Non-Vested)	-	-
Net Interest Cost	0.91	1.12
Cost(Loss)/(Gain) on settlement	-	-
Cost(Loss)/(Gain) on curtailment	-	-
Net Actuarial Gain loss	-	-
Employee Expected Contribution	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Benefit Cost(Expense Recognized in Statement of Profit/loss)	4.01	3.25

Other Comprehensive Income	31 March 2018	31 March 2017
Actuarial gain/loss on obligations due to Change in Financial Assumption	-0.40	1.06
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	-1.14	-3.18
Actuarial gain/loss on obligations due to Other reason	-	-
Total Actuarial (gain)/losses	-1.55	-2.13
Return on Plan Asset, Excluding Interest Income	-0.37	0.03
The effect of asset ceiling	-	-
Balance at the end of the Period	-1.18	-2.15
Net(Income)/Expense for the Period Recognized in OCI	-1.18	-2.15

Sensitivity Analysis Description	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	12.34	14.23	13.77	16.00
%Change Compared to base due to sensitivity	-6.80%	7.49%	-7.13%	7.87%
Salary Growth (-/+ 0.5%)	14.07	12.45	15.68	14.01
%Change Compared to base due to sensitivity	6.25%	-5.94%	5.76%	-5.51%
Attrition Rate (-/+ 0.5%)	13.27	13.21	14.86	14.80
%Change Compared to base due to sensitivity	0.20%	-0.20%	0.22%	-0.22%
Mortality Rate (-/+ 10%)	13.35	13.12	14.96	14.69
%Change Compared to base due to sensitivity	0.86%	-0.86%	0.91%	-0.91%

Table Showing expected return on Plan Asset at end Measurement Period	31 March 2018	31 March 2017
Current liability	0.56	0.17
Non-Current Liability	12.67	16.42
Net Liability	13.24	16.59

Depreciation with effect from April 1, 2014 has been provided adopting the useful life of the fixed assets and transition provisions relating thereto as specified in Schedule II to the Companies Act, 2013.

#### Earnings per Share

(Amount in mns)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Net Profit/(Loss) available for equity shareholders	68.20	-109.97
	Nos.	Nos.
Weighted Average number of equity shares for Basic EPS	15,00,00,000	15,00,00,000
Weighted Average number of equity shares for Diluted EPS	15,00,00,000	15,00,00,000
Face value per share	10/-	10/-
Basic and Diluted EPS	0.45	(0.73)





31.c. Related Party Transactions

31.c.1 List of related parties and relationships:

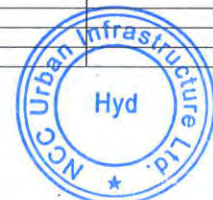
- A Holding Company**  
1 NCC Limited
- B Subsidiaries**  
2 AKHS Homes Private Limited  
3 Dhatri Developers Private Limited  
4 Sushanthi Avenues Private Limited  
5 Sushruta Real Estates Private Limited  
6 CSVS Property Developers Private Limited  
7 JIC Homes Private Limited  
8 MA Property Developers Private Limited  
9 Sri Raga Nivas Property Developers Private Limited  
10 Sushanthi Housing Private Limited  
11 Vera Avenues Private Limited  
12 VSN Property Developers Private Limited  
13 Sri Raga Nivas Ventures Private Limited  
14 Vara Infrastructure Private Limited  
15 Sradha Real Estates Private Limited  
16 Mallelavanam Property Developers Private Limited  
17 Varma Infrastructure Private Limited  
18 Trilekya Real Estates Private Limited  
19 PRG Estates Private Limited  
20 Kedarnath Real Estates Private Limited  
21 NCC Urban (Lanka) Private Limited  
22 NJC Avenues Private Limited  
23 Siri pada Homes Private Limited  
24 Nandyala Real Estates Privates Limited  
25 Nagarjuna Suites Private Limited  
26 NCC Urban Homes Private Limited  
27 NCC Urban Meadows Private Limited  
28 NCC Urban Ventures Private Limited  
29 NCC Urban Villas Private Limited
- C Fellow Subsidiary**  
30 NCC Vizag Urban Infrastructure Limited  
31 Patnitop Ropeway and Resorts Limited
- D Key Management Personnel (KMP) & relatives of KMP**  
32 Sri A.A.V.Ranga Raju, Director  
33 Sri A.G.K.Raju, Director  
34 Sri N.R. Alluri, Managing Director  
35 Smt. A. Bharathi Raju, Whole Time Director  
36 Sri.J.S.R.Raju, Whole Time Director  
37 Srinivasa Rao G, Chief Financial Officer  
38 Ravi Kumar U, Company Secretary
- E Associates**  
39 Varapradha Real Estates Private Limited
- F Enterprises owned and significantly influenced by key management personnel or their relatives**  
40 Sirisha Projects Pvt Ltd  
41 Armesh Ventures Pvt Ltd  
42 Bhuvanesh Realtors Pvt Ltd  
43 Lalit Agro Farms Pvt Ltd  
44 Mihika Agro Farms Pvt Ltd  
45 Narasimha Developers Pvt Ltd  
46 Ruthvik Estates Pvt Ltd  
47 Shyamala Agro Farms Pvt Ltd  
48 Suguna Estates Pvt Ltd



31.f.2. Related Party transactions during the Year Ended March 31, 2018 are as follows:

(Amount in mns)

S. No	Particulars	Holding Company	Key Management Personnel and their relatives	Subsidiaries	Associate	Fellow Subsidiary	Enterprises owned and significantly influenced by key management personnel or their relatives
1	Unsecured Loans taken	1,520.78					
		1,378.37					
2	Unsecured Loans Repaid	1,246.94					
		2,544.22					
3	Investments	0.00		0.00	0.00		
		0.00		0.00	0.00		
4	Mobilization Advance Received	0.00					
		0.00					
5	Advance granted/ (Received)	0.00			38.29	2.39	
		0.00			184.53	-0.18	
6	Real estate sales	0.00					
		0.00					
7	Sales (in Facade)	5.18					
		21.44					
8	Interest received/accrued	0.00			44.39		
		0.00			16.89		
9	Contractor Work Bills	0.00					
		0.00					
10	Managerial Remuneration		12.00				
			12.00				
11	Remuneration to CFO and CS		2.38				
			2.38				
12	Interest paid /Provided	480.65	1.89				
		553.91	0.00				
13	Rent Paid/Provided	0.53					2.40
		0.53					2.84
<b>Debit Balances as on March 31, 2018</b>							
1	AKHS Homes Private Limited			30.73			
				30.72			
2	Dhatni Developers Private Limited			63.11			
				63.10			
3	Sushanthi Avenues Private Limited			45.82			
				45.81			
4	Shshrutha Real Estates Private Limited			16.90			
				16.89			
5	CSVS Property Developers Private Limited			17.94			
				17.94			
6	JIC Homes Private Limited			17.89			
				17.89			
7	MA Property Developers Private Limited			17.01			
				17.00			
8	Sri Raga Nivas Property Developers Private Limited			33.16			
				33.16			
9	Sushanthi Housing Private Limited			17.01			
				17.00			
10	Vera Avenues Private Limited			13.67			
				13.66			
11	VSN Property Developers Private Limited			33.21			
				33.20			
12	Sri Raga Nivas Ventures Private Limited			0.31			
				0.30			
13	Vara Infrastructure Private Limited			0.09			
				0.09			
14	Sradha Real Estates Private Limited			0.10			
				0.09			
15	Mallelavanam Property Developers Private Limited			9.47			
				9.46			
16	Varma Infrastructure Private Limited			17.61			
				17.60			
17	Trilekya Real Estates Private Limited			17.21			
				17.20			
18	Nandyala Real Estates Privates Limited			30.00			
				29.99			
19	PRG Estates Private Limited			20.95			
				20.95			
20	Kedarnath Real Estates Private Limited			15.78			
				15.77			
21	Siri pada Homes Private Limited			0.09			
				0.09			
22	NCC Urban (Lanka) Private Limited			0.00			
				0.00			
23	Nagarjuna Suites Private Limited			0.04			
				0.04			
24	NCC Urban Homes Private Limited			0.07			
				0.06			
25	NCC Urban Meadows Private Limited			0.07			
				0.06			
26	NCC Urban Villas Private Limited			0.07			
				0.06			
27	NCC Urban Ventures Private Limited			0.07			
				0.06			
29	Varapradha Real Estates Private Limited				326.14		
					247.90		
30	NCC Vizag Urban Infrastructure limited					3.02	
						1.56	
31	Patnitop Ropeway and Resorts Private Limited					0.94	
						0.00	
<b>Credit Balances as on March 31, 2018</b>							
32	NCC Limited	4,320.48					
		3,562.73					
33	NJC Avenues Private Limited			0.47			
				0.47			
34	A.G.K.Raju, Director			1.70			
				0.00			



31.f.3. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Particulars	(Amount in mns)	
	Year Ended March 31, 2018	For the Year ended 31 March 2017
<b>Unsecured Loans taken</b>		
NCC Limited	1,521	1,378
<b>Unsecured Loans repaid</b>		
NCC Limited	1,247	2,544
<b>Advance granted/(Taken)</b>		
NCC Vizag Urban Infrastructure Limited	1.46	0.00
Patmtop Ropeway and resorts Private Limited	0.94	-0.18
Varapradha Real Estates Private Limited	72.28	199.73
<b>Sales (Façade Divison)</b>		
NCC Limited	5.18	21.44
<b>Contractor Work Bills</b>		
NCC Limited	-	-
<b>Interest paid/provided</b>		
NCC Limited	480.65	553.91
<b>Managerial Remuneration</b>		
Smt. A. Bharathi Raju, Whole Time Director	6.00	6.00
Sri.J.S.R.Raju, Whole Time Director	6.00	6.00
<b>Remuneration to CFO and CS:</b>		
Srinivasa Rao G, Chief Financial Officer	1.67	1.67
Ravi Kumar U, Company Secretary	0.71	0.71
<b>Rent Paid</b>		
NCC Limited	0.53	0.53
Enterprises owned and significantly influenced by KMP or their relatives	2.40	2.84

31.g. Deferred Tax Asset

Deferred Tax Asset as at March 31, 2018 comprises of the following.

Description	(Amount in mns)	
	For the Year ended 31 March 2018	For the Year ended 31 March 2017
<b>(A) Deferred Tax Assets on Timing differences due to :</b>		
Provision for Leave Encashment, Gratuity & Bonus	12.34	7.81
Business loss	77.94	67.20
MAT Credit Entitlement	6.97	-
<b>Total :</b>	<b>97.25</b>	<b>75.01</b>
<b>(B). Deferred Tax Liabilities on timing differences due to:</b>		
Depreciation	8.46	18.58
<b>Total:</b>	<b>8.46</b>	<b>18.58</b>
<b>Net Deferred Tax Asset (A-B)</b>	<b>88.79</b>	<b>56.43</b>

Deferred tax assets (Net)

Significant components of deferred tax (liabilities) / assets for the Year Ended March 31, 2018

Description	(Amount in mns)			
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Total
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	-18.58	10.12	-	-8.46
Business Loss	67.20	10.74	-	77.94
Provision for employee benefits	7.81	4.52	-	12.34
MAT Credit Entitlement	0.00	6.97	-	6.97
	<b>56.43</b>	<b>32.36</b>	<b>0.00</b>	<b>88.79</b>

31.h. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	(Amount in mns)	
	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences, unused tax losses and unused tax credits for		
-long term capital loss	-	-
-unused tax credits	-	-
	-	-

31.i

	(Amount in mns)	
	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Tax Expense</b>		
Current Tax	7.00	0.00
Wealth Tax - Prior year's Tax	0.00	0.00
Current Tax - Prior year's Tax	0.00	0.00
Deferred Tax	-32.76	-50.42
Income tax relating to items that will not be reclassified to profit or loss	0.39	0.00
<b>Total</b>	<b>-25.36</b>	<b>-50.42</b>



Reconciliation of tax expense to the accounting profit is as follows:

(Amount in mns)

	Year ended March 31, 2018		Year ended March 31, 2017	
Accounting profit before tax (Under MAT)		42.44		0.00
Tax expense at statutory tax rate @ 20.38885%		8.09		0.00
Adjustments				
Effect of income that is exempt from taxation				
Adjustments recognized in the current year in relation to the current tax of previous year				
Effect of expenses that are not deductible in determining taxable profit				
Effect of capital gains set off with unused capital losses				
Others	1.11			
		1.11		0.00
<b>Tax expense reported in the Statement of Profit and Loss</b>		<b>6.97</b>		<b>0.00</b>

Income tax credit / (expense) recognized in Other Comprehensive Income:

(Amount in mns)

	Year ended March 31, 2018	Year ended March 31, 2017
Tax effect on actuarial gains/losses on defined benefit obligations	0.39	-
Tax effect on foreign currency translation differences	-	-
<b>Total</b>	<b>0.39</b>	<b>-</b>

### 31j Financial instruments

#### Capital management

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

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

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

The following table summarizes the capital of the Group:

(Amount in mns)

	As at March 31, 2018	As at March 31, 2017
Equity	1,632.27	1,563.28
Short-term borrowings and current portion of long-term debt	1,203.29	4,801.90
Long-term debt	3,611.00	776.18
Current Maturities of Long Term Debt	1,428.17	131.36
Cash and cash equivalents	-52.94	-46.58
<b>Net debt</b>	<b>6,189.51</b>	<b>5,662.86</b>
<b>Total capital (equity + net debt)</b>	<b>7,821.78</b>	<b>7,226.14</b>

Categories of financial instruments

(Amount in mns)

	As at March 31, 2018	As at March 31, 2017
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Mandatorily measured:		
Equity investments in other entities	1,321.14	1,320.92
JDA Deposits	472.87	433.69
<b>Measured at amortized cost</b>		
Trade and other receivables	691.94	-403.87
Other current financial assets	21.72	18.53
<b>Financial liabilities</b>		
Borrowings	-4,814.29	5,578.08
Other Financial Liabilities -Measured at cost	1,919.23	505.33



#### Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018:

	Carrying amount	up to 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	361.76	361.76			361.76
Borrowings and interest thereon	4,814.29	4,486.38	327.91		4,814.29
Other financial liabilities	1,557.47	1,557.47			1,557.47
<b>Total</b>	<b>6,733.52</b>	<b>6,405.61</b>	<b>327.91</b>	<b>0.00</b>	<b>6,733.52</b>

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

	Carrying amount
Trade receivables	691.94
Investments	1,321.14
Loans	326.14
Other financial assets	21.72
Cash and cash equivalents	52.94
Bank balances other than Cash and Cash equivalents	41.01
<b>Total</b>	<b>2,454.88</b>

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

	Carrying amount	up to 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	267	267			267
Borrowings and interest thereon*	5,578	4,802	776		5,578
Other financial liabilities	239	239			239
<b>Total</b>	<b>6,083</b>	<b>5,307</b>	<b>776</b>	<b>0</b>	<b>6,083</b>

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

	Carrying amount
Trade receivables	403.87
Investments	1,320.92
Loans	247.90
Other financial assets	18.53
Cash and cash equivalents	46.58
Bank balances other than Cash and Cash equivalents	48.62
<b>Total</b>	<b>2,086.43</b>

#### Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including interest rate risk) and credit risk.

#### Market risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:

#### Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

#### Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

The Company's borrowings majorly consists of Project funding loans, having fixed rate of interest (re-stated at every 3 years interval).

#### Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The company primarily deals with the real estate sales. The possession of the properties is handed over to the customers only after the receipt of the entire sale consideration with respect to the sales. Hence, the credit risk with respect to the sales /receivables is limited.



Particulars	As at 31 March 2018		As at 31 March 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortized cost:				
(a) Trade receivables	691.94	691.94	403.87	403.87
(b) Other financial assets	21.72	21.72	18.53	18.53
<b>Financial liabilities</b>				
Financial liabilities at amortized cost:				
(a) Borrowings	4,814.29	4,814.29	5,578.08	5,578.08
(b) Trade payables	361.76	361.76	266.66	266.66
(c) Other financial liabilities	1,557.47	1,557.47	238.67	238.67

Note : In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

31.i. Figures of previous year have been regrouped/re-arranged wherever necessary to conform to the current year presentation.

Signatures to the Notes of Accounts 1 to 31.i.

For K.P.Rao & Co.  
Chartered Accountants

K.Viswanath  
Partner  
Membership No: 022812



N.R.Alluri  
Managing Director  
DIN:00026723

G.Srinivasa Rao  
Chief Financial Officer

For and on behalf of the Board

J.S.R.Raju  
Director  
DIN:01158196

U.Ravi Kumar  
Company Secretary

Place: Hyderabad  
Hyderabad: May 09, 2018