

**NAGARJUNA CONSTRUCTION  
COMPANY INTERNATIONAL L.L.C.  
OMAN**

**FINANCIAL STATEMENTS**

**31 MARCH 2018**



# H. C. Shah



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اتش. سي. شاه

Chartered Accountants

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Date: 08 May 2018

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN which comprise the statement of financial position as at 31 MARCH 2018 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 2 to 14.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 MARCH 2018, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibility of the Management

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the disclosure requirements of the Oman Companies Law 1974, as amended, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

H. C. SHAH  
CHARTERED ACCOUNTANTS





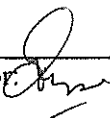
# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	NOTE	31-03-2018 R.O.	31-03-2017 R.O.
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	3.	11,305,918	16,853,582
Investments	4.	<u>225,574</u>	<u>225,574</u>
		<u>11,531,492</u>	<u>17,079,156</u>
<b>CURRENT ASSETS</b>			
Inventory	5.	1,881,558	2,371,996
Work-in-Progress		10,686,560	15,191,792
Financial Assets	6.	23,437,533	30,775,901
Other Financial Assets	7.	34,953	55,687
Other Current Assets	8.	731,084	3,275,798
Amount Due from Related Parties	9.	5,760,163	8,086,889
Bank Balances and Cash	10.	<u>2,006,989</u>	<u>2,433,474</u>
		<u>44,538,840</u>	<u>62,191,537</u>
<b>TOTAL ASSETS</b>	<b>R.O.</b>	<b>56,070,332</b> =====	<b>79,270,693</b> =====
<b>EQUITIES AND LIABILITIES</b>			
<b>MEMBERS' FUNDS</b>			
Share Capital		12,818,000	8,316,000
Legal Reserve		1,303,810	1,303,810
Retained Profit / (Loss)		<u>(2,986,165)</u>	<u>2,930,132</u>
		<u>11,135,645</u>	<u>12,549,942</u>
<b>NON CURRENT LIABILITIES</b>			
Long Term Loan - Bank Dhofar		5,000,000	8,700,000
ICICI Bank - Machinery Term Loan		--	962,500
Term Loan - Oman Arab Bank		333,330	999,998
Staff Terminal Benefits Payable		<u>841,548</u>	<u>1,057,642</u>
		<u>6,174,878</u>	<u>11,720,140</u>
<b>CURRENT LIABILITIES</b>			
Sundry Creditors	11.	17,049,051	28,459,530
Bank Loans and Overdrafts	12.	16,297,436	21,372,092
Amounts Due to Related Parties	13.	<u>5,413,322</u>	<u>5,168,989</u>
		<u>38,759,809</u>	<u>55,000,611</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>R.O.</b>	<b>56,070,332</b> =====	<b>79,270,693</b> =====

The notes on pages 6 to 14 form part of these financial statements

Auditor:



Authorised Signatory:



**NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018**

	NOTE	1-04-2017 TO 31-03-2018 R.O.	1-04-2016 TO 31-03-2017 R.O.
TURNOVER	14.	33,832,896	47,707,010
COST OF TURNOVER	15.	<u>(34,155,654)</u>	<u>(47,047,047)</u>
GROSS (LOSS) / PROFIT		(322,758)	659,963
PROFIT / (LOSS) ON DISPOSAL OF FIXED ASSETS		(252,085)	(49,921)
OTHER INCOME		<u>52,272</u>	<u>18,758</u>
		(522,571)	628,800
ADMINISTRATIVE AND GENERAL EXPENSES	16.	<u>(406,867)</u>	<u>(570,349)</u>
(LOSS) / PROFIT BEFORE FINANCE CHARGES & DEPRECIATION		(929,438)	58,451
FINANCE CHARGES		<u>(1,887,432)</u>	<u>(2,835,156)</u>
PROFIT / (LOSS) FOR THE YEAR BEFORE DEPRECIATION		(2,816,870)	(2,776,705)
DEPRECIATION		<u>(3,099,427)</u>	<u>(3,760,771)</u>
NET PROFIT / (LOSS) FOR THE PERIOD / YEAR		(5,916,297)	(6,537,476)
INCOME TAX PAID FOR EARLIER YEARS		<u>---</u>	<u>---</u>
RETAINED PROFIT / (LOSS) FOR THE PERIOD / YEAR	R.O.	<u>(5,916,297)</u>	<u>(6,537,476)</u>
		=====	=====

*The notes on pages 6 to 14 form part of these financial statements*

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# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share Capital R.O.	Legal Reserve R.O.	Retained Profit / (Loss) R.O.	Total R.O.
<b>Year to 31 March 2017</b>				
At 31 March 2016	5,100,000	1,303,810	9,551,658	15,955,468
Increase in Capital	3,216,000	--	--	3,216,000
Net Profit / (Loss) for the year	--	--	(6,537,476)	(6,537,476)
Income Tax for Previous Years	--	--	(84,050)	(84,050)
	-----	-----	-----	-----
<b>At 31 March 2017 R.O.</b>	<b>8,316,000</b>	<b>1,303,810</b>	<b>2,930,132</b>	<b>12,549,942</b>
	=====	=====	=====	=====
<b>Year to 31 March 2018</b>				
At 31 March 2017	8,316,000	1,303,810	2,930,132	12,549,942
Increase in Capital	4,502,000	--	--	4,502,000
Net Profit / (Loss) for the year	--	--	(5,916,297)	(5,916,297)
	-----	-----	-----	-----
<b>At 31 March 2018 R.O.</b>	<b>12,818,000</b>	<b>1,303,810</b>	<b>(2,986,165)</b>	<b>11,135,645</b>
	=====	=====	=====	=====

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# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2018

	31-03-2018 R.O.	31-03-2017 R.O.
<b>1. Cash Flow from Operating Activities.</b>		
a) Net Profit / (Loss) for the year	(5,916,297)	(6,537,476)
Add: Non - Cash charges - Depreciation	3,099,427	3,760,771
Add: (Profit)/Loss on Sale of Fixed Assets	252,085	49,921
Less: Income Tax for earlier years	--	(84,050)
Net Changes due to Operating Profit / (Loss)	<u>(2,564,785)</u>	<u>(2,810,834)</u>
b) Changes in Working Capital		
(Increase) / Decrease in Inventories	490,438	499,429
(Increase) / Decrease in Work-in-Progress	4,505,232	5,854,929
(Increase) / Decrease in Financial Assets	7,338,368	(2,005,161)
(Increase) / Decrease in Other Financial Assets	20,734	(18,363)
(Increase) / Decrease in Other Current Assets	2,544,714	1,386,769
Amount Due from Related Parties	2,326,726	(212,075)
(Decrease) / Increase in Accounts Payable & Accruals	(11,410,479)	(5,729,530)
Amount Due to Related Parties	244,333	(930,241)
Net Changes in Working Capital	<u>6,060,066</u>	<u>(1,154,243)</u>
Net Cash Flow (used in) / from Operating Activities (A) 1a - 1b	<u>3,495,281</u>	<u>(3,965,077)</u>
<b>2. Cash Flow from Investing Activities</b>		
a) Purchase of Tangible Fixed Assets	(59,463)	(606,437)
b) Sale of Fixed Assets	2,255,615	202,995
c) Capital Work-in-progress	--	150
Net Cash (used in) / from Investing Activities (B) 2a - 2c	<u>2,196,152</u>	<u>(403,292)</u>
<b>3. Cash Flow from Financing Activities</b>		
a) Share Capital	4,502,000	3,216,000
b) Long Term Loan - Bank Dhofar	(3,700,000)	(1,206,710)
c) Loan from Holding Company	--	(2,112,000)
d) Long Term Loan - Oman Arab Bank	(666,668)	(666,668)
e) ICICI Bank - Machinery Term Loan	(962,500)	(770,000)
f) Staff Terminal Benefits	(216,094)	(57,595)
Net Cash (used in) / from Financing Activities (C) 3a - 3f	<u>(1,043,262)</u>	<u>(1,596,973)</u>
<b>Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)</b>	4,648,171	(5,965,342)
<b>Cash and Cash equivalents at the beginning of the year</b>	(18,938,618)	(12,973,276)
<b>Cash and Cash equivalents at the end of the year</b>	<b>R.O. (14,290,447)</b>	<b>(18,938,618)</b>
	=====	=====
<b>COMPRISING OF:</b>		
1. Cash in Hand	4,039	5,890
2. Bank Balances	2,002,950	2,427,584
3. Bank Loans and Overdrafts	(16,297,436)	(21,372,092)
	<u>R.O. (14,290,447)</u>	<u>(18,938,618)</u>
	=====	=====

Contd.....6

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## NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

#### 1. GENERAL

Nagarjuna Construction Co. International L L C. - Oman is a Limited Liability Company with 100% Foreign ownership established on 17 January 2007 under the Commercial Laws of the Sultanate of Oman. The Company is engaged in Building Installation Contracts, Water, Electricity & Telephone Network & Stations, Construction Contracts, Tunnels, Construction & Maintenance of Seaports, Electrical & Mechanical & Sewerage Systems Construction and Road Construction. The Company has started its commercial business operations with effect from 17.1.2007.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies are summarised below. These policies have been consistently applied to each of the years presented, unless otherwise stated.

##### 2.1 BASIS OF PREPARATION:

- a. These financial statements are prepared on the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Oman Commercial Companies Law 1974, as amended. The financial statements have been presented in Omani Rial ("R.O.").
- b. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas where accounting assumptions and estimates are significant to the financial statements are disclosed in the accounting policies and notes to the financial statements.
- c. *Standards and Amendments effective in 2017 and relevant for the company's operation :*  
For the year ended 31 December 2017, the company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the periods beginning on 1 January 2017. The adoption of these standards and interpretation has not resulted in changes to the company's accounting policies and has not effected the amounts reported for the current year.
- d. *Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been early adopted by the company :*  
The following Standards, Amendments & Interpretations to the existing Standards have been published and are mandatory for the companies accounting period beginning on or after 01 January 2018 or later periods, but the company has not earlier adopted them and the impact of these standards and interpretations can not be reasonably estimated as at 31 December 2017.

IFRS 9 Financial Instruments (effective on or after 1 January 2018).

IFRS 15 Revenue from Contracts with Customer (effective on or after 1 January 2018).

IFRS 16 Leases (effective on or after 1 January 2019).

Contd.....7



## NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)

#### 2.2 PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on a Straight Line Basis to the income statement and the rate of Depreciation charged is as follows:

	During the year
Plant and Machinery (Except Cranes)	9 to 12 years
Plant and Machinery (Cranes)	15 to 20 years
Construction Vehicles	8 to 9 years
Construction Accessories	6 years
Tools & Equipments	12 Years
Vehicles - Office	8 years
Furniture & Fixtures	10 years
Office Equipment	3 to 6 years

#### 2.3 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 inventory and bringing them to their existing location and condition. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

#### 2.4 WORK IN PROGRESS:

Work in Progress includes expenses incurred on projects for which no billing has been made. Amount certified by the Consultant as on 31 March 2018 includes only completed work but Work-in-progress pertains to work which is incomplete and hence not certified by the Consultant.

#### 2.5 ACCOUNTS RECEIVABLE:

Accounts receivable are stated at original invoice amounts less a provision for any uncollectible amounts. An estimation for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

#### 2.6 IMPAIRMENT

The carrying amounts of the Company's assets, other than stocks are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the profit and loss account whenever the carrying amount of an asset exceeds its recoverable amount.

#### 2.7 BANK BORROWINGS:

**Bank Dhofar borrowings are secured either / and - or as:**

- a. Assignment of Project Receivables.
- b. Corporate Guarantees from NCC Ltd. India, to the extent of OMR 40.72 Million.

**Oman Arab Bank borrowings are secured either / and - or as:**

- a. Corporate Guarantees from NCC Ltd. India, to the extent of OMR 2 million against term loan.

Contd.....8



**NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN****NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)****2.8 ACCOUNTS PAYABLE AND ACCRUALS:**

Liabilities are recognised for amounts to be paid for goods and services rendered during the period ended 31 March 2018, whether or not billed to the company. Provisions are recognised when the company has an obligation arising from past events, and the cost to settle the obligation are both probable and able to be reliably measured.

**2.9 END OF SERVICE BENEFITS AND LEAVE ENTITLEMENTS:**

Contributions to defined contribution retirement plan, for Omani employees in accordance with Oman

Social Insurance Scheme, are recognised as expense in the profit and loss account as incurred.

Provision for non - Omani employee end of service benefit is accrued in accordance with the terms of employment of the company's employees at the balance sheet date, having regard to the requirement of the Oman Labour Law 1973. Employee entitlements to annual leave are recognised when they accrue to employees and an accrual is made for the estimated liability for the annual leave as result of services by employees upto the balance sheet date.

**2.10 BORROWING COSTS:**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. All other borrowing costs are charged to revenue.

**2.11 RELATED PARTY TRANSACTIONS:**

The Company has entered into transactions with entities over which certain Directors are able to exercise significant influence. In the ordinary course of business, such related parties provide goods and render services to the Company. The Company believes that the terms of purchases, and provision of services are comparable with those that could be obtained from third parties.

Contd.....9



## **NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)**

#### **2.12 RISK MANAGEMENT:**

The Company has exposure to credit risk, liquidity risk and market risk in its normal course of business.

- a) **Credit risk:** Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial contract fails to meet the contractual obligations. The exposure to credit risk is monitored on an ongoing basis by the management and these amounts are considered recoverable by the Company's management.
- b) **Liquidity risk:** Liquidity risk is the risk that the Company can default in meeting the obligations associated with its financial liabilities. The Company assures that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
- c) **Market risk:** Market risk is the risk that changes in market prices, such as foreign currency & interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

#### **2.13 FOREIGN CURRENCY:**

Foreign currency transactions are translated into Rials Omani at the exchange rates prevailing on the transaction date. Foreign currency assets and liabilities are translated into Rials Omani at the exchange rates prevailing at the financial position date. Differences on exchange are dealt with in the statement of comprehensive income as they arise.

#### **2.14 INCOME TAX:**

The Company's assessments order for the year ending 31 March 2014 to 2017 have not yet been finalised with the Department of Taxation Affairs at the Ministry of Finance. The Company believes that additional taxes, if any, in respect of open tax assessments would not be material to the its financial position.

#### **2.15 LEGAL RESERVE:**

Article 106 of the Commercial Companies Law of 1974 requires that 10% of a Company's Net Profit be transferred to a non-distributable legal reserve until the amount of the legal reserve equals one-third of the Company's issued share capital.



# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)

### 2.16 QATAR OPERATIONS

During the year 2012 the Company has opened a Branch Office in Qatar for execution of "NGL Support Campus Project" awarded by Qatar Petroleum, under joint venture with Diplomat Group WLL. NCCIL, Oman has 50% interest in the above joint venture. The Operating results of the Branch & the JV have been incorporated in the Financial Statements.

### 3. FIXED ASSETS

	PLANT & MACHINERY R.O.	CONST- RUCTION VEHICLES R.O.	CONST- RUCTION ACCESSORIES R.O.	TOOLS & EQUIP- MENT R.O.	VEHICLES OFFICE R.O.	FURNIT- URE & FIXTURES R.O.	OFFICE EQUIP- MENT R.O.	TOTAL R.O.
<b>COST :</b>								
At 31 March 2017	20,745,505	11,378,210	4,468,048	619,373	1,783,957	176,036	843,123	40,014,252
Additions during the year	3,520		42,007	10,685		2,281	970	59,463
Disposals	(3,711,396)	(1,333,160)	(305,259)		(151,096)	(37,969)	(105,116)	(5,643,996)
At 31 March 2018	17,037,629	10,045,050	4,204,796	630,058	1,632,861	140,348	738,977	34,429,719
<b>DEPRECIATION:</b>								
At 31 March 2017	10,433,667	7,390,960	3,118,359	211,241	1,195,895	107,000	703,548	23,160,670
Charge for the year	1,941,257	639,858	234,886	55,801	173,962	14,357	39,306	3,099,427
Related to Disposals	(1,419,285)	(1,189,083)	(277,337)		(119,039)	(32,423)	(99,129)	(3,136,296)
At 31 March 2018	10,955,639	6,841,735	3,075,908	267,042	1,250,818	88,934	643,725	23,123,801
<b>NET BOOK VALUE</b>								
AT 31 MARCH 2018 R.O.	6,081,990	3,203,315	1,128,888	363,016	382,043	51,414	95,252	11,305,918
AT 31 MARCH 2017 R.O.	10,311,838	3,987,250	1,349,689	408,132	588,062	69,036	139,575	16,853,582

### 4. INVESTMENTS

49% Investment in NCCA International Kuwait Co. - Kuwait	173,340	173,340
49% Investment in NCC WLL - Qatar	52,234	52,234
R.O.	225,574	225,574

Contd.....11



# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)

	31-03-2018 R.O.	31-03-2017 R.O.
<b>5. INVENTORY</b>		
Materials	1,202,782	1,599,936
Consumables	677,207	740,120
Small Tools & Equipment	1,569	31,745
Materials-in-transit	--	195
<b>R.O.</b>	<b><u>1,881,558</u></b>	<b><u>2,371,996</u></b>
<b>6. FINANCIAL ASSETS</b>		
Trade Receivables	18,269,212	22,304,572
Retentions Receivable	5,168,321	7,894,619
Withheld by Client	--	576,710
<b>R.O.</b>	<b><u>23,437,533</u></b>	<b><u>30,775,901</u></b>
<b>7. OTHER FINANCIAL ASSETS</b>		
Staff Advances	34,953	55,687
<b>R.O.</b>	<b><u>34,953</u></b>	<b><u>55,687</u></b>
<b>8. OTHER CURRENT ASSETS</b>		
Advances to Suppliers	16,669	409,088
Advances to Sub Contractors	517,294	1,624,914
Prepaid Expenses	81,534	455,384
Other Deposits & Advances	112,098	782,923
Income Tax	3,489	3,489
<b>R.O.</b>	<b><u>731,084</u></b>	<b><u>3,275,798</u></b>
<b>9. DUE FROM RELATED PARTIES</b>		
NCC Kuwait	66,356	66,356
NCC Limited- Al Amerat	4,649,403	6,974,332
NCC and Partners LLC	1,042,205	1,046,201
NCC WLL, Qatar	2,199	--
<b>R.O.</b>	<b><u>5,760,163</u></b>	<b><u>8,086,889</u></b>

Contd.....12



# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)

	31-03-2018 R.O.	31-03-2017 R.O.
<b>10. BANK BALANCES AND CASH</b>		
Bank Muscat - Current Accounts	392,663	109,976
State Bank of India - Current Account	--	1,161
Bank of Baroda - Current Account	1,003	21
Commercial Bank of Qatar	23,334	166,559
Mashreq Bank	16,796	--
Bank of Baroda - Margin Account	--	7,967
Bank Muscat - Margin Accounts	5,000	19,000
Bank of Baroda - Term Deposits	--	526,181
ICICI Bank - Fixed Deposits	--	17,408
Bank Dhofar - Term Deposits	1,551,479	1,536,094
ICICI Bank - Current Accounts	167	36,429
Ahli Bank	--	595
Bank Dhofar - Current Account	9,898	5,890
Oman Arab Bank	2,610	303
Cash on Hand	4,039	5,890
<b>R.O.</b>	<b><u>2,006,989</u></b>	<b><u>2,433,474</u></b>
<b>11. CREDITORS</b>		
Sundry Creditors for Purchases	4,206,518	5,486,783
Sundry Creditors for Expenses	2,850,390	5,438,130
Sundry Creditors for Fixed Assets	4,226	21,716
Retention Money - Sub Contractors	800,254	798,570
Mobilisation Advances	4,238,092	7,806,659
Material Advances Received from Clients	2,933,209	3,797,495
Accrued Expenses	1,985,760	5,079,575
Deposits Received	30,602	30,602
<b>R.O.</b>	<b><u>17,049,051</u></b>	<b><u>28,459,530</u></b>
<b>12. BANK LOANS AND OVERDRAFTS</b>		
Bank Muscat - Short Term Loan	--	4,500,000
Bank of Baroda - Overdrafts	--	2,636,231
Bank Dhofar Overdrafts	980,867	961,167
Oman Arab Bank - Overdrafts	--	3,691
Bank Dhofar - LTR	7,022,204	6,250,628
ICICI - Bill Discounted	--	1,463,000
Bank Dhofar - Bill Discounted	8,294,365	5,557,375
<b>R.O.</b>	<b><u>16,297,436</u></b>	<b><u>21,372,092</u></b>

Contd.....13



# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)

	31-03-2018 R.O.	31-03-2017 R.O.
<b>13. DUE TO RELATED PARTIES</b>		
NCC LLC Dubai	4156009	4,023,438
NCCL Hyderabad	1257313	1,144,527
NCC WLL, Qatar	---	1,024
<b>R.O.</b>	<b>5,413,322</b>	<b>5,168,989</b>
<b>14. TURNOVER</b>		
Contract Revenue	37,555,692	53,040,126
Changes in Work-in-Progress	(4,505,232)	(5,806,871)
<b>Net Contract Revenue</b>	<b>33,050,460</b>	<b>47,233,255</b>
Hire Charges	278,816	26,950
Other Operating Income	8,477	21,150
Miscellaneous Receipts	495,143	425,655
<b>R.O.</b>	<b>33,832,896</b>	<b>47,707,010</b>
<b>15. COST OF TURNOVER</b>		
Materials	9,806,496	11,644,098
Salaries & Benefits	7,107,424	10,429,266
Rent	81,755	92,656
Sub-Contract Expenses.	7,783,030	9,436,288
Consumable Tools	507,280	1,440,503
Telephone, Fax & Postage	52,887	75,407
Electricity and Water	306,137	673,980
Visa, Immigration and Labour Tax	456,756	379,288
Travelling and Conveyance	(10,664)	274,778
Recruitment Expenses	-	3,429
Testing Charges	62,612	83,647
Vehicle Expenses	247,727	325,187
Hire Charges	1,540,199	2,040,708
Insurance	446,703	430,973
Printing and Stationery	21,222	38,968
Repairs & Maintenance	4,256,796	4,662,627
Consultancy Charges	536,888	2,547,083
Lease Charges	113,389	85,002
Transport Charges	17,767	80,237
Customs Duty	970	1,264
Sewage Removal Expenses	2,223	9,051
Royalties	5,106	228,955
Bad Debts	-	47,711
Liquidation Damages	570,473	1,724,122
Miscellaneous	242,478	291,819
<b>R.O.</b>	<b>34,155,654</b>	<b>47,047,047</b>
Contd.....14		



# NAGARJUNA CONSTRUCTION COMPANY INTERNATIONAL L.L.C. - OMAN

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (CONTD.)

	31-03-2018 R.O.	31-03-2017 R.O.
<b>16. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Salaries & Benefits	234,511	295,170
Rent	37,225	42,509
Telephone, Fax & Postage	6,054	9,174
Printing and Stationery	962	2,026
Electricity and Water	1,278	798
Advertisement & Sales Promotion	3,075	2,643
Vehicle Expenses	5,837	991
Travelling & Conveyance	21,350	31,885
Visa, Immigration and Labour Tax	2,207	1,649
Repairs & Maintenance	21,880	38,788
Establishment Expenses	8,985	8,204
Legal & Professional Fees	42,743	118,323
Rates and Taxes	8,736	5,035
Tender Expenses	10,150	3,373
Books and Periodicals	418	--
Miscellaneous	1,456	9,781
<b>R.O.</b>	<b>406,867</b>	<b>570,349</b>
<b>17. CONTINGENT LIABILITIES</b>		
Performance Gurantees	8,002,009	8,233,861
Advance Payment Gurantees	5,490,518	10,245,817
Other Gurantees	174,920	438,920
<b>R.O.</b>	<b>13,667,447</b>	<b>18,918,598</b>

Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no known contignet liability in the Entity's Financial Statements as of the Reporting date.

## 17. PREVIOUS YEAR'S FIGURES

Previous year's figures have been regrouped wherever necessary to conform to current year's presentation.