



S. K. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306033E

SUITE NOS : 606-608

THE CHAMBERS, OPP. GITANJALI STADIUM

1865, RAJDANGA MAIN ROAD, KASBA

KOLKATA - 700 107

PHONE : 033-4008 9902/9903/9904

FAX : 033-40089905, Website : www.skagrawal.co.in

Independent Auditors' Report

To the Members of AA INFRA (MIDDLE EAST) LIMITED

Report on the Ind AS Financial Statements

We have checked the accompanying Ind AS Financial Statements of **AA INFRA (MIDDLE EAST) LIMITED** ("the Company") incorporated at UAE, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Statement of other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information being made in accordance with the requirements of Indian Companies Act ("the Indian Act") from the audited accounts of the company under the statute of the country of its incorporation which have been relied upon by us.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

The Audit was conducted under the statute of country of incorporation of the company, by the local auditor at UAE in AED currency, followed by our further check of true and fairness of accounts drawn up in terms of requirement of Indian Act. Management has prepared Financial Statements based on the audited accounts in accordance with the provisions of the Indian Act, in Indian Rupees. We have checked the financial statements prepared by management in Indian currency.

We did not audit the financial statements of the Company. These financial statements were audited by the local auditor whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.



Branch Office : C/o. SKNINDUSTRIAL HOUSE, 320/160, SHYAMSHANTI MARKET, 3RD FLOOR, ROOM NO. 320, AJMERI GATE, DELHI-110 006, PH. : 011-2321-9505/9506
A701, EXPRESS ZONE BUILDING, WESTERN EXPRESS HIGHWAY, GORGAON EAST (NEAR OBEROI MALL) MUMBAI - 400 063

HIG-2/121, SATYASI ENCLAVE, KHANDAGIRI, BHUBANESWAR, ORISSA-751 030

488/2, ADARSH NAGAR, DURGA MANDIR ROAD, HIRAPUR, DHANBAD - 826 001, ☎ : 94301 36226

591, MITRA COMPOUND, BORING ROAD, PATNA-800 001, ☎ : 99035 90022



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We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its Profit including Statement of other comprehensive income, and its Cash Flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the company.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our checking.
 - (b) In our opinion and based on the audit report of local auditor, proper books of account as required by law have been kept by the Company.
 - (c) In our opinion and based on the audit report of local auditor, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we have not audited the internal financial controls over financial reporting since our report is solely based on the audited financial statements.





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(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There is no such sum which needs to be transferred, to the Investor Education and Protection Fund by the Company.

For S.K.Agrawal & Co.

Chartered Accountants

Firm Registration No.-306033E

(J.K. Choudhury)

Partner

Membership No. 9367

Place: Kolkata

Dated: 27th June, 2018



AA INFRA (MIDDLE EAST) LIMITED
Balance Sheet as at 31st March 2018

	Notes	Amount in INR As at 31.03.2018
ASSETS		
Non-Current Assets		
Financial Assets		
(a) Investments	4	1,306,830
(b) Loans	5	580,429,781
		<u>581,736,611</u>
Current Assets		
Financial Assets		
(a) Loans	5	240,657,293
(b) Cash and Cash Equivalents	7	4,878,204
(c) Other Financial Assets	6	27,414,339
		<u>272,949,835</u>
Total Assets		<u><u>854,686,447</u></u>
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	8	1,277,200
Other Equity	9	3,659,215
Total Equity		<u>4,936,415</u>
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(a) Borrowings	10	820,802,750
		<u>820,802,750</u>
Current Liabilities		
Financial Liabilities		
(a) Other Financial Liabilities	11	28,947,282
		<u>28,947,282</u>
Total Liabilities		<u>849,750,032</u>
Total Equity and Liabilities		<u><u>854,686,447</u></u>

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

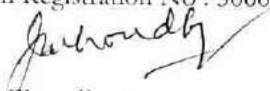
As per our report of even date

In terms of our attached report of even date

For **S. K. AGRAWAL & Co.**

Chartered Accountants

Firm Registration No : 306033E


J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **27 JUN 2018**





Director


Director

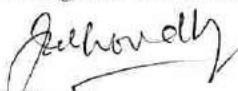
AA INFRA (MIDDLE EAST) LIMITED

Statement of Profit & Loss for the year ended March 31, 2018

		Amount in INR
	Notes	2017-18
Other Income		
Other Income	13	33,504,381
Total Income		33,504,381
Expenses		
Finance Costs	14	28,304,564
Other Expenses	15	639,927
Total Expenses		28,944,491
Profit Before Tax		4,559,890
Tax Expense		
Current Tax		-
Deferred Tax		-
Profit for the Year (I)		4,559,890
Other Comprehensive Income:		
Items that will be reclassified to profit or loss in subsequent periods:		
Exchange differences on translating financial statements of a foreign operation		(900,675)
Total Other comprehensive income/(loss) for the year, net of tax (II)		(900,675)
Total comprehensive income for the year, net of tax (I + II)		3,659,215
Earnings per Equity Share	16	
Basic & Diluted		227.99
Significant accounting policies	3	
The accompanying notes are an integral part of the financial statements.		
As per our report on even date		

In terms of our attached report of even date

For **S. K. AGRAWAL & Co.**
Chartered Accountants
Firm Registration No : 306033E


J.K. Choudhury
Partner

Membership No-9367
Place: Kolkata

Dated: 27 JUN 2018




Director


Director

AA INFRA (MIDDLE EAST) LIMITED

Statement of Changes in Equity for the year ended 31 March 2018**a. Equity Share Capital:**

Equity shares of RS. 65.86 each issued, subscribed and fully paid

As at 23 July 2017

Issue of share capital

At 31 March 2018

No. of shares	Amount in INR
-	-
20,000	1,277,200
20,000	1,277,200

b. Other equity

For the year ended 31 March 2018

Amount in INR

Particulars	Reserve & Surplus		Items of OCI	Total Equity
	Retained Earnings	General Reserve	Exchange differences on translating financial statements of a foreign operation	
As at 23 July 2017	-	-	-	-
Profit for the year	4,559,890	-	-	4,559,890
Other comprehensive income for the year	-	-	(900,675)	(900,675)
Total Comprehensive Income for the year	4,559,890	-	(900,675)	3,659,215
As at 31 March 2018	4,559,890	-	(900,675)	3,659,215

As per our report on even date

In terms of our attached report of even date

For **S. K. AGRAWAL & Co.**

Chartered Accountants

Firm Registration No : 3060331

J.K.Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: 27 JUN 2018



Director



Director



AA INFRA (MIDDLE EAST) LIMITED

Statement of Cash Flows for the year ended 31 March 2018

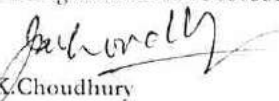
		Amount in INR
Particulars		March 31,2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax		4,559,890
Adjustment to reconcile profit before tax to net cash flow		
Finance Cost		28,304,564
Interest and other non operating Income		(33,504,381)
Operating profit before working capital changes		(639,927)
Adjustments for-		
Other financial liabilities		84,039
Amounts due to related parties		558,679
Cash generated in operations		2,791
Income Tax Paid (net of refund)		-
Net Cash inflow from Operating Activities		2,791
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Unsecured loan to related parties		(580,429,781)
Other loans to related parties		(240,657,293)
Investment in Subsidiaries companies		(1,306,830)
		(822,393,904)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Capital introduced		1,277,200
Foreign exchange gain		6,336,307
Unsecured loan from Shareholders		820,802,750
Net cash flow from Financing Activities		828,416,257
D. Effect of Changes in Foreign Exchange Translation reserve		
		(1,146,940)
Net Increase in cash and cash equivalents (A+B+C+D)		4,878,204
Cash and Cash Equivalents at the beginning of the year (Refer note-7)		-
Cash and Cash Equivalents at the end of the year (Refer note-7)		4,878,204

In terms of our attached report of even date

For S. K. AGRAWAL & Co.

Chartered Accountants

Firm Registration No : 306033E



J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: 27 JUN 2018




Director



Director

AA INFRA (MIDDLE EAST) LIMITED

Statement of Cash Flows for the year ended 31 March 2018 (Contd.)

Notes :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

(b)

Particulars	Amount in INR
	As at 31.03.2018
Cash and Cash Equivalants comprises of	
Cash in hand	-
Balances with banks:	
- On current accounts	4,878,204
- Deposits with original maturity of less than three months	-
Cash and Cash Equivalants in Cash Flow Statement	4,878,204

(c) Amendment to Ind AS 7

The amendments to Ind As - 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes suggesting inclusion of a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities to meet the disclosures requirement. This amendment has become effective from 01.04.2017 and the required discloser is made below. There is no other impact on the financial statements due to this amendment.

Particulars	As at 23.07.2017	Cash Flow	Non - Cash Changes		As at 31.03.2018
			Fair Value Changes	Current/ Non - Current Classification	
Borrowings - Non Current	-	820,802,750	-	Non current	820,802,750

As per our report of even date

For S. K. AGRAWAL & Co.

Chartered Accountants

Firm Registration No : 329088IE

J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: 7 7 JUN 2018

[Signature]
Director

[Signature]
Director



1. Corporate Information

AA Infra(Middle East) Limited (referred to as "the Company") is (a wholly owned subsidiary of M/S A A Infraproperties Pvt Ltd, a company incorporated in India) incorporated in United Arab Emirates having its principal place of business in Abu Dhabi, the registered office of the company is located at 3507, 35th floor, AL Maqam Tower, Abu Dhabi Global Market Square Al Maryah island, Abu Dhabi, United Arab Emirates have been made as per requirement of Indian Companies Act in due adherence to section 129 of the companies Act 2013 applicable in India .

2. Basis of Preparation of financial statements

a) Compliance with INDAS

The accounts of the Company have been made as per requirement of Indian Companies Act in due adherence to section 129 of the companies Act 2013. These financial statements for the year ended 31st March 2018 are the first financial statements which the Company has converted in accordance with Indian Accounting Standards ("Ind AS") including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent possible.

Translation of treatment of various heads of accounts has been done in accordance with Indian Accounting Standards("Ind AS") including the Ind AS specified under Section 133 of the Act read with the Companies(Indian Accounting Standards) Rules, 2015, as amended, to the extent possible.

Presentation of accounts are in terms of Schedule III to the Companies Act, 2013 including disclosure of necessary information as laid down under section 129 of Companies Act, 2013

b) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with the accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis, except for certain assets and liabilities which have been measured at fair values as explained in relevant accounting principles.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3. Summary of Significant Accounting Policies

3.1. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current- noncurrent classification of assets and liabilities.



3.2. Foreign Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency- AED'). The financial statements are translated in Indian Rupee (INR). Translation of accounts of the body corporate from the currency of country of its Incorporation AED to Indian Rupee are as follows :

- a) Current assets have been recognised in accounts at exchange rate prevailing at the year – end.
- b) All outside liabilities have been recognised in accounts at exchange rate prevailing at the year end.
- c) Income and expenses have been recognised in accounts at weighted average of exchange rate prevailing at the beginning and the end of each month.
- d) Equity Shares has been recognised in accounts at the exchange rate prevailing at the time of their issuance.
- e) Resultant gain/ loss because of above is accounted for in the balance sheet as “Foreign Exchange Translation Reserve”

3.3. Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.4. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.5. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalent, cash and short term deposits as defined above is net off outstanding bank overdrafts as they considered an integral part of the company's cash management.

3.6. Revenue and Other Income

Interest Income is recognised using the effective interest method and is included under the head 'Other Income' in the Statement of Profit and Loss.

Dividend Income is recognised when the Company's right to receive dividend is established.

All other incomes are recognised on accrual basis.

3.7. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.8. Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

3.9. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

3.10. Financial Instruments

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

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

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

- a. Debt instruments at amortised cost
- b. Equity instruments measured at fair value through other comprehensive income FVTOCI



Debt instruments at amortised cost other than derivative contracts

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS as set out in Note 21. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

iv. Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.



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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

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

B. Financial liabilities

i. Initial recognition and measurement

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

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



ii. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful debts.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year. The amounts are generally unsecured. Trade and other payables are presented as current liabilities unless payment is not due within the Company's operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



Financial guarantee contracts

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

De-recognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.11.Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III to the Act, unless otherwise stated.



AA INFRA (MIDDLE EAST) LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 4. Financial Assets - Investments

Amount in INR

Investments (Fully Paid)

At deemed cost:

Equited shares-Unquoted

In Subsidiary Companies

AA Infra Properties Ltd

73500 shares of AED 1.00 Each

Non-Current	Current
As at 31.03.2018	As at 31.03.2018
1,306,830	-
1,306,830	-

Note 5- Financial Assets - Loans

(Unsecured considered good unless otherwise stated)

Amount in INR

Loans to related party(Refer Note 18)

-Subsidiary company

considered Good

AA Infra Properties Limited

-Other Loans

Non-Current	Current
As at 31.03.2018	As at 31.03.2018
580,429,781	240,657,293
580,429,781	240,657,293

Total Loans

Note 6. Other Financial Assets

Amount in INR

Current

As at
31.03.2018

Due from Related Parties

Interest receivable from Subsidiary

Interest receivable from Others

Total Other Financial Assets

26,191,954
1,222,385
27,414,339

Note 7. Cash and Cash Equivalents

Amount in INR

Current

As at
31.03.2018

Balances with Banks on Current Accounts

Total Cash and Cash Equivalents

4,878,204
4,878,204



Handwritten signature

AA INFRA (MIDDLE EAST) LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note - 8. Equity Share Capital

	<u>Amount in INR</u>
	<u>As at</u>
	<u>31-Mar-2018</u>
Authorised Capital	
100000 Equity Shares of Rs.63.86 each	63,884,336
Issued, Subscribed and Paid-up Capital	
20000 Equity Shares of Rs.63.86 each are held by the Holding Co- A	
A Infraproperties Private Ltd	1,277,200
Total Equity Share Capital	1,277,200

a) The Reconciliation of Shares Capital is given below:

	<u>As at 31.03.2018</u>	
	<u>No. of Shares</u>	<u>Amount in INR</u>
At the beginning of the year		-
Issued during the Year	20,000	1,277,200
At the end of the year	20,000	1,277,200

b) Terms/Rights attached to class of shares

The Company has only one class of Equity Shares having a par value of USD 1.00 each. Holder of each Equity Share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholders holding more than 5 percent of Equity Shares in the Company

	<u>As at 31.03.2018</u>	
	<u>No. of Shares</u>	<u>% holding</u>
AA Infraproperties Private limited -Holding Co	20,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares



AA INFRA (MIDDLE EAST) LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note - 9. Other equity	Amount in INR
	As at 31-Mar-2018
Reserves & Surplus	
Retained earnings	4,559,890
<u>Other Comprehensive Income</u>	
Exchange differences on translating financial statements of a foreign operation	(900,675)
Total other equity	3,659,215

Retained Earnings - Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition.

Note 10. Non-Current Borrowings	Amount in INR Non -current
	As at 31-Mar-2018
Unsecured	
Loan from Related Parties	
From Holding Company- AA Infraproperties Pvt Ltd	820,802,750
Total Non Current Borrowings	820,802,750

The above unsecured loans carrying interest@ 13% p.a and repayable after 5 years from the drawdown.

Note 11. Other Financial Liabilities	Amount in INR
	Current
	As at 31-Mar-2018
<u>Due to Related Parties</u>	
Interest Payable to Holding Co	28,304,564
Payable to Subsidiary	558,679
Provisions and accruals	84,039
Total other financial liabilities	28,947,282





AA INFRA (MIDDLE EAST) LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 12a. Financial Assets

Amount in INR
As at 31.03.2018

Financial Assets - Non Current

At Amortised Cost

Loans 580,429,781

At Deemed Cost/Subsequent additions at cost

Investments 1,306,830

Total Non Current Financial Assets (a) 581,736,611

Financial Assets - Current

At Amortised cost

(a) Loans 240,657,293

(b) Cash and Cash Equivalents 4,878,204

(c) Other Financial Assets 27,414,339

Total Current Financial Assets (b) 32,292,543

Total Financial Assets (a + b) 614,029,154

Note 12b. Financial Liabilities

Amount in INR
As at 31.03.2018

Financial Liabilities - Non Current

At Amortised Cost

(a) Borrowings 820,802,750

Total Non Current Financial Liabilities (a) 820,802,750

Financial Liabilities - Current

At Amortised Cost

(c) Other Financial Liabilities 28,947,282

Total Current Financial Liabilities (b) 28,947,282

Total Financial Liabilities (a + b) 849,750,032

Halwani



AA INFRA (MIDDLE EAST) LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 13. Other Income

Amount in INR

2017-18

Income from Financial Assets

Interest Income on Loan to Subsidiary

25956670

Interest Income on loan to Related party

1211404

Other Non Operating Income

Net foreign exchange gain

6,336,307

Total

33,504,381

Note 14. Finance Costs

Amount in INR

2017-18

Interest Expense on loan from Related Parties

28,304,564

Total

28,304,564

Note 15. Other Expenses

Amount in INR

2017-18

Administrative Expenses

Legal and Professional Charges

470,358

Accounting fees

87,672

Audit Fees

78,966

Bank charges

2,931

Total

639,927

Note 15.1 Auditor's Remuneration

Amount in INR

2017-18

As Auditor:

Audit fees

78,966

Total

78,966



AA INFRA (MIDDLE EAST) LIMITED**Notes to Financial Statements for the year ended March 31, 2018**

Note 16. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<u>2017-18</u>
Net Profit for calculation of Basic and Diluted Earnings Per Share (₹)	4,559,890
Weighted average number of shares (Nos.)	20,000
Earning per equity share	
Basic & Diluted earning per share (₹)	227.99



Note 17. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements:

Fair value measurement of financial instruments and guarantees

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.



AA INFRA (MIDDLE EAST) LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 18. Disclosure in respect of Related Parties pursuant to Ind AS 24**List of Related Parties****I. Parent and Subsidiary Companies:**

Name of related parties	Nature of relationship	% of Holding
1. South City Projects(Kolkata) Ltd	Ultimate holding company	87.5%
2. AA Infraproperties Private Ltd.	Holding company	100%
3. AA Infra Properties Ltd	Subsidiary	100%

II.**a) Key Management Personnel**

Name of related parties	Nature of relationship
Mr. Jaideep Halwasiya	Non - Executive Director
Mr. Jugal Kishore khetawat	Non - Executive Director
Mr. Pradeep Kumar Sureka	Non - Executive Director
Mr. Ajay Kumar Halwasiya	Non - Executive Director
Mr. Amitabh Goenka	Non - Executive Director
Mr. Sushil Kumar Mohta	Non - Executive Director

b) Entities where Key Management Personnel & their relatives have significant influence with whom transactions have taken place during the year

AA Synergy DMCC

c) Transactions

Particulars	Holding Co- A A Infraproperties Pvt Ltd	Total Outstanding
	31.03.2018	31.03.2018
Issuance of shares	1,277,200	1,277,200
Loan Received	820,802,750	820,802,750
Interest Payable	28,304,564	28,304,564

Particulars	Subsidiary Co- A A Infra Properties Ltd	Total Outstanding
	31.03.2018	31.03.2018
Loan Given	580,429,781	580,429,781
Advance Taken	558,679	558,679
Investment in Shares	1,306,830	1,306,830
Interest receivable	26,191,954	26,191,954

Particulars	A A Synergy DMCC	Total Outstanding
	31.03.2018	31.03.2018
Loan Given	240,657,293	240,657,293
Interest receivable	1,222,385	1,222,385





AA INFRA (MIDDLE EAST) LIMITED**Notes to Financial Statements for the year ended March 31, 2018****Note 19. Financial Risk Management, Objectives and Policies**

The Company's principal financial liabilities, comprise of borrowings and trade payables. The main purpose of these financial The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's Board of Directors assures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company.

a) Credit Risk Management

The Company provides for Expected Credit Loss based on the following:

Asset Group	Description	Provision for Expected Credit Loss*
Low Credit Risk	Cash and cash equivalents, other bank	12 month expected credit loss/life time expected
Moderate Credit Risk	Trade receivables, loans and other financial	12 month expected credit loss/life time expected
Hogh Credit Risk	Trade receivables, loans and other financial	Life time expected credit loss

*Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Credit Rating	Particulars	31.03.2018
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	827,272,108

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of Financial Liabilities

The table below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities

March 31, 2018

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	-	820,802,750	-	820,802,750
Trade Payable	-	-	-	-
Other Financial Liabilities	28,947,282	-	-	28,947,282



AA INFRA (MIDDLE EAST) LIMITEDNotes to Financial Statements for the year ended March 31, 2018

C. Market Risk**a. Interest Rate Risk**

The Company has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk.

Interest Rate Risk Exposure

Particulars	31.03.2018
Variable Rate Borrowing	
Fixed Rate Borrowing	820,802,750

Interest Rate Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2018
Interest Sensitivity*	
Interest Rates increase by 100 basis points	
Interest Rates decrease by 100 basis points	

*Holding all other variables constant



Note 20. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Company's policy is to use short term and longterm borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Company:

	31.03.2018
Borrowings	820,802,750
Trade Payables	-
Less: Cash and Cash Equivalents	4,878,204
Net Debt	815,924,546
 Total capital	 4,936,415
Capital and Net Debt	820,860,961
Gearing ratio	99.40%





AA INFRA (MIDDLE EAST) LIMITED

Notes to financial statements for the year ended March 31, 2018

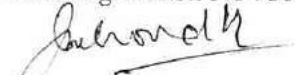
Note 21. First-time adoption of Ind AS

The company was incorporated on 23rd July, 2017 hence these financial statements, for the year ended 31 March 2018, are the first the Company has converted in accordance with Ind AS.

For **S. K. AGRAWAL & Co.**

Chartered Accountants

Firm Registration No : 306033E



J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **27 JUN 2018**


Director
Director

Statement showing the calculation of FCTR

Particulars	LKR		Rate	INR	
	Debit	Credit		Debit	Credit
Share Capital		73,448	Actual		1,277,200
Share Issue Expenses		-	Actual		-
Reserve & Surplus		-	Opening		-
Foreign Currency Exchange Reserve			Closing		-
Non Current Assets					
Capital work in progress		-	Closing		-
Financial Assets-Loan	32,772,091		Closing	580,429,781	
Sales/ Adjustments (Only FCTR Amount)					-
Fixed Assets					
Opening	-		Closing		
Addition	-		Closing		
Accumulated Depreciation					
Opening		-	Closing		-
Addition		-	Closing		
Non-current liabilities					
Long-term borrowings		46,274,679	Closing		820,802,750
Current liabilities					
Short-term Borrowings		-	Closing		-
Trade payables		-	Closing		-
Other current liabilities		1,632,025	Closing		28,947,282
Short-term provisions		-	Closing		-
Non Current Investment	73,500		Closing	1,306,830	
Current assets					
Financial Assets-loan	13,587,936		Closing	240,657,293	
Current Investment			Closing		-
Inventories	-		Closing		-
Cash and cash equivalents	275,432		Closing	4,878,204	
Other financial assets	154,7862		Closing	27,414,339	
Other Current Assets	-		Closing		-
Income tax receivable			Closing		
Other Operating Income	-	1,908,864	Average		33,504,381
Project Expenses	-		Average		
Changes in Inventory	-		Closing		
Finance Costs	1,595,736		Average	28,304,564	
Administrative Expenses	36,459		Average	639,927	
Marketing & Promotional Expenses			Average		-
Depreciation	-		Closing		
Tax Expenses	-		Closing		
TOTAL	49,889,016	49,889,016		883,630,938	884,531,613

Foreign Exchange Translation Reserve

(900,675)

9,680,170.98

276,669

8,779,495.98

276,669

Haliwari



Exchange rates from www.rbi.org.in

Calculation of Average Rate

Month	Opening Rate (AED/INR)	Closing Rate (AED/INR)	Average Rate (AED/INR)
Jul-17	17.5135	17.4479	17.4807
Aug-17	17.4454	17.431	17.4382
Sep-17	17.4215	17.7958	17.6087
Oct-17	17.8497	17.6377	17.7437
Nov-17	17.5699	17.5448	17.5574
Dec-17	17.5303	17.407	17.4687
Jan-18	17.3369	17.3418	17.3394
Feb-18	17.321	17.7272	17.5241
Mar-18	17.7607	17.7111	17.7359
Weighted Average Rate 2017-18			17.5520

