

Independent Auditors' Report

To
The Members of
NCC Oil and Gas Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **NCC Oil and Gas Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

Management's Responsibility for the Financial Statements

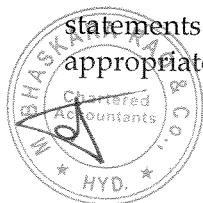
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and 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 Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.

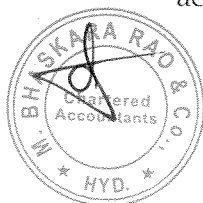
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

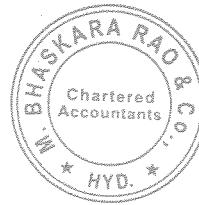
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - 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 Auditor's) Rules, 2014, in



our opinion and to the best of our information and according to the explanations given to us

- i. the Company has disclosed the impact of all pending litigations on its financial position in its financial statements - Refer note 8 to the financial statements;
- ii. the Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S



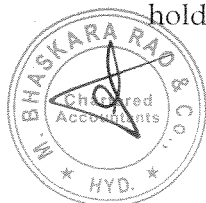
V K Muralidhar
Partner
Membership No.201570

Hyderabad, May 11, 2016

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **NCC Oil and Gas Limited**)

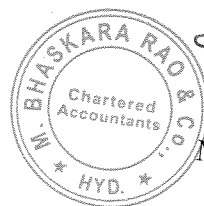
- (i) The company does not have any fixed assets. Hence, the paragraph 3(i) of the Order are not applicable.
- (ii) The company does not have any inventories. Hence, the paragraph 3(ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly paragraph 3 (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 for the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed applicable statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Excise Duty or Customs Duty were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty or Value Added Tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the company does not have loans or borrowings from any financial institutions, bank, government or debenture holders. Hence, paragraph 3(viii) of the Order are not applicable.



- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Hyderabad, May 11, 2016

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S



V K Muralidhar
V K Muralidhar
Partner
Membership No.201570

**Annexure B to the Independent Auditors' report
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 Oil and Gas Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

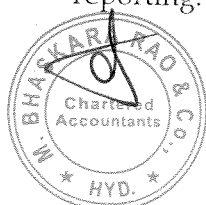
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

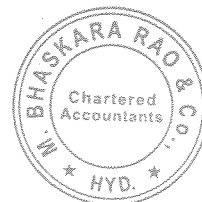
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 31 March 2016, 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 ICAI.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S



V K Muralidhar

V K Muralidhar
Partner

Membership No.201570

Hyderabad, May 11, 2016

NCC OIL & GAS LIMITED
BALANCE SHEET AS AT MAR 31, 2016

Description	Note	As At March 31,2016		As At March 31,2015	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
1. Share Holders' Funds					
(a) Share capital	3	500,000		500,000	
(b) Reserves and surplus	4	(166,466)		(157,878)	
			333,534		342,122
2. Current liabilities					
(a) Other current liabilities	5		8,588		25,281
Total			342,122		367,403
II ASSETS					
I. Current assets					
(a) Cash and cash equivalents	6		342,122		367,403
TOTAL			342,122		367,403
See accompanying notes to the financial statements					

As per our Audit Report of even date attached
for M.Bhaskara Rao & Co.
Chartered Accountants



V.K. Muralidhar
Partner

for and on behalf of the Board



Director



Director

Hyderabad

Date:

NCC OIL & GAS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Description	Note	Year Ended March 31,2016		Year Ended March 31,2015	
		Rupees	Rupees	Rupees	Rupees
Revenue from operations					
Total Revenue			-		-
EXPENDITURE					
Other Expenses	7		8,588		15,353
Total Expenses			8,588		15,353
Profit / (Loss) Before Tax			(8,588)		(15,353)
Less: Provision for Taxation			-		-
Profit / (Loss) After Tax			(8,588)		(15,353)
Earnings per Share of face value of Rs.10/- each					
Basic			(0.17)		(0.31)
Diluted			(0.17)		(0.31)

As per our Audit Report of even date attached
for M.Bhaskara Rao & Co.
Chartered Accountants



V.K. Muralidhar
Partner

Hyderabad

Date:

for and on behalf of the Board



Director



Director

NCC OIL & GAS LIMITED
Notes forming part of the Financial Statements

Notes No	Description	As at March 31,2016		As At March 31,2015	
		Rupees	Rupees	Rupees	Rupees
3	Share Capital Authorised 50,000 Equity Shares of Rs.10/-each		500,000		500,000
			500,000		500,000
	Issued, Subscribed And Paid Up 50,000 Equity Shares of Rs.10/-each fully paid		500,000		500,000
	Total		500,000		500,000
3.a	Reconciliation of the number of Shares Outstanding:	As at March 31,2016		As At March 31,2015	
		Nos	Nos	Nos	Nos
	At the beginning of the year	50,000	500,000	50,000	500,000
	At the end of the year	50,000	500,000	50,000	500,000
3.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. If 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 number of equity shares held by each share holder.				
3.c	Shares held by the Holding Company:				
	Description	As at March 31,2016		As At March 31,2015	
		Number	Amount (Rs.)	Number	Amount (Rs.)
	NCC LIMITED - Holding Company	40,000	400,000	40,000	400,000
3.d	Details of shareholders holding more than 5% of shares in the Company:				
	Description	As at March 31,2016		As At March 31,2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	NCC LIMITED - Holding Company	40,000	80%	40,000	80%
	SLM Consultants Pvt. Ltd.	9,800	19.6%	9,800	19.6%
4	Reserves and Surplus -Statement of Profit and Loss Opening Balance Profit / (Loss) for the year	As at March 31,2016		As At March 31,2015	
		Rupees	Rupees	Rupees	Rupees
			(157,878)		(142,523)
			(8,588)		(15,353)
			(166,466)		(157,878)
5	Other Current Liabilities Other Liabilities		8,588		25,281
			8,588		25,281
6	Cash and Bank Balances: Cash on Hand Balances with Scheduled Banks: - in Current Account		49		49
			342,073		367,353
	Total		342,122		367,402

NCC OIL & GAS LIMITED
Notes forming part of the Financial Statements

Notes No	Description	Year Ended March 31, 2016	Year Ended March 31, 2015
		Rupees	Rupees
7	Other Expenses		
	Auditors' Remuneration	8,588	8,427
	Filing charges	-	6,926
	Total	8,588	15,353

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NCC OIL & GAS LIMITED
Cash Flow Statement for the Year Ended Mar 31, 2016

Description	As At March 31,2016	As At March 31,2015
A. Cash Flow from operating activities:		
Net Loss before taxation and extra ordinary Items	(8,588)	(15,353)
<u>Adjustment for</u>		
Depreciation/ Amortisation	-	-
Prior Period Items	-	-
Provision for Gratuity and Leave Encashment	-	-
Interest and finance Charges	-	-
Operating Loss before Working Capital Changes	(8,588)	(15,353)
<u>Adjustment for Changes in</u>		
Trade and Other Receivables	-	-
Inventories	-	-
Trade payables and Other Liabilities	(16,693)	-
Cash used in operations	(25,281)	(15,353)
Taxes Paid	-	-
Net cash used in operating activities	(25,281)	(15,353)
B. Cash Flow from Investing Activities:		
Purchase of fixed assets and other capital expenditure	-	-
Investments in subsidiaries	-	-
Investment in Associates	-	-
Loans to Subsidiaries	-	-
Net cash Generated/ (Used) in Investing Activities	-	-
C. Cash flow from Financing activities:		
Proceeds from issue of Shares	-	-
Long Term Funds (Repaid)/ borrowed	-	-
Repayment of short term Borrowings	-	-
Proceeds received from parent company	-	-
Interest Paid	-	-
Net cash generated/ (used) in Financing Activities	-	-
Net change in Cash and Cash Equivalents (A+B+C)	(25,281)	(15,353)
Cash and Cash Equivalents as at 1st April 2015 (Opening Balance)	367,403	374,329
Cash and Cash Equivalents as at 31st Mar, 2016 (Closing Balance)	342,122	367,403

As per our Audit Report of even date attached
for M.Bhaskara Rao & Co.
Chartered Accountants



V.K. Muralidhar
Partner

for and on behalf of the Board



Director



Director

Hyderabad
Date:

NCC Oil & Gas Limited
Notes forming part of the financial statements

NOTE 1: CORPORATE INFORMATION

M/s. NCC Oil & Gas Limited is a subsidiary of NCC Limited. The Main objects to be pursued by the company on its incorporation are: -

- a) To establish, provide, maintain, develop and perform engineering and related technical and consulting services including exploration and development of business for oil, gas & petroleum projects.
- b) To plan, design and construct pipelines for gas, oil and oil products and other related facilities and systems for collecting, gathering, treatment, fractionation, processing, blending, purification, distribution, marketing and sale of natural gas.
- c) To liaise, co-ordinate, formulate schemes, proposal with other gas producing, transporting, supplying, agencies, organisations, government, industrial and other users for proper utilisation of natural gas and products, by products and co-products obtained out of treated natural gas.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- a) The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) that are followed in India. GAAP comprises the mandatory accounting standards as prescribed by Companies (Accounting Standards) Rules 2006 [which continue to apply under Companies Act, 2013 (“the Act”)] and other applicable provisions of the Act. All incomes and expenditures, having a material bearing on the financial statements, are recognized on an accrual basis.
- b) **Taxes:**
 - i) **Current Tax:** Provision for Current Tax is made based on taxable income computed for the quarter under the Income Tax Act, 1961.
 - ii) **Deferred Taxes:** Deferred Tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.



NCC Oil & Gas Limited
Notes forming part of the financial statements

NOTE 8: Additional Information to the Financial Statements

8.1 Contingent Liabilities – Nil (Previous Year: Nil)

8.2 The Company has not received any information from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid / payable as required under the said Act have not been given.

8.3 Earnings Per Share

S.No.	Particulars	Year Ended 31.03.2016 Rupees	Year Ended 31.03.2015 Rupees
1	Net Profit / (Loss) available for Equity shareholders	(8588)	(15353)
		Nos	Nos
2	Weighted Average number of equity shares for Basic EPS	50,000	50,000
3	Weighted Average number of equity shares for Diluted EPS	50,000	50,000
4	Face value per share	Rs.10/-	Rs.10/-
5	Basic EPS	(0.17)	(0.31)
6	Diluted EPS	(0.17)	(0.31)

8.4 Related Party Transactions:

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

Name of the Related party		Relationship
1.	NCC Limited	Holding Company

(b) During the year, there were no transactions with related parties.

for and on behalf of the Board


Director
Director

Place: Hyderabad

Date: