

**Nagarjuna Contracting Co. (L.L.C.)**  
**Dubai - United Arab Emirates**

**Auditors' report and financial statements**  
**For the year ended March 31, 2015**



**Nagarjuna Contracting Co. (L.L.C.)**  
Dubai - United Arab Emirates

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**Nagarjuna Contracting Co. (L.L.C.)**  
Dubai - United Arab Emirates

General information

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Principal Office Address : P.O. Box: 117333  
Dubai - United Arab Emirates  
T: +971 4 325 0052  
F: +971 4 325 0054

Website : [www.ncclimited.com](http://www.ncclimited.com)

The Managing Director : Name Nationality  
Mr. Narayana Raju Alluri Indian

The Auditors : Horwath Mak  
P.O. Box: 262794  
Dubai - United Arab Emirates

The Banks : Mashreq Bank  
First Gulf Bank  
Emirates Islamic Bank PJSC



**Nagarjuna Contracting Co. (L.L.C.)**  
**Dubai - United Arab Emirates**

**Report of the Directors**  
**for the year ended March 31, 2015**

The Directors have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2015.

**PRINCIPAL ACTIVITIES**

The Company is mainly engaged in the business of electro mechanical equipment installation & maintenance, undertaking building, road, sewage & drainage, water pipelines & stations contracting works.

**BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS**

The Company has a gross revenue of AED 95,403,429 (P.Y.: AED 23,874,391) for the year ended March 31, 2015. The Company has incurred a net (loss)/profit of AED (6,578,766) (P.Y.: AED 1,407,547) during the year. The Directors are optimistic about the prospects for the ensuing year and expect further improvement in the performance of the Company.

**RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS**

The Company is committed to the management of risk to achieve sustainability, employment and surpluses. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, foreign exchange) and operational risk.

The management recognises its responsibility for system of internal control and for reviewing its effectiveness. In view of the above, Company continuously monitors risks through means of administrative and information systems. Periodic MIS reports are generated which help to mitigate risks and provide full transparency.

**CREDITORS' PAYMENT POLICY**

The Company maintains a policy of paying suppliers in accordance with terms and conditions agreed with them.

**EVENTS AFTER YEAR END**

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial year then ended.

**PERFORMANCE ANALYSIS**

	<u>2014 - 15</u>	<u>2013 - 14</u>
	AED	AED
Revenue	95,403,429	23,874,391
Net (loss)/profit for the year	(6,578,766)	1,407,547

**FIXED ASSETS**

The movement in the fixed assets account is set out in Note 10 to the financial statements.

**AUDITORS**

M/s. Horwath Mak, United Arab Emirates is willing to continue in office and a resolution to re-appoint it will be proposed in the Annual General Meeting (AGM).

**Nagarjuna Contracting Co. (L.L.C.)**  
**Dubai - United Arab Emirates**

**Report of the Directors (continued)**  
**for the year ended March 31, 2015**

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**DIRECTORS' RESPONSIBILITIES**

The Company law requires the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the net profit or loss for that year.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the relevant governing Laws.

**ACKNOWLEDGMENTS**

The Directors wish to place on record their sincere gratitude for the continuous support extended by various government departments, bankers, customers, suppliers, employees and all well wishers.

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**Managing Director**

**Date: May 05, 2015**



Ref: JM/AR/14/7211

## INDEPENDENT AUDITORS' REPORT

To,

The Shareholders  
M/s. Nagarjuna Contracting Co. (L.L.C.)  
P.O. Box: 117333  
Dubai - United Arab Emirates

### **Report on the financial statements**

We have audited the accompanying financial statements of M/s. Nagarjuna Contracting Co. (L.L.C.), Dubai - United Arab Emirates, ("the Company") which comprise balance sheet as at March 31, 2015, statement of profit and loss account, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

The Company's Management is responsible for 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. This responsibility includes the design, implementation and maintenance of internal control 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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 judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

### Opinion

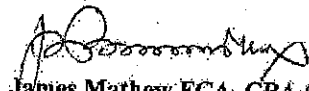
In our opinion, the financial statements present fairly, in all material respects, the financial position of M/s. Nagarjuna Contracting Co. (L.L.C.), Dubai - United Arab Emirates as at March 31, 2015 and the results of its operations and cash flows for the year then ended in conformity with the accounting principles generally accepted in India and U.A.E.

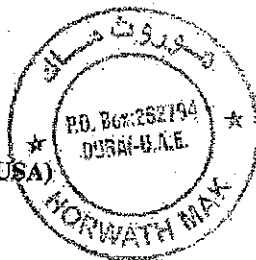
### Report on other legal and regulatory requirements

As required by the U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended), we further confirm that,

1. We have obtained all the information and explanations which we consider necessary for our audit.
2. Proper books of accounts have been maintained by the Company.
3. A physical count of inventories was carried out in accordance with established principles.
4. The contents of the Directors' Report which relates to the financial statements are in agreement with the Company's books of accounts.
5. According to the information made available to us, we are not aware of any contraventions during the year of the above mentioned law or the Company's Articles of Association; which may have materially affected the financial position of the Company or the result of its operations for the year.

For Horwath Mak

  
James Mathew FCA, CPA (USA)  
Managing Partner  
Reg. no. 548



May 05, 2015

**Nagarjuna Contracting Co. (L.L.C.)**

**Dubai - United Arab Emirates**

**Balance Sheet**

**as at March 31, 2015**

**(In Arab Emirates Dirhams)**

	Notes	Mar 31, 2015	Mar 31, 2014
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	300,000	300,000
Reserves and surplus	4	58,066,942	64,801,959
<b>Total shareholders' funds</b>		<b>58,366,942</b>	<b>65,101,959</b>
<b>Non-current liabilities</b>			
Staff terminal benefits	5	1,128,641	802,668
<b>Total non-current liabilities</b>		<b>1,128,641</b>	<b>802,668</b>
<b>Current liabilities</b>			
Short-term borrowings	6	47,244,630	43,354,800
Contract payables	7	150,110,626	134,149,443
Accrued expenses and other liabilities	8	59,083,937	33,270,473
Due to related parties	9	107,437,499	96,408,477
<b>Total current liabilities</b>		<b>363,876,692</b>	<b>307,183,193</b>
<b>Total</b>		<b>423,372,275</b>	<b>373,087,820</b>
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	4,951,661	5,633,590
<b>Total fixed assets</b>		<b>4,951,661</b>	<b>5,633,590</b>
<b>Current assets</b>			
Inventories	11	4,346,286	2,975,874
Contract-work in-progress	12	24,166,921	2,429,811
Contract receivables	13	18,551,458	6,670,053
Loans and advances	14	40,082,247	29,959,455
Due from related parties	9	329,411,535	310,484,803
Cash and bank balances	15	1,862,167	14,934,234
<b>Total current assets</b>		<b>418,420,614</b>	<b>367,454,230</b>
<b>Total</b>		<b>423,372,275</b>	<b>373,087,820</b>

The accompanying schedules form an integral part of these financial statements.

The report of the auditors is set out on pages 4 & 5.

The financial statements on pages 6 to 21 were approved by Board of Directors on May 04, 2015 and signed on its behalf by:

**Managing Director**





**Nagarjuna Contracting Co. (L.L.C.)**  
**Dubai - United Arab Emirates**

**Statement of Profit and Loss Account**  
**for the year ended March 31, 2015**  
**(In Arab Emirates Dirhams)**

	Notes	For the year ended March 31,	
		2015	2014
<b>Income</b>			
Revenue	16	95,056,929	15,519,106
Other income	17	346,500	8,355,285
<b>Total income</b>		<b>95,403,429</b>	<b>23,874,391</b>
<b>Expenditure</b>			
Construction and other expenses	18	87,947,242	12,871,268
Employees emoluments	19	8,889,835	6,230,234
General and administrative expenses	20	3,947,373	2,635,646
Depreciation		417,071	252,223
Finance charges	21	780,674	477,473
<b>Total expenditure</b>		<b>101,982,195</b>	<b>22,466,844</b>
<b>Net (loss)/profit for the year</b>		<b>(6,578,766)</b>	<b>1,407,547</b>
Profit brought forward from previous year		64,651,959	63,244,412
		<b>58,073,193</b>	<b>64,651,959</b>
<b>Appropriations</b>			
Transfer to reserves		156,251	-
Balance carried to balance sheet		57,916,942	64,651,959
		<b>58,073,193</b>	<b>64,651,959</b>
<b>Basic (loss)/earnings per share</b>		<b>(21,929)</b>	<b>4,692</b>

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on pages 4 & 5.

The financial statements on pages 6 to 21 were approved by Board of Directors on May 04, 2015 and signed on its behalf by:

**Managing Director**

**Nagarjuna Contracting Co. (L.L.C.)**

**Dubai - United Arab Emirates**

**Statement of Cash Flows**

**for the year ended March 31, 2015**

**(In Arab Emirates Dirhams)**

	<b>For the year ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
Net (loss)/profit for the year	(6,578,766)	1,407,547
Adjustments for:		
Depreciation on fixed assets	843,721	489,992
Provision for staff terminal benefits	388,970	323,213
Loss on disposal of fixed assets	24,967	203,826
<b>Operating (loss)/profit before changes in operating assets and liabilities</b>	<b>(5,321,108)</b>	<b>2,424,578</b>
(Increase)/decrease in inventories	(1,370,412)	375,062
(Increase)/decrease in contract work-in-progress	(21,737,110)	(2,429,811)
(Increase) in contract receivables	(11,881,405)	(6,670,053)
(Increase)/decrease in loans and advances	(10,122,792)	2,025,110
(Increase) in due from related parties	(18,926,732)	(16,175,553)
Increase/(decrease) in contract payables	15,961,183	(6,923,334)
Increase in accrued expenses and other liabilities	25,813,464	30,140,654
Increase in due to related parties	11,029,022	10,552,073
Payment of staff terminal benefits	(62,997)	(41,789)
<b>Net cash (used in)/from operating activities</b>	<b>(16,618,887)</b>	<b>13,276,937</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(414,510)	(1,632,432)
Proceeds from disposal of fixed assets	71,500	540,042
<b>Net cash (used in) investing activities</b>	<b>(343,010)</b>	<b>(1,092,390)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(16,961,897)</b>	<b>12,184,547</b>
Cash and cash equivalents, at beginning of the year	14,934,234	2,749,687
<b>Cash and cash equivalents, at the end of the year</b>	<b>(2,027,663)</b>	<b>14,934,234</b>
<b>Represented by:</b>		
Cash in hand	32,375	9,118
Bank balances - current accounts	1,578,849	14,674,173
- short term deposits	250,943	250,943
Less: Bank overdraft	(3,889,830)	-
	<b>(2,027,663)</b>	<b>14,934,234</b>

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on pages 4 & 5.

The financial statements on pages 6 to 21 were approved by Board of Directors on May 04, 2015 and signed on its behalf by:

**Managing Director**



Nagarjuna Contracting Co. (L.L.C.)

Dubai - United Arab Emirates

**Notes to the Financial Statements  
for the year ended March 31, 2015**

**1 Legal status and business activities**

- a) M/s. Nagarjuna Contracting Co. (L.L.C.) ("the Company") was registered with the Department of Economic Development, Dubai - United Arab Emirates (Commercial license no. 573815) as a Limited Liability Company on October 31, 2005.
- b) The Company is mainly engaged in the business of electro mechanical equipment installation & maintenance, undertaking building, road, sewage & drainage, water pipelines & stations contracting works.
- c) The management and control of the Company are vested with the Managing Director, Mr. Narayana Raju Alluri (Indian national).
- d) The registered address of the Company is P.O. Box: 117333, Dubai - United Arab Emirates.

**2 Summary of significant accounting policies**

These financial statements have been prepared on accrual basis under the historical cost convention and in accordance with Generally Accepted Accounting Principles in India and the applicable requirements of the U.A.E. Federal Commercial Companies Law. The principal accounting policies are summarised below:

**a) Revenue recognition**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract is recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. Any expected loss on the construction contract is recognised as expense immediately, when it is probable that total contract costs will exceed the total contract revenue.

The outcome of a construction contract can be estimated reliably, when all the following are satisfied:

- i. Total contract revenue can be measured reliably;
- ii. It is probable that the economic benefits associated with the contract will flow to the Company;
- iii. Both the contract costs to complete the contract and the stage of the contract completion at the balance sheet date can be measured reliably; and
- iv. The contract costs attributable to the contract can be clearly identified and measured reliably, so that actual contract costs incurred can be compared with prior estimates.

**b) Fixed Assets and depreciation**

Fixed assets are stated at cost of acquisition less accumulated depreciation thereon. The cost of fixed assets is written off as follows by equal annual installments over their expected useful lives using the straight line method:

	<u>Years</u>
Machinery and equipment	12 years
Tools and equipment	12 years
Construction accessories	6 years
Furniture, fixtures and equipment	3 - 10 years
Motor vehicles	8 years



Nagarjuna Contracting Co. (L.L.C.)

Dubai - United Arab Emirates

Notes to the Financial Statements (continued)

for the year ended March 31, 2015

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**2 Summary of significant accounting policies (continued)**

**b) Fixed Assets and depreciation (continued)**

The Company has revised useful life of fixed assets as specified in Part C of Schedule II of the Companies Act, 2013 effective from April 01, 2014. Consequently, the depreciation expense for the year ended March 31, 2015 is higher by AED 330,220. Due to the said revision, there were certain assets whose useful life had expired by April 01, 2014. Therefore, the remaining depreciable carrying value of those assets aggregating to AED 156,251 have been adjusted against reserves.

**c) Inventories**

Inventories are valued at the lower of cost and net realisable value with due allowance for slow-moving items. Cost is determined on the weighted average cost basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the price at which the inventories can be sold in the normal course of business after allowing for the costs of realisation.

**d) Contract work-in-progress**

Contract work-in-progress includes expenses incurred on projects for which no billing has been made or it pertains to work which is incomplete and hence not certified by the consultant.

**e) Sundry debtors**

Sundry debtors are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as and when they arise.

**f) Sundry creditors**

Sundry creditors are stated at their nominal value.

**g) Staff terminal benefits**

Amounts required to cover end of service indemnity at the balance sheet date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and basic remuneration at the balance sheet date.

**h) Foreign currencies**

Transactions denominated in foreign currencies are initially recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rate prevailing on the balance sheet date. Gains and losses arising are included in the profit and loss account.

**i) Financial expenses**

Financial expenses are accounted in the profit and loss account in the period in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalised as part of cost of that asset.

Nagarjuna Contracting Co. (L.L.C.)

Dubai - United Arab Emirates

Notes to the Financial Statements (continued)

for the year ended March 31, 2015

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**2 Summary of significant accounting policies (continued)**

**j) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, balances with bank, deposits with the banks, within a maturity date of three months or less from the date of deposit and bank overdraft.

**k) Basic earnings per share**

The Company reports basic earning per share in accordance with Accounting Standard (AS 20) Earnings per share notified by the Companies (accounting standard) Rules 2006. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the equity shareholders by number of equity shares outstanding at the end of the year.

**Nagarjuna Contracting Co. (L.L.C.)**  
**Dubai - United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**for the year ended March 31, 2015**

**9 Related party transactions**

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in Accounting Standards (AS 18). Related parties comprise companies and entities under common ownership and/or common management and control; their partners and key management personnel.

The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

**(i) Due from related parties**

At the balance sheet date, due from related parties were as follows:

	March 31,	
	2015	2014
	AED	AED
M/s. Al Mubarakia Contracting Co. (L.L.C.), Dubai - U.A.E.	23,843,256	20,237,663
M/s. NCC Urban Infrastructure Company Limited, Dubai - U.A.E. *	254,823,073	231,811,620
M/s. Nagarjuna Construction Company Limited, Muscat - Oman	1,048,499	1,048,499
M/s. NCC International - Kuwait	439,535	380,505
M/s. NCC International - Kingdom of Saudi Arabia (under formation)	191,324	190,624
M/s. NCC Limited (Branch) - Turkmenistan	30,332	30,332
M/s. Nagarjuna Construction Company (Kenya) Limited - Kenya	2,300	2,300
M/s. Nagarjuna Construction Company International (L.L.C.), Muscat - Oman	49,033,216	56,783,260
	<u>329,411,535</u>	<u>310,484,803</u>

\* It includes AED 11,036,353 (P.T.Y.: AED 10,518,340) being interest debited on the outstanding balances (note 9 (ii)).

**(ii) Due to related parties**

At the balance sheet date, due to related parties were as follows:

	March 31,	
	2015	2014
	AED	AED
M/s. Nagarjuna Construction Company Limited & Partners (L.L.C.), Muscat - Oman	312,119	312,119
M/s. Nagarjuna Facilities Management Services (L.L.C.), Dubai - U.A.E.	1,155,146	1,164,546
M/s. NCC Limited, Hyderabad - India *	14,643,563	9,599,424
M/s. NCC Infrastructure Holdings Mauritius Pte Limited, Port Louis - Mauritius **	91,326,671	85,332,388
	<u>107,437,499</u>	<u>96,408,477</u>



Nagarjuna Contracting Co. (L.L.C.)

Dubai - United Arab Emirates

Notes to the Financial Statements (continued)  
for the year ended March 31, 2015

9 Related party transactions (continued)

(ii) Due to related parties (continued)

\* It includes AED 5,042,071 (P.Y.: 4,518,341) being interest credited on the unsecured loan (note 6ii).

\*\* It includes AED 50 million loan obtained from a related party to meet the long term working capital requirements. The loan carries an interest rate LIBOR plus 400 basis points or 12% per annum, whichever is higher, payable quarterly. The Company has paid an interest of AED 5,994,282 (P.Y.: AED 6,000,000) on the said loan to M/s. NCC Infrastructure Holdings Mauritius Pte Limited, Port Louis - Mauritius (a related party) and the same has been recovered from M/s. NCC Urban Infrastructure Company Limited, Dubai - U.A.E. (a related party) (note 9 (i)).

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
	2015	2014
	AED	AED
Managerial remuneration	1,809,996	1,787,547
Transfer of fixed assets (net)	-	196,562
Interest on loan paid	11,036,353	10,518,340
Interest on loan received	11,036,353	10,518,340

The Company provides/receives funds to/from related parties as and when required as working capital facilities.

Nagarjuna Contracting Co. (L.L.C.)  
Dubai - United Arab Emirates

Notes to the financial statements (continued)  
for the year ended March 31, 2015

10 Tangible assets

Cost	Machinery and equipment	Tools and equipment	Construction accessories	Furniture, fixture and equipment	Motor vehicles	Total
As at March 31, 2013	4,654,140	128,446	223,371	864,180	1,953,073	7,839,210
Additions	130,048	75,839	132,989	320,280	973,276	1,632,432
(Transfer)	(119,621)	(725)	-	(26,339)	(470,452)	(617,137)
(Disposals)	-	-	-	-	(753,494)	(753,494)
As at March 31, 2014	4,664,567	203,560	356,360	1,158,121	1,718,403	8,101,011
Additions	51,491	37,049	48,830	132,140	145,000	414,510
(Disposals)	-	-	-	(18,500)	(389,328)	(407,828)
As at March 31, 2015	4,716,058	240,609	405,190	1,271,761	1,474,075	8,107,693
Accumulated depreciation						
As at March 31, 2013	923,251	30,188	206,677	439,044	1,065,032	2,604,192
Charge for the year	223,790	7,164	6,815	74,946	177,277	489,992
(On disposal)	-	-	-	-	(420,575)	(420,575)
(On transfer)	(30,496)	(188)	-	(9,635)	(165,869)	(206,188)
As at March 31, 2014	1,116,545	37,164	213,492	504,355	595,865	2,467,421
Charge for the year	377,343	21,076	28,230	333,821	239,502	999,972
(On disposal)	-	-	-	(17,575)	(293,786)	(311,361)
As at March 31, 2015	1,493,888	58,240	241,722	820,601	541,581	3,156,032
Carrying value as at March 31, 2015	3,222,170	182,369	163,468	451,160	932,494	4,951,661
Carrying value as at March 31, 2014	3,548,022	166,396	142,868	653,766	1,122,538	5,633,590

Note:

- As a result of change in useful life estimates, there were certain assets whose useful life had expired by April 01, 2014. Therefore, the remaining depreciable carrying value of those assets aggregating to AED 156,251 (P.Y.: Nil) have been adjusted against reserves (note 4i).

- Depreciation includes AED 426,650 (P.Y.: AED 237,769) charged to construction and other expenses (note 18).



**Nagarjuna Contracting Co. (L.L.C.)**

**Dubai - United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**for the year ended March 31, 2015**

**11 Inventories**

	March 31,	
	2015	2014
	AED	AED
Materials and consumables	4,825,562	3,471,774
Small tools and implements	156,438	139,814
	4,982,000	3,611,588
Less: Allowance for slow moving inventories	(635,714)	(635,714)
	4,346,286	2,975,874

The above inventories were lying at the site stores in Jebel Ali - Dubai and Salamat - Al Ain, United Arab Emirates.

**12 Contract work-in-progress**

	March 31,	
	2015	2014
	AED	AED
Value of work completed	109,172,485	15,519,106
Less: Progressive billing	(85,005,564)	(13,089,295)
Contract work-in-progress	24,166,921	2,429,811

**13 Contract receivables**

	March 31,	
	2015	2014
	AED	AED
Contract receivables	19,424,202	7,542,797
Less: Provision for doubtful debts	(872,744)	(872,744)
	18,551,458	6,670,053

Contract receivables are assigned against credit facilities (note 6 (i)).

**a) Ageing analysis:**

At the balance sheet date, the ageing of unimpaired contract receivables were as follows:

	March 31,	
	2015	2014
	AED	AED
Neither past due nor impaired	18,551,458	6,670,053

**Nagarjuna Contracting Co. (L.L.C.)**

Dubai - United Arab Emirates

**Notes to the Financial Statements (continued)****for the year ended March 31, 2015****13. Contract receivables (continued)****b). Credit risk analysis**

At the balance sheet date, 2 customers (P.Y.: 2 customers) constituted 100% (P.Y.: 100%) of the total outstanding contract receivables.

**14. Loans and advances**

(Unsecured and considered good, unless, otherwise stated)

	March 31,	
	2015	2014
	AED	AED
Prepaid expenses	2,891,911	1,421,458
Guarantee deposit	1,433,000	837,000
Advances paid to staff	653,100	590,651
Advances paid to suppliers	704,542	415,245
Advances paid to sub-contractors	19,106,896	8,810,477
Retention receivables	14,579,581	17,681,857
Deposits	374,812	445,532
Other receivables	1,105,604	524,434
Less: Provision for doubtful debts	(767,199)	(767,199)
	<u>40,082,247</u>	<u>29,959,455</u>

**15. Cash and bank balances**

	March 31,	
	2015	2014
	AED	AED
Cash in hand	32,375	9,118
Bank balances - current accounts	1,578,849	14,674,173
Bank balances - short term deposits	250,943	250,943
	<u>1,862,167</u>	<u>14,934,234</u>

Nagarjuna Contracting Co. (L.L.C.)  
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Notes to the Financial Statements (continued)  
for the year ended March 31, 2015

16 Revenue

	For the year ended March 31,	
	2015	2014
	AED	AED
Contracting income	70,890,008	13,089,295
Contract work-in-progress	24,166,921	2,429,811
	<u>95,056,929</u>	<u>15,519,106</u>

17 Other income

	For the year ended March 31,	
	2015	2014
	AED	AED
Hire charges	-	461,080
Excess provision written back	346,500	7,893,262
Interest receipts	-	943
	<u>346,500</u>	<u>8,355,285</u>

18 Construction and other expenses

	For the year ended March 31,	
	2015	2014
	AED	AED
Materials consumed	14,798,310	3,955,770
Labour charges	14,115,364	1,299,982
Sub-contract works bills	47,069,914	4,299,027
Depreciation (note 10)	426,650	237,769
Other contract expenses	11,537,004	3,078,720
	<u>87,947,242</u>	<u>12,871,268</u>

19 Employees emoluments

	For the year ended March 31,	
	2015	2014
	AED	AED
Salaries and other related benefits	7,079,839	4,442,687
Managerial remuneration	1,809,996	1,787,547
	<u>8,889,835</u>	<u>6,230,234</u>

**Nagarjuna Contracting Co. (L.L.C.)**  
**Dubai - United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**for the year ended March 31, 2015**

**20 General and administrative expenses**

	For the year ended March 31,	
	2015	2014
	AED	AED
Rent	901,319	757,408
Travelling and conveyance	376,790	97,033
Advertisement and business promotion	225,819	530,398
Legal, municipal and visa	1,379,980	533,863
Insurance	538,861	213,698
Printing and stationery	131,124	50,715
Communication	248,233	141,316
Loss on disposal of fixed assets	24,967	203,826
Miscellaneous	120,280	107,389
	<u>3,947,373</u>	<u>2,635,646</u>

**21 Finance charges**

	For the year ended March 31,	
	2015	2014
	AED	AED
Bank interest and charges	780,674	477,473
Interest on loan paid	11,036,353	10,518,340
Interest on loan received	(11,036,353)	(10,518,340)
	<u>780,674</u>	<u>477,473</u>

**22 Segment reporting**

The Company's operations predominantly consist of construction/project activities. Hence, there are no reportable segments under accounting standard - 17. During the year under audit, the Company's business has been carried in the United Arab Emirates.

**23 Basic (loss)/earnings per share**

	For the year ended March 31,	
	2015	2014
	AED	AED
Net profit for the year	(6,578,766)	1,407,547
Number of shares	<u>300</u>	<u>300</u>
Face value per share	<u>1,000</u>	<u>1,000</u>
Basic (loss)/earnings per share	<u>(21,929)</u>	<u>4,692</u>

**Nagarjuna Contracting Co. (L.L.C.)**  
**Dubai - United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**for the year ended March 31, 2015**

**24 Auditors' remuneration**

	For the year ended March 31,	
	2015	2014
	AED	AED
Statutory audit fee	50,200	35,000

**25 Managerial remuneration**

	For the year ended March 31,	
	2015	2014
	AED	AED
Salaries	1,809,996	1,787,547

**26 Contingent liabilities**

	For the year ended March 31,	
	2015	2014
	AED	AED
Performance guarantee	18,850,000	18,700,000
Labour guarantee	1,433,000	837,000
Advance payment guarantee	28,050,000	28,050,000

Except for the above and other ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Company's account as at balance sheet date.

**27 Comparative amounts**

Certain figures for the previous year were regrouped/reclassified, wherever necessary, to conform to current year's presentation. However, such reclassifications do not have any impact on the previously reported profit or equity.

The financial statements on pages 6 to 21 were approved by Board of Directors on May 04, 2015 and signed on its behalf by:

**Managing Director**

