

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Financial Statements

31 March 2019

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ZUARI INFRAWORLD S J M PROPERTIES L.L.C**Managing Director's Report**

The Managing Director submits his report, together with the audited financial statements, for the year ended 31 March 2019.

Results and appropriations

The results of the company and the appropriations made for the year ended 31 March 2019 are set out on pages 6 and 7 of the financial statements.

In my opinion, the financial statements set out on pages 5 to 20 are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the company for the year then ended in accordance with the provisions of the U.A.E Federal Law No.2 of 2015 and International Financial Reporting Standards.

At the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Review of the business

The company carried out following activities during the year pertaining to the residential project being perused since the year 2014-15:

- Completed shoring work and commenced the piling work subsequent to year-end.
- Obtained a term loan from Yes Bank Limited and settled the loans liability of existing bank.
- Project title changed from "Adventz Tower to "St Regis Residencies" by entering in to an agreement with Luxury Hotels International Management Company B.V. for use of license the "St Regis" brand in connection with the sale and management of residencies.
- Negotiations are made for the appointment of main contractor and contract will be awarded during the Quarter 1 of 2019-20.
- The management has prepared revised forecast which shows positive and profitable operating and financial performance.
- Key executive management is in place with the company and its parent entities.

Although the project has been considerably delayed, the revised financial forecast with reduced selling price and cost escalations shows positive cash flows.

Events since the end of the year

There were no important events which have occurred since the year-end that materially affect the company.

Partners and their interests


The partners at 31 March 2019 and their interests as at that date in the share capital of the company were as under:

	<u>No. of shares</u>	<u>AED</u>
Dubai Holdings LLC	153	153,000
Zuari Infra Middle East Limited	<u>147</u>	<u>147,000</u>
	<u>300</u>	<u>300,000</u>

The shareholders, in their annual general assembly, have resolved not to dissolve the company as required by U.A.E Federal Law No. 2 of 2015.

Auditors

A resolution to re-appoint the auditors and fix their remuneration will be put to the board at the annual general meeting.



 Vinay Varma
MANAGING DIRECTOR



**INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF
ZUARI INFRAWORLD S J M PROPERTIES L.L.C**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ZUARI INFRAWORLD S J M PROPERTIES L.L.C** ("the company"), which comprise the statement of financial position as at 31 March 2019, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ZUARI INFRAWORLD S J M PROPERTIES L.L.C** as at 31 March 2019, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and the U.A.E Federal Law No. 2 of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 AUDITORS' REPORT TO THE PARTNERS OF
ZUARI INFRAWORLD S J M PROPERTIES L.L.C***Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the U.A.E Federal Law No. 2 of 2015, we report that:

- 1) We have obtained all the information we considered necessary for the purpose of our audit;
- 2) The financial statements have been prepared and comply, in all material respects, with applicable provisions of the U.A.E Federal Law No. 2 of 2015;
- 3) The company has maintained proper books of accounts;
- 4) The financial information included in the Managing Director's report is consistent with the books of accounts of the company;

**INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF
ZUARI INFRAWORLD S J M PROPERTIES L.L.C**

Report on Other Legal and Regulatory Requirements (cont'd)

- 5) The company has not invested in shares during the financial year ended 31 March 2019.
- 6) Note 21 to the financial statements discloses material related party transactions and the terms under which they were conducted; and
- 7) Based on the information that has been made available to us, except for the fact of non-compliance of Article 301 of UAE Federal Law No. (2) of 2015 in respect of its accumulated losses situation, nothing has come to our attention which causes us to believe that the company has contravened during the year ended 31 March 2019 any of the applicable provisions of the U.A.E Federal Law No. 2 of 2015, or in respect of the company, its Articles of Association which would materially affect its activities or its financial position as at 31 March 2019.



Signed by:
C. D. Shah
Partner
Registration No. 677

Shah & Alshamali Associates Chartered Accountants
15 May 2019
Dubai



ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Statement of Financial Position
As at 31 March 2019

	<i>Notes</i>	<i>2019</i> <i>AED</i>	<i>2018</i> <i>AED</i>
ASSETS			
Cash and cash equivalents	5	77,249	100,226
Other receivables	6	816,934	737,472
Prepayments		218,838	200,243
Property, plant and equipment	7	560,602	676,645
Advance for land	8	21,000,000	21,000,000
Investment	9	-	-
Development work in progress	10	<u>124,719,413</u>	<u>72,745,370</u>
		<u>147,393,036</u>	<u>95,459,956</u>
Total assets		<u>147,393,036</u>	<u>95,459,956</u>
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable		1,215,051	3,369,364
Accruals and other payable	11	15,476,391	12,301,473
Unsecured loans	12	14,524,393	14,373,259
Term loan	13	110,184,000	-
Due to related parties	14	9,008,051	67,182,437
Staff end of service gratuity		<u>211,495</u>	<u>113,595</u>
Total liabilities		<u>150,619,381</u>	<u>97,340,128</u>
Partners' funds			
Equity			
Share capital	15	300,000	300,000
Accumulated losses	16	<u>(3,526,345)</u>	<u>(2,180,172)</u>
Equity deficit	16	<u>(3,226,345)</u>	<u>(1,880,172)</u>
Total liabilities and equity		<u>147,393,036</u>	<u>95,459,956</u>

The notes on pages 9 to 20 form an integral part of these financial statements.

For and on behalf of the board of directors:



Vinay Varma
MANAGING DIRECTOR



ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2019

	<i>Notes</i>	<i>2019 AED</i>	<i>2018 AED</i>
Revenue		<u>-</u>	<u>-</u>
Expenditure			
Staff benefits	17	(505,069)	(600,389)
Rent	18	-	-
Other administrative expenses		(689,366)	(671,987)
Depreciation		(122,708)	(106,946)
Finance cost	19	<u>(29,030)</u>	<u>(42,136)</u>
Loss for the year		(1,346,173)	(1,421,458)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(1,346,173)</u>	<u>(1,421,458)</u>

The notes on pages 9 to 20 form an integral part of these financial statements.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Statement of Changes in Equity
for the year ended 31 March 2019

	<i>Share capital AED</i>	<i>Accumulated losses AED</i>	<i>Total AED</i>
As at 31 March 2017	300,000	(758,714)	(458,714)
Loss for the year	-	(1,421,458)	(1,421,458)
As at 31 March 2018	300,000	(2,180,172)	(1,880,172)
Loss for the year	-	(1,346,173)	(1,346,173)
As at 31 March 2019	<u>300,000</u>	<u>(3,526,345)</u>	<u>(3,226,345)</u>

The notes on pages 9 to 20 form an integral part of these financial statements.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2019

Related party transactions and balances (cont'd)

The company receives funds from and provide to with or without interest from/to related parties as and when required to meet with its project funding requirements. At the date of statement of financial position, balances with related parties were as follows:

		<i>Ultimate parent company AED Dr/(Cr)</i>	<i>Subsidiary OF UPC AED Dr/(Cr)</i>	<i>Step down subsidiary of UPC AED Dr/(Cr)</i>	<i>Related party of UPC AED Dr/(Cr)</i>	<i>Party to joint venture AED Dr/(Cr)</i>	<i>Total AED Dr/(Cr)</i>
<u>Balances :</u>							
Advance for land	2019	-	-	-	-	21,000,000	21,000,000
	2018	-	-	-	-	21,000,000	21,000,000
Provision for SBLC charges	2019	-	-	-	-	-	-
	2018	-	(1,804,815)	-	-	-	(1,804,815)
Unsecured loan	2019	-	-	-	(6,044,082)	-	(6,044,082)
	2018	-	-	-	(4,373,259)	-	(4,373,259)
Interest payable	2019	-	-	-	(391,730)	-	(391,730)
	2018	-	-	-	(43,900)	-	(43,900)
Funding balance	2019	(132,958)	(211,706)	(8,663,387)	-	-	(8,663,387)
	2018	-	-	(67,182,437)	-	-	(67,182,437)
Management fees	2019	-	-	(9,740,000)	-	-	(9,740,000)
	2018	-	-	(9,740,000)	-	-	(9,740,000)

22. Financial instruments: Credit, liquidity and market risk exposure

Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of other receivables and bank balance in current account. The company's bank balance in a current account is placed with a high credit quality financial institution. There are no significant concentrations of credit risk from receivables outside the industry in which the company operates.

Liquidity risk

Liquidity risk is the risk that the establishment will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the management and parent companies who ensures that sufficient funds are made available to the company to meet its commitments as they fall due. Although, short term payables are perceived as a liquidity risk, adequate steps are taken by the management and the parent company to timely meet with the funding requirements.

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2019**Financial instruments: Credit, liquidity and market risk exposure (cont'd)**

The following are the contractual maturities of the company's financial liabilities as of 31 March 2019:

	<i>Carrying amounts</i>	<i>Payable within next 12 months</i>	<i>Payable after 2 to 5 years</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>
Accounts payable	1,215,051	1,215,051	-
Accruals and other payables	15,476,391	5,736,391	9,740,000
Unsecured loans	14,524,393	-	14,524,393
Term loan	110,184,000	-	110,184,000
Due to related parties	9,008,051	501,283	8,506,768
Staff end of service gratuity	211,495	-	211,495
	<u>150,619,381</u>	<u>7,452,725</u>	<u>143,166,656</u>

Market risk

Market risk is a risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loan from a parent company and unrelated parties are at fixed rate of interest. Term loan obtained from a bank is at floating rates at levels, which is generally obtained in the U.A.E.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for the following, there are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E Dirham or US Dollars to which the U.A.E Dirham rate is fixed.

23. Financial instruments: Fair values

The fair values of the company's financial assets, comprising, due to subsidiary of ultimate parent company, due to a ultimate parent company, other receivables, cash and bank balance, advance for investment and financial liabilities, comprising accounts payable, advance from parent company, unsecured loan and accruals, are approximate to their carrying values.

24. Contingent liabilities

There were no contingent liabilities outstanding as at the date of the statement of financial position.

25. Capital commitments

Commitments for the acquisition of services for the development, land and construction of assets classified under development work in progress:

ZUARI INFRAWORLD S J M PROPERTIES L.L.C

Notes to the Financial Statements
for the year ended 31 March 2019

Capital commitments (cont'd)

	<i>2019</i>	<i>2018</i>
	<i>AED</i>	<i>AED</i>
Contracted but not provided for in the accounts		
Land	119,000,000	-
Consultants	<u>7,386,968</u>	<u>8,654,401</u>
	<u>126,386,968</u>	<u>8,654,401</u>

26. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassification does not affect the previously reported profit, net assets or equity of the company.

27. Approval of the financial statements

The financial statements were approved by the board of directors and authorised Mr. Vinay Varma to sign on behalf of the board on 15 May 2019.



رخصة تجارية Commercial License

تفاصيل الرخصة / License Details

License No.	690820	رقم الرخصة
Company Name	ZUARI INFRAWORLD S J M PROPERTIES L.L.C	اسم الشركة زواري انفراورلد اس جيه ام للعقارات ش.ذ.م.م
Trade Name	ZUARI INFRAWORLD S J M PROPERTIES L.L.C	الإسم التجاري زواري انفراورلد اس جيه ام للعقارات ش.ذ.م.م
Legal Type	Limited Liability Company(LLC)	الشكل القانوني ذات مسؤولية محدودة
Expiry Date	19/06/2019	تاريخ الإصدار 20/06/2013
D&B D-U-N-S ® N	0	رقم الرخصة الام 690820
Register No.	1117584	عضوية الغرفة 220084
	تاريخ الإنتهاء	Issue Date
	الرقم العالمي	Main License No
	رقم السجل التجاري	DCCI No.

الاطراف / License Members

Share / الحصص	Role / الصفة	Nationality / الجنسية	Name / الإسم	No./رقم الشخص
	مدير / Manager	الهند / India	نيناى / NAY VARMA MOHAN LAL VARMA فارما موهان لال فارما	596349

نشاط الرخصة التجارية / License Activities

Real Estate Development التطوير العقاري

العنوان / Address

Phone No	971-4-2778004	تليفون	P.O. Box	27508	صندوق بريد
Fax No	971-04-2778063	فاكس	Parcel ID	346-6801	رقم القطعة
Mobile No	971-55-7509000	هاتف متحرك	مكتب 705-706-707 - ملك مونييش كومار لكهاني - برج خليفة		

الملاحظات / Remarks

تم انسحاب الشركاء ودخول الشريك وتغيير المدير بتاريخ 19/01/2015
تم نقل الموقع في 12/7/2015
تم تغيير الاسم التجاري بتاريخ 13/12/2016
تم نقل الموقع بتاريخ 14/06/2017

Print Date 18/12/2018 11:36 تاريخ الطباعة Receipt No. 0 رقم الإيصال

Activity
Owners



الجهات التي لها
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الرخصة

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