NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Audited Financial Statements

For the year ended 31 March 2020

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Audited Financial Statements
For the year ended 31 March 2020

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Corporate information

For the year ended 31 March 2020

		Date appointed	Date resigned
DIRECTORS :	Monica APPAVOO	20 June 2014	13 November 2019
	Yallapragada Dakshina Murphy	27 April 2006	07 May 2019
	Ravindranath RATHO	12 July 2017	-
	Michael Fabrice Desire DHACOO	13 November 2019	-

SECRETARY : Appavoo International Ltd
Appavoo Business Centre
29, Bis Mère Barthelemy Street
Port Louis
Republic of Mauritius

REGISTERED OFFICE : C/o Appavoo International Ltd
Appavoo Business Centre
29, Bis Mère Barthelemy Street
Port Louis
Republic of Mauritius

EXTERNAL 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
Republic of Mauritius

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2020.

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 period are shown on page 7.

The directors do not recommend the payment of dividend for the period under review (31 March 2019 : 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 International Financial Reporting Standards (IFRS) 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 International Financial Reporting Standards. 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.

By order of the Board

For Appavoo International Ltd

Date: 19 May 2020

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

SECRETARY'S CERTIFICATE

For the year ended 31 March 2020

Secretary's Certificate under section 166(d) of the Mauritius Companies Act 2001

We certify to the best of our knowledge and belief, that NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001.

Appavoo International Ltd
Company Secretary

Date: 19 May 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED (the "Company") set out on pages 8 to 28, which comprise the statement of financial position as at March 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance the requirements of the Mauritius Companies Act 2001 applicable to a company holding of a Category 1 Global Business Licence.

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 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.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate information, Commentary of directors and Certificate from the secretary 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.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act 2001 applicable to a company holding of a Category 1 Global Business Licence, as describe in note 2(a) to the financial statements and for such internal control as the directors 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, the directors are 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 the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 the directors.
- 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.
- 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of directors' 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'

We communicate with the directors 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.

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

Bhai Sehzad Hussein Bauboo, FCCA
Reporting partner
Licenced by Financial Reporting Council

Date: 19 May 2020

Statement of financial position
As at 31 March 2020

	Note	31 March 2020 USD	31 March 2019 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	4	220,964	5,431,577
Investments in associates	5	1,654,304	2,443,197
Other non-current assets	6	34,709,409	34,709,409
		36,584,677	42,584,183
Current assets			
Financial assets			
Short term loans and advances	7	10,475,107	10,475,107
Cash and cash equivalents		67,317	15,527
Other current assets	8	31,486	31,634
		10,573,910	10,522,268
Total assets		47,158,587	53,106,451
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the company			
Stated capital	9	26,875,080	26,875,080
Instruments entirely equity in nature			
Compulsory convertible debentures	10	20,596,720	20,596,720
Accumulated losses		(31,950,025)	(6,196,866)
Fair value reserves	11	(4,424,966)	(29,330,304)
		11,096,809	11,944,630
Non-current liabilities			
Financial Liabilities			
Borrowings	12	26,251,628	31,351,628
Current liabilities			
Financial Liabilities			
Accounts payables	13	2,969	3,012
Other financial liabilities	14	9,807,181	9,807,181
Taxation	15	-	-
		9,810,150	9,810,193
Total liabilities		36,061,778	41,161,821
Total equity and liabilities		47,158,587	53,106,451

These accounts were approved by the Board of Directors on 19 May 2020 and signed on its behalf by:-

Director

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Statement of comprehensive Income

For the year ended 31 March 2020

	Note	31 March 2020 USD	31 March 2019 USD
Income		-	741,759
Operating costs	16	(847,911)	(4,027,037)
Operating loss		(847,911)	(3,285,278)
Finance costs	16	-	-
Gain on exchange	16	90	199
Loss before taxation		(847,821)	(3,285,079)
Taxation	15	-	-
Loss after taxation		(847,821)	(3,285,079)
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 income for the year - net of tax		-	-
Total comprehensive loss for the year		(847,821)	(3,285,079)

Statement of changes in equity

For the year ended 31 March 2020

	Note	Stated capital	Accumulated losses	Instruments entirely equity in nature	Fair value reserves	Total equity
		USD	USD	USD	USD	USD
Restated equity at 01 April 2018		26,875,080	(2,772,679)	20,579,250	(29,330,304)	15,351,347
Effects of amalgamtion	23	-	(139,108)	-	-	(139,108)
Loss for the year		-	(3,285,079)	-	-	(3,285,079)
Issue of debentures		-	-	17,470	-	17,470
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	(3,424,187)	17,470	-	(3,406,717)
At 31 March 2019		26,875,080	(6,196,866)	20,596,720	(29,330,304)	11,944,630
01 April 2019		26,875,080	(6,196,866)	20,596,720	(29,330,304)	11,944,630
Loss for the year		-	(847,821)	-	-	(847,821)
Reclassification to accumulated losses		-	(24,905,338)	-	24,905,338	-
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive loss for the year		-	(25,753,159)	-	24,905,338	(847,821)
At 31 March 2020		26,875,080	(31,950,025)	20,596,720	(4,424,966)	11,096,809

Statement of cash flows

For the year ended 31 March 2020

	Note	31 March 2020 USD	31 March 2019 USD
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(847,821)	(3,285,079)
Adjusments for:			
Loss on disposal of investments		44,807	-
Negative goodwill on amalgamation		-	462,979
Provision for impairment in investment in associates		788,893	-
Operating loss before working capital changes		(14,121)	(2,822,100)
Decrease in accounts receivables		148	18,645,914
Increase / (decrease) in accounts payables		(43)	(296)
Net cash (used in) / generated from operating activities		(14,016)	15,823,518
Cash flow from investing activities			
Proceeds from disposal of investments		4,084,371	-
Dividend received		1,081,434	-
Net cash generated from investing activities		5,165,805	-
Cash flow from financing activities			
Net movement in loans receivable		-	(34,709,409)
Net movement in borrowings		(5,100,000)	18,862,830
Proceeds from issue of debentures		-	17,470
Net cash used in financing activities		(5,100,000)	(15,829,109)
Net change in cash and cash equivalents		51,789	(5,591)
Cash and cash equivalents at the beginning of the year		15,527	21,118
Cash and cash equivalents at the end of the year		67,317	15,527

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 years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

2. Summary of significant accounting policies (Continued)

2.2 Basis of measurement (Continued)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Company at the end of the reporting period during which the change occurred.

2.3 Changes in accounting policies

2.3.1 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- Prepayment Features with Negative Compensation – Amendments to IFRS 9
- Annual improvements to IFRS Standards 2015 – 2017 Cycle
- Interpretation 23 Uncertainty over Income Tax Treatments.

2.3.2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.4 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 statement of financial position.

2. Summary of significant accounting policies (Continued)

2.5 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.

2.6 Financial instruments

A. Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

B. Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs.
Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

I. amortised cost
II. fair value through profit or loss (FVTPL)
III. fair value through other comprehensive income (FVOCI)

The classification is determined by both:

I. the entity's business model for managing the financial asset
II. the contractual cash flow characteristics of the financial asset.

C. Subsequent measurement of financial assets

1. Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

I. they are held within a business model whose objective is to hold the financial assets and collect its contractual cashflows.
II. the contractual terms of the financial asstes give rise to cashflows that are solely payments of principal and interest on the principal amount outstanding.

2. Summary of significant accounting policies (Continued)

2.6 Financial instruments (Continued)

C. Subsequent measurement of financial assets (Continued)

1. Financial assets at amortised cost (Continued)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's short terms loans and advances, cash and cash equivalents and other receivables fall into this category of financial instruments.

The Company did not have any financial assets classified as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

2. Impairment of financial assets

IFRS 9 impairment requirements use more forward-looking information to recognise expected credit losses - 'the expected credit loss (ECL) model'. Losses are recognised in profit or loss.

3. Classification and measurement of financial liabilities

As the acccounting for financial liabilities remains largely the same under the IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9.

The Company's financial liabilities include borrowings and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest methos except for derivatives and financial liabitlities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

2.7 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial position within 'operating costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating costs' in the statement of financial position.

2. Summary of significant accounting policies (Continued)

2.8 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.

2.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of financial position over the period of the borrowings using the effective interest method.

2.10 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.

2.11 Accounts payables

Accounts payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company’s activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

2. Summary of significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.14 Dividend income

Dividend income from investments is accounted as and when the Company is entitled to receive such dividends.

2.15 Foreign currency

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.

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 statement of financial position 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 financial position.

2.16 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.

2.17 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.

2.18 Impairment of tangible and intangible excluding goodwill

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. Summary of significant accounting policies (Continued)

2.18 Impairment of tangible and intangible excluding goodwill (Continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial position, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial position, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.19 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) Determination of functional currency of the Company

As described in Note 2.15, 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. INVESTMENTS IN SUBSIDIARIES

	31 March 2020	31 March 2019
	USD	USD
Investments in subsidiaries	220,964	5,431,577

The directors consider the carrying amounts of investments in subsidiaries to represent their fair value.

The consolidated financial statements have not been prepared as required by IFRS 10 'Consolidated Financial Statements' since its ultimate parent produces consolidated financial statements that are available for public use and comply with IFRSs.

Details of the Company's investments in subsidiaries are as follows:

Name	Country of incorporation and operation	Business activity	Shareholdings	31 March 2020	31 March 2019
			%	USD	USD
Tellapur Technocity (Mauritius)	Republic of Mauritius	Investment Holding	94	-	5,210,613
Al Mubarakia Contracting Company Ltd	Dubai	Building Contracting	100	220,964	220,964
				220,964	5,431,577

Investment in Tellapur Technocity (Mauritius) was disposed during the year ended 31 March 2020.

5. INVESTMENTS IN ASSOCIATES

	31 March 2020	31 March 2019
	USD	USD
Investments in associates	1,654,304	2,443,197

Details of the Company's investments in associates are as follows:

Name	Country of incorporation and operation	Business activity	Shareholdings	31 March 2020	31 March 2019
			%	USD	USD
Himalayan Green Energy Pvt Ltd	India	Hydroelectric Power Plant	50	623,197	623,197
Apollonius Coal and Energy Pte Ltd	Singapore	Wholesale Trade & Mining Support Activities	27	1,820,000	1,820,000
Impairment				(788,893)	-
				1,031,107	1,820,000
TOTAL INVESTMENT IN ASSOCIATES				1,654,304	2,443,197

The directors consider the carrying amounts of investments in associates to represent their fair value.

6. OTHER NON-CURRENT ASSETS

	31 March 2020	31 March 2019
	USD	USD
Loans receivable from related parties (Note 17)		
At beginning of the year	34,709,409	34,709,409
Additions	-	-
At end of the year	34,709,409	34,709,409

None of the classes within long-term loans and advances contained impaired assets.

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

In July 2018, settlement agreements were entered among NCC Infrastructure Holding Mauritius Pte Ltd, NCC Limited, Nagarjuna Contracting Co LLC, Al Mubrakia Contracting Co. LLC, Nagarjuna Construction Company International LLC and NCC Urban Infrastructure Company Ltd to assign some assets and liabilities among these companies which form part of the NCC Group of companies.

7. SHORT-TERM LOANS AND ADVANCES

	31 March 2020	31 March 2019
	USD	USD
Loans receivable from related parties (Note 17)		
At beginning of the year	10,475,107	18,386,906
Netting off as per settlement agreements	-	(7,911,799)
At end of the year	10,475,107	10,475,107

None of the classes within short-term loans and advances contained impaired assets.

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

8. OTHER CURRENT ASSETS

	31 March 2020	31 March 2019
	USD	USD
Interest receivable from related parties (Note 17)		
At beginning of the year	-	10,865,951
Netting off	-	(10,865,951)
At end of the year	-	-
Other receivables and prepayments	31,486	31,634
Total other current assets	31,486	31,634

9. STATED CAPITAL

	31 March 2020	31 March 2019
	USD	USD
Issued and fully paid 2,687,508 ordinary share of USD 10 each	26,875,080	26,875,080

The ordinary shares holder carries voting rights and has equal rights on distribution of income and capital and has no rights to fixed income.

Nagarjuna Construction Company Limited is the sole shareholder of the Company.

10. INSTRUMENTS ENTIRELY EQUITY IN NATURE

	31 March 2020	31 March 2019
	USD	USD
Compulsorily convertible debentures		
At the beginning of the year	20,596,720	20,579,250
Additions	-	17,470
At the end of the year	20,596,720	20,596,720

(a) Compulsorily Convertible Debentures - Unsecured

Description

The above closing balances consist of loans and advances (Unsecured) from shareholder 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)

Terms

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.

11. FAIR VALUE RESERVES

	31 March 2020	31 March 2019
	USD	USD
At beginning and end of the year	(4,424,966)	(29,330,304)

12. BORROWINGS

	31 March 2020	31 March 2019
	USD	USD
Non-current		
Loans and advances from shareholder (Unsecured)		
At the beginning of the year	31,351,628	12,488,798
Repayment/Additions as per settlement agreements	(5,100,000)	18,862,830
At end of the year	26,251,628	31,351,628

In July 2018, settlement agreements were entered among NCC Infrastructure Holding Mauritius Pte Ltd, NCC Limited, Nagarjuna Contracting Co LLC, Al Mubrakia Contracting Co. LLC, Nagarjuna Construction Company International LLC and NCC Urban Infrastructure Company Ltd to assign some assets and liabilities among these companies which form part of the NCC Group of companies.

13. ACCOUNTS PAYABLES

	31 March 2020	31 March 2019
	USD	USD
Accrued expenses	2,969	3,012

14. OTHER CURRENT LIABILITIES

Interest payable to shareholder	9,807,181	9,807,181

15. TAXATION

Statement of financial position		
Current tax on chargeable income for the year	-	-
Statement of profit or loss and other comprehensive income		
Current tax on chargeable income for the year	-	-
Tax expense reconciliation		
Loss before taxation	(847,821)	(3,285,079)
Tax at the applicable rate of 15%	(127,173)	(492,762)
Adjustment for non-allowable expenses	6,661	601,212
Exempt income	-	(111,264)
Unused tax losses	2,178	2,814
Tax charge for the year	-	-

16. ANALYSIS OF EXPENSES BY NATURE

	31 March 2020	31 March 2019
	USD	USD
Licence fee	2,299	2,397
Legal and professional fees	8,618	11,902
Audit fees	2,416	3,951
Bank charges	878	710
Exchange gain	(90)	(199)
Negative goodwill on amalgamation	-	462,979
Impairment of receivables	-	3,545,098
Loss on disposal of investment	44,807	-
Provision for impairment of investment in associates	788,893	-
	847,821	4,026,838

17. RELATED PARTY TRANSACTIONS

(a) Holding company

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

(b) Subsidiaries

(i) 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 50% holding.

(ii) Apollonius Coal and Energy Pte Ltd, a company incorporated in the Republic of Singapore, is an associate with a 27% holding.

(d) Companies controlled by the directors

(i) Nagarjuna Contracting Co. International LLC Muscat (Oman) is considered related party in view of the control exercised thereon by the ultimate owners of the company.

(e) Transactions entered with related parties

	31 March 2020	31 March 2019
	USD	USD
Receivables		
NCC Urban Infrastructure Company Limited	34,709,409	34,709,409
NCC International LLC Muscat	10,475,107	10,475,107
	45,184,516	45,184,516

18. 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 31 March 2019.The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 12, 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 company was not geared for the years ended 31 March 2020 and 31 March 2019 since it did not have any external debts.

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.

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

	31 March 2020	31 March 2019
	USD	USD
FINANCIAL ASSETS		
Cash and cash equivalents	67,317	15,527
Loans and receivables	45,184,516	45,184,516
	45,251,833	45,200,043
FINANCIAL LIABILITIES		
Borrowings	26,251,628	31,351,628
Other payables and accruals	9,810,150	9,810,193
	36,061,778	41,161,821

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.

18. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

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 2020	USD	EUR	OMR	AED
Loans and receivables	-	-	10,475,107	34,709,409
Cash and cash equivalents	67,317	-	-	-

31 MARCH 2019	USD	EUR	OMR	AED
Loans and receivables	-	-	10,475,107	34,709,409
Cash and cash equivalents	15,527	-	-	-

Financial liabilities are analysed by currency as follows:

31 MARCH 2020	USD	EUR	INR	AED
Loans and payables	-	-	36,058,809	-
Other payables and accruals	-	2,969	-	-

31 MARCH 2019	USD	EUR	INR	AED
Loans and payables	-	-	41,158,809	-
Other payables and accruals	-	3,012	-	-

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.

18. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

Credit risk management

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.

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	1-5 years USD	5+ years USD	Total USD
31 MARCH 2020					
Interest-free instruments	0%	26,251,628	-	-	26,251,628
31 MARCH 2019					
Interest-free instruments	0%	31,351,628	-	-	31,351,628

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.

19. CONTINGENT LIABILITIES

The Company has no contingent liabilities at 31 March 2020.

20. CAPITAL COMMITMENTS

The Company has no capital commitments at 31 March 2020.

21. HOLDING COMPANY

The directors regard Nagarjuna Construction Company Limited, a company incorporated in the Republic of India , as its holding company.

22. EVENTS AFTER THE REPORTING PERIOD

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion, affect supply chains or otherwise impact our businesses. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The impact of the Coronavirus outbreak on our business is unclear yet and we are monitoring the situation closely. Risk mitigating actions are being taken.

23. BUSINESS COMBINATION

On 01 July 2018, a merger was implemented between NCC Infrastructure Holdings Mauritius Pte Limited and Liquidity Limited. The details are as follows:

Outline of the transaction

Name of the Surviving Company:	NCC Infrastructure Holdings Mauritius Pte Limited
Business Activity:	Investment Holding
Name of the Dissolved Company:	Liquidity Limited
Business Activity:	Investment Holding
Date of Merger:	01 July 2018
Legal Form of the Merger:	An Absortion-type NCC Infrastructure Holdings Mauritius Pte Limited as the Surviving Company.
Name of the Entity after the Merger:	NCC Infrastructure Holdings Mauritius Pte Limited

23. BUSINESS COMBINATION (CONTINUED)

Outline of accounting treatments implemented

The transactions were implemented as a business combination under common control, based on IFRS 3 - Business Combination.

The assets and liabilities recognised as a result of the merger are as follows:

	Fair value USD
Trade and other receivables	6,413
Investment in associate - Himalayan Green Energy Pvt Ltd	119,458
Investment in subsidiaries - Liquidity Limited	(589,896)
Receivable from subsidiary - Liquidity Limited	(137,124)
Trade and other payables	(938)
	(602,087)