NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Audited Financial Statements

For the year ended 31 March 2017

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

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Corporate information
For the year ended 31 March 2017

		Date appointed
DIRECTORS :	Monica APPAVOO	20 June 2014
SECRETARY :	Appavoo International Ltd Appavoo Business Centre 29, Bis Mère Barthelemy Street Port Louis Mauritius	
REGISTERED OFFICE :	Appavoo International Ltd Appavoo Business Centre 29, Bis Mère Barthelemy Street Port Louis Mauritius	
AUDITORS :	HLB Appavoo & Associates Appavoo Business Centre 29, Bis Mère Barthelemy Street Port Louis Mauritius	
BANKER :	SBI (MAURITIUS) LTD 34, Sir William Newton Street, Port Louis Mauritius	

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2017.

Principal activity

The Company is registered as a private company in the Republic of Mauritius under the Mauritian Companies Act 2001 and holds a Category 1 Global Business Licence.

The principal activity of the Company is that of taking share participation in businesses in different sectors of the economy located in the Indian Ocean Region.

Results and dividends

The results for the year are shown on page 10.
The directors do not recommend the payment of dividend for the year under review (2016 : NIL).

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether Indian Accounting Standard (Indian AS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 Mauritius Companies Act 2001 and Indian AS. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, HLB Appavoo & Associates, have expressed their willingness to continue in office and in accordance with the Companies Act, a resolution concerning their re-appointment will be proposed at the next Annual General Meeting.

By order of the Board

For Appavoo International Ltd
Date: 19 May 2017

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Secretary's Certificate

Year ended March 31, 2017

In accordance with section 166 (d) of the Companies Act 2001, we hereby confirm that, based on the records and information made available to us by the directors and the shareholders of the company and to the best of our knowledge and belief, the company has filed with the Registrar of Companies, for the financial year ended March 31, 2017 all such returns as are required of the company under the Companies Act 2001.

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APPAVOO INTERNATIONAL LTD
COMPANY SECRETARY

Date: 19 May 2017

HLB Appavoo & Associates

Public Accountants and Managements Consultants

Independent Auditors' report
To the shareholder of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Report on the Audit Financial Statements

Opinion

We have audited the financial statements of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED ('the Company') set out on pages 9 to 33, which comprise the balance sheet as at March 31, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Indian Accounting Standards (Ind AS) and the requirements of the Mauritius Companies Act 2001.

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 ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Company Secretary's Certificate as required by the Mauritius Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Appavoo Business Centre, 29, Bis Mère Barthélemy Street, Port Louis, Rep. of Mauritius
Tel: **(230) 203 3900** Fax: **(230) 211 3152** Website: **www.appavoo.com**

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indian Accounting Standards (Ind AS) and the requirements of the Mauritius Companies Act 2001, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' report
To the shareholder of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interest in, the Company other than in our capacity as auditors;
- we have obtained all information and explanations that we have required; and in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

HLB Appavoo & Associates
Public Accountants and management consultants
Port Louis

B. Sehzad H Bauboo, FCCA
Signing Partner
Licenced by Financial Reporting Council

Date: 19 May 2017

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Balance Sheet

As at 31 March 2017

	Notes	31 March 2017 USD	RESTATED 31 March 2016 USD	RESTATED 01 April 2015 USD
Assets				
Non-current assets				
Financial assets				
Investments	4.1	**810,859**	810,859	810,859
Investment in associates	4.2	**15,258,837**	15,258,837	15,178,837
		16,069,696	16,069,696	15,989,696
Current assets				
Financial assets				
Short term loans and advances	4.3	**18,259,076**	18,259,076	18,259,076
Other financial assets	4.3	**10,982,442**	10,970,658	9,226,129
Cash and cash equivalents	4.4	**9,975**	4,325	89,796
Other current assets		**31,496**	31,559	31,749
		29,282,989	29,265,618	27,606,750
Total assets		**45,352,685**	45,335,314	43,596,446
Equity and liabilities				
Equity				
Equity share capital	5	**26,875,080**	26,875,080	26,875,080
Instruments entirely equity and nature				
Compulsory convertible debentures	6	**20,540,600**	-	-
Other equity		**(24,361,837)**	(24,343,675)	(23,857,662)
		23,053,843	2,531,405	3,017,418
Non-current liabilities				
Financial Liabilities				
Borrowings	7.1	**12,488,798**	32,991,948	32,972,948
Current liabilities				
Financial Liabilities				
Accounts payable	7.2	**2,863**	4,780	3,224
Other financial liabilities	7.3	**9,807,181**	9,807,181	7,602,856
Liabilities for current tax (net)	7.4	**-**	-	-
		9,810,044	9,811,961	7,606,080
Total liabilities		**22,298,842**	42,803,909	40,579,028
Total equity and liabilities		**45,352,685**	45,335,314	43,596,446

These accounts were approved by the Board of Directors on **19 May 2017** and signed on its behalf by:-

Director

Statement of Profit and Loss and Other Comprehensive Income
For the year ended 31 March 2017

	Notes	31 March 2017 USD	31 March 2016 USD
Finance income		-	1,733,934
Total income		-	1,733,934
Expenses			
Other expenses	8	18,162	15,621
Finance costs	9	-	2,204,326
Total expense		18,162	2,219,947
Loss before tax		(18,162)	(486,013)
Current tax	7.4	-	-
Loss for the year		(18,162)	(486,013)
Other comprehensive income :			
Items that will not be classified to profit and loss		-	-
Items that will or may be classified to profit and loss		-	-
Other comprehensive loss for the year - net of tax		-	-
Total comprehensive loss for the year		(18,162)	(486,013)
Loss per equity share			
Loss per share	10	(0.01)	(0.18)

Statement of Cash Flows
For the year ended 31 March 2017

	31 March 2017	31 March 2016
	USD	USD
Operating activities		
Loss before taxation	(18,162)	(486,013)
Adjustments to reconcile profit before tax to net cash flows:		
Interest paid	-	2,204,326
Working capital adjustments:		
Increase in financial assets and prepayments	(11,721)	(1,744,339)
(Decrease) / increase in financial liabilities and other payables	(1,917)	2,205,881
Cash (used in) / generated from operations	(31,800)	2,179,855
Interest paid	-	(2,204,326)
Net cash flows used in from operating activities	(31,800)	(24,471)
Investing activities		
Purchase of investments	-	(80,000)
Net cash flow used in from investing activities	-	(80,000)
Financing activities		
Proceeds from shareholder's loan	37,450	19,000
Net cash flows generated from financing activities	37,450	19,000
Net change in cash and cash equivalents	5,650	(85,471)
Cash and cash equivalents at the beginning of the year	4,325	89,796
Cash and cash equivalents at the end of the year	9,975	4,325

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED
Statement of Changes in Equity
For the year ended 31 March 2017

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
USD	USD	USD
26,875,080	-	26,875,080

For the year ended 31 March 2017

B. Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and surplus				Debt intruments through Other Comprehe-nsive Income	Equity Instrument-s through Other Comprehe-nsive Income	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Compreh-ensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Other Equity							
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
At 01 April 2016	-	-	-	-	-	(24,343,675)	-	-	-	-	-	-	(24,343,675)
Total Comprehensive Loss for the year	-	-	-	-	-	(18,162)	-	-	-	-	-	-	(18,162)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	-	-	-	-	(24,361,837)	-	-	-	-	-	-	(24,361,837)

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED
Statement of Changes in Equity
For the year ended 31 March 2016

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
USD	USD	USD
26,875,080	-	26,875,080

B. Other Equity

	Share application money pending allotment	Equity component of compound financial	Reserves and surplus				Debt intruments through Other Comprehe-	Equity Instrument-s through Other Comprehe-	Revaluation Surplus	Exchange differences on translating the	Other items of Other Compreh-ensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Other Equity							
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
As at 01 April 2015	-	-	-	-	-	5,472,642	-	-	-	-	-	-	5,472,642
Fair value adjustments	-	-	-	-	-	(29,330,304)	-	-	-	-	-	-	(29,330,304)
As at 01 April 2015 (Restated)	-	-	-	-	-	(23,857,662)	-	-	-	-	-	-	(23,857,662)
Total Comprehensive Loss for the year	-	-	-	-	-	(486,013)	-	-	-	-	-	-	(486,013)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2016	-	-	-	-	-	(24,343,675)	-	-	-	-	-	-	(24,343,675)

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED
Notes to the financial statements
For the year ended 31 March 2017

1. General information

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED is a limited liability company incorporated and domiciled in the Republic of Mauritius. The address of its registered office is Appavoo International Ltd, Appavoo Business Centre, 29 Bis Mère Barthélémy Street, Port Louis.

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED holds a category 1 Global Business Licence and deals in taking share participation in businesses in different sectors of the economy located in the Indian Ocean Region and conduct businesses generally.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standard (Ind AS). The financial statements have been prepared under the historical cost convention.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles applicable in India (Indian GAAP) and the requirements of the Mauritius Companies Act 2001. These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 13 for information on how the Company adopted Ind AS.

2.2 Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are shown at cost and provision is only made where in the opinion of the directors there is a permanent diminution in value. Where there has been a permanent diminution in the value of an investment it is recognised as an expense in the period in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

2.3 Investment in associates

Associates are those entities which are not subsidiaries, over which the Company has significant influence and in which it holds a long term equity interest.

In the Company's financial statements, investments in associates are carried at cost, less any impairment loss.

2. Summary of significant accounting policies (Continued)

2.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.5 Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates, known as its functional currency. The financial statements are presented in United States Dollar (USD) which is the Company functional and presentation.

Transactions and balances

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the statement of financial position date.

Exchange differences arising on the settlement and retranslation of monetary items are recognised in the statement of profit and loss.

2. Summary of significant accounting policies (Continued)

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Interest income

Interest income is included in finance income in the statement of profit and loss.

2.7 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situation.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 4.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. As a Group accounting policy, irrevocable option of presenting through FVTOCI is not opted for any equity investment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Impairment of financial assets (Continued)

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head ‘other expenses’ in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Loans and borrowings (Continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 6.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Summary of significant accounting policies (Continued)

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.13 Dividends

Dividends to the Company's shareholders are recorded in the Company's financial statements in the period in which they are approved by the Company's directors.

2.14 Related parties

Related parties are individuals and companies where the individual or the company has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party making financial and operating decisions.

3. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 Accounting judgement in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 1, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements apart from those involving estimations, which are dealt with below.

(i) <u>Determination of functional currency of the Company</u>

As described in Note 2.5, the determination of the functional currency of the Company's entities is critical since the way in which every transaction is recorded and whether exchange differences arising are dependent on the functional currency selected. In making this judgement, the directors have considered the currencies in which revenue is received, the country of the country whose competitive forces and regulations matter, the currencies in which labour, material and other costs are settled, the currencies in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The directors have determined that the functional currency of the Company is the United States Dollar (USD).

4. FINANCIAL ASSETS

	31 March 2017	31 March 2016	01 April 2015
	USD	USD	USD
4.1 INVESTMENT IN SUBSIDIARIES	810,859	810,859	810,859

UNQUOTED EQUITY SHARES

Name of subsidiaries	Country of incorporation and operation	Business activity	Shareholdings %	31 March 2017	31 March 2016	01 April 2015
Liquidity Limited	Mauritius	Investment Holding	100	589,896	589,896	2,949,480
Fair value loss				-	-	(2,359,584)
				589,896	589,896	589,896
Al Mubarakia Contracting Company Ltd	Dubai	Building Contracting	100	220,963	220,963	2,170,963
Fair value loss				-	-	(1,950,000)
				220,963	220,963	220,963
TOTAL INVESTMENT IN SUBSIDIARIES				810,859	810,859	810,859

4.2 INVESTMENT IN ASSOCIATES

At beginning of year	15,258,837	15,178,837	21,858,830
Additions	-	80,000	80,000
Fair value loss	-	-	(6,759,993)
At end of year	15,258,837	15,258,837	15,178,837

UNQUOTED EQUITY SHARES

Name of associates	Country of incorporation and operation	Business activity	Shareholdings %	31 March 2017	31 March 2016	01 April 2015
Himalayan Green Energy Pvt Ltd	India	Hydroelectric Power Plant	23	503,740	503,740	2,518,701
Fair value loss				-	-	(2,014,961)
				503,740	503,740	503,740
Tellapur Technocity (Mauritius)	Mauritius	Investment Holding	26	12,935,097	12,855,097	17,060,129
Additions				-	80,000	80,000
Fair value loss				-	-	(4,285,032)
				12,935,097	12,935,097	12,855,097
Apollonius Coal and Energy Pte Ltd	Singapore	General Wholesale Trade & Mining Support Activities	27	1,820,000	1,820,000	2,280,000
Fair value loss				-	-	(460,000)
				1,820,000	1,820,000	1,820,000

4. FINANCIAL ASSETS (CONTINUED)

4.3 FINANCIAL ASSETS

	31 March 2017	31 March 2016	01 April 2015
	USD	USD	USD
Short term loans and advances			
Loans receivable from related parties (Note 11)	18,259,076	18,259,076	30,431,793
Fair value loss	-	-	(12,172,717)
	18,259,076	18,259,076	18,259,076
Other financial assets			
Other receivables from related parties (Note 11)			
At beginning of year	10,970,658	9,226,129	15,314,139
Additions	11,784	1,744,529	-
Fair value loss	-	-	(6,088,010)
	10,982,442	10,970,658	9,226,129

None of the above classes of receivables contained impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

Break up of financial assets carried at amortised cost	31 March 2017	31 March 2016	01 April 2015
Loans receivable from related parties (Note 11)	18,259,076	18,259,076	18,259,076
Other receivables from related parties (Note 11)	10,982,442	10,970,658	9,226,129
Cash and cash equivalents (Note 4.4)	9,975	4,325	89,796
	29,251,493	29,234,059	27,575,001

4.4 CASH AND CASH EQUIVALENTS

	31 March 2017	31 March 2016	01 April 2015
Cash at bank	9,975	4,325	89,796

5. EQUITY SHARE CAPITAL

	31 March 2017	31 March 2016	01 April 2015
Stated capital	26,875,080	26,875,080	26,875,080

6. INSTRUMENTS ENTIRELY EQUITY IN NATURE

	31 March 2017	31 March 2016	01 April 2015
Compulsorily Convertible Debentures (Unsecured) - (Refer Note 7.1(a))	20,540,600	-	-

7. FINANCIAL LIABILITIES

7.1 NON-CURRENT BORROWINGS

	31 March 2017	31 March 2016	01 April 2015
Loans and advances (Unsecured)			
From shareholder			
At beginning of the year	32,991,948	32,972,948	32,636,780
Additions	37,450	19,000	336,168
Re-classified to Instruments entirely equity in nature (Refer Note 7.1(a))	(20,540,600)	-	-
At end of year	12,488,798	32,991,948	32,972,948

7. FINANCIAL LIABILITIES (CONTINUED)

7.1 NON-CURRENT BORROWINGS (CONTINUED)

(a) Compulsorily Convertible Debentures - Unsecured

Description

Loans and advances (Unsecured) from shareholder has been converted into 20,540,600 Unsecured compulsorily Convertible Debentures (CCDs) of USD 1 aggregating USD 20,540,600, issued on 15 March 2017.

Interest Rights

0% (Zero Percent)

Term

The Parties may, by mutual consent convert, the CCDs into Equity Shares in the manner specified below in the Conversion Terms, in one or more tranches, prior to the expiry of such five (5) year period subject compliance of the applicable law applicable in Mauritius.

Conversion Terms

CCDs shall be compulsorily converted in to Equity Shares, in the fixed proportion of 1 Equity Shares per 1 CCD. The value of the CCDs and / or the Equity Shares underlying such CCDs shall not in any manner impact the conversion ratio of 1 CCD per 1 Equity Share.

7.2 ACCOUNTS PAYABLES	31 March 2017	31 March 2016	01 April 2015
	USD	USD	USD
Accrued expenses and others	2,863	4,780	3,224
7.3 OTHER FINANCIAL LIABILITIES			
Interest payable to shareholder	9,807,181	9,807,181	7,602,856
7.4 INCOME TAX			
Balance Sheet			
Current tax on chargeable income for the year	-	-	-
Tax paid under Advance Payment System	-	-	-
Excess tax paid (other receivables)	-	-	-
	-	-	-
Statement of Profit and Loss			
Current tax on chargeable income for the year	-	-	-

7. FINANCIAL LIABILITIES (CONTINUED)

7.4 INCOME TAX (CONTINUED)

	31 March 2017	31 March 2016
	USD	USD
Tax expense reconciliation		
Loss before taxation	(18,162)	(486,013)
Tax at the applicable rate of 15%	(2,724)	(72,902)
Foreign tax credit (80%)	2,179	58,322
To unused tax losses	545	14,580
Tax charge for the year	-	-

8. OTHER EXPENSES

Licence fee	2,261	2,386
Legal and professional fees	9,765	6,683
Payment to auditor (Refer details below)	5,351	5,533
Bank charges	890	941
Exchange (gain) / loss	(105)	78
Interest on loan	-	2,204,326
	18,162	2,219,947
Payment to Auditors		
Audit fee	2,330	2,472
Limited review	3,021	3,061
	5,351	5,533

9. FINANCE COSTS

Interest on borrowings	-	2,204,326

10. LOSS PER EQUITY SHARE

Loss per share	(0.01)	(0.18)

The calculation of loss per ordinary share is based on the following parameters:

Loss for the year	(18,162)	(486,013)
Number of ordinary shares issued	2,687,508	2,687,508

11. RELATED PARTY TRANSACTIONS

(a) Companies controlled by the directors

(i) Nagarjuna Contracting Co. LLC (Dubai) is considered a related party in view of the control exercised thereon by the ultimate owners of the company:

(b) Subsidiaries

(i) Liquidity Ltd, a company incorporated under Mauritian law, is the subsidiary with a 100 % holding of NCC Infrastructure Holdings Mauritius Pte Limited.
(ii) Al Mubarakia Contracting Co. LLC, a company incorporated in Dubai, is the subsidiary with a 100 % holding of NCC Infrasructure Holdings Mauritius Pte Limited.

(c) Associates

(i) Himalayan Green Energy Pvt Ltd, a company incorporated in India, is an associate with a 23 % holding.
(ii) Tellapur Technocity (Mauritius), a company incorporated under Mauritian law, is an associate with a 26 % holding.
(iii) Apollonius Coal and Energy Pte Ltd, a company incorporated in the Republic of Singapore, is an associate with a 27 % holding.

(d) Holding company

The directors regard NCC Limited which is incorporated in India, as the Company's immediate and ultimate holding company.

(e) Transactions entered with related parties

	31 March 2017	31 March 2016	01 April 2015
	USD	USD	USD
Receivables			
Nagarjuna Contracting Co. LLC	15,815,761	15,815,761	14,996,939
Al Mubarakia Contracting Co. LLC	13,309,265	13,309,265	12,394,153
Liquidity Limited	116,492	104,708	94,113
	29,241,518	29,229,734	27,485,205

12. CURRENCY

The financial statements are presented to the nearest United States Dollar.

13. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2016.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 6, cash and cash equivalents and equity , comprising issued capital and retained earnings.

Gearing ratio

The Company's has a target gearing ratio up to a maximun of 100% determined as the proportion of net debt to equity.

The gearing ratio at the quarter end was as follows:

	31 March 2017	31 March 2016	01 April 2015
	USD	USD	USD
Debt (i)	12,488,798	32,991,948	32,972,948
Cash and cash equivalents	(9,975)	(4,325)	(89,796)
Net debt	12,478,823	32,987,623	32,883,152
Equity	23,053,843	2,531,405	3,017,418
Net debt to equity ratio	54%	1303%	1090%

(i) Debt is defined as long and short term borrowings, debentures and overdrafts.
(ii) Equity includes all capital and reserves of the Company.

Financial risk management

The Company's Corporate Treasury function provides services to the business, co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

13. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

The following table summarises the carrying amount of financial assets and financial liabilities recorded by category:

	31 March 2017	31 March 2016	01 April 2015
	USD	USD	USD
FINANCIAL ASSETS			
Cash and cash equivalents	9,975	4,325	89,796
Loans and receivables	29,241,518	29,229,734	27,485,205
	29,251,493	29,234,059	27,575,001
FINANCIAL LIABILITIES			
Borrowings	12,488,798	32,991,948	32,972,948
Other payables and accrued expenses	9,810,044	9,811,961	7,606,080
	22,298,842	42,803,909	40,579,028

Market risk

The Company has no exposure to the financial risks of changes in interest rate as both its borrowings and financial assets are interest-free.

Foreign currency risk management

Since the Company operates internationally, it is exposed to foreign currency risk as part of its normal commercial business.

Financial assets are analysed by currency as follows:

31 MARCH 2017	USD	EUR	INR	AED
Loans and receivables	116,492	-	-	29,125,026
Cash and cash equivalents	9,975	-	-	-

31 MARCH 2016	USD	EUR	INR	AED
Loans and receivables	104,708	-	-	29,125,026
Cash and cash equivalents	4,325	-	-	-

13. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

Foreign currency risk management (Continued)

Financial assets are analysed by currency as follows (Continued):

31 MARCH 2015	USD	EUR	INR	AED
Loans and receivables	94,113	-	-	27,391,092
Cash and cash equivalents	89,796	-	-	-

Financial liabilities are analysed by currency as follows:

31 MARCH 2017	USD	EUR	INR	AED
Loans and payables	-	-	22,295,979	-
Other payables and accrued expenses	-	2,863	-	-

31 MARCH 2016	USD	EUR	INR	AED
Loans and payables	-	-	42,799,129	-
Other payables and accrued expenses	-	4,780	-	-

31 MARCH 2015	USD	EUR	INR	AED
Loans and payables	-	-	40,575,804	-
Other payables and accrued expenses	-	3,224	-	-

Interest rate risk management

The Company's exposure to interest rate risk mainly concerns financial liabilities which are both fixed rate and floating rate. At present, the Company does not hold any interest-bearing loans and receivables.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropiate, as a means of mitigating the risk of financial loss from defaults. The Company only transact with entities of good credit rating. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

13. FINANCIAL INSTRUMENTS (Continued)

Financial risk management (Continued)

Credit risk management (Continued)

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

	Weighted average effective interest rate %	At Call USD	Less than 3 months USD	Within 1 year USD	1-5 years USD	5+ years USD	Total USD
31 MARCH 2017							
Interest free instruments	0%	-	-	-	-	12,488,798	12,488,798
31 MARCH 2016							
Variable interest rate instruments	12%	-	-	-	-	32,991,948	32,991,948
31 MARCH 2015							
Variable interest rate instruments	12%	-	-	-	-	32,972,948	32,972,948

Fair value of financial instruments

Except where stated elsewhere, the carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

14. FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with with Generally Accepted Accounting Principles applicable in India (Indian GAAP) and the requirements of the Mauritius Companies Act 2001.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. Since there is no material impact on transition, no adjustment has been made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

15. CONTINGENT LIABILITIES

The Company has no contingent liabilities at 31 March 2017.

16. CAPITAL COMMITMENTS

The Company has no capital commitments at 31 March 2017.