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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VARMA INFRASTRUCTURES LLP**

Report on the Financial Statements

We have audited the accompanying financial statements of **VARMA INFRASTRUCTURES LLP** ("the Firm"), which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The partners of the Firm are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified by ICAI. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Firm and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

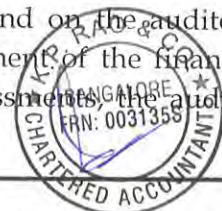
Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



Branches

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considers internal financial control relevant to the Firm's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Firm's Partners, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in case of the Balance Sheet, of the state of affairs of the Firm as at 31st March 2019 and
- (ii) in case of the Statement of Profit and Loss, of the Loss for the period ended on that date.

for K.P.Rao & Co.
Chartered Accountants
Firm Reg. No. 003135S



K Viswanath
Partner
Membership No. 022812

Place : Hyderabad
Date : 08th May, 2019

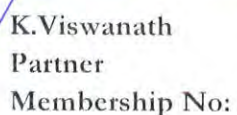
VARMA INFRASTRUCTURES LLP
BALANCE SHEET AS AT MARCH 31, 2019

(Amt in Thousands)

Description	Note	As At March 31, 2019	
I ASSETS			
1. Non-current assets			
(a) Investment property	3	24,840.43	24,840.43
2. Current assets			
(a) Financial Assets			
(i) Trade receivables - Long Term	4	41,782.15	
(i) Other Financials Assets	5	830.60	
(i) Cash and Cash equivalents	6	61.69	42,674.43
TOTAL			67,514.86
II. EQUITY AND LIABILITIES			
1. Capital Contribution			
(a) Capital Contribution - Partners	7	100.00	
(b) Partners Current Account	8	54,205.09	54,305.09
2. Current liabilities			
Financial Liabilities			
(a) Short Term Liabilities	9	1.69	
(b) Long Term Liabilities	10	13,208.09	13,209.77
Total			67,514.86
Corporate information and significant accounting policies See accompanying notes to the financial statements	1 & 2		

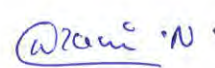
As per our report of even date attached
for K.P.Rao & Co.


Chartered Accountants
FRN 003135S


K. Viswanath
Partner
Membership No: 022812



for and on behalf of
Varma Infrastructures LLP


N. Durga Rani
Designated Partner
DIN:01192040


C. Srinivas
Designated Partner
DIN:01174020

Hyderabad
Date: 08.05.2019

VARMA INFRASTRUCTURES LLP

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amt in Thousands)

Description	Note	Year Ended March 31, 2019
REVENUE		
Other Income	11	40,695.88
Total Revenue		40,695.88
EXPENDITURE		
Other Expenses	12	10.20
Total Expenses		10.20
Profit/(Loss) Before Tax		40,685.68
Less: Tax Expense		(13,200.00)
Profit/(Loss) for the year		27,485.68
Corporate information and significant accounting policies See accompanying notes to the financial statements	1 & 2	

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

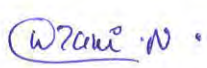
Chartered Accountants
FRN 003135S

K.Viswanath
Partner
Membership No: 022812



Hyderabad
Date: 08.05.2019

for and on behalf of
Varma Infrastructures LLP


N. Durga Rani
Designated Partner
DIN:01192040


C. Srinivas
Designated Partner
DIN:01174020

VARMA INFRASTRUCTURES LLP

Notes forming part of Financial Statements

NOTE 1: CORPORATE INFORMATION

Varma Infrastructures LLP is a Subsidiary of NCC Urban Infrastructure Limited. It has been incorporated for the purpose of development of Real estate Projects. The Company had not been able to commence any Real Estate Projects in view of lack of potential demand. The Land is hence held as part of investment property.

NOTE 2: ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements comply in all material aspects with Ind AS notified under Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

2.2 Basis of Preparation and presentation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period.

2.3 Use of Estimates

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

2.4 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 derecognized 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.

2.5 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss)



VARMA INFRASTRUCTURES LLP

Notes forming part of Financial Statements

are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

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

Financial liabilities

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

Equity instruments

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

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

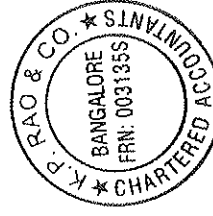
2.6 Earnings Per Share :

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.



NOTE 3 : Fixed Asset Schedule as at 31st March, 2019

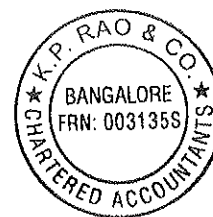
Sl. No.	Asset Description	Depn Rate	W.D.V as on	Additions		Deletions during the year	Total	Depreciation	W.D.V as on 31-03-2019
				> 180 Days	< 180 Days				
1	BLOCK A Land	0%	67,205.54	-	-	42,365.12	24,840.43	-	24,840.43
TOTAL			67,205.54	-	-	42,365.12	24,840.43	-	24,840.43



VARMA INFRASTRUCTURES LLP
Notes forming part of Financial Statements

(Amt in Thousands)

Notes No	Description	As At March 31, 2019	
4	Trade receivable		
	Sri Raga Nivas Ventures Pvt Ltd	113.37	
	Provision for Income Tax	(0.62)	
	JB Gangastan	41,669.40	41,782.15
	Total		41,782.15
5	Other Financial Assets		
	TDS Receivable	830.60	830.60
	Total		830.60
6	Cash and Cash Equalents		
	ICICI bank Limited	61.69	61.69
	Total		61.69



VARMA INFRASTRUCTURES LLP
Notes forming part of Financial Statements

(Amt in Thousands)

Notes No	Description	As At March 31, 2019	
7	Capital Contribution		
	NCC Urban Infrastructure Limited -		94.00
	Nominee - Durga Rani Narla		
	Chintalapati - Srinivas (Designated Partner)		1.00
	Jampana Srirama Raju - Partner		1.00
	IBBVS Seeta Rama Raju - Partner		1.00
	Varagani Brahmaiah - Partner		1.00
	Sarella Lakshmi - Partner		1.00
	Koteswara Rao Dharanikota - Partner		1.00
	Total		100.00



VARMA INFRASTRUCTURES LLP
Notes forming part of Financial Statements

(Amt in Thousands)

Notes	Description	As At March 31, 2019	
8	Partners Current Account		
	Opening Balance (revaluation Reserves)	48,212.19	
	Profit & Loss Account		
	Opening Balance	1,385.53	
	Add: Profit/(Loss) for the period	27,485.68	
	Less: Profit/(Loss) distributed to partners	(22,878.32)	
			54,205.09
	Total		54,205.09



VARMA INFRASTRUCTURES LLP
Notes forming part of Financial Statements

(Amt in Thousands)

Notes No	Description	As At March 31, 2019	
9	Short Term Liabilities Other Liabilities	1.69	1.69
			1.69
10	Other Current Liabilities Provision for Income Tax Audit Fees payable Total	13,199.24	13,208.09
		8.85	
			13,208.09



VARMA INFRASTRUCTURES LLP
Notes forming part of Financial Statements

(Amt in Thousands)

Notes No	Description	Year Ended March 31, 2019
11	INCOME	
	Other Income	40,694.88
	Miscellaneous Receipts	1.00
		40,695.88
12	OTHER EXPENSES	
	Rates & Taxes	1.35
	Auditors' Remuneration	8.85
	Total	10.20



NOTE 13: Additional Information to the Financial Statements**13.1 Contingent Liabilities – Nil**

13.2 The Company during the year has not dealt with any suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

13.3. Related Party Transactions:

a. Following is the list of related parties and relationships:

	Name of the Related party	Relationship
1	NCC Limited	Ultimate Holding Company
2	NCC Urban Infrastructure Limited	Holding Company
3	CSVS Property Developers Private Limited	Fellow Subsidiary
4	JIC Homes Private Limited	Fellow Subsidiary
5	Dhatri Developers Private Limited	Fellow Subsidiary
6	MA Property Developers Private Limited	Fellow Subsidiary
7	Mallelavanam Property Developers Private Limited	Fellow Subsidiary
8	Nagarjuna Suites Private Limited	Fellow Subsidiary
9	NCC Urban Homes Private Limited	Fellow Subsidiary
10	NCC Urban Meadows Private Limited	Fellow Subsidiary
11	NCC Urban Ventures Private Limited	Fellow Subsidiary
12	NCC Urban Villas Private Limited	Fellow Subsidiary
13	NJC Avenues Private Ltd	Fellow Subsidiary
14	Siripada Homes Private Limited	Fellow Subsidiary
15	Sradha Real Estates Private Limited	Fellow Subsidiary
16	Sri Raga Nivas Ventures Private Limited	Fellow Subsidiary
17	Sushanthi Avenues Private Limited	Fellow Subsidiary
18	Sushanthi Housing Private Limited	Fellow Subsidiary
19	Sushruta Real Estates Private Limited	Fellow Subsidiary
20	Vara Infrastructure Private Limited	Fellow Subsidiary
21	Vera Avenues Private Limited	Fellow Subsidiary
22	Trilekya Real Estates LLP	LLP
23	AKHS Homes LLP	LLP
24	PRG Estates LLP	LLP
25	Sri Raga Nivas Property Developers LLP	LLP
26	Nandyala Real Estates LLP	LLP
27	Kedarnath Real Estates LLP	LLP
28	VSN Property Developers LLP	LLP

b. Related Party transactions during the Year Ended March 31, 2019 are as follows:

(Amt in Thousands)

S. No.	Particulars	Holding Company	Fellow Subsidiary
1)	Unsecured Borrowings- Interest Free	-	-
	NCC Urban Infrastructure Limited	-	-
Credit Balances Outstanding as at 31.03.2019			
1)	NCC Urban Infrastructure Limited	-	-
Debit Balances Outstanding as at 31.03.2019			
1)	Sri Raga Nivas Ventures Private Limited	-	113.37
		-	113.37



13.4 Financial Instruments

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

(Amt in Thousands)

Particulars	As at 31 March 2019	
	Carrying amount	Fair value
Financial assets		
Financial assets at amortised cost:		
(a) Cash and cash equivalents		-
(b) Trade receivables	42,674.43	42,674.43
Financial liabilities		
Financial liabilities at amortised cost:		
(a) Other current liabilities	13,209.77	13,209.77

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.

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

As per our report of even date attached

for K.P.Rao & Co.

Chartered Accountants

FRN 003135S

K.Viswanath
Partner

Membership No: 022812



for and on behalf of
Varma Infrastructures LLP

N. Durga Rani
Designated Partner
DIN:01192040

C. Srinivas
Designated Partner
DIN:01174020

Hyderabad

Date: 08.05.2019