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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF VSN PROPERTY DEVELOPERS LLP**

Report on the Financial Statements

We have audited the accompanying financial statements of **VSN PROPERTY DEVELOPERS LLP** ("the Firm"), which comprise the Balance Sheet as at 31<sup>st</sup> 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 Firm 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 31<sup>st</sup> 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 : 08<sup>th</sup> May, 2019



**VSN PROPERTY DEVELOPERS LLP**  
**BALANCE SHEET AS AT MARCH 31, 2019**

(Amt in Thousands)

Description	Note	As At March 31, 2019	
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Investment property	3	33,516.54	33,516.54
<b>2. Current assets</b>			
Financial Assets			
(a) Trade receivables	4	110.10	
(b) Cash and cash equivalents	5	23.26	
(c) Other Financial Assets	6	250.00	383.36
<b>TOTAL</b>			<b>33,899.90</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Capital Contribution</b>			
(a) Capital Contribution - Partners	7	500.00	
(b) Partners Current Account	8	(74.27)	425.73
<b>2. Current liabilities</b>			
Financial Liabilities			
(a) Short Term Liabilities	9	33,474.16	33,474.16
<b>Total</b>			<b>33,899.90</b>
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  
VSN Property Developers LLP

N. Durga Rani  
Designated Partner  
DIN:01192040

C. Srinivas  
Designated Partner  
DIN:01174020

Hyderabad  
Date: 08.05.2019

# VSN PROPERTY DEVELOPERS LLP

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

(Amt in Thousands)

Description	Note	Year Ended March 31, 2019
<b>REVENUE</b>		
Other Income	11	1.00
<b>Total Revenue</b>		<b>1.00</b>
<b>EXPENDITURE</b>		
Interest and Financial Charges	12	0.41
Other Expenses	13	10.20
<b>Total Expenses</b>		<b>10.61</b>
<b>Profit/(Loss) Before Tax</b>		<b>(9.61)</b>
Less: Provision for Tax		-
<b>Profit/(Loss) After Tax</b>		<b>(9.61)</b>
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  
VSN Property Developers LLP

N. Durga Rani  
Designated Partner  
DIN:01192040

C. Srinivas  
Designated Partner  
DIN:01174020

# **VSN PROPERTY DEVELOPERS LLP**

## **Notes forming part of Financial Statements**

### **NOTE 1: CORPORATE INFORMATION**

VSN Property Developers 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)



# **VSN PROPERTY DEVELOPERS 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**

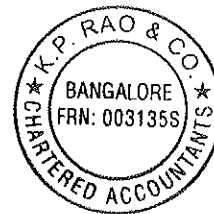
Sl. No.	Asset Description	Depn Rate	W.D.V as on 01-04-2018	Additions		Deletions during the year	Total	Depreciation	W.D.V as on 31-03-2019
				> 180 Days	< 180 Days				
1	BLOCK A Land	0%	33,516.54	-	-	-	33,516.54	-	33,516.54
<b>TOTAL</b>			<b>33,516.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,516.54</b>	<b>-</b>	<b>33,516.54</b>



**VSN PROPERTY DEVELOPERS LLP**  
**Notes forming part of Financial Statements**

(Amt in Thousands)

	Description	As At March 31, 2019	
4	Trade receivable Sri Raga Nivas Ventures Pvt Ltd		110.10
	Total		<b>110.10</b>
5	Cash and cash equivalents Balances with Scheduled Banks: - in Current Account		23.26
	Total		<b>23.26</b>
6	Other Financial Assets TDS Receivables		250.00
	Total		<b>250.00</b>

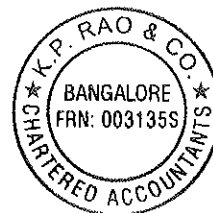




**VSN PROPERTY DEVELOPERS LLP**  
**Notes forming part of Financial Statements**

(Amt in Thousands)

	Description	As At March 31, 2019	
7	<b>Capital Contribution</b>		
	NCC Urban Infrastructure Limited -		
	Nominee - Durga Rani Narla		499.40
	Chintalapati - Srinivas (Designated Partner)		0.10
	Alluri Raghu Varma - Partner		0.10
	IBBVS Seeta Rama Raju - Partner		0.10
	Mantrala Venugopal - Partner		0.10
	Sarella Lakshmi - Partner		0.10
	Koteswara Rao Dharanikota - Partner		0.10
			<b>500.00</b>



**VSN PROPERTY DEVELOPERS LLP**  
**Notes forming part of Financial Statements**

(Amt in Thousands)

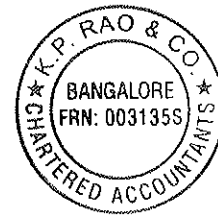
Notes	Description	As At March 31, 2019	
8	<b>Profit &amp; Loss Account</b>		
	Opening Balance	(64.65)	
	Add: Profit/(Loss) for the period	(9.61)	(74.27)
	<b>Total</b>		(74.27)



**VSN PROPERTY DEVELOPERS LLP**  
**Notes forming part of Financial Statements**

(Amt in Thousands)

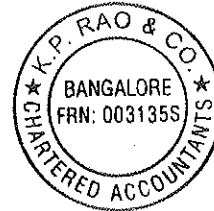
	Description	As At March 31, 2019	
9	<b>Financial Liabilities</b>		
	Other Liabilities	8.85	
	Advance from Others		
	- NCC Urban Infrastructure Limited	8,465.31	
	- Vasishta Infrastructure Private Limited	25,000.00	33,474.16
	<b>Total</b>		<b>33,474.16</b>



**VSN PROPERTY DEVELOPERS LLP**  
**Notes forming part of Financial Statements**

(Amt in Thousands)

Notes No	Description	Year Ended March 31, 2019
11	<b>OTEHR INCOME</b>	
	Miscellaneous Receipts	1.00
	<b>Total</b>	<b>1.00</b>
12	<b>INTEREST AND FINANCIAL CHARGES</b>	
	<b>Financial Charges</b>	
	Bank Charges	0.41
	<b>Total</b>	<b>0.41</b>
13	<b>OTHER EXPENSES</b>	
	Rates & Taxes	1.35
	Auditors' Remuneration	8.85
	<b>Total</b>	<b>10.20</b>



**NOTE 14: Additional Information to the Financial Statements****14.1 Contingent Liabilities – Nil****14.2**

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.

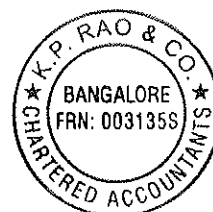
**14.3. Related Party Transactions:**

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

	<b>Name of the Related party</b>	<b>Relationship</b>
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	Varma Infrastructure LLP	LLP
28	Kedarnath Real Estates LLP	LLP

b. Related Party transactions during the year ended March 31, 2019 are as follows: **(Amt in Thousands)**

<b>S. No.</b>	<b>Particulars</b>	<b>Holding Company</b>	<b>Fellow Subsidiary</b>
1)	Unsecured Borrowings- Interest Free NCC Urban Infrastructure Limited	8,465.31 8.59	
<b>Credit Balances Outstanding as at 31.03.2019</b>			
1)	NCC Urban Infrastructure Limited	8,465.31 -	- -
<b>Debit Balances Outstanding as at 31.03.2019</b>			
1)	Sri Raga Nivas Ventures Private Limited	- -	110.10 -





#### 14.4 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
<b>Financial assets</b>		
Financial assets at amortised cost:		
(a) Cash and cash equivalents	23.26	23.26
(b) Trade receivables	110.10	110.10
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
(a) Other current liabilities	33,474.16	33,474.16

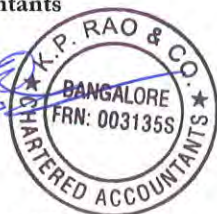
Note : In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that values approximate their carrying amounts largely due to the short-term maturities of these instruments.

14.5 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



Hyderabad  
Date: 08.05.2019

for and on behalf of  
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