

27/04/16  
OIL ✓

**NCC & PARTNERS LLC**  
**BALANCE SHEET AS AT MARCH 31, 2016**

		(' in million)			
	NOTE NO.	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	1	25.81		24.36	
(b) Reserves and Surplus	2	-253.70		-236.78	
			-227.88		-212.43
<b>2. NON-CURRENT LIABILITIES</b>					
(a) Long-Term Borrowings	3	-		-	
(b) Deferred Tax Liabilities (Net)	4	-		-	
(c) Other Long Term Liabilities	5	-		-	
(d) Long-Term Provisions	6	-		-	
			0.00		0.00
<b>3. CURRENT LIABILITIES</b>					
(a) Short-Term Borrowings	7	-		-	
(b) Trade Payables	8	0.90		1.25	
(c) Other Current Liabilities	9	243.15		231.34	
(d) Short-Term Provisions	10	-		-	
			244.05		232.60
			16.16		20.17
<b>TOTAL</b>					
<b>II. ASSETS</b>					
<b>1. NON-CURRENT ASSETS</b>					
(a) Fixed Assets	11				
(i) Tangible Assets	11.1	9.82		14.03	
(ii) Intangible Assets	11.2	-		-	
(iii) Capital Work in Progress	11.3	-		-	
(b) Non-Current Investments	12	-		-	
(c) Long-Term Loans and Advances	13	-		-	
(d) Other Non-Current Assets	14	-		-	
			9.82		14.03
<b>2. CURRENT ASSETS</b>					
(a) Current Investments	15				
(b) Inventories	16	-		0.16	
(c) Trade Receivables	17	-		-	
(d) Cash and Cash Equivalents	18	0.38		0.36	
(e) Short-Term Loans and Advances	19	5.97		5.63	
(f) Other Current Assets	20	-		-	
			6.34		6.14
			16.16		20.17
<b>TOTAL</b>					

0.00      0.00      (0.01)      (0.01)



NOTES TO THE FINANCIAL STATEMENTS

( in million)

	As at March 31, 2016		As at March 31, 2015	
<b>SHARE CAPITAL</b>				
<i>Authorised :</i>				
<i>Subscribed and Paid up :</i>		25.81		24.36
<b>TOTAL</b>		<b>25.81</b>		<b>24.36</b>
<b>RESERVES AND SURPLUS</b>				
<i>Foreign Currency Transalation Reserve</i>				
<i>As per last Balance Sheet</i>	(76.12)		(66.19)	
<i>Add : Exchange difference during the period</i>	-14.61		-9.93	
		(90.73)		(76.12)
<i>General Reserve</i>				
<i>As per last Balance Sheet</i>	5.92		5.68	
<i>Add : Transfer from Surplus</i>	-		-	
<i>Add : Exchange difference during the period</i>	0.36		0.24	
		6.28		5.92
<i>Surplus</i>				
<i>As per last Balance Sheet</i>	-166.58		-153.97	
<i>Add : Depreciation Adjustment</i>	0.00		- 2.18	
<i>Add : Profit for the year</i>	-2.66		- 10.43	
	-169.24		-166.58	
<i>Less : Appropriations</i>				
<i>Debenture Redemption Reserve</i>	-		-	
<i>Proposed Dividend</i>	-		-	
<i>Dividend Tax</i>	-		-	
<i>Transfer to General Reserve</i>	-		-	
<i>Transfer to Contingency Reserve</i>	-		-	
	-		-	
		(169.24)		(166.58)
<b>TOTAL</b>		<b>(253.70)</b>		<b>(236.78)</b>

(P.T.O)

**NOTES TO THE FINANCIAL STATEMENTS**

(` in million)

	As at March 31, 2016		As at March 31, 2015	
<b>Trade Payables</b>				
Total outstanding dues of creditors		0.90		1.25
<b>Other Current Liabilities</b>				
Retention money payable	-		-	
Advances from Customers/Others	239.45		227.97	
Other Liabilities	3.70		3.37	
<b>TOTAL</b>		243.15		231.34

**NOTES TO THE FINANCIAL STATEMENTS**

(` in million)

	As at March 31, 2016		As at March 31, 2015	
<b>Inventories</b>				
Raw Materials	-		9.80	
Stores and Spares	-		0.01	
LESS : Provision for slow moving stock	0.00		-9.66	
		-		0.16
<b>Cash and Cash Equivalents</b>				
<b>Balances with Banks :</b>				
In Current Accounts	0.38	0.38	0.36	0.36
Cash on hand IN CASH CARD		-		-
		0.38		0.36
<b>Short Term Loans and Advances</b>				
Due from related parties	5.66		5.34	
Less : Provision for doubtful advances		5.66		5.34
Advances recoverable in cash or in kind or for value to be received		0.31		0.29
		5.97		5.63

NAGARJUNA CONSTRUCTION CO.  
LTD. & PARTNERS L.L.C. - OMAN  
FINANCIAL STATEMENTS

31 MARCH 2016

H. C. Shah & Co.

Chartered Accountants



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محاسبون قانونيون

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Ref: 7826

Date: 15 May 2016

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**

**Report on the Financial Statements**

We have audited the the accompanying financial statements of NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN, which comprise the balance sheet as at 31 MARCH 2016 and the profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 2 to 11.

**Respective responsibilities of the Management and Auditors**

The accompanying financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

**Basis of opinion**

We conducted our Audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our Audit provides a reasonable basis for our opinion.

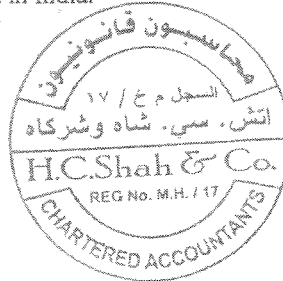
**Opinion**

Without qualifying our opinion, we draw attention to Note 1b on page 6 in these financial statements which more fully explains that the Company shall require continued financial support from its Members. These financial statements have been prepared on a going concern basis on the assumption that the Members of the Company will provide such financial support.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and the other notes thereon give a true and fair view of the financial position of NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN as at 31 MARCH 2016 and the results of its operations, changes in its equity and cash flows for the year then ended in conformity with the accounting principles generally accepted in India.

For H. C. SHAH & CO.

CHARTERED ACCOUNTANTS.



## NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN

BALANCE SHEET AT 31 MARCH 2016

	NOTE	31-3-2016 R.O.	31-3-2015 R.O.
<b>I. EQUITIES AND LIABILITIES</b>			
<b>MEMBERS' FUNDS</b>			
Share Capital		150,000	150,000
Legal Reserve	2.	36,485	36,485
Accumulated (Loss)		<u>(1,510,820)</u>	<u>(1,494,798)</u>
		<u>(1,324,335)</u>	<u>(1,308,313)</u>
<b>CURRENT LIABILITIES</b>			
Sundry Creditors		26,723	28,523
Amounts Due to Related Parties	3.	<u>1,391,566</u>	<u>1,404,035</u>
		<u>1,418,289</u>	<u>1,432,558</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>R.O</b>	<b>93,954</b>	<b>124,245</b>
		=====	=====
<b>II. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	4.	<u>57,069</u>	<u>86,390</u>
		<u>57,069</u>	<u>86,390</u>
<b>CURRENT ASSETS</b>			
Stocks	5.	—	955
Debtors	6.	1,800	1,800
Amounts Due from Related Parties		32,896	32,896
Bank Balances and Cash	7.	<u>2,189</u>	<u>2,204</u>
		<u>36,885</u>	<u>37,855</u>
<b>TOTAL ASSETS</b>	<b>R.O</b>	<b>93,954</b>	<b>124,245</b>
		=====	=====

The notes on pages 6 to 11 form part of these financial statements

Auditor:



Authorised Signatory:

**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016**

	NOTE	31-3-2016 R.O.	31-3-2015 R.O.
TURNOVER		--	--
COST OF TURNOVER	8.	<u>955</u>	<u>--</u>
GROSS (LOSS)		(955)	--
OTHER INCOME	9.	<u>16,328</u>	<u>42,799</u>
		15,373	42,799
ADMINISTRATIVE AND GENERAL EXPENSES	10.	<u>(2,615)</u>	<u>(1,230)</u>
PROFIT FOR THE YEAR BEFORE FINANCE CHARGES		12,758	41,569
FINANCE CHARGES		<u>--</u>	<u>(60)</u>
PROFIT BEFORE DEPRECIATION		12,758	41,509
DEPRECIATION		<u>(28,780)</u>	<u>(108,005)</u>
NET (LOSS) FOR THE YEAR		(16,022)	(66,496)
ACCUMULATED (LOSS) BROUGHT FORWARD		<u>(1,494,798)</u>	<u>(1,414,388)</u>
		(1,510,820)	(1,480,884)
ADJUSTMENT RELATED TO PRIOR YEAR DEPRECIATION		--	(13,914)
		<u>-----</u>	<u>-----</u>
ACCUMULATED (LOSS) CARRIED FORWARD	R.O.	<u>(1,510,820)</u>	<u>(1,494,798)</u>
		=====	=====

*The notes on pages 6 to 11 form part of these financial statements*

Auditor:



Authorised Signatory:



**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016**

	Share Capital R.O.	Legal Reserve R.O.	Accumulated Profit / (Loss) R.O.	Total R.O.
<b>Year to 31 March 2015</b>				
At 31 March 2014	150,000	36,485	(1,414,388)	(1,227,903)
Net (Loss) for the year	--	--	(66,496)	(66,496)
Adjustment Related To Prior Year Depreciation	--	--	(13,914)	(13,914)
<b>At 31 March 2015 R.O.</b>	<b>150,000</b>	<b>36,485</b>	<b>(1,494,798)</b>	<b>(1,308,313)</b>
<b>Year to 31 March 2016</b>				
At 31 March 2015	150,000	36,485	(1,494,798)	(1,308,313)
Net (Loss) for the year	--	--	(16,022)	(16,022)
<b>At 31 March 2016 R.O.</b>	<b>150,000</b>	<b>36,485</b>	<b>(1,510,820)</b>	<b>(1,324,335)</b>

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Auditor:



Authorised Signatory:

**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2016**

	31-3-2016 R.O.	31-3-2015 R.O.
<b>1. Cash Flow from Operating Activities</b>		
a) Net (Loss) for the year	(16,022)	(66,496)
Add: Non - Cash charges - Depreciation	28,780	108,005
Add: (Loss) on Sale of Property, Plant & Equipment	(2,037)	20,737
Net Changes due to Operating Profit	<u>10,721</u>	<u>62,246</u>
b) Changes in Working Capital		
(Increase) / Decrease in Debtors	--	10,000
(Increase) / Decrease in Inventories	955	--
(Decrease) / Increase in Creditors	(1,800)	1,200
Amount Due from / to Related Party (Net)	(12,469)	(74,768)
Net Changes in Working Capital	<u>(13,314)</u>	<u>(63,568)</u>
Net Cash Flow (used in) / from Operating Activities (A)	1a - 1b <u>(2,593)</u>	<u>(1,322)</u>
<b>2. Cash Flow from Financing Activities</b>		
a) Sale Proceeds from Disposal of Property, Plant & Equipment	2,578	3,262
Net Cash (used in) / from Financing Activities (B)	2a <u>2,578</u>	<u>3,262</u>
<b>Net Increase / (Decrease) in Cash and Cash equivalents (A+B)</b>	(15)	1,940
<b>Cash and Cash equivalents at the beginning of the year</b>	2,204	264
<b>Cash and Cash equivalents at the end of the year</b>	R.O. <u>2,189</u>	<u>2,204</u>
<b>COMPRISING OF:</b>		
1. Bank Balances	<u>2,189</u>	<u>2,204</u>
	R.O. <u>2,189</u>	<u>2,204</u>

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Auditor:



Authorised Signatory:

## NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016 (CONTD.)

#### 1a. GENERAL

Nagarjuna Construction Co. Ltd. & Partners L.L.C. - Oman is a Limited Liability Company with mixed ownership with C.R. No. 1/77675/4 registered under the Commercial Laws of the Sultanate of Oman. The Company is engaged in Construction and maintenance of roads, bridges, dams, building and tunnels, construction and maintenance of seaports, building constructions, electrical and mechanical constructions, electricity and water projects, etc.

#### 1b. BASIS OF PREPARATION

At 31 March 2016, the Company had accumulated losses of R.O. 1,510,820/- and net liabilities of R.O. 1,324,335/-. These factors, amongst others, indicate that the Company shall require continued financial support from its Members. These financial statements have been prepared on the going concern basis on the assumption that the Members of the Company will continue to provide the necessary financial support.

The Company's Members have confirmed that they shall continue to support and provide the necessary financial assistance to the Company and on the strength of this assurance, these financial statements have been prepared on the going concern basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

#### 1c. ACCOUNTING POLICIES:

The financial statements have been prepared on accrual basis under historical cost convention and in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 1956 and the applicable requirements of the Oman Commercial Companies Law. The principal accounting policies are summarised below:

##### (1) STOCKS:

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

##### (2) DEBTORS:

Invoices made on credit are included in debtors at the balance sheet date at the amounts due, net of a provision for amounts estimated to be uncollectible.

##### (3) 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.

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**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016 (CONTD.)**

**(4) DEPRECIATION:**

The cost of fixed assets is written off by equal annual installments over their expected useful lives as follows:

Plant & Machinery(Except Cranes)	9 to 12 years
Plant & Machinery(Cranes)	15 to 20 years
Office Vehicles	8 years
Construction Vehicles	8 to 9 years
Furniture & Fixtures *	10 years
Office Equipment *	3 to 6 years
Tools & Equipment	12 years
Construction Accessories	6 years

\* As per Company's Policy, items with value below R.O. 42/- are written off fully in the year of purchase.

**(5) CREDITORS AND ACCRUALS:**

Liabilities are recognised for amounts to be paid for goods and services rendered during the year ending 31 March 2016, whether or not billed to the company.

**(6) BORROWING COSTS:**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**(7) 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.

**(8) FOREIGN CURRENCY:**

Transactions in foreign currency are recorded at the rate at the date of transaction, Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All the differences are taken to the statement of loss at the exchange rates prevailing at the balance sheet date. Differences on exchange are dealt with in the profit and loss account as they arise.

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**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN****NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016 (CONTD.)****(9) FINANCIAL INSTRUMENTS:**

Exposure to interest rate, credit and currency risk arises in the normal course of the Company's business.

- a. Interest rate risk: The Company manages exposures to interest rate risk by ensuring that bank borrowings and term loans are on a fixed rate basis.
- b. Credit risk: Exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.
- c. Fair value: Financial instruments carried on the statement of financial position include bank and cash balances, debtors, creditors and borrowings. The fair value of financial assets and liabilities is not significantly different from the carrying book values.

**(10) 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 render services to the Company. The Company believes that the terms of provision of services are comparable with those that could be obtained from third parties.

**(11) INCOME TAX:**

The Company's assessments for the years 2011-12, 2012-13, 2013-14 and 2014-15 have not yet been finalised with the Department of Taxation Affairs at the Ministry of Finance.

**(12) 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.

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**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016 (CONTD.)**

	31-3-2016 R.O.	31-3-2015 R.O.
<b>2. LEGAL RESERVE</b>		
Balance at 31 March 2016	36,485	36,485
<b>R.O.</b>	<u>36,485</u>	<u>36,485</u>
<b>3. CREDITORS</b>		
Sundry Creditors for Purchases	3,725	3,725
Sundry Creditors for Expenses	1,510	4,010
Accrued Expenses	21,488	20,788
<b>R.O.</b>	<u>26,723</u>	<u>28,523</u>

**4. FIXED ASSETS**

	Plant & Machinery R.O.	Office Vehicles R.O.	Constr- -uction Vehicles & Fixtures R.O.	Furniture & Fixtures R.O.	Office Equip- -ment R.O.	Tools & Instruction Equip- -ment R.O.	Access- -ories R.O.	TOTAL R.O.
<b>COST :</b>								
At 31 March 2015	166,525	169,580	30,002	15,366	46,385	20,191	103,210	551,259
Cost of Disposals	--	(6,848)	--	(192)	(2,936)	--	--	(9,976)
At 31 March 2016	<u>166,525</u>	<u>162,732</u>	<u>30,002</u>	<u>15,174</u>	<u>43,449</u>	<u>20,191</u>	<u>103,210</u>	<u>541,283</u>
<b>DEPRECIATION:</b>								
At 31 March 2015	112,476	161,100	28,500	10,518	44,066	10,159	98,050	464,869
Charge for the year	23,366	--	--	2,636	--	2,778	--	28,780
Relating to Disposals	--	(6,506)	--	(140)	(2,789)	--	--	(9,435)
At 31 March 2016	<u>135,842</u>	<u>154,594</u>	<u>28,500</u>	<u>13,014</u>	<u>41,277</u>	<u>12,937</u>	<u>98,050</u>	<u>484,214</u>
<b>NET BOOK VALUE</b>								
AT 31 MARCH 2016 R.O.	<u>30,683</u>	<u>8,138</u>	<u>1,502</u>	<u>2,160</u>	<u>2,172</u>	<u>7,254</u>	<u>5,160</u>	<u>57,069</u>
AT 31 MARCH 2015 R.O.	<u>54,049</u>	<u>8,480</u>	<u>1,502</u>	<u>4,848</u>	<u>2,319</u>	<u>10,032</u>	<u>5,160</u>	<u>86,390</u>

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**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016 (CONTD.)**

	31-3-2016 R.O.	31-3-2015 R.O.
<b>5. STOCKS</b>		
Materials	--	60,357
Consumables	--	68
	<hr/>	<hr/>
Less: Provision for Slow-moving Stocks	--	60,425
	--	(59,470)
	<hr/>	<hr/>
R.O.	--	955
	<hr/>	<hr/>
<b>6. DEBTORS</b>		
Advances, Other Deposits & Receivables	1,800	1,800
	<hr/>	<hr/>
R.O.	1,800	1,800
	<hr/>	<hr/>
<b>7. BANK BALANCES AND CASH</b>		
Bank Muscat - Current Accounts	2,189	2,204
	<hr/>	<hr/>
R.O.	2,189	2,204
	<hr/>	<hr/>
<b>8. COST OF TURNOVER</b>		
Materials	955	--
	<hr/>	<hr/>
R.O.	955	--
	<hr/>	<hr/>
<b>9. OTHER INCOME</b>		
Profit / (Loss) on Disposal of Fixed Assets	2,037	(20,737)
Miscellaneous Income	14,291	63,536
	<hr/>	<hr/>
R.O.	16,328	42,799
	<hr/>	<hr/>

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**NAGARJUNA CONSTRUCTION CO. LTD. & PARTNERS L.L.C. - OMAN**

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016 (CONTD.)**

	31-3-2016 R.O.	31-3-2015 R.O.
<b>10. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Establishment Expenses	2,600	1,230
Bank Charges	15	--
	R.O.      2,615	1,230

**11. PREVIOUS YEAR'S FIGURES**

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