



**NCC INFRASTRUCTURE HOLDINGS
MAURITIUS PTE LIMITED**

AUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021



NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED
Audited Financial Statements
For the year ended 31 March 2021

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Corporate information

For the year ended 31 March 2021

		Date appointed
DIRECTORS :	Louis Clensy APPAVOO	20 June 2014
	Ravindranath RATHO	12 July 2017
	Michael Fabrice Desire DHACOO	13 November 2019
ADMINISTRATOR and 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	
AUDITOR :	SM & CO Chartered Certified Accountants Level 4, Belfort Tower Corner Dauphine and Joseph Riviere Street Port Louis Republic of Mauritius	
BANKER :	SBI (MAURITIUS) LTD 34, Sir William Newton Street, Port Louis Republic of Mauritius	

Commentary of the directors
For the year ended 31 March 2021

The directors present their report and the audited financial statements of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED (the 'Company') for the year ended 31 March 2021.

Principal activity

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.

Statement of directors' responsibilities in respect of the financial statements

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position as at 31 March 2021 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with applicable accounting standards and in compliance with the requirements of the Mauritius Companies Act 2001.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements. The directors are responsible for the preparation and presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 2 (a) to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Auditor

The auditor, SM & CO, has been appointed during the year and has expressed their willingness to continue in office and their appointment will be proposed at the next Annual General Meeting in accordance with section 200(1) of the Mauritius Companies' Act 2001.

By order of the Board


For Appavoo International Ltd

Date: 27/05/2021

Certificate from the Secretary

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 for the year ended 31 March 2021.


.....
Appavoo International Ltd
Company Secretary



Date: 27/05/2021

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Independent Auditor's report

To the shareholder of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

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 9 to 28, which comprise the statement of financial position as at 31 March 2021, 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 give a true and fair view of the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with 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 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.

Key Audit Matter

1. Non-current and current receivables

Recoverability of receivables from related parties – Note 6 and 7

Non-current and current receivables from related parties for year ended 31 March 2021 totalled USD 45,184,516 for the Company. The main risks identified relate to the high value of the items and their recoverability and the proper application of IFRS 9 to these receivables. Also, the impact that the Covid 19 outbreak may have on the recoverability of these receivables is unclear yet.

Our audit procedures included the review of management's evaluation on the recoverability of these receivables and substantiation of cash flow projections relied upon by management and the assessment of the design and implementation of key controls around the monitoring of recoverability. Our opinion is not modified in respect of this matter.

Independent Auditor's report

To the shareholder of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Other Information

The directors are responsible for the other information. The other information comprises the Corporate information, Commentary of the 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.

Independent Auditor's report

To the shareholder of NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

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

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.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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 auditor;
- 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.

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

Use of report

This report is made solely for the Company's shareholder, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.


SM & CO
Chartered Certified Accountants
Port Louis


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

Date: 27 May 2021

Statement of financial position

As at 31 March 2021

	Note	31 March 2021 USD	31 March 2020 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	4	-	220,964
Investments in associates	5	1,031,107	1,654,304
Other non-current assets	6	34,709,409	34,709,409
		<u>35,740,516</u>	<u>36,584,677</u>
Current assets			
Financial assets			
Short term loans and advances	7	10,475,107	10,475,107
Other current assets	8	31,499	31,486
Cash and cash equivalents		64,480	67,317
		<u>10,571,086</u>	<u>10,573,910</u>
Total assets		<u><u>46,311,602</u></u>	<u><u>47,158,587</u></u>
EQUITY AND LIABILITIES			
Equity			
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		(32,797,193)	(31,950,025)
Fair value reserves	11	(4,424,966)	(4,424,966)
		<u>10,249,641</u>	<u>11,096,809</u>
Non-current liability			
Financial Liabilities			
Borrowings	12	26,251,628	26,251,628
Current liabilities			
Financial Liabilities			
Other payables	13	3,152	2,969
Other financial liabilities	14	9,807,181	9,807,181
		<u>9,810,333</u>	<u>9,810,150</u>
Total liabilities		<u><u>36,061,961</u></u>	<u><u>36,061,778</u></u>
Total equity and liabilities		<u><u>46,311,602</u></u>	<u><u>47,158,587</u></u>

These accounts were approved by the Board of Directors on ~~27/05/2021~~ and signed on its behalf by:-



Director

The notes set out on page 13 to 28 form an integral part of these financial statements.
Independent Auditor's report on pages 5 to 8

Statement of profit or loss and other comprehensive Income

For the year ended 31 March 2021

	Note	31 March 2021 USD	31 March 2020 USD
Income		-	-
Administrative expenses	16	(14,555)	(14,121)
Operating loss		(14,555)	(14,121)
Gain / (loss) on disposal of investments		11,548	(44,807)
Provision for impairment of investments	4 - 5	(844,161)	(788,893)
Loss before taxation		(847,168)	(847,821)
Taxation	15	-	-
Loss after taxation		(847,168)	(847,821)
Other comprehensive income		-	-
Total comprehensive loss for the year		(847,168)	(847,821)

The notes set out on page 13 to 28 form an integral part of these financial statements.
Independent Auditor's report on pages 5 to 8

Statement of changes in equity

For the year ended 31 March 2021

	Stated capital USD	Accumulated losses USD	Instruments entirely equity in nature USD	Fair value reserves USD	Total equity USD
Restated equity at 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
01 April 2020	26,875,080	(31,950,025)	20,596,720	(4,424,966)	11,096,809
Loss for the year	-	(847,168)	-	-	(847,168)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	(847,168)	-	-	(847,168)
At 31 March 2021	26,875,080	(32,797,193)	20,596,720	(4,424,966)	10,249,641

The notes set out on page 13 to 28 form an integral part of these financial statements.
Independent Auditor's report on pages 5 to 8

Statement of cash flows

For the year ended 31 March 2021

	31 March 2021	31 March 2020
	USD	USD
Cash flow from operating activities		
Loss before taxation	(847,168)	(847,821)
Adjustments for:		
Loss on disposal of investments	-	44,807
Provision for impairment in investments	844,161	788,893
Operating loss before working capital changes	(3,007)	(14,121)
(Increase)/ decrease in current assets	(13)	148
Decrease in other payables	183	(43)
Net cash used in operating activities	(2,837)	(14,016)
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 borrowings	-	(5,100,000)
Net cash used in financing activities	-	(5,100,000)
Net change in cash and cash equivalents	(2,837)	51,789
Cash and cash equivalents at the beginning of the year	67,317	15,527
Cash and cash equivalents at the end of the year	64,480	67,317

The notes set out on page 13 to 28 form an integral part of these financial statements.
Independent Auditor's report on pages 5 to 8

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Notes to the financial statements

For the year ended 31 March 2021

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 C/o 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. 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

(a) Statement of compliance

The Company has subsidiaries and in accordance with International Financial Reporting Standards is required to present consolidated financial statements. In accordance with the Fourteenth Schedule of the Mauritius Companies Act 2001, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company and, in accordance with Section 211 of the Mauritius Companies Act 2001, Content and form of financial statements, these financial statements present the financial position, financial performance and cash flow of the Company. Because the Company is a holder of a Category 1 Global Business Licence and is a wholly owned subsidiary of another company, these financial statements are prepared in accordance with Mauritius Companies Act 2001 which allows the use of International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board (IASB), except for the standard applicable to Consolidated Financial Statements (IFRS 10).

(b) Basis of measurement

The financial statements have been prepared on the going concern basis using the historical cost convention except as otherwise stated.

(c) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollar ('USD'), which is the Company's functional and presentation currency.

(d) New and amended standards and interpretations

- *New and amended standards adopted by the Company*

Definition of material -Amendmentsto IAS 1 and IAS 8 (effective for the annual periods beginning on or after 1 January 2020)- This has no impact on the Company.

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Notes to the financial statements

For the year ended 31 March 2021

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(d) New and amended standards and interpretations (Continued)

Revised conceptual Framework for financial reporting (effective for the annual periods beginning on or after 1 January 2020) - This has no impact on the Company.

- *New standards and interpretations not yet adopted*

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2021 and which have not been adopted in these financial statements.

- *New standards and interpretations not yet adopted (Continued)*

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

Classification of Liabilities as current or non-current -Amendments to IAS 1 (effective for the annual periods beginning on or after 1 January 2022 possibly deferred to 01 January 2023).

2.2 Investment in subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated at cost less impairment in the Company's financial statements. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

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.

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Notes to the financial statements

For the year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.4 Financial instruments

Trade and other receivables

a. Classification

Trade and other receivables, excluding, when applicable, prepayments, are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

b. Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Other payables

a. Classification

Other payables excluding amounts received in advance are classified as financial liabilities subsequently measured at amortised cost.

They are subsequently measured at amortised cost using the effective interest method.

b. Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Notes to the financial statements

For the year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.4 Financial instruments (Continued)

Borrowings

All borrowings are initially measured at fair value of consideration received, net of directly attributable transaction cost. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

a. Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b. Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of financial assets

The Company has not recognised any loss allowance for expected credit losses on cash and cash equivalents that are measured at amortised cost as the Company holds in cash and cash equivalents in reputable banking institutions. The Company has adopted a formal write off policy for financial assets. This has resulted in no previously recognised impairment provisions against the credit quality of the financial assets held at amortised cost.

(a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Notes to the financial statements

For the year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.4 Financial instruments (Continued)

Impairment of financial assets (Continued)

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- 1) The financial instrument has a low risk of default;
- 2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- 3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(b) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

(c) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(d) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

The assessment of the ECL of a financial asset or portfolio of financial assets entails estimations of the likelihood of defaults occurring and of default correlations between counterparties. The Company measures ECL using probability of default (PD), exposure at default (EAD) and loss given default (LGD). These three components are multiplied together and adjusted for the likelihood of default.

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Notes to the financial statements

For the year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.4 Financial instruments (Continued)

Impairment of financial assets (Continued)

The calculated ECL is then discounted using the original effective-interest rate of the financial asset. If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

2.5 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.

2.6 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.

2.7 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

NCC INFRASTRUCTURE HOLDINGS MAURITIUS PTE LIMITED

Notes to the financial statements

For the year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.8 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.

2.9 Related parties

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

A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2.10 Expenses recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accruals basis.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgments that have the most effect on the amounts recognized in the financial statements.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. The directors have considered those factors therein and have determined that the functional currency of the Company is USD.

Notes to the audited financial statements

For the year ended 31 March 2021

4. INVESTMENTS IN SUBSIDIARY	31 March 2021	31 March 2020
	USD	USD
Investments in subsidiary	-	220,964

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 2021	31 March 2020
				USD	USD
Al Mubarakia Contracting Company Ltd	Dubai	Building Contracting	100	220,964	220,964
Provision for impairment				(220,964)	-
				-	220,964

5. INVESTMENTS IN ASSOCIATES	31 March 2021	31 March 2020
	USD	USD
Investments in associates	1,031,107	1,654,304

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

Name	Country of incorporation and operation	Business activity	Shareholdings %	31 March 2021	31 March 2020
				USD	USD
Himalayan Green Energy Pvt Ltd	India	Hydroelectric Power Plant	50	623,197	623,197
Provision for impairment				(623,197)	-
				-	623,197
Apollonius Coal and Energy Pte Ltd	Singapore	General Wholesale Trade & Mining Support Activities	27	1,820,000	1,820,000
Provision for impairment				(788,893)	(788,893)
				1,031,107	1,031,107

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

Notes to the audited financial statements

For the year ended 31 March 2021

6. OTHER NON-CURRENT ASSETS	31 March 2021	31 March 2020
	USD	USD
<u>Loans receivable from related parties (Note 17)</u>		
At beginning and 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.

7. SHORT-TERM LOANS AND ADVANCES	31 March 2021	31 March 2020
	USD	USD
<u>Loans receivable from related parties (Note 17)</u>		
At beginning and 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 2021	31 March 2020
	USD	USD
Share application money	30,000	30,000
Prepayments	1,499	1,486
Total other current assets	31,499	31,486

The carrying amount of other receivables approximate their fair value.

9. STATED CAPITAL	31 March 2021	31 March 2020
	USD	USD
Issued and fully paid 2,687,508 ordinary share of USD 10 each	26,875,080	26,875,080

Each of the above shares confers to its holder the following rights:

- a) the right to vote on a poll for every share held at a meeting of the Company on any resolution;
- b) the right to an equal share in dividends authorised by the board; and
- c) the right to an equal share in the distribution of the surplus assets of the Company.

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

Notes to the audited financial statements

For the year ended 31 March 2021

10. INSTRUMENTS ENTIRELY EQUITY IN NATURE	31 March 2021	31 March 2020
	USD	USD
Compulsorily convertible debentures		
At beginning and 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 2021	31 March 2020
	USD	USD
At beginning and end of the year	(4,424,966)	(4,424,966)

12. BORROWINGS	31 March 2021	31 March 2020
	USD	USD
Non-current		
<u>Loans and advances from related party (Unsecured)</u>		
At the beginning of the year	26,251,628	31,351,628
Repayment/Additions as per settlement agreements	-	(5,100,000)
At end of the year	26,251,628	26,251,628

13. OTHER PAYABLES	31 March 2021	31 March 2020
	USD	USD
Accrued expenses	3,152	2,969

The carrying amount of the other payables approximate their fair values.

Notes to the audited financial statements

For the year ended 31 March 2021

14. OTHER CURRENT LIABILITIES	31 March 2021	31 March 2020
	USD	USD
Interest payable to shareholder	9,807,181	9,807,181

15. TAXATION

Statement of financial position

Current tax on chargeable income for the year

-	-
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Statement of profit or loss and other comprehensive income

Current tax on chargeable income for the year

-	-
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The Company holds a Category 1 Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

Capital gains are outside the scope of the Mauritian tax while trading profits made by the Company from the sale of shares are exempt from tax.

Reconciliation of effective tax	31 March 2021	31 March 2020
	USD	USD
Loss before taxation	(847,168)	(847,821)
Tax at the applicable rate of 15%	(127,075)	(127,173)
Adjustment for non-allowable expenses	126,624	6,661
Unused tax losses	451	120,512
Tax charge for the year	-	-

Notes to the audited financial statements

For the year ended 31 March 2021

16. ANALYSIS OF EXPENSES BY NATURE

	31 March 2021	31 March 2020
	USD	USD
Licence fee	2,371	2,299
Legal and professional fees	8,654	8,618
Audit fees	2,565	2,416
Bank charges	920	878
Exchange loss / (gain)	45	(90)
	<u>14,555</u>	<u>14,121</u>

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) Subsidiary

(i) Al Mubarakia Contracting Co. LLC, a company incorporated in Dubai, is the subsidiary with a 100 % holding of NCC Infrastructure 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 2021	31 March 2020
	USD	USD
Receivables		
NCC Urban Infrastructure Company Limited	34,709,409	34,709,409
NCC International LLC Muscat	10,475,107	10,475,107
	<u>45,184,516</u>	<u>45,184,516</u>

18. FINANCIAL INSTRUMENTS

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Notes to the audited financial statements

For the year ended 31 March 2021

18. FINANCIAL INSTRUMENTS (CONTINUED)

Capital risk management (Continued)

	31 March 2021	31 March 2020
	USD	USD
The gearing ratio at the year end was as follows:		
Debt (i)	26,251,628	26,251,628
Cash and cash equivalents	64,480	67,317
Net debt	26,316,108	26,318,945
Equity (ii)	11,093,802	11,096,809
Net debt to equity ratio	0.42	0.42

(i) Debt includes shareholder loan

(ii) Equity includes capital and accumulated losses.

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 and interest rate risk), credit risk and liquidity risk.

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

	31 March 2021	31 March 2020
	USD	USD
FINANCIAL ASSETS		
Cash and cash equivalents	64,480	67,317
Other financial assets at amortised cost	45,184,516	45,184,516
Other current assets	30,000	30,000
	45,278,996	45,281,833
FINANCIAL LIABILITIES		
Borrowings	26,251,628	26,251,628
Other payables	9,810,333	9,810,150
	36,061,961	36,061,778

18. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

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 2021	USD	EUR	OMR	AED
Other financial assets at amortised costs	-	-	10,475,107	34,709,409
Cash and cash equivalents	64,480	-	-	-
Other current assets	30,000	-	-	-
31 MARCH 2020	USD	EUR	OMR	AED
Other financial assets at amortised costs	-	-	10,475,107	34,709,409
Cash and cash equivalents	67,317	-	-	-
Other current assets	30,000	-	-	-

Financial liabilities are analysed by currency as follows:

31 MARCH 2021	USD	EUR	INR	AED
Borrowings	-	-	26,251,628	-
Other payables	-	3,152	9,807,181	-
31 MARCH 2020	USD	EUR	INR	AED
Borrowings	-	-	26,251,628	-
Other payables	-	2,969	9,807,181	-

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.

18. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

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 appropriate, 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.

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 tables

	Weighted average effective interest rate	At Call USD	1-5 years USD	5+ years USD	Total USD
31 MARCH 2021					
Borrowings	0%	<u>26,251,628</u>			<u>26,251,628</u>
31 MARCH 2020					
Borrowings	0%	<u>26,251,628</u>			<u>26,251,628</u>

18. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

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 2021.

20. CAPITAL COMMITMENTS

The Company has no capital commitments at 31 March 2021.

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

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 December 2020.

23. IMPACT OF COVID-19

As at the date of approval of these financial statements, the COVID-19 crisis is still un-folding, and there will be some uncertainty remaining around the accurate assessment of the full impact of COVID-19 crisis or any prediction regarding the future course of events that would arise due to the COVID-19 crisis.

The directors have made an assessment of the Company as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these annual financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.