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ZUARI INFRAWORLD INDIA LIMITED

STANDALONE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31ST MARCH, 2018

Varma & Varma
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Zuari Infraworld India Limited, Bangalore.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Zuari Infraworld India Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Profit and Loss Statement (including 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 (herein after referred to as "standalone Ind AS financial statements".

Management's Responsibility for the standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act and the Guidance Note on Accounting for Real Estate Transactions issued by the Institute of Chartered Accountants of India.

This responsibility also includes the 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 the 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 standalone 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

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including Ind AS, of the state of affairs of the Company as at 31st March, 2018, its loss including other comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

(1.) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in **'Annexure-A'** a statement on the matters specified in Paragraphs 3 and 4 of the said Order.

(2.) As required by section 143(3) of the Act, based on our audit, 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 purposes of our audit.

(b.) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

(c.) the Balance Sheet, the Profit and Loss Statement including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

(d.) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Guidance Note on Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India.

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(e.) On the basis of written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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, refer to our separate report in 'Annexure-B' annexed to this report; and

(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, as amended, in our opinion and to the best of our information and according to the explanations given to us :

(i.) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 29.2 to the standalone Ind AS financial statements.

(ii.) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

(iii.) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas. K. P.
K P SRINIVAS
Partner
M.No.208520

Place of signature: Gurgaon
Date: 21st May, 2018

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ANNEXURE - A TO THE AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of the even date to the members of Zuari Infraworld India Limited on the standalone Ind AS financial statements for the year ended 31 March 2018,

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment.

(b) Property, plant and equipment have not been physically verified by the management during the year. However according to the information and explanations given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanation given to us by the company, the title deeds of immovable property of the company which is part of the inventory is held by the Company in its own name. As stated in the Note 13 of standalone Ind AS financial statements the immovable property has been mortgaged with the banks to secure the loans taken.

(ii) The Company does not carry inventories of the nature covered by Ind AS 2. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to one party covered in the register maintained under section 189 of the Companies Act, 2013, (total loan amount granted Rs.11,15,82,714/- and balance outstanding (fair value) as at balance sheet date Rs.7,78,00,142/-) are not prejudicial to the company's interest on account of the fact that the loans have been granted at an interest rate of 14% per annum which is commensurate with the cost of funds to the company.

(b) According to the information and explanations furnished to us, the schedule of repayment of principal and payment of interest is stipulated and as at the Balance Sheet date no principal or interest was due for payment.

(c) According to the information and explanations given to us, there is no amount overdue for more than 90 days as at the balance sheet date.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of guarantees given to its wholly owned subsidiary.

(v) According to the information and explanations given to us, the company has not accepted deposits in accordance with directives issued by the Reserve Bank of India and hence the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. Thus, paragraph 3(v) of the Order is not applicable to the Company.

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(vi) According to the information and explanations given to us, the maintenance of cost records under 148 (1) of the Act read with Companies (Cost records and Audit) Rules, 2014 are not applicable as the turnover of the company is below specified limits. Thus, paragraph (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and based on the audit procedures carried out by us, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service tax, duty of custom, duty of excise, value added tax, cess, to the extent applicable, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases during the year. There are no arrears of undisputed statutory dues of a material nature outstanding as at the last day of the financial year for a period of more than six months from the due date.

(b) According to the information and explanations given to us, there are no unpaid disputed income tax or sales tax or wealth tax or service tax or Goods and Service tax or duty of customs or duty of excise or value added tax or cess as on 31st March 2018.

(viii) According to information and explanations given to us and as per our verification of the records of the company, the company has not defaulted in repayment of its dues to the financial institutions and banks, except for a few minor delays as given below:

Bank Name	Nature of dues	Amount of default (Rs)	Default (In Days)
HDFC Bank Limited	Principal	3,50,00,000	1 day
HDFC Bank Limited	Principal & Interest	3,51,03,562	4 days
Federal Bank Limited	Interest	1,07,41,932	4 days
Federal Bank Limited	Interest	1,20,44,022	3 days
Federal Bank Limited	Interest	3,15,509	2 days
Federal Bank Limited	Interest	4,49,244	3 days
Federal Bank Limited	Interest	7,830	6 days
Federal Bank Limited	Interest	1,18,52,688	8 days
Federal Bank Limited	Interest	1,13,51,238	1 day

The Company has not issued debentures or obtained loans from Government.

(ix) The company has not raised any money by way of initial public offer or further public offer and hence clause (ix) is not applicable to the company to that extent. According to the information and explanations provided to us, the Company has utilized the monies raised by way of term loans for the purpose for which the loan was obtained.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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(xi) According to the information and explanations provided to us, the provisions of section 197 read with Schedule V to the Companies Act 2013 is not applicable to the company for the year.

(xii) The company is not a Nidhi company and hence paragraph (xii) of the "order" is not applicable to it.

(xiii) According to the information and explanations provided to us and as per our verification, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act 2013 since in the view of the company these transactions have been undertaken on arm's length basis in the ordinary course of business and all the details as required to be disclosed by the applicable accounting standard (Ind AS 24 – Related Parties Disclosures) have been disclosed in the standalone Ind AS financial statements.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has complied with provisions of section 42 of the Act read with Rule 14 to Companies (Prospectus and Allotment of Securities) Rules 2014, in respect of private placement of cumulative non convertible redeemable preference shares issued during the year.

(xv) According to the information and explanations given to us and as per our test verification, the company has not entered into any non-cash transactions as contemplated in Section 192 of the Companies Act, 2013 with directors or persons connected with directors. Thus, paragraph (xv) of the "order" is not applicable to it.

(xvi) As per the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph (xvi) of the "order" is not applicable to it.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M.No.208520

Place of signature: Gurgaon
Date: 21st May, 2018

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ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Zuari Infraworld India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

(1.) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2.) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3.) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company including basis of allocating expenses to various projects considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M.No.208520

Place of signature: Gurgaon
Date: 21st May, 2018

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ZUARI INFRAWORLD INDIA LIMITED

BALANCE SHEET

(Amount in Rupees, unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a.) Property, plant and equipment	3.1	1,54,88,715	1,44,16,592
(b.) Capital work in progress	3.2	-	13,17,539
(c.) Other intangible assets	3.3	1,79,734	5,76,114
(d.) Financial assets:			
(i.) Investments	4.1	1,23,26,79,878	68,86,52,842
(ii.) Loans	5.1	-	3,74,154
(iii.) Other financial assets	6.1	29,09,246	27,17,235
(e.) Deferred tax asset (net)	17	-	36,95,882
(f.) Income tax assets (net)		1,15,59,458	1,54,67,050
(g.) Other non current assets	7.1	8,84,12,183	9,47,86,304
		1,35,12,29,214	**82,20,03,712**
Current assets			
(a.) Inventories	8	1,74,08,05,271	1,53,02,49,177
(b.) Financial assets			
(i.) Trade receivables	9	18,68,36,159	19,54,01,900
(ii.) Cash & cash equivalent	10	4,54,87,920	1,60,38,881
(iii.) Loans	5.2	7,79,88,075	1,42,715
(iv.) Other financial assets	6.2	10,40,55,709	29,68,68,278
(c.) Other current assets	7.2	29,52,45,721	29,82,20,958
		2,45,04,18,855	**2,33,69,21,909**
		3,80,16,48,069	**3,15,89,25,621**
EQUITY AND LIABILITIES			
Equity			
(a.) Equity share capital	11	46,55,00,000	46,55,00,000
(b.) Other equity	12	1,05,85,59,494	79,53,40,464
		1,52,40,59,494	**1,26,08,40,464**
Liabilities			
Non-current liabilities			
(a.) Financial liabilities			
(i.) Borrowings	13.1	1,24,70,05,711	1,16,10,17,533
(ii.) Trade payables	14.1	1,99,56,647	3,97,13,676
(iii.) Other financial liabilities	15.1	26,01,071	-
(b.) Provisions	16.1	39,48,932	42,92,214
(c.) Deferred tax liability (net)	17	2,13,56,596	-
		1,29,48,68,957	**1,20,50,23,423**
Current liabilities			
(a.) Financial liabilities			
(i.) Borrowings	13.2	35,00,00,000	-
(ii.) Trade payables	14.2	11,46,52,590	15,25,55,429
(iii.) Other financial liabilities	15.2	31,33,07,086	31,22,28,293
(b.) Other current liabilities	18	20,40,58,432	22,78,19,099
(c.) Provisions	16.2	7,01,510	4,58,913
		98,27,19,618	**69,30,61,734**
		3,80,16,48,069	**3,15,89,25,621**

The accompanying notes forms an integral part of the standalone financial statements

This is the balance sheet referred to in our report of the even date attached.

For VARMA & VARMA,
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

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BANGALORE
CHARTERED ACCOUNTANTS

ZUARI INFRAWORLD INDIA LIMITED

(Amount in Rupees, unless otherwise stated)

PROFIT AND LOSS STATEMENT	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
REVENUE:			
Revenue from operations	19	6,63,28,337	18,76,54,786
Other income	20	6,32,83,473	5,31,26,637
Total Revenues		**12,96,11,810**	**24,07,81,423**
EXPENSES:			
Purchase of stock, sub contract charges and other cost of project	21	25,58,43,692	36,13,63,187
Changes in stock of finished goods, stock-in-trade and Work-in-progress	22	(21,05,56,095)	(24,84,05,656)
Employee benefit expenses	23	1,43,23,379	1,78,84,839
Other expenses	24	3,38,23,420	3,85,06,663
Total expenses		**9,34,34,396**	**16,93,49,033**
Profit Before Interest, Tax, Depreciation & Amortisation		**3,61,77,414**	**7,14,32,390**
Finance costs	25	2,42,94,269	4,40,92,523
Depreciation and amortization expense	26	24,17,886	33,02,264
Profit before tax expenses		**94,65,259**	**2,40,37,603**
Tax expenses:	27		
Current tax expense		6,00,000	28,87,707
Tax Expenses of earlier years		4,74,091	-
Deferred tax		1,02,64,805	29,84,134
Tax Expenses for the year (net)		**1,13,38,896**	**58,71,840**
Profit/(Loss) for the year before other comprehensive income		**(18,73,637)**	**1,81,65,763**
Other comprehensive income / (Loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of gratuity obligations		6,65,093	7,29,403
Deferred tax on above items		(1,72,924)	(2,41,163)
Total Other Comprehensive Income/(Loss)		**4,92,169**	**4,88,240**
Total Comprehensive Income/(Loss)		**(13,81,468)**	**1,86,54,003**
Earning/(Loss) per share (in Rs.)	30		
Basic & Diluted		(0.04)	0.39
Weighted average number of shares used in computing Earnings per share		4,65,50,000	4,65,50,000

The accompanying notes forms an integral part of the standalone financial statements

This is the Profit & Loss Statement referred to in our report of the even date attached.

For VARMA & VARMA
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA ★ BANGALORE ★ CHARTERED ACCOUNTANTS

ZUARI INFRAWORLD INDIA LIMITED

(Amount in Rupees, except otherwise stated)

CASH FLOW STATEMENT	For the year ended 31 March 2018	For the year ended 31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation	**94,65,259**	**2,40,37,603**
Adjustment for :		
Depreciation & Amortisation	34,26,061	41,11,458
Loss on sale of tangible assets (net)	2,55,871	10,850
Interest Income	(21,24,249)	(31,76,083)
Balances written-off	1,11,381	-
Short Term Capital Gain - Mutual Fund	(4,44,568)	(11,25,067)
Dividend from Mutual funds	(4,63,836)	-
Gain on fair value adjustments to financial assets through profit or loss	(4,85,63,201)	(4,72,23,241)
Fair value adjustment to inter corporate deposits, net.	(77,45,554)	-
Fair value adjustment to security deposits, net.	(94,445)	-
Provision towards service refund receivable	10,34,805	-
Adjustment on amortisation of financial assets, net	1,073	14,920
Re-measurement gains on defined benefit plans through OCI	6,65,093	7,29,403
Fair value adjustment to preference shares issued	95,36,759	68,79,601
Operating Profit/(Loss) before working Capital Changes	**(3,49,39,551)**	**(1,57,40,556)**
Adjustment for changes in :		
Decrease/(Increase) in trade receivables	85,65,741	(6,78,67,500)
(Increase) / Decrease in financial and Other assets	20,95,63,921	2,51,18,353
(Increase) / Decrease in Inventories	(21,05,56,094)	(24,84,05,656)
(Decrease)/Increase in Trade Payables	(5,76,59,868)	94,54,867
(Decrease)/Increase in Provisions	(1,00,685)	2,71,918
(Decrease)/Increase in Financial and other liabilities	(3,94,14,136)	(4,87,60,244)
Net cash generated from operations	**(12,45,40,673)**	**(34,59,28,818)**
Direct Taxes Paid (net of refund incl. Interest on refund)	32,95,945	(30,17,924)
Net cash generated from operating activities	**(12,12,44,728)**	**(34,89,46,742)**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to tangible/intangible assets	(31,79,542)	(21,90,484)
Proceeds from sale of tangible/intangible assets	1,39,406	19,600
Investments in Mutual Funds	(72,95,96,097)	(13,00,06,780)
Proceeds from sale of Investments in Mutual Funds	23,50,40,665	13,11,31,847
Loans to subsidiaries, net of repayments	(7,82,61,090)	-
Changes in other bank balances	-	19,34,78,562
Interest received	15,50,425	31,76,083
Net cash from Investing activities	**(57,43,06,232)**	**19,56,08,827**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Preference shares at a premium of Rs.90 per share.	29,50,00,000	-
Proceeds from Short term Borrowings (net)	35,00,00,000	-
Proceeds from Long term Borrowings (net)	8,00,00,000	15,86,83,164
Net cash used in financing activities	**72,50,00,000**	**15,86,83,164**
Net Changes in Cash and Cash equivalents during the year	**2,94,49,040**	**53,45,249**
Cash and Cash equivalents at the beginning of the year	1,60,38,880	1,06,93,631
Cash and Cash equivalents at the end of the year	**4,54,87,920**	**1,60,38,880**

Disclosure pursuant to Ind-AS 7 as amended:

Particulars	As at 01.04.2017	Cash Flow	Transferred to Securities Premium Account	Non-Cash Adj. *(Fair Value Adjustments)*	As at 31.03.2017
Preference Shares (Debt portion)	5,61,54,238	29,50,00,000	(26,55,00,000)	(41,78,489)	8,14,75,749

The accompanying notes forms an integral part of the standalone financial statements

This is the Cash Flow statement referred to in our report of the even date attached

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

For VARMA & VARMA
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

ZUARI INFRAWORLD INDIA LIMITED

(Amount in Rupees, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY	As at March 31, 2018	As at March 31, 2017
A. Equity share capital		
As at 31 March, 2017		**46,55,00,000**
As at 31 March, 2018		**46,55,00,000**

B. Other equity

Particulars	**Securities premium account**	**Equity Component of convertible preference shares**	**Retained earnings**	**Total**
Balance as at 1 April, 2016	76,50,00,000	4,24,95,328	(3,08,08,867)	77,66,86,461
Profit for the year	-	-	1,81,65,763	1,81,65,763
Remeasurement of defined benefit obligations	-	-	4,88,240	4,88,240
Balance as at 31 March, 2017	**76,50,00,000**	**4,24,95,328**	**(1,21,54,864)**	**79,53,40,464**
Profit for the year	-	-	(18,73,637)	(18,73,637)
Deferred tax adj. on the interest on preference shares	-	(1,46,14,750)	-	(1,46,14,750)
Remeasurement of defined benefit obligations	-	-	4,92,169	4,92,169
Security premium on the issue of preference shares	26,55,00,000	-	-	26,55,00,000
Equity component of preference shares	-	1,37,15,248	-	1,37,15,248
Balance as at 31 March, 2018	**1,03,05,00,000**	**4,15,95,827**	**(1,35,36,332)**	**1,05,85,59,494**

The accompanying notes forms an integral part of the standalone financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For VARMA & VARMA
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA
BANGALORE
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For and behalf of the Board of Directors of
Zuari Infraworld India Limited

Suresh Krishnan

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

G G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

1. **Corporate information:**

Zuari Infraworld India Limited ("the Company" or "ZIIL") is a wholly owned subsidiary of Zuari Global Limited ("ZGL") and is pre-dominantly into the business of developing residential cum commercial property intended for sale. The company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The financial statements were approved for issue in accordance with the resolution of the Board of directors at the meeting held on 21st May, 2018.

2. **Significant accounting policies:**

(a.) Basis of preparation

These financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto and the Guidance Note on Real Estate Transactions (For entities to whom Ind AS is applicable) issued by The Institute of Chartered Accountants of India (ICAI).

Effective from April 1, 2016, the Company has adopted the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. For the financial years upto and including the year ended 31 March 2016, the Company has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The standalone financial statements are presented in Indian Rupees, except when otherwise indicated.

(b.) Use of Accounting Estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in the ensuing Notes. Accounting estimates could change from year to year. Also actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Significant accounting judgements, estimates and assumptions used by management are as below:

i. Useful lives of Investment Property, Property Plant and Equipment and Intangible Assets and assessment of impairments.

ii. Fair value measurements of various financial assets and liabilities and the resultant fair values.

iii. Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates. The measurement of project costs and revenue are affected by various uncertainties that depend on outcome of future events. The estimates often need revision as events accrue and uncertainties are resolved. Therefore the project cost and revenue may increase or decrease from one reporting year to another.

(c.) (i) Property, plant and equipment and Depreciation

The Property, plant and equipment of the Company are stated at historical cost less accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its current working condition for the intended use. Any trade discounts or rebates are deducted in arriving at the purchase cost.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

(i.) it is probable that future economic benefits associated with the item will flow to the Company; and

(ii.) the cost of the item can be measured reliably.

Details about useful life of each category of assets are as follows

Name of Assets	Useful Lives
Office Equipment	5 years
Plant & Machinery	8 years
Furniture & Fixtures	10 years
Computer and servers	3 and 6 years
Motor Vehicles	10 years
Leasehold Improvements	Over the primary lease period ending on 31.03.2025
Temporary structure	1 years

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Depreciation is provided under the Straight Line Method after retaining estimated residual value not exceeding 5% of the cost, except for Lease hold Improvements. Depreciation on assets used for the project has been considered as part of construction and development cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if considered appropriate.

Upon adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

(ii) Intangible Assets and Amortisation:

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized under the Straight Line Method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Upon first-time adoption of Ind AS, the Company had elected to measure all its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

(d.) Leases (other than land leases)

Operating Leases as a lessee:

Lease rentals are recognized as expense or income on a straight line basis with reference to lease terms and other considerations except where:-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease.;

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

(e.) Impairment of assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(f.) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are directly attributable to the construction of development property are capitalized as part of the cost till such time the property is ready for its intended sale. All other borrowing costs are expensed in the year they occur.

Borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, the Company does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Company also does not suspend capitalising borrowing costs when a temporary delay considering the nature of industry is a necessary part of the process of getting an asset ready for its intended use or sale.

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(g.) Foreign Currency Translation

The Company's financial statements are prepared and presented in Indian Rupees, which is also it's functional currency.

(i.) Initial Recognition: Foreign currency transactions, if any, are recorded at exchange rate prevailing on the date of transaction/ realisation.

(ii.) Conversion / Reinstatement: Foreign currency monetary items are translated using the spot exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(iii.) Exchange Differences: Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income (OCI) or profit and loss are also recognized in OCI or profit and loss, respectively).

(h.) Inventories

The cost of inventories shall comprise all costs of purchase including cost of land , costs of conversion and other costs including borrowing costs incurred in bringing the inventories to their present location and condition.

Inventories (comprising Land under Development and Construction Work-in-Progress) are stated at lower of cost and net realizable value. Cost includes expenses, net of taxes recoverable, specifically attributable to construction and development of property intended for sale. The allocation of common costs is based on the normal level of the activities.

(i.) Provisions, Contingent Liabilities and Capital Commitments

Contingent Liabilities

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions

A provision is recognized when the Company has a present obligation 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.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

(j.) Revenue Recognition

(i.) Revenue is recognized in relation to the residential / Commercial units sold, to the extent it is probable that the economic benefits will flow to the Company demonstrated either by way of an Agreement for Sale (AFS) and when the buyer's investment is adequate enough to demonstrate a commitment to pay. In accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India (the "ICAI") that there is a rebuttable presumption that outcome of real estate project can be estimated reliably and revenue from sale of residential properties is recognised on the "percentage of completion method" only if the following conditions are satisfied :

- all critical approvals necessary for the commencement of the project have been obtained.
- the expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- atleast 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- at least 10 % of the contracts/agreements value are realized at the reporting date in respect of such contracts/agreements

(ii.) Income in respect of service contracts which are in the nature of fees for specified periods are recognized proportionately over the specified period.

(iii.) Income in respect of service contracts which are based on the corresponding project costs/profits are recognized when actual construction work commences and there are no significant uncertainties as to the underlying projects and the corresponding costs are incurred or profits are earned by the customers.

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(iv.) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable.

(v.) Dividend is recognised as and when the right to receive payment is established by the reporting date.

(k.) Taxes on income

Current income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities using own estimates in accordance with the Income Tax Act, 1961.

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax relating to items recognised outside profit or loss statement is recognised outside profit or loss (either in other comprehensive income or in equity).

(l.) Retirement and other Employee Benefits

Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss statement of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable under the scheme.

Gratuity

Gratuity liability under the Payment of Gratuity Act 1972, are defined benefit obligations and are provided for on the basis of actuarial valuation on projected unit credit method, made at the end of each financial year. The gratuity liability is not funded.

Compensated Absences

Short term compensated absences are provided for based on estimates by the Management considering the entitlements outstanding as at the reporting date. Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method.

Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss statement in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

(m.) Current and Non-current classification

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 Schedule III of the Companies Act, 2013. As the Company is engaged in developing a residential cum commercial project, the normal operating cycle is based on the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has ascertained its operating cycle as one year for the purpose of Current - Noncurrent classification of assets and liabilities, which is considered appropriate.

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(n.) 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.

(I.) Financial assets

Initial recognition

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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Debt instruments at amortised cost
- Debt/ Equity instruments at fair value through other comprehensive income
- Debt / Equity instruments at fair value through profit or loss

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
(a.) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows
(b.) 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.

Debt at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
(a.) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b.) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

Equity Instruments at FVTP/FVTOCI

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Companies makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Investments in equity share of subsidiary and associates are measured at cost of acquisition pursuant to Ind AS 109.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no transfer of the amounts from OCI to Profit and Loss , 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 Profit and Loss statement.

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Derecognition

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

(a.) The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

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

(a.) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances in current account.

(b.) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component. 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. As registration of property and subsequent revenue recognition is done only when company receives the full amount from the customer, The company does not expect any for credit loss on trade receivables in respect of sale of properties, which is considered appropriate by the Management .

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

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

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

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 Company is required to use the remaining contractual term of the financial instrument

(II.) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

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

Derecognition

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

(o.) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(p.) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision maker reviews the performance of the Company according to the nature of business which predominantly comprises of development of real estate projects , both residential and commercial.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

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(q.) Recent Accounting pronouncements

i. New Accounting standards adopted by the Company:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from April 01, 2017.

Amendment to Ind AS 7 - Statement of Cash Flows:

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods.

ii. New accounting standards not yet adopted:

In 28 March, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018 notified a new standard, amendments to existing standards and interpretations which are effective for financial year beginning after April 1, 2018, and have not been applied in preparing these standalone financial statements. New standards, amendments to standards and interpretations that could have a potential impact on the financial statements of the Company are:

Notification of new revenue recognition standard Ind AS 115 - Revenue from Contracts with Customers:

Ind AS 115 supersedes all existing revenue recognition requirements in Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations. According to the new standard, revenue is recognized to reflect the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates

The standard allows for two methods of transition: the retrospective approach, under which the effect of adoption of this standard is presented retrospectively to each prior reporting period in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors (subject to few expedients) or the cumulative approach, where the cumulative effect of applying the standard retrospectively is recognized at the date of initial application. The standard is effective for financial year beginning on or after April 1, 2018. The Management is currently assessing the impact of adopting this standard on the Company's financial statements.

Amendment to Ind AS 21- The Effects of Changes in Foreign Exchange Rates:

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21 requires to record a foreign currency transaction, on initial recognition in its functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency (the exchange rate) at the date of the transaction. It further states that the date of the transaction is the date on which the transaction first qualifies for recognition in accordance with Ind AS Standards.

Accordingly, this appendix clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on adoption of this change on the financial statements is expected to be insignificant.

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ZUARI INFRAWORLD INDIA LIMITED

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018.

(Amount in Rupees, unless otherwise stated)

3.1 : Property, plant and equipment

Tangible Assets	Plant and Equipment	Office Equipment	Leasehold Improvements	Computers	Furniture and Fixtures	Temporary Structures	Vehicles	Total Amount
Deemed Cost								
As at April 1, 2016	6,77,244	39,40,099	93,34,932	12,77,084	47,69,592	85,259	-	2,00,84,210
Additions	-	1,87,353	-	3,51,731	-	-	-	5,39,084
Disposal	-	(42,002)	-	(3,47,601)	-	-	-	(3,89,603)
As at March 31, 2017/ April 01, 2017	6,77,244	40,85,450	93,34,932	12,81,214	47,69,592	85,259	-	2,02,33,691
Additions	-	1,46,220	35,85,575	3,16,498	3,84,121	-	64,667	44,97,081
Disposal	-	(1,40,141)	-	-	(6,32,065)	-	-	(7,72,206)
As at March 31, 2018	6,77,244	40,91,529	1,29,20,507	15,97,712	45,21,648	85,259	64,667	2,39,58,566
Accumulated depreciation								
As at April 1, 2016	1,17,429	10,40,805	9,35,446	4,81,221	6,25,397	33	-	32,00,331
Charge for the year	1,20,162	8,47,455	9,32,889	4,45,450	6,29,965	-	-	29,75,921
Disposals/adjustments	-	(20,574)	-	(3,38,579)	-	-	-	(3,59,153)
As at March 31, 2017/ April 01, 2017	2,37,591	18,67,686	18,68,335	5,88,092	12,55,362	33	-	58,17,099
Charge for the year	1,20,164	6,73,127	13,04,896	3,24,644	6,02,240	-	4,610	30,29,681
Disposals/adjustments	-	(89,244)	-	-	(2,87,685)	-	-	(3,76,929)
As at March 31, 2018	3,57,755	24,51,569	31,73,231	9,12,736	15,69,917	33	4,610	84,69,851
Carrying amount (WDV)								
As at March 31, 2017/ April 01, 2017	4,39,653	22,17,764	74,66,597	6,93,122	35,14,230	85,226	-	1,44,16,592
As at March 31, 2018	3,19,489	16,39,960	97,47,276	6,84,976	29,51,731	85,226	60,057	1,54,88,715

3.2 : Capital Work-In-Progress (Expenditure incurred on Leasehold Improvements)

Lease Improvements	Amount
As at March 31, 2017/ April 01, 2017	13,17,539
Additions (net)	22,68,037
Capitalised during the year	(35,85,576)
As at March 31, 2018	-

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NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018.

(Amount in Rupees, unless otherwise stated)

3.3 : Other Intangible Assets

Computer Software	Amount
Deemed Cost	
As at April 1, 2016	**18,71,681**
Additions	3,33,861
Disposal	-
As at March 31, 2017/ April 01, 2017	**22,05,542**
Additions	-
Disposal	-
As at March 31, 2018	**22,05,542**
Accumulated depreciation	
As at April 1, 2016	**4,93,891**
Charge for the year	11,35,537
Disposals/adjustments	-
As at March 31, 2017/ April 01, 2017	**16,29,428**
Charge for the year	3,96,380
Disposals/adjustments	-
As at March 31, 2018	**20,25,808**
Carrying amount (WDV)	
As at March 31, 2017/ April 01, 2017	**5,76,114**
As at March 31, 2018	**1,79,734**

3.4. Other Notes: Depreciation and Amortisation expenses is allocated as under.	31 March,2018	31 March,2017
Depreciation for the year	30,29,681	29,75,921
Amortisation for the year	3,96,380	11,35,537
Total Depreciation and Amortisation for the year	**34,26,061**	**41,11,458**
Less: Transferred to project work-in-progress	6,36,170	8,09,194
Amount Charged to Profit and loss towards depreciation and amortisation	**27,89,891**	**33,02,264**

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(Amount in Rupees, unless otherwise stated)

4. Investments	As at March 31, 2018	As at March 31, 2017
4.1. Non-current		
(i) Investments in equity shares (Unquoted)		
Investments carried at Cost (fully paid)		
In Subsidiary Companies		
Zuari Infra Middle East Limited - wholly owned subsidiary [10,000 (2017:10,000) Equity Shares of AED 1 each]	1,66,400	1,66,400
In Associates (Unquoted)		
(a.) Brajbhumi Nirmaan Private Limited [10,00,000 (2017:10,00,000) Equity Shares of Rs 10 each, issued at a premium of Rs 179.40/-]	18,94,00,000	18,94,00,000
(b.) Darshan Nirman Private Limited [2,500 (2017:2,500) Equity Shares of Rs 10 each]	25,000	25,000
(c.) Pranati Niketan Private Limited [2,500 (2017:2,500) Equity Shares of Rs 10 each]	25,000	25,000
	18,96,16,400	**18,96,16,400**
(ii) Investments in preference shares (Unquoted)		
Investments carried at fair value through Profit or Loss: (fully paid)		
Brajbhumi Nirmaan Private Limited [5,00,000 shares of Rs 100 each, fully paid, Date of Maturity 30 November, 2023] (1% Redeemable Non-Cumulative optionally convertible preference shares)	6,54,14,692	6,54,14,692
	6,54,14,692	**6,54,14,692**
(iii) Investments in mutual funds (Unquoted)		
Investments at fair value through Profit or Loss:		
(a.) ICICI Prudential Fixed Maturity plan Series (77-1473 Days Plan C) [5,000,000 units at Rs 10 per unit, Date of Maturity 25 May, 2019]	6,37,92,500	5,94,33,000
(b.) ICICI Prudential Fixed Maturity plan Series (78-1130 Days Plan T) [10,000,000 units at Rs 10 per unit, Date of Maturity 25 April, 2019]	11,75,45,000	10,96,28,000
(c.) ICICI Prudential Fixed Maturity plan Series (78-1156 Days Plan T) [5,000,000 units at Rs 10 per unit, Date of Maturity 29 May, 2019]	5,84,05,500	5,45,13,000
(d.) SBI Debt Fund Series B-36 (1131 Days) [8,500,000 units at Rs 10 per unit, Date of Maturity 06 May, 2019]	9,93,24,200	9,29,00,750
(e.) SBI Debt Fund Series C-1 (1100 Days) [8,500,000 units at Rs 10 per unit, Date of Maturity 26 June, 2020]	15,72,49,500	-
(f.) SBI Debt Fund Series B-17(1100 Days)* [10,000,000 units at Rs 10 per unit, Date of Maturity 22 May, 2018]	12,54,93,000	11,71,47,000
(g.) SBI Short Term Debt Fund * [1,73,57,242.175 units at Rs 10 per unit]	35,58,39,086	-
	97,76,48,786	**43,36,21,750**
	1,23,26,79,878	**68,86,52,842**

* The Management intends to reinvest the proceeds on maturity accordingly these investments are classified as Non-current.

4.2 Summary of Investment and their valuation (Also, refer Note 36) :

Investment Class	Method of Valuation	As at March 31, 2018	As at March 31, 2017
Unquoted equity shares	Cost	18,96,16,400	18,96,16,400
Unquoted preference shares	Discounted cash flows method*	6,54,14,692	6,54,14,692
Mutual funds	Market observable inputs	97,76,48,786	43,36,21,750
		1,23,26,79,878	**68,86,52,842**

** Based on the valuation reports issued by the independent valuer and relied upon by the auditors.*

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4.3. Investments in mutual funds are held under lien with bank for stand by letter of credit (SBLC) facility from State Bank of India in favour of a Bank in UAE on the basis of which term loan facilities will be availed by Zuari Infraworld Middle East Limited, Dubai (WOS). The sanctioned limit of the facility is Rs.176.77crores (AED 105 million) (2017: Rs.176.77crores) for a tenor of 4 years and claim period of 2 months (Date of sanction : 23 March, 2015). All the investments are carried as non-current as they are expected to either renewed / re-invested on their maturity.

4.4. Investment of funds in mutual funds will not meet the contractual cash flow test (i.e. SPPI test) as the contractual cash flows (i.e. dividends or redemption amount represented by the NAV) will not just be solely interest and principal. Therefore, the same has been classified as Fair Value through profit and loss (FVTPL)

4.5. Investments in Redeemable optionally convertible Non-cumulative Preference Shares:
Company has made investment in 1% Redeemable optionally convertible Non-cumulative Preference Shares of Brajbhumi Nirmaan Private Limited. These investments in shares does not satisfy contractual cash flow test as they are optionally convertible into equity shares and their dividends are linked to profits earned. Accordingly, the Company has classified these investments in shares as Fair value through profit and loss (FVTPL). For this purpose fair valuation was carried by an independent valuer and the same has been relied upon by the auditors.

4.6. Investments in Mutual Funds brought and sold during the year are given below:

Descriptions	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Purchase Cost	Sale Proceeds	Gain/Income	Purchase Cost	Sale Proceeds	Gain/Income
ICICI Prudential Fixed Maturity Plan	-	-	-	12,20,24,160	12,30,31,010	10,06,850
SBI Debt Funds	-	-	-	79,82,620	81,00,837	1,18,217
ICICI Prudential (Liq.) Mutual Fund	3,95,00,000	3,96,36,902	1,36,902	-	-	-
IDFC-Money Mgr. Fd. -Treasury Plan	50,00,000	50,18,225	18,225	-	-	-
L&T Liquid Fund	25,00,000	25,22,656	22,656	-	-	-
L&T Ultra Short Term Fund	5,71,32,261	5,73,99,047	2,66,786	-	-	-
SBI Mg. Insta Cash Fund (Daily Div.)	13,00,00,000	13,04,63,835	4,63,835	-	-	-
	23,41,32,261	**23,50,40,665**	**9,08,404**	**13,00,06,780**	**13,11,31,847**	**11,25,067**

4.7. No impairment in the value of the carrying value of the investment is considered necessary as the diminution in the net asset is not of a

permanent nature considering the future business prospects of the Projects, which is considered appropriate by the Management.

5. Loans	**As at March 31, 2018**	**As at March 31, 2017**
Unsecured, Considered Good		
5.1. Non - Current		
Loan to employees (amortised cost)	-	3,74,154
	-	**3,74,154**
5.2. Current		
Loan to Zuari Infraworld Middle East Limited, Dubai (carried at amortised cost)	7,78,00,142	-
Advances to Employees (carried at cost)	1,87,933	1,42,715
	7,79,88,075	**1,42,715**
	7,79,88,075	**5,16,869**

5.3. Unsecured Loan to Zuari Infraworld Middle East Limited, Dubai, Wholly owned subsidiary is to meet working capital Requirments of that company and carry a interest rate of 14% per annum. These loans along with interest are repayable in equivalent Indian Currency within 18 months from the date of disbursement. for detailed schedule of repayment refer below:

Repayment Schedule:

Particulars	Sanction Date	Loan Disbursed (At cost)	Repaid during the year	Fair value Adjustment	Closing balance (Fair Value)	Maturity Date	Amount disbursed (AED)
Loan 1	03-05-2017	3,00,17,538	3,00,17,538	-	-	04-11-2018	16,99,717
Loan 2	09-05-2017	3,20,17,837	33,04,087	(1,71,342)	2,85,42,408	08-11-2018	18,08,932
Loan 3	10-07-2017	35,57,570	-	(20,932)	35,36,638	09-01-2019	2,00,000
Loan 4	13-08-2017	4,59,89,769	-	(2,68,674)	4,57,21,095	12-02-2019	26,00,000
Total		**11,15,82,714**	**3,33,21,624**	**(4,60,948)**	**7,78,00,142**		**63,08,649**

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(Amount in Rupees, unless otherwise stated)

6. Other financial assets	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good		
6.1. Non-current		
Security deposits (carried at amortised cost)	26,69,046	24,77,035
Security deposits (carried at cost)*	2,40,200	2,40,200
	29,09,246	**27,17,235**
6.2. Current		
Security deposits - Current (Carried at cost)*	24,71,416	12,32,971
Interest accrued and due - Others (refer note 6.3. below)	33,71,513	18,87,939
Deferred Interest on loan to subsidiary fair value adjustment	82,06,502	-
Accrued Service Income (refer note 6.4. below)	14,59,230	-
Expenses Recoverable (refer note 6.5. below)	7,04,74,974	4,81,47,786
Unbilled Revenue	1,80,72,074	24,55,99,582
	10,40,55,709	**29,68,68,278**

** Fully recoverable and hence no provision is considered necessary.*

6.3 Interest accrued on mobilisation advances paid to one of the sub-contractors is expected to be recovered in full and hence provision is not considered at this stage, which is considered appropriate by the Management.

6.4 Represents service income accrued and not billed to related parties;		
Zuari Infra Middle East Limited, UAE - Commission towards financial guarantee	13,24,230	-
Zuari Global Limited, India - DMC	1,35,000	-
	14,59,230	**-**

6.5 Includes expenses recoverable from related parties;		
Brajbhumi Nirmaan Private Limited, India	1,57,32,604	86,01,275
Zuari Infra Middle East Limited, UAE	5,36,39,055	3,84,10,977
	6,94,93,583	**4,70,85,575**

7. Other Assets	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good		
7.1. Non-Current		
Advances recoverable in cash or kind (refer note 7.3 & 7.4 below)	8,50,16,721	9,17,74,007
Karnataka VAT - refund receivable	32,01,319	26,25,072
Service tax - refund receivable	10,34,805	-
Less: Provision towards service tax refund	(10,34,805)	-
Prepaid lease (Security deposit paid)	1,94,143	3,87,225
	8,84,12,183	**9,47,86,304**
7.2. Current		
Advances recoverable in cash or kind		
Credit of Input VAT	-	1,01,86,753
CENVAT Credit	-	3,34,21,148
GST Credit (Refer Note 7.5. below)	4,47,94,546	-
Advance to vendors (refer note 7.6. below)	24,18,30,123	24,39,39,624
Prepaid expenses (refer note 7.7. below)	84,27,969	1,04,80,350
Prepaid lease-current (security deposit paid)	1,93,083	1,93,083
	29,52,45,721	**29,82,20,958**

7.3. Includes recoverable Advances to a Sub-contractor aggregating to Rs 2,10,56,165/- (2017: Rs 2,78,13,451/-) in respect of which the sub-contractor vendor has furnished bank guarantee to the extent of Rs 2,37,12,884/- (2017: Rs 2,37,12,884/-) which was valid upto 31 December, 2017 and the same is pending for renewal.

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7.4. Under the Development Management Agreement, the Agency is entitled to a percentage of income calculated in the manner specified under the agreement. The Company has made advance payments aggregating to Rs. 6,39,60,556 as at 31 March, 2018 (2017: Rs. 6,39,60,556/-). The amount will be adjusted in the year when the agency becomes entitled to share of income as per the agreement or recovered. The Management expects to adjust/recover the same in full and hence is of the view that no adjustment is necessary at this stage.

7.5. GST credits carried in books include input tax credit aggregating to Rs.49,67,270/- pertaining to advance payments made to vendors and eligible tax credits on taxes paid under reverse charge mechanism, which will be claimed in the subsequent period when the company is eligible to claim such credit as per the Act. The Management of the company expects to realise/ adjust these credits in full..

7.6. Includes recoverable advances paid to a sub-contractor aggregating to Rs 22,46,48,824/-(2017: Rs 22,46,47,417/-). The Management is in negotiation with party for its recovery and is confident that this advance will be ultimately fully recovered. Hence in the view of the Management no provision is considered necessary at this stage.

7.7. Includes Rs.21,77,749/- (2017: Rs.94,56,354/-) on account of brokerage & sales commission paid to an agency for services, on gross sale consideration receivable from customers. As per the agreement, in the event of non-completion of sale transaction, such commission is refundable by the agency. The commission paid is charged to the Profit & Loss Statement as and when revenue is recognized.

8. Inventories (valued at lower of cost or net realizable value)	**As at March 31, 2018**	**As at March 31, 2017**
Work-In-Progress (includes cost of Land , Borrowing Cost and Project Construction and Development Cost)	1,74,08,05,271	1,53,02,49,177
	1,74,08,05,271	**1,53,02,49,177**

Also refer note 37 for further disclosure on project.

8.1. Includes Rs. 23,96,31,787/- (2017: Rs. 21,56,74,893/-) being cost incurred towards project in Goa managed by M/s. Zuari Global Limited which is pending execution.

8.2. The Management has reviewed the carrying value of its project work-in-progress by assessing the net realisable value of the project which is determined by forecasting sales rates, expected sale prices and estimated costs to complete (including escalations and cost overrun). This review by the management did not result any loss and thus no adjustments/ provisions to the carrying value of project work-in-progress is considered necessary by the Management.

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(Amount in Rupees, unless otherwise stated)

9. Trade receivables	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good		
Current		
Trade receivables - Subsidiary	-	15,50,00,000
Trade receivables - Associate	4,04,01,900	4,04,01,900
Trade receivables - Holding	65,49,021	-
Trade receivables - from sale of flats/villas (refer note 9.5. below)	13,90,03,258	-
Trade receivables - others	8,81,980	-
Total Trade Receivables	**18,68,36,159**	**19,54,01,900**

9.1. Realisations against the above receivables are appropriated on First-In-First-Out (FIFO) basis.

9.2. Trade receivables are non-interest bearing payable as per the terms of sale.

9.3. Since, the Management of the Company expects full realisation of these receivables, no allowance towards non recovery is considered necessary by the Management at this stage, as the possession and title of the property is also not transferred to these customers.

9.4. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9.5. Receivables in respect of the completed projects against which demand notes are raised and pending execution of sale deed are reported as trade receivables.

9.6. The trade and project receivables are hypothecated as security for borrowings. (Refer Note 13 for details)

10. Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
Balances held in banks in current account	4,54,87,920	1,60,38,881
	4,54,87,920	**1,60,38,881**

10.1. Includes Rs.1,46,607/- unconfirmed balance in current accounts with a bank and are as per the statement of account obtained from bank.

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(Amount in Rupees, unless otherwise stated)

11. Share capital	As at March 31, 2018	As at March 31, 2017
11.1 (a.) Authorised		
50,000,000 (2017 : 50,000,000) Equity Shares of Rs. 10 each	50,00,00,000	50,00,00,000
15,000,000 (2017 : 15,000,000) Preference Shares of Rs. 10 each	15,00,00,000	15,00,00,000
	65,00,00,000	**65,00,00,000**
(b.) Issued, subscribed & paid up		
4,65,50,000 (2017: 4,65,50,000) Equity Shares of Rs 10 each	46,55,00,000	46,55,00,000
1,14,50,000 (2017 : 85,00,000) Non-Convertible Cumulative Redeemable Preference Shares of Rs 10 each issued at premium of Rs. 90 each. (Also, refer note 13.7.)	11,45,00,000	8,50,00,000
	58,00,00,000	**55,05,00,000**

(c.) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
At the beginning of the year (of Rs 10 each)	4,65,50,000	46,55,00,000	4,65,50,000	46,55,00,000
Issued during the year (of Rs 10 each)	-	-	-	-
Outstanding at the end of the year	**4,65,50,000**	**46,55,00,000**	**4,65,50,000**	**46,55,00,000**

(d.) Details of shareholders holding more than 5% shares in the Company as at March 31, 2018

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No's.	% holding	No's.	% holding
Zuari Global Limited, Holding Company (Including 10,000 equity shares jointly held)	4,65,50,000	100%	4,65,50,000	100.00%

Note: The above disclosed information as per the records/ registers including Members register maintained by the Company as at the year end.

(e.) Terms/rights attached to equity shares:

(i) The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

(ii) The company has not issued any securities convertible into equity/preference shares.

(iii) for the period of five years immediately preceding the date as at which the Balance Sheet is prepared, there were:
No shares were allotted as fully paid up pursuant to a contract without payment being received in cash.
No shares were allotted as fully paid up by way of bonus shares.
No shares were bought back.

(iv) There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

(iv) There were no calls unpaid or forfeited shares.

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(Amount in Rupees, unless otherwise stated)

12. Other equity	As at March 31, 2018	As at March 31, 2017
12.1 Deemed equity on fair-value adjustment to Non-convertible cumulative redeemable preference Shares:		
At the beginning of the year	4,24,95,328	4,24,95,328
Equity component of redeemable Preference Shares issued during the year	1,37,15,248	-
Adj. for deferred tax liability recognised on the interest portion on Preference shares	(1,46,14,750)	
	4,15,95,826	**4,24,95,328**
Also refer note 13.7 for detailed disclosure on preference shares.		
12.2 Security Premium Account:		
(On issue of Non-convertible cumulative redeemable preference shares)		
As at the beginning of the year	76,50,00,000	76,50,00,000
Add: Security premium received during the year	26,55,00,000	-
As at the end of the year	**1,03,05,00,000**	**76,50,00,000**
12.3 Balance in profit & Loss Statement		
As at the beginning of the year.	(1,21,54,864)	(3,08,08,867)
Add: Profit for the Year	(18,73,637)	1,81,65,763
Add: Re-measurement gains/(loss) on defined benefit plans, not reclassified to profit or loss*	4,92,169	4,88,240
Net deficits in the profit and loss statement	**(1,35,36,332)**	**(1,21,54,864)**
	1,05,85,59,494	**79,53,40,464**
*** The Remeasurements gains in respect of employee benefits included above are as under;**		
As at the beginning of the year.	9,24,294	4,36,054
Remeasurements gain/(loss) on defined benefit plans	6,65,093	7,29,403
Income tax effect on above	(1,72,924)	(2,41,163)
Balance carried forward to next year	**14,16,463**	**9,24,294**

13. Borrowings	As at March 31, 2018	As at March 31, 2017
13.1 Long-term borrowings:		
Secured Loans		
Term Loans from banks:		
Federal Bank Limited	1,24,88,63,294	1,06,48,63,295
Less: Current Maturities (refer note 15.2)	(8,33,33,333)	-
	1,16,55,29,961	**1,06,48,63,295**
Unsecured Loans		
Inter-Corporate Deposits from (refer note 13.6. below)		
Zuari Global Limited (carried at cost)	22,08,00,000	12,48,00,000
Adventz Finance Private Limited (carried at cost)	-	20,00,00,000
Less: Current Maturities (refer note 15.2)	(22,08,00,000)	(28,48,00,000)
	-	**4,00,00,000**
Liability component of compound financial instrument		
Non-Convertible Redeemable Preference Shares	8,14,75,750	5,61,54,238
	1,24,70,05,711	**1,16,10,17,533**
13.2 Short -term borrowings:		
Secured Loans Term Loans from;		
ICICI Bank Limited	15,00,00,000	-
Unsecured Loans Inter-Corporate Deposits from;		
Adventz Finance Private Limited (carried at cost)	20,00,00,000	-
	35,00,00,000	**-**

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13.3 Federal Bank (Term Loan)

(a.) Term loan facility of Rs. 150 Crores including overdraft facility of Rs. 5 Crores as a sublimit of the overall limits, is secured by equitable mortgage on the Land and Building to be constructed under project name "Zuari Garden City " in area admeasuring to 50 Acres and 35 Guntas, Project receivables including all insurance and further secured by Corporate Guarantee issued by Zuari Global Limited, the Holding Company. There are other conditions and financial covenants attached to this bank facility, which are in ordinary course of business.

(b.) Terms of Repayment:

Particulars	Principal Amount	No. of Instalments	Interest Rate	Outstanding Instalments	Outstanding Loan
(i.) Term Loan for Project	1,24,88,63,294	36 Equal Monthly	12 % linked to 1 Year MCLR	36	1,24,88,63,294
(Draw down to the extent of Rs.1,24,88,63,294 (excluding overdraft facility) and repayable after 24 months moratorium from the date of initial disbursement i.e., January, 2017)					
(ii.) Overdraft Facility (sub-limit of the overall sanctioned limit)	5,00,00,000	N.A.	12% linked to 1 Year MCLR	N.A.	-

(c.) There are no continuing default in repayment of Principal or Interest as at the year end.

13.4 HDFC Bank (Term Loan)

(a.) Short-term unsecured loan facility for Rs.7,00,00,000/- to meet working capital requirements of the Company. This was availed and repaid during the year.

(b.) Terms of Repayment:

Particulars	Principal Amount	No. of Instalments	Interest Rate	Outstanding Instalments	Outstanding Loan
Short-term loan	7,00,00,000	Rs.3.5 Crores-150 days of drawdown Rs.3.5 Crores-180 days of drawdown	12% calculated on 365 days	N.A	-

13.5 ICICI Bank (Term Loan)

(a.) Short-term loan facility for Rs.15,00,00,000/- to meet working capital requirements of the Company. The facility is secured by the exclusive charge over the Trade Receivables (other than project receivables) of the Company and Equitable Mortgage over the Land at Vrindavan, Uttar Pradesh owned by Brajbhumi Nirman Private Limited ("BNPL") , an associate entity. Further, irrevocable and unconditional Corporate Guarantee from BNPL. There are other conditions and financial covenants attached to this bank facility, which are in ordinary course of business

(b.) Terms of Repayment:

Particulars	Principal Amount	No. of Instalments	Interest Rate	Outstanding Instalments	Outstanding Loan
Short-term loan	15,00,00,000	Repayable within 180 days of drawdown. (Drawdown: 28th March 2018)	MCLR Plus spread of 1.25%	N.A	15,00,00,000

13.6 Inter-Corporate Deposits (Unsecured)

(a.) Zuari Global Limited, Holding Company

(i.) These are unsecured loan from Zuari Global Limited, Holding Company to meet the working capital needs of the Company.

(ii.) Terms of Repayment:

Particulars	Outstanding 01 April, 2017	Loans during the Year	Repaid	Outstanding 31 March, 2018	Rate of Interest	Due Date of Repayment
Term Loan (1-4)	8,48,00,000	-	1,15,00,000	7,33,00,000	8%	30-06-2018
Term Loan-5	4,00,00,000	-	-	4,00,00,000	8%	29-09-2018
Term Loan-6	-	15,00,000	-	15,00,000	12%	29-09-2018
Term Loan-7	-	1,30,00,000	-	1,30,00,000	12%	29-09-2018
Term Loan-8	-	15,00,000	-	15,00,000	12%	29-09-2018
Term Loan-9	-	8,00,000	8,00,000	-	12%	29-09-2018
Term Loan-10	-	25,00,000	25,00,000	-	12%	29-09-2018
Term Loan-11	-	50,00,000	-	50,00,000	12%	29-09-2018
Term Loan-12	-	15,00,000	-	15,00,000	12%	29-09-2018
Term Loan-13	-	10,00,000	-	10,00,000	12%	29-09-2018
Term Loan-14	-	40,00,000	-	40,00,000	12%	29-09-2018
Term Loan-15	-	3,50,00,000	-	3,50,00,000	12%	29-09-2018
Term Loan-16	-	3,50,00,000	-	3,50,00,000	12%	29-09-2018
Term Loan-17	-	10,00,000	-	10,00,000	12%	29-09-2018
Term Loan-18	-	90,00,000	-	90,00,000	12%	29-09-2018
	12,48,00,000	**11,08,00,000**	**1,48,00,000**	**22,08,00,000**		

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(b.) Adventz Finance Private Limited

Unsecured Loan of Rs 20,00,00,000 /- at a interest rate of 14% p.a. is due on 30th June 2018. (2017: Rs. 20,00,00,000 /- at interest rate of 14% per annum)

Note: *The borrowings from banks and others are carried at their cost with interest being accrued on the monthly basis. In the opinion of the Management had the same been amortised using the EIR the effect on these financial statements would be insignificant.*

13.7 Non-Convertible Cumulative Redeemable Preference Shares:

(a.) Reconciliation of Shares Outstanding at the beginning and end of the reporting year ***(In Numbers)***

Non-Convertible Cumulative Redeemable Preference Shares of Rs 10 each, issued at premium Rs 90 per share	As at 31 March 2018	As at 31 March 2017
At the beginning of the year	85,00,000	85,00,000
Issued during the year	29,50,000	-
Outstanding at the end of the year	**1,14,50,000**	**85,00,000**

(b.) Shares holding more than 5% as at the beginning and end of the reporting year

Non-Convertible Cumulative Redeemable Preference Shares of Rs 10 each, issued at premium Rs 90 per share.	As at 31 March 2018		As at 31 March 2017	
	In No's	In %	In No's	In %
Mr. Saroj Kumar Poddar	85,00,000	74%	85,00,000	100%
Texmaco Infrastructure & Holdings Limited	29,50,000	26%	-	-
Outstanding at the end of the year	**1,14,50,000**	**100%**	**85,00,000**	**100%**

(c) Terms / Rights attached to Non-Convertible Cumulative Redeemable Preference Shares:

The Company has only one class of non-convertible preference share having a par value of Rs 10 per share, carrying coupon rate of 8.5% per annum which are cumulative in nature and redeemable on 31st March 2020 (70,00,000 Shares), 31st March 2021 (15,00,000 Shares) and 31st March 2022 (29,50,000 Shares) respectively. Each holder of preference shares is entitled to one vote per share on resolutions placed before the company, which directly affect the rights attached to the preference share. These shares are redeemable at a price band of Rs 125 - Rs 150 per preference share.

(d) Pursuant to Schedule III of the Companies Act ("the Act"), for companies whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015 read with Indian Accounting Standard 32 - Disclosure of Financial Instruments, Non-convertible redeemable preference shares which are settled in cash needs to be classified as 'financial liability' and not 'equity'. Accordingly company has computed the fair value of these preference shares considering the effective interest rate (EIR) at 14% and the portion computed as 'Borrowing' amounting to Rs.8,14,75,750/-(2017:Rs. 5,61,54,238/-) has been classified under 'Long-term Borrowings' and the portion computed as the deemed equity amounting to Rs.5,62,10,576/- (2017: Rs. 4,24,95,328) has been reported under 'Other Equity'.

With respect to premium received on issue as well as the additional premium payable on redemption of preference shares no adjustments/ disclosures has been carried out as contemplated in Ind-AS 32 and Ind-AS 109 read with Schedule III of the Act, since such classification of the 'securities premium account' into 'borrowings' or 'other equity' will be inconsistent with the provisions of section 52 of the Act which stipulates the manner in which the securities premium account can be utilised. Also the additional premium payable on the redemption has not been recognised in the absence of the accumulated profits since recognition of such a liability will be violative of section 55 of the Act.

Considering above, the Company has been legally advised that no further recognition or adjustments to the premium amounts are required in view of the specific provisions of contained in section 52 and 55 of the Act. Accordingly No adjustments are made as required under Ind-AS 32 and Ind-AS 109 read with Schedule III of the Act.

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(Amount in Rupees, unless otherwise stated)

14. Trade payables		As at March 31, 2018	As at March 31, 2017
14.1	**Non-Current**		
	Retention Money - non current (carried at cost) - refer note 14.4 below	1,74,08,573	3,97,13,676
	Due to others (carried at cost) - refer note 14.4 below	25,48,074	-
		1,99,56,647	**3,97,13,676**
14.2	**Current**		
	Retention Money - current (carried at cost)	1,45,98,245	1,00,03,904
	Dues to Related Parties (carried at cost) - refer note 14.3. & 14.4 below	36,92,844	1,62,90,366
	Dues to others (carried at cost)	9,63,61,501	12,62,61,159
		11,46,52,590	**15,25,55,429**
14.3	**Due to Related Parties comprises of due to;**		
	Simon India Limited	36,92,844	36,92,844
	Zuari Investments Limited	-	14,84,500
	Zuari Global Limited	-	1,11,13,022
		36,92,844	**1,62,90,366**

14.4 Includes retention money Rs.1,42,78,082/- (2017: Rs. 2,75,39,698/-) and other dues Rs. 25,48,074/- (Rs.25,48,074/-) to one of the sub contractors in respect of which the Management is in negotiation with party for full and the final settlement, pending which it is reported as Non-current which is considered appropriate by the Management.

14.5 Based on the information available with the Company, none of the vendors / service providers have identified themselves to be classified as Micro & Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, no disclosures are made in this regard.

15. Other Financial Liabilities		As at March 31, 2018	As at March 31, 2017
15.1	**Non-Current**		
	Other financial liabilities (carried at amortised cost)		
	Rent Deposit	12,77,068	-
	Deferred Rental on security deposits (fair value adjustment) - Non-current	13,24,003	-
		26,01,071	**-**
15.2	**Current**		
	Other financial liabilities (carried at cost)		
	Current maturity of long term loans (refer note 13)	30,41,33,333	28,48,00,000
	Interest accrued and due on borrowings*	-	2,06,33,901
	Due to employees	68,42,472	58,34,832
	Due to related parties (refer note 15.3 below)	20,09,121	9,59,560
	Due to others	84,696	-
	Others:		
	Deferred Rental on security deposits (fair value adjustment)-Current	2,37,464	-
		31,33,07,086	**31,22,28,293**

* The Management is of the view that the settlement / service of interest debited by the bank on the day subsequent to such debit is not a default.

15.3	**Due to related parties comprises of dues to;**		
	Zuari Global Limited	2,85,625	-
	Mr. Alok Banerjee	12,39,782	7,37,601
	Mr. Anshul Amit Bansal	4,00,867	1,29,037
	Mr. C G Ramegowda	82,847	92,922
		20,09,121	**9,59,560**

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16. Provisions	As at March 31, 2018	As at March 31, 2017
16.1 Non-Current		
Provision for gratuity obligation	33,32,168	28,19,725
Provision for compensated absences	6,16,764	14,72,489
	39,48,932	**42,92,214**
16.2 Current		
Provision for gratuity obligation	3,28,819	1,82,650
Provision for compensated absences	3,72,691	2,76,263
	7,01,510	**4,58,913**

Also, refer note 35 for detailed disclosures on employee benefit plans.

17. Deferred tax liability (net)	As at March 31, 2018	As at March 31, 2017
17.1 Tax effect of items constituting deferred tax liabilities		
Fair valuation of investment in mutual funds	2,02,14,470	1,07,17,205
Interest on preference shares	1,46,14,750	-
Unwinding of security deposit received	24,556	-
	3,48,53,775	**1,07,17,205**
17.2 Tax effect of items constituting deferred tax assets		
Unwinding of security deposit paid	11,369	14,103
Interest accrued on preference shares (Adjustment pursuant to Ind-AS)	60,28,445	45,12,956
Difference between accounting base and tax base of tangible & Intangible assets	17,98,688	22,90,965
Timing differences on benefit obligations	12,09,115	-
Others	2,69,049	-
MAT Entitlement	41,80,513	75,95,063
Unused Tax Losses	3,09,53,972	-
Less: Not recognised in books of account	(3,09,53,972)	-
	1,34,97,179	**1,44,13,088**
	2,13,56,596	**(36,95,882)**

Also, refer note 27 for other tax related disclosures.

17.3. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

17.4. Since the management expects that the interest on Non convertible redeemable Preference shares will not be allowed as a deduction, the deferred tax impact on the same has been recognised in Other Equity.

18. Other current liabilities	As at March 31, 2018	As at March 31, 2017
Statutory dues	73,67,488	73,86,370
Advances from Customers	19,66,90,945	22,04,32,729
	20,40,58,432	**22,78,19,099**

18.1. Advances received represents receipts from buyers in respect of the projects which are under progress and also includes also includes amounts refundable aggregating to Rs.5,00,000/- in respect of cancelled flats/villas.

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ZUARI INFRAWORLD INDIA LIMITED

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018.

(Amount in Rupees, except otherwise stated)

19. Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of flats & villas	3,62,27,486	11,78,34,366
Development management fees	3,01,00,851	6,98,20,420
	6,63,28,337	18,76,54,786

20. Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on ;		
Deposits with Bank	81,514	2,27,854
Inter-Corporate Deposits to subsidiary	14,36,637	5,46,814
Income tax refund	5,73,824	-
Others	32,274	24,01,415
Rent from sub-lease (net of directly attributable expenses Rs. 34,79,512/-)	3,62,692	-
Dividend from Mutual funds	4,63,836	-
Gains from redemption of Mutual Fund	4,44,568	11,25,067
Gain on fair value adjustments to financial assets through Profit and loss	4,85,63,201	4,72,23,241
Adjustment on amortisation of financial assets:		
Inter-Corporate Deposits to subsidiary	82,06,502	
Security deposit	1,92,010	1,78,163
Unwinding of financial liability, security deposit from sub lease	2,37,464	-
Financial Guarantee Commission from subsidiary Company (accrual)	19,36,433	6,09,097
Miscellaneous income	7,52,518	8,14,986
	6,32,83,473	5,31,26,637

21. Project construction and development expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Architect Fees	13,12,833	-
Consultancy Fee	6,75,132	9,63,639
Depreciation on assets - Projects	6,36,170	8,09,194
Project Approval cost	3,03,300	-
Land Development	17,82,315	6,70,105
Civil Work	2,83,38,802	11,44,29,053
Landscape Expenses	39,65,357	44,14,999
Site Office Expenses	48,80,792	38,27,795
Site Security Expenses	14,606	60,94,007
Project Staff Costs	4,05,46,467	4,65,62,772
Contribution to Provident & Other funds	18,02,507	19,36,287
Property Tax	16,32,949	14,88,908
Infrastructure Expenses	1,30,62,631	2,94,38,101
Miscellaneous project Expenses	6,56,761	9,85,714
Sub Total	**9,96,10,622**	**21,16,20,573**
Add: Borrowing cost incurred during the year	17,83,33,070	14,97,42,614
Less: Balance no longer required	(2,21,00,000)	-
	25,58,43,692	36,13,63,187

22. Changes in inventories	For the year ended March 31, 2018	For the year ended March 31, 2017
Construction Work-in- progress		
Inventory at the beginning of the year	1,53,02,49,176	1,28,18,43,520
Less: Transferred to other current assets	-	-
Add: Construction Cost incurred during the year	25,58,43,692	36,13,63,187
Less: Charged off to profit and loss during the year	(4,52,87,597)	(11,29,57,531)
Inventory at the end of the year	1,74,08,05,271	1,53,02,49,176
Total (Increase) / Decrease	**(21,05,56,095)**	**(24,84,05,656)**

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(Amount in Rupees, except otherwise stated)

23. Employee benefit expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	1,23,78,997	1,60,63,485
Contribution to provident and other funds	8,65,397	5,83,717
Gratuity	8,87,990	9,25,826
Staff welfare expenses	1,90,995	3,11,812
	1,43,23,379	**1,78,84,839**

24. Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	90,89,884	65,51,794
Travel and conveyance	22,88,438	21,00,198
Legal and professional fees	58,38,350	53,06,767
Communication and internet charges	7,55,696	9,07,634
Office Expenses	20,80,355	31,75,010
Repairs and maintenance	20,62,556	16,97,614
Auditors remuneration	6,50,112	6,47,580
Recruitment expenses	5,61,262	6,97,141
Advertising and publicity expense	38,76,698	48,56,327
Rates and taxes	3,03,213	21,75,878
Commission & Brokerage	23,01,073	63,32,661
Security Expenses	13,23,240	28,58,496
Miscellaneous expenses	12,90,485	11,88,714
Provision for service tax refund receivable	10,34,805	-
Balances written-off	1,11,381	-
Loss on disposal of Asset	2,55,871	10,850
	3,38,23,420	**3,85,06,663**

24.1 Remuneration to Auditors' reported above includes		
Statutory Audit Fees	5,00,000	5,00,000
Tax Audit Fees	75,000	75,000
Certification fees	50,000	50,000
Out of pocket expenses	25,112	22,580
	6,50,112	**6,47,580**

25. Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense:		
Interest on borrowings	19,23,38,957	18,69,55,536
Interest on delayed payment of Income tax	1,43,064	-
Interest on delayed payment of Tax deducted at Source	4,594	-
Fair value adjustment initial recognition of loans	4,60,948	-
Fair value adjustment initial recognition of security deposits	1,43,018	-
Fair value adjustment to Preference Shares	95,36,759	68,79,601
	20,26,27,339	19,38,35,137
Less: Transfer to Project Construction and Development expenses	17,83,33,070	14,97,42,614
	2,42,94,269	**4,40,92,523**

25.1. Capitalisation of the Borrowing cost is not required to be suspended when substantial technical and administrative work is carried out or when there is a temporary delay which is a necessary part of the process of getting an asset ready for sale. The Management is of the view that the slow progress of various real estate projects are temporary in nature considering the nature of industry and the economic conditions prevailing in the industry. Accordingly, capitalisation (transfer to inventory) of interest cost is not suspended during the year.

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26. Depreciation and amortization expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets	23,95,222	21,90,909
Amortisation of intangible assets	3,94,669	11,11,355
Less: Depreciation on leasehold improvements attributable to sub-lease income netted off against sublease income.	(3,72,005)	-
	24,17,886	**33,02,264**

27. Income Tax	For the year ended March 31, 2018	For the year ended March 31, 2017
Income tax expense	6,00,000	28,87,707
Income tax of earlier year	4,74,091	-
Deferred tax charge/(credit)	1,02,64,805	29,84,134
Total	**1,13,38,896**	**58,71,840**

27.1 Income tax expense for the year reconciled to the accounting profit	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax		
Adjustments for:		
Gain on fair value adjustments to preference shares	-	(32,38,935)
Expenses not considered for tax purposes.	1,15,169	3,37,563
Gain on fair value adjustments to Mutual funds taxable at differential rate	(31,29,168)	(32,54,540)
Interest portion fair value adjustment to preference shares issued	9,64,069	(1,48,806)
Other adjustments	(11,35,149)	(18,652)
Tax effect on unused tax losses not recognised	75,74,367	47,67,590
Tax expenses of earlier year debited to profit and loss	4,74,091	-
Minimum Alternate Tax (MAT) of earlier year debited to profit and loss	40,14,550	-
	1,13,38,896	**58,71,840**

27.2 The tax effects of timing differences that resulted in changes in deferred tax are as follows:	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair valuation of investment in mutual funds	94,97,264	80,98,506
Unwinding of security deposit paid	2,734	(4,933)
Interest accrued on preference shares issued (Adjustment pursuant to Ind-AS)	(15,15,489)	(22,74,602)
Difference between accounting base and tax base of tangible & Intangible assets	4,92,278	(53,615)
Unwinding of security deposit received	24,556	-
Temporary differences on benefit obligations	(12,09,115)	-
Others temporary differences	(2,69,049)	-
MAT Credit of the earlier year charged off	40,14,550	-
MAT Credit	(6,00,000)	(25,40,060)
Temporary differences on other comprehensive income	(1,72,924)	(2,41,163)
	1,02,64,805	**29,84,134**

27.3. Deferred tax assets arising from the carry forward of unused tax losses not are recognised in these financial statements as there is no convincing evidence that sufficient taxable profit will be available in the future against which the unused tax losses can be utilised by the Company, which is considered appropriate by the Management.

27.4. The effective tax rate applicable to the company for the subsequent years is reduced from 30.90% to 26% as per the recent amendments to Income Tax Law. Accordingly, amended rate has been considered for the computation of Deferred Tax.

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28. Disclosure of Interest in subsidiaries, joint arrangements and associates:

28.1. Disclosure of Interest in the following subsidiaries:

Name	Country of Incorporation	Ownership Interest of ZIIL (%) As at 31 March 2018	Ownership Interest of ZIIL (%) As at 31 March 2017	Method used to account for investments
(i) Zuari Infra Middle East Ltd	UAE	100%	100%	Line by line consolidation

28.2. Disclosure of Interest in the following associates:

Name	Country of Incorporation	Ownership Interest of ZIIL (%) As at 31 March 2018	Ownership Interest of ZIIL (%) As at 31 March 2017	Method used to account for investments
(i) Brajbhumi Nirmaan Private Limited	India	25%	25%	Equity Accounting
(ii) Darshan Nirman Private Limited	India	25%	25%	Equity Accounting
(iii) Pranati Niketan Private Limited	India	25%	25%	Equity Accounting

29. Commitments and Contingencies

29.1. Leases

Operating lease - as lessee

The Company has taken office premises on an 11 Year operating lease. The lease rentals recognized in the Income & Expenditure account for the year are Rs.1,16,41,104/- , excl. tax (2017: Rs. 57,72,792/-) . The future lease payments of operating lease are as given below. Lease Rentals charged to the profit and loss statement and obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements:

	As at 31 March 2018	As at 31 March 2017
Lease rentals recognized during the year	1,16,41,104	57,72,792
Lease Obligations		
- Within one year	1,22,75,046	1,16,41,104
- After one year but not more than five years	5,53,33,873	5,27,76,580
- More than five years	3,21,96,950	4,70,28,388

29.2. Contingent Liabilities

(i) Dividend liability on Non Convertible redeemable cumulative preference shares	2,94,61,231	1,52,54,704
(ii) TDS demand under the Income Tax Act, 1961 as per TRACES, not acknowledged as debt.	8,22,298	-

29.3. Capital and Other Commitments

(i) Estimated amount of contracts remaining to be executed on Project construction and development aggregates to Rs.25,87,26,691/- (2017:Rs.52,55,83,187/-).

(ii) The Company has furnished Stand-by Letter of Credit (SBLC) with the sanctioned limit of AED 105 million (approximately Rs.177.6 Crores) in favour of National Bank of Fajairah (NBF) and State Bank of India (SBI), Dubai obtained from State bank of India. This facility is with respect to term loan facilities availed by Zuari Infraworld Middle East Limited, UAE , a Wholly owned subsidiary from that bank. This facility is secured by investments held in mutual funds by the Company as reported in Note 4 and further secured by the land owned by the Zuari Global Limited, the holding Company. Guarantee Outstanding as at the reporting date is AED 4,19,00,000 (NBF) and USD 71,88,462 (SBI) (2017: AED 41,900,000)

The loan disbursed and remaining outstanding as at 31st March 2018 was AED 3,97,20,000/- against the above guarantees furnished. (2017 : AED 3,97,20,000/-)

30. Earnings Per Share ("EPS")

Basic Earnings Per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. There are no dilutive potential equity shares, accordingly the Diluted EPS are also calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during as at the end year.

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

Particulars	31 March 2018	31 March 2017
Profit before OCI attributable to equity holders of the parent company	(18,73,637)	1,81,65,763
Weighted Average number of equity shares used for computing EPS (Basic & Diluted)	4,65,50,000	4,65,50,000
Earning/(Loss) Per Share (Basic and Diluted) (Rs.)	(0.04)	0.39
Face value per share (Rs.)	10.00	10.00

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31. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables, security deposits, and employee dues. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. Further, the company is predominantly into the real estate sector which is subject to The Real Estate (Regulation and Development) Act, 2016 (RERA).

31.1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments in mutual funds.

(i.) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Term Loan facility from Federal Bank and Short term loan facility from ICICI Bank Limited is subject to floating rate of interest based on MCLR, while the borrowings from the related entities carry interest at a fixed rates.

Interest sensitivity analysis	Outstanding Loan facility subject to floating rates	Increase/ decrease in basis points	Effect on profit before tax
For the year ended 31 March 2018			
Increase in base points	1,39,88,63,294	+50	69,94,316
Decrease in base points	1,39,88,63,294	-50	(69,94,316)
For the year ended 31 March 2017			
Increase in base points	1,06,48,63,295	+50	53,24,316
Decrease in base points	1,06,48,63,295	-50	(53,24,316)

(ii.) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

There is no significant currency risk as substantially all financial assets and financial liabilities are denominated in Indian Rupees, except for investment in wholly owned subsidiary which is denominated in foreign currency.

(iii.) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all Investment decisions.

31.2. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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Trade receivables

Sale of Flats & Villas:

Customer credit risk is managed by " CRM team " subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer dues with respect to Customers demands are regularly monitored for proactive actions. The unpaid customers demands are included under 'Unbilled Revenue' computed as per the revenue recognition norms stipulated in Guidance note on Real Estate Transactions (for the entities to whom Ind AS is applicable) issued by The Institute of Chartered Accountants of India to the extent such demands related to projects in progress. In respect of completed projects such demands are included under trade receivables.

Development Management Fees:

Apart from real estate activities, the Company also provides Project Development services. The Trade Receivables includes dues from these activities which is aggregated to Rs. 4,67,14,322/- (2017: Rs 19,54,01,900)

An impairment analysis is performed at each reporting date on an individual basis for these entities. The Company does not hold collaterals as security. The Company evaluates the concentration of risk with respect to trade receivables as Nil, as its customers are related and are part of the same group and with respect of sale of flats & villas the sale deed is executed only after the realisation.

31.3. Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain balance between continuity of funding and flexibility through the use of bank loans and Debt Preference Shares. The Company is in the process of assessing the concentration of risk with respect to refinancing its debt preference shares and it is of the opinion that had the same been assessed the effect of the same would be insignificant.

The management expects to renew/rollover all of the short term debts/borrowings that are falling due in next 12 months. Further the Company is confident of increased operational cash inflows from bookings of flats/villas and is also ensured of continued support from its Holding/ Associates Companies and the Promoters.

31.4. 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 ensure their ability to continue as going concern and maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March, 2018:

Particulars	On demand	< 3 month	3 to 12 months	1 to 3 years	> 3 years	Total
Borrowings *(Incl. Debt portion of Preference Shares)*	-	27,33,00,000	38,08,33,333	1,24,70,05,711	-	1,90,11,39,044
Trade payables	-	5,27,18,514	6,65,12,463	1,43,78,260	10,00,000	13,46,09,237
Other financial liabilities	-	88,51,593	78,697	87,525	27,57,009	1,17,74,824
Total	**-**	**33,48,70,107**	**44,74,24,493**	**1,26,14,71,496**	**37,57,009**	**2,04,75,23,105**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March, 2017:

Particulars	On demand	< 3 month	3 to 12 months	1 to 3 years	> 3 years	Total
Borrowings *(Incl. Debt portion of Preference Shares)*	-	-	28,48,00,000	1,16,10,17,533	-	1,44,58,17,533
Trade payables	-	2,75,23,106	12,50,32,323	3,97,13,676	-	19,22,69,105
Other financial liabilities	2,06,33,901	67,94,392	-	-	-	2,74,28,293
Total	**2,06,33,901**	**3,43,17,498**	**40,98,32,323**	**1,20,07,31,209**	**-**	**1,66,55,14,931**

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32. Related Party Disclosures

32.1. List of Related Parties and nature of relationship where control exists:

Holding Company	Zuari Global Limited
Subsidiary	Zuari Infra Middle East Limited
Step down Subsidiary	Zuari Infraworld SJM Properties LLC (formerly SJM Elysium Properties LLC)
Fellow Subsidiaries	Zuari Management Services Limited
	Simon India Limited
	Zuari Finserv Pvt. Ltd. (erst. Zuari Investment Ltd. demerged w.e.f. 19.11.2017)
Associates	Brajbhumi Nirmaan Private Limited
	Darshan Nirmaan Private Limited
	Pranati Niketan Private Limited
Key Management Personnel	Mr. Alok Banerjee, Chief Executive Officer
	Mr. Anshul Amit Bansal, Chief Financial officer
	Mr. Krishan Kumar Gupta, Independent Director
	Mr. Vishwajit Kumar Sinha, Non-Executive Director (Resigned w.e.f. 24.03.2018)
	Mr. Sunil Sethy, Independent Director
	Mr.Narayanan Suresh Krishnan, Director
	Mr. C G Ramegowda, Company secretary
Director of holding company	Mr. Saroj Kumar Poddar

32.2.Transactions with related parties:

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i.	**Payments made on their behalf by the Company:**		
	Zuari Infra Middle East Limited		2,24,57,391
	Zuari Agro Chemicals Limited	21,26,186	14,58,652
ii	**Payment made on our behalf by the Company:**		
	Zuari Global Limited	2,85,625	-
iii	**Service Charges / Management Fees Paid**		
	Zuari Finserv Pvt. Ltd. (erstwhile Zuari Investment Ltd. demerged w.e.f. 19.11.2017)	5,000	31,500
iv	**Service Charges / Management Fees Income**		
	Brajbhumi Nirmaan Private Limited	-	75,00,000
	Zuari Global Limited	2,19,00,851	-
	Zuari Infra Middle East Limited- Management Fees	-	6,00,00,000
	Zuari Infra Middle East Limited (Financial Guarantee charges)	19,36,433	6,09,097
v	**Inter-Corporate Deposits Given- Asset**		
	Zuari Infra Middle East Limited		
	- Given	11,15,82,714	-
	- Recovered	3,33,21,624	61,27,848
vi	**Inter-Corporate Deposits Taken - Liability**		
	Zuari Global Limited		
	- Accepted	11,08,00,000	4,00,00,000
	- Repayment	1,48,00,000	7,60,00,000
vii	**Interest on ICD received (Expenses)**		
	Zuari Global Limited	1,20,82,388	97,43,781
viii	**Interest on ICD given - Income (incl. adjustment on amortisation)**		
	Zuari Infra Middle East Limited	96,43,139	5,46,814
ix	**Reimbursement of Expenses received/receivable**		
	Brajbhumi Nirmaan Private Limited	1,00,37,361	26,66,159

Note: Transactions during the year ended 2018 is exclusive of taxes

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32.3. Key management personnel compensation:

Particulars	As at March 31, 2018	As at March 31, 2017
i. Short-term employee benefits		
Mr. Alok Banerjee, Chief Executive Officer	99,78,338	93,21,328
Mr. Anshul Amit Bansal, Chief Financial officer	22,39,661	19,04,460
Mr. C G Ramegowda, Company secretary	12,62,986	2,99,108
ii. Retirement benefits (Provident fund and Gratuity)		
Mr. Alok Banerjee, Chief Executive Officer	5,84,568	5,43,784
Mr. Anshul Amit Bansal, Chief Financial officer	1,32,183	1,12,515
Mr. C G Ramegowda, Company secretary	74,244	17,506
ii. Sitting fees		
Directors sitting fees to Non-executive Directors	5,35,000	5,72,500
Total compensation	**1,48,06,980**	**1,27,71,201**

32.4. Year-end balances

i. Trade payable	As at March 31, 2018	As at March 31, 2017
Zuari Global Limited	-	1,11,13,022
Simon India Limited	36,92,844	36,92,844
Zuari Finserv Private Limited	-	14,84,500

ii. Other payable	As at March 31, 2018	As at March 31, 2017
Mr. Alok Banerjee	12,39,782	7,37,601
Mr. Anshul Amit Bansal	4,00,867	1,29,037
Mr. C G Ramegowda	82,847	92,922
Zuari Global Limited	2,85,625	-

iii. Trade receivable	As at March 31, 2018	As at March 31, 2017
Zuari Infra Middle East Limited	-	15,50,00,000
Brajbhumi Nirmaan Private Limited	4,04,01,900	4,04,01,900
Zuari Global Limited	65,49,021	-

iv. Expenses Recoverable	As at March 31, 2018	As at March 31, 2017
Brajbhumi Nirmaan Private Limited	1,57,32,604	86,01,275
Zuari Infra Middle East Limited	5,36,39,055	3,84,10,977

v. Loans to related parties:	As at March 31, 2018	As at March 31, 2017
Zuari Infra Middle East Ltd. (carried at amortised cost) Actual Loan amount Rs.7,82,61,090/-	7,78,00,142	-
Zuari Infra Middle East Limited (Deferred Interest fair value adjustment)	82,06,502	-

vi. Loans from related parties:	As at March 31, 2018	As at March 31, 2017
Zuari Global Limited	22,08,00,000	12,48,00,000

vii. Other year-end balances	As at March 31, 2018	As at March 31, 2017
(a) Included in Project Work-in-Progress		
Zuari Global Limited.	23,96,31,787	21,56,74,893
Zuari Infra Middle East Limited.	45,74,601	11,55,690
(b) Service Income accrued and not billed		
Zuari Infra Middle East Limited.	13,24,230	-
Zuari Global Limited.	1,35,000	-

32.5. Terms and conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and in the normal course of business.

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33: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value		Fair value	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
(a.) Financial assets				
(i.) FVPL financial instruments:				
Un-Quoted mutual funds	97,76,48,786	43,36,21,750	97,76,48,786	43,36,21,750
Preference Shares held in Associate Company	6,54,14,692	6,54,14,692	6,54,14,692	6,54,14,692
(ii.) Amortised Cost:				
Security deposits	26,69,046	24,77,035	26,69,046	24,77,035
Loan to Subsidiary	7,78,00,142	-	7,78,00,142	-
Total	**1,12,35,32,666**	**50,15,13,477**	**1,12,35,32,666**	**50,15,13,477**
(b.) Financial liabilities				
(i.) Amortised Cost:				
Preference shares (debt portion)	8,14,75,750	5,61,54,238	8,14,75,750	5,61,54,238
Security deposit towards sub lease	12,77,068	-	12,77,068	-
ICICI Bank Ltd - Term Loan	15,00,00,000	-	15,00,00,000	-
Federal Bank Ltd-Term Loan	1,24,88,63,294	1,06,48,63,295	1,24,88,63,294	1,06,48,63,295
Total	**1,48,16,16,112**	**1,12,10,17,533**	**1,48,16,16,112**	**1,12,10,17,533**

Other Notes:

(i.) The management assessed that cash and cash equivalents, other bank balances, trade receivables, retention money, inter corporate deposits, loan to related party and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii.) The following methods and assumptions were used to estimate the fair values:

(a.) Long-term fixed-rate and variable-rate Borrowings are evaluated by the Company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if any.

(b.) The fair values of the unquoted Preference shares have been estimated using a DCF model and considering the future cash outflow in this regard, based on a independent valuation . The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted Preference shares.

(c.) The fair values of the Company's interest-bearing borrowings and loans approximates to their carrying amounts i.e., cost as at the end of the reporting year. The own non-performance risk as at reporting was assessed to be insignificant.

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34. Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(a.) Quantitative disclosures fair value measurement hierarchy for assets:

Assets:	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(i.) FVPL financial instruments:				
Investments in Mutual funds	97,76,48,786	-	97,76,48,786	-
	(1,06,48,63,295)	-	(1,06,48,63,295)	-
Preference shares held in Associate	6,54,14,692	-	-	6,54,14,692
	(6,54,14,692)	-	-	(6,54,14,692)
(ii.) Amortised Cost:				
Loan to Subsidiary	7,78,00,142	-	7,78,00,142	-
	-	-	-	-
Security deposits (Liability)	26,69,046	-	26,69,046	-
	(24,77,035)	-	(24,77,035)	-

(b.) Quantitative disclosures fair value measurement hierarchy for liabilities:

Liabilities:	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(i.) Borrowings:				
Federal Bank Ltd - Term Loan	1,24,88,63,294	-	1,24,88,63,294	-
	(1,06,48,63,295)		(1,06,48,63,295)	
Preference shares (debt portion)	8,14,75,750	-	-	8,14,75,750
	(5,61,54,238)	-	-	(5,61,54,238)
ICICI Bank Ltd - Term Loan	15,00,00,000	-	15,00,00,000	-
	-	-	-	-
(ii.) Security deposit (At amortised cost)				
Security deposit towards sub lease	12,77,068	-	12,77,068	-
	-	-	-	-

(i.) Amounts in the parenthesis represent previous year.

(ii.) There have been no transfers between Level 1 and Level 2 during the year.

(c.) The Company has not valued the Financial guarantee that it has extended to its wholly owned subsidiary to its fair value. It is the opinion of the Management that, had the same been valued it would not have any significant impact on these financial statements.

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35. Gratuity (Employment benefit plan)

	As at 31 March 2018		As at 31 March 2017	
	Current	Non-current	Current	Non-current
Value of Plan - Gratuity (Un-Funded)	3,28,819	33,32,169	1,82,650	28,19,725
	3,28,819	**33,32,169**	**1,82,650**	**28,19,725**

Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i.) Net employee benefit expense (recognized in Employee Cost) for the year ended:

Particulars	As at 31 March 2018	As at 31 March 2017
Current Service Cost	10,52,900	11,72,356
Past Service cost-(non vested benefits)	2,460	-
Past Service cost-(vested benefits)	1,81,164	-
Net Interest Cost	1,97,179	1,90,674

(ii.) Amount recognised in Other Comprehensive Income for the year ended:

Particulars	As at 31 March 2018	As at 31 March 2017
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(2,26,549)	1,65,534
Experience (gains) / losses	(4,38,544)	(8,95,943)

(iii.) Changes in the present value of the defined benefit obligation are, as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Opening defined obligation	30,02,375	27,43,159
Current service cost	10,52,900	11,72,356
Past Service cost-(non vested benefits)	2,460	-
Past Service cost-(vested benefits)	1,81,164	-
Interest cost	1,97,179	1,90,674
Contribution paid	(1,09,997)	(3,74,405)
Actuarial (gain)/ loss on obligations	(6,65,093)	(7,29,409)
Defined benefit obligation	**36,60,988**	**30,02,375**

(iv.) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As at 31 March 2018	As at 31 March 2017
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.48%	6.69%
Rate of increase in compensation	9%	9%
Expected average remaining service	9.16	9.02
Benefit of normal retirement considered as per Payment of Gratuity Act, 1972	Rs. 20,00,000	Rs. 10,00,000
Employee Attrition Rate (Past Service)	PS: 0 to 40 years: 8%	PS: 0 to 40 years: 8%

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(v.) A quantitative sensitivity analysis for significant assumption as at the reporting date is as shown below:

Gratuity Plan	As at 31 March 2018		As at 31 March 2018	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	+1% increase	-1% decrease	+1% increase	-1% decrease
Impact on definedbenefit obligation	34,06,769	39,52,077	39,34,433	34,17,247

Gratuity Plan	As at 31 March 2017		As at 31 March 2017	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	+1% increase	-1% decrease	+1% increase	-1% decrease
Impact on definedbenefit obligation	27,89,367	32,47,185	32,19,083	27,99,040

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at 31 March 2018	As at 31 March 2017
Within the next 12 months	3,28,819	1,82,650
Between 2 and 5 years	15,19,877	15,69,335
Between 5 and 10 years	24,65,278	32,54,386
Total expected payments	**43,13,974**	**50,06,371**

Note: The above disclosures are based on the valuation report by the independent actuary and relied upon by the auditors.

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36. Segment Information

Information regarding Operating Segment Reporting as per Ind AS-108

The Chief Financial Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company has identified only one segment i.e., real estate sector as its reportable segment for the purpose of Ind AS 108:

Real Estate segment (RE) is into development, sale, management and operation of all or any part of townships, housing projects, includes leasing of self owned commercial premises and also rendering development management services and thus entire business has been considered as a single operating component by the Management.

36.1. The following table presents assets and liabilities information for the Company's operating segments as at year end:

Geographical information	Non-current assets		Revenue from operations	
	As at 31 March 2018	As at 31 March 2017	for the year ended 31 March 2018	for the year ended 31 March 2017
India	11,56,40,090	12,65,63,599	6,63,28,337	12,76,54,786
Outside India (Dubai)	-	-	-	6,00,00,000
	11,56,40,090	**12,65,63,599**	**6,63,28,337**	**18,76,54,786**

Note:

(i.)Segment Assets disclosed above includes Rs. Nil (2017: Rs.13,17,539/-) being capital work-in-progress.

(ii.) Non-current assets disclosed above are excluding Investment in subsidiaries & Associates, financial instruments, deferred tax assets, post-employment benefit assets etc.,.

36.2. Revenue from the customers contributing more than 10% of the total revenue are given below:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Zuari Global Limited	2,19,00,851	-
Swiss Cottage Infraworld	82,00,000	-
Zuari Infra Middle East Limited	-	6,00,00,000
Brajbhumi Nirmaan Private Limited	-	98,20,420
Total	**3,01,00,851**	**6,98,20,420**

37. Disclosures relating to Projects:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Project revenue recognized as revenue in the reporting period	3,62,27,486	11,78,34,366
Aggregate amount of costs incurred and profits recognised (less recognised losses) upto the reporting date.	1,67,73,54,476	1,64,10,29,138
Amount of advance received on project under progress and outstanding at the reporting	19,66,90,945	22,04,32,729
Amount of work in progress and the value of inventories	1,74,08,05,271	1,53,02,49,177
Excess of revenue recognised over actual bills raised (unbilled revenue) *	1,80,72,074	24,55,99,582
Method used to determine project revenue recognised during the year	Refer Note 2 (j)	Refer Note 2 (j)
Method used to determine the stage of completion of projects in progress	Refer Note 2 (j)	Refer Note 2 (j)

* Does not include Rs.13,90,03,256/- receivable towards completed projects which are pending execution of sale deeds and are reported under trade receivable in Note 9.

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38. In the opinion of the Management none of the assets, other than fixed assets, have a value lower on realisation in the ordinary course of business than the amount at which they are stated in these financial statements. Accounts of most of the Trade Payables, Trade Receivables, loans & advances and Customer Advances are subject to confirmations.

The accompanying notes forms an integral part of the standalone financial statements

As per our report of the even date attached
For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA
BANGALORE
CHARTERED ACCOUNTANTS

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ZUARI INFRAWORLD INDIA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH, 2018

Varma & Varma
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Zuari Infraworld India Limited, Bangalore.

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of M/s Zuari Infraworld India Limited ("the Holding Company") and its subsidiary (the Holding and its subsidiary collectively referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Profit and Loss Statement (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and the consolidated changes in equity of the Group including its associates, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act and the Guidance Note on Accounting for Real Estate Transactions issued by the Institute of Chartered Accountants of India.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on consolidated financial statements of the subsidiaries and associate, the aforesaid consolidated 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 including the Ind AS, of the consolidated state of affairs of the Group as at 31 March 2018 and their loss including other comprehensive loss, their consolidated changes in equity and consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the consolidated financial statements of One foreign subsidiary, whose financial statements reflect total assets of Rs.1,64,93,67,247 as at 31st March, 2018, total revenues of Rs.14,839 and net cash outflows amounting to Rs.66,28,268 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive loss of Rs.4,39,314 for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of three associate Companies incorporated in India, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the foreign subsidiary and three associate companies incorporated in India, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

(1) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on consolidated financial statements of a subsidiary and associates, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements;

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(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act and the Guidance Note on Real Estate Transactions issued by the Institute of Chartered Accountants of India;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in '**Annexure-A**'; and

(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 consolidated Ind AS financial statements disclose the impact of pending litigations on the financial position of the Group and its associates.- Refer Note 29.2 to the consolidated Ind AS financial statements.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Group did not have any derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate companies incorporated in India.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M.No.208520

Place of signature: Gurgaon
Date: 21st May, 2018

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

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ANNEXURE A TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Zuari Infraworld India Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Zuari Infraworld India Limited (hereinafter referred to as the "Holding Company") and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of its associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its associate companies which are companies incorporated in India.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that; (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the three associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas K.P.
K P SRINIVAS
Partner
M.No.208520

Place of signature: Gurgaon
Date: 21st May, 2018

VARMA & VARMA * BANGALORE * CHARTERED ACCOUNTANTS

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ZUARI INFRAWORLD INDIA LIMITED
CONSOLIDATED BALANCE SHEET

(Amount in Rupees, unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a.) Property, plant and equipment	3.1	2,75,08,734	2,69,22,406
(b.) Capital work in progress	3.2	-	13,17,539
(c.) Goodwill on consolidation	41	58,74,579	58,74,579
(d.) Other intangible assets	3.3	1,79,734	5,90,625
(e.) Financial assets:			
(i.) Investments	4.1	1,27,38,37,575	73,02,49,853
(ii.) Loans	5.1	-	3,74,154
(iii.) Other financial assets	6.1	56,72,001	27,17,235
(f.) Deferred tax asset (net)	17	-	37,72,360
(g.) Income tax assets (net)		1,15,59,458	1,54,67,050
(h.) Other non current assets	7.1	46,10,57,183	28,01,63,804
		1,78,56,89,264	**1,06,74,49,605**
Current assets			
(a.) Inventories	8	2,92,03,16,979	2,18,34,73,943
(b.) Financial assets			
(i.) Trade receivables	9	18,68,36,159	4,04,01,900
(ii.) Cash & cash equivalent	10	4,74,68,990	2,46,48,218
(iii.) Loans	5.2	50,02,346	61,06,362
(iv.) Other financial assets	6.2	4,57,93,533	26,08,88,254
(c.) Other current assets	7.2	30,63,87,736	29,82,20,958
		3,51,18,05,743	**2,81,37,39,635**
		5,29,74,95,008	**3,88,11,89,240**
EQUITY AND LIABILITIES			
Equity			
(a.) Equity share capital	11	46,55,00,000	46,55,00,000
(b.) Other equity	12	1,00,48,62,334	77,10,13,380
		1,47,03,62,334	**1,23,65,13,380**
Liabilities			
Non-current liabilities			
(a.) Financial liabilities			
(i.) Borrowings	13.1	1,71,52,73,707	1,16,10,17,533
(ii.) Trade payables	14.1	1,99,56,647	3,97,13,676
(iii.) Other financial liabilities	15.1	6,23,90,435	-
(b.) Provisions	16.1	39,48,932	42,92,214
(c.) Deferred tax liability (net)	17	2,12,80,118	-
		1,82,28,49,839	**1,20,50,23,423**
Current liabilities			
(a.) Financial liabilities			
(i.) Borrowings	13.2	1,35,18,79,612	71,20,07,083
(ii.) Trade payables	14.2	12,11,65,732	18,15,38,495
(iii.) Other financial liabilities	15.2	32,17,46,821	31,51,27,633
(b.) Other current liabilities	18	20,67,73,417	23,05,20,314
(c.) Provisions	16.2	27,17,253	4,58,913
		2,00,42,82,835	**1,43,96,52,437**
		5,29,74,95,008	**3,88,11,89,240**

The accompanying notes forms an integral part of the consolidated financial statements

This is the balance sheet referred to in our report of the even date attached.

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

For VARMA & VARMA,
Chartered Accountants
FRN 004532S

Srinivas. K.P.

K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA ★ BANGALORE ★ CHARTERED ACCOUNTANTS

ZUARI INFRAWORLD INDIA LIMITED (Amount in Rupees, unless otherwise stated)

CONSOLIDATED PROFIT AND LOSS STATEMENT	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
REVENUE:			
Revenue from operations	19	6,63,28,337	12,57,79,786
Other income	20	5,17,18,740	5,32,13,732
Total Revenues		**11,80,47,077**	**17,89,93,518**
EXPENSES:			
Purchase of stock, sub contract charges and other cost of project	21	78,21,30,634	57,39,32,451
Changes in stock of finished goods, stock-in-trade and Work-in-progress	22	(73,68,43,037)	(46,09,74,920)
Employee benefit expenses	23	2,54,83,853	44,71,210
Other expenses	24	4,69,52,433	3,45,58,172
Total expenses		**11,77,23,883**	**15,19,86,913**
Profit Before Interest, Tax, Depreciation & Amortisation		**3,23,194**	**2,70,06,605**
Finance costs	25	1,50,97,938	4,42,67,580
Depreciation and amortization expense	26	43,14,914	16,92,950
Loss before tax expenses and share in net profit/(loss) of associates		**(1,90,89,657)**	**(1,89,53,925)**
Profit/(Loss) before share in net profit/(loss) of associates		**(4,39,314)**	**9,89,463**
Profit/(Loss) before tax expenses		**(1,95,28,971)**	**(1,79,64,462)**
Tax expenses:	27		
Current tax expense		6,00,000	28,87,707
Tax expenses of earlier years		4,74,091	-
Deferred tax		1,02,64,805	29,84,134
Tax Expenses for the year (net)		**1,13,38,896**	**58,71,840**
Loss for the year before other comprehensive income/(loss)		**(3,08,67,867)**	**(2,38,36,302)**
Other comprehensive income/(Loss)			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(3,75,846)	(84,99,156)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of gratuity obligation		6,65,093	7,29,403
Deferred tax on above items		(1,72,924)	(2,41,163)
Total Other Comprehensive Income/(Loss)		**1,16,323**	**(80,10,916)**
Total Comprehensive Income/(Loss)		**(3,07,51,544)**	**(3,18,47,217)**
Earning/(Loss) per share (in Rs.)	30		
Basic & Diluted		(0.66)	(0.51)
Weighted average number of shares used in computing Earnings per share		4,65,50,000	4,65,50,000

The accompanying notes forms an integral part of the consolidated financial statements

This is the Profit & Loss Statement referred to in our report of the even date attached.

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

For VARMA & VARMA
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

ZUARI INFRAWORLD INDIA LIMITED (Amount in Rupees, except otherwise stated)

CONSOLIDATED CASH FLOW STATEMENT	For the year ended 31 March 2018	For the year ended 31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation	**(1,95,28,971)**	**(1,79,64,462)**
Adjustment for :		
Depreciation & Amortisation	53,23,090	49,78,842
Foreign currency translation reserve	(4,37,202)	(85,26,177)
Loss on sale of tangible assets (net)	2,55,871	10,850
Interest Income	7,02,452	(26,29,269)
Short Term Capital Gain - Mutual Fund	(4,44,568)	(11,25,067)
Dividend from Mutual funds	(4,63,836)	-
Gain on fair value adjustments to financial assets through profit or loss	(4,85,63,201)	(4,72,23,241)
Fair value adjustment to security deposits, net.	(94,445)	-
Provision towards service refund receivable	10,34,805	-
Adjustment on amortisation of financial assets, net	1,073	-
Re-measurement gains on defined benefit plans through OCI	6,65,093	7,29,403
Fair value adjustment to preference shares issued	95,36,759	-
Adjustments for share of (profits)/loss in subsidiary	4,39,314	(9,89,463)
Other Adjustments	1,11,381	9,00,351
Operating Profit/(Loss) before working Capital Changes	**(5,14,62,386)**	**(7,18,38,232)**
Adjustment for changes in :		
Decrease/(Increase) in trade receivables	(14,65,45,640)	(78,67,500)
(Increase) / Decrease in financial and Other assets	2,85,24,146	1,54,76,344
(Increase) / Decrease in Inventories	(73,68,43,036)	(46,09,74,920)
(Decrease)/Increase in Trade Payables	(8,01,29,792)	3,91,74,350
(Decrease)/Increase in Provisions	19,15,058	2,71,919
(Decrease)/Increase in Financial and other liabilities	2,59,29,393	(3,90,39,826)
Net cash generated from operations	**(95,86,12,257)**	**(52,47,97,865)**
Direct Taxes Paid (net of refund incl. Interest on refund)	22,59,679	(30,17,927)
Net cash generated from operating activities	**(95,63,52,578)**	**(52,78,15,792)**
	-	
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to tangible/intangible assets	(45,32,208)	(1,54,99,264)
Proceeds from sale of tangible/intangible assets	1,56,704	19,605
Investments in Mutual Funds	(72,95,96,097)	(13,00,06,780)
Proceeds from sale of Investments in Mutual Funds	23,50,40,665	13,11,31,847
Changes in other bank balances	(49,07,610)	19,34,78,562
Interest received	(1,28,628)	26,29,269
Net cash from Investing activities	**(50,39,67,174)**	**18,17,53,238**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Preference shares at a premium of Rs. 90 per share.	29,50,00,000	-
Proceeds from Short-term Borrowings (net)	63,98,72,529	-
Proceeds from Long-term Borrowings (net)	54,82,67,995	15,42,40,747
Net cash used in financing activities	**1,48,31,40,525**	**15,42,40,747**
Net Changes in Cash and Cash equivalents during the year	**2,28,20,772**	**(19,18,21,807)**
Cash and Cash equivalents at the beginning of the year	2,46,48,218	21,64,70,025
Cash and Cash equivalents at the end of the year	**4,74,68,990**	**2,46,48,218**

Disclosure pursuant to Ind-AS 7

Particulars	As at 01.04.2017	Cash Flow	Transferred to Securities Premium Account	Non-Cash Adj. *(Fair Value Adjustments)*	As at 31.03.2017
Preference Shares (Debt Component)	5,61,54,238	29,50,00,000	(26,55,00,000)	(41,78,489)	8,14,75,749

The accompanying notes forms an integral part of the consolidated financial statements

This is the Cash Flow statement referred to in our report of the even date attached

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

For VARMA & VARMA
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

ZUARI INFRAWORLD INDIA LIMITED (Amount in Rupees, unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

As at 31 March, 2017	**46,55,00,000**
As at 31 March, 2018	**46,55,00,000**

B. Other equity

Particulars	Securities premium account	Equity Component of convertible preference shares	Retained earnings	OCI Reserve (Foreign Currency Translation Reserve)	Total
Balance as at 1 April, 2016	76,50,00,000	4,24,95,328	(1,36,95,500)	90,60,769	80,28,60,597
Profit for the year	-	-	(2,38,36,301)		(2,38,36,301)
Adjustments for the year	-	-	-	(84,99,156)	(84,99,156)
Remeasurements of defined benefit obligation	-	-	4,88,240	-	4,88,240
Balance as at 31 March, 2017	**76,50,00,000**	**4,24,95,328**	**(3,70,43,561)**	**5,61,613**	**77,10,13,380**
Profit for the year	-	-	(3,08,67,867)	-	(3,08,67,867)
Remeasurements of defined benefit obligation	-	-	4,92,169	-	4,92,169
Deferred tax adj. on interest on Preference shares	-	(1,46,14,750)	-	-	(1,46,14,750)
Adjustments for the year	-	-	-	(3,75,846)	(3,75,846)
Security premium on the issue of preference shares	26,55,00,000	-	-	-	26,55,00,000
Equity component of preference shares	-	1,37,15,248	-	-	1,37,15,248
Balance as at 31 March, 2018	**1,03,05,00,000**	**4,15,95,826**	**(6,74,19,259)**	**1,85,767**	**1,00,48,62,334**

The accompanying notes forms an integral part of the consolidated financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

G G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018

For VARMA & VARMA
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

1. Corporate information:

The Consolidated Ind AS financial statements of Zuari Infraworld India Limited ("the Company") and its Subsidiary ("hereinafter collectively referred as the "Group") and its associates are for the year ended 31 March 2018. The Company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Group's primary business is pre-dominantly into the business of developing a residential cum commercial property intended for sale.

The consolidated financial statements were approved for issue in accordance with the resolution of the Board of directors at the meeting held on 21st May, 2018.

2. Significant accounting policies:

(a.) i. Basis of preparation

These financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto and the Guidance Note on Real Estate Transactions (For entities to whom Ind AS is applicable) issued by The Institute of Chartered Accountants of India (ICAI).

Effective from April 1, 2016, the Group has adopted the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. For the financial years upto and including the year ended 31 March 2016, the Group has prepared its consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The consolidated financial statements are presented in Indian Rupees, except when otherwise indicated.

ii. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries, associates and joint ventures as at 31 March 2018. Control is achieved when the Group has power over the investee, is exposed, 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 investee.

Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

iii. Consolidation procedure :

These consolidated financial statements have been prepared following the below mentioned procedures:

(1.) Subsidiary has been consolidated on a line-by-line basis by combining together the book values of the like items of assets, liabilities, income, expenses, and cash flows of the parent with those of its subsidiary, offsetting (eliminating) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of each subsidiary and after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses.

(2.) Interests in the assets, liabilities, income and expenses of the Associates over which the Group has significant influence but not control have been consolidated using Equity method. Under the equity method of accounting , the investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

(3.) The difference of the cost to the Group of its investment in Subsidiaries over its proportionate share in the equity of the investee Group as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. While in the case of Associates such Goodwill or Capital Reserve is adjusted to the carrying value of investments.

(4) The intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (including profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets) are eliminated in full. Intragroup losses indicating an impairment are recognised in the consolidated financial statements. Pursuant to Ind AS12 on Income Taxes the temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised.

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(5) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. However the minority interests has been restricted to zero on the transition date i.e. April 1, 2015 using the exemption provided by the Ind AS 101 and the accumulated losses attributable to the minorities in excess of their equity on the transition date, in the absence of the contractual obligation on the minorities, the same has been accounted for by the Parent Company.

(6) The financial statements of the group entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group i.e. year ended March 31, 2018.

List of Subsidiaries and Associates considered for consolidation:

(A) Following Subsidiary has been consolidated on line by line basis:

Name of the Group	Country of Incorporation	Share of Ownership Interest as at March 31, 2018	Share of Ownership Interest as at March 31, 2017
Zuari Infra Middle East Limited	Dubai, UAE	100.00%	100.00%

The information relating to the subsidiary of Zuari Infra Middle East Limited is given below

Name of the Group	Country of Incorporation	Share of Ownership Interest as at March 31, 2018	Share of Ownership Interest as at March 31, 2017
Zuari Infraworld SJM Properties LLC *(Formerly known as SJM Elysium Properties LLC)*	UAE	100.00%	100.00%

Note: Shareholding includes 51% held by a nominee shareholder as per the Shareholders Agreement dated 18.08.2014. As per this agreement Zuari Infra Middle East Limited has complete control over the management. Hence, this Company has been considered as a subsidiary with 100% interest and accordingly consolidated. The paid up share capital corresponding to the 51% interest has been included under other current liabilities.

(B) Following Investments in Associates have been consolidated using Equity Method of Accounting:

Name of the Group	Country of Incorporation	Share of Ownership Interest as at March 31, 2018	Share of Ownership Interest as at March 31, 2017
Brajbhumi Nirmaan Private Limited	India	25%	25%
Pranati Niketan Private Limited	India	25%	25%
Darshan Nirmaan Private Limited	India	25%	25%

The information relating to the subsidiaries of Brajbhumi Nirman Private Limited are given below:

Name of the Group	Country of Incorporation	Share of Ownership Interest as at March 31, 2017	Share of Ownership Interest as at March 31, 2016
Rosewood Agencies Private Limited	India	100.00%	100.00%
Neobeam Agents Private Limited	India	100.00%	100.00%
Mayapur Commercial Private Limited	India	100.00%	100.00%
Nexus Vintrade Private Limited	India	100.00%	100.00%
Bahubali Tradecomm Private Limited	India	100.00%	100.00%
Hopeful Sales Private Limited	India	100.00%	100.00%
Divine Realdev Private Limited	India	100.00%	100.00%
Kushal Infraproperty Private Limited	India	100.00%	100.00%
Beatle Agencies Private Limited	India	100.00%	100.00%
Suhana Properties Private Limited	India	100.00%	100.00%
Saket Mansions Private Limited	India	100.00%	100.00%

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(b.) Use of Accounting Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed in the ensuing Notes. Accounting estimates could change from year to year. Also actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Significant accounting judgements, estimates and assumptions used by management are as below:
i. Useful lives of Investment Property, Property Plant and Equipment and Intangible Assets and assessment of impairments.
ii. Fair value measurements of various financial assets and liabilities and the resultant fair values.
iii. Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates.
The measurement of project costs and revenue are affected by varieties of uncertainties that depend on outcome of future events. The estimates often need revision as events accrue and uncertainties are resolved. Therefore the project cost and revenue may increase or decrease from one reporting year to another.

(c.) (i) Property, plant and equipment and Depreciation

The Property, plant and equipment of the Group are stated at historical cost less accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its current working condition for the intended use. Any trade discounts or rebates are deducted in arriving at the purchase cost.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:
(i.) it is probable that future economic benefits associated with the item will flow to the Company; and
(ii.) the cost of the item can be measured reliably.
Details about useful life of each category of assets are as follows

Name of Assets	**Useful Lives**
Office Equipment	5 years
Plant & Machinery	8 years
Furniture & Fixtures	10 years
Computer and servers	3 and 6 years
Motor Vehicles	10 years
Leasehold Improvements	Over the primary lease period ending on 31st March, 2025
Temporary structure	1 years

Depreciation is provided under the Straight Line Method after retaining estimated residual value not exceeding 5% of the cost, except for Lease hold Improvements. Depreciation on assets used for the project has been considered as part of construction and development cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if considered appropriate.

Upon adoption of Ind AS, the Group had elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

(ii) Intangible Assets and Amortisation:

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized under the Straight Line Method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Upon first-time adoption of Ind AS, the Group had elected to measure all its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

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(d.) Leases (other than land leases)

Operating Leases as a lessee:

Lease rentals are recognized as expense or income on a straight line basis with reference to lease terms and other considerations except where:-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

(e.) Impairment of assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(f.) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are directly attributable to the construction of development property are capitalized as part of the cost till such time the property is ready for its intended sale. All other borrowing costs are expensed in the year they occur.

Borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, the Company does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Company also does not suspend capitalising borrowing costs when a temporary delay considering the nature of industry is a necessary part of the process of getting an asset ready for its intended use or sale.

(g.) Foreign Currency Translation

The Company's financial statements are prepared and presented in Indian Rupees, which is also it's functional currency.

(i.) Initial Recognition: Foreign currency transactions, if any, are recorded at exchange rate prevailing on the date of transaction/ realisation.

(ii.) Conversion / Reinstatement: Foreign currency monetary items are translated using the spot exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(iii.) Exchange Differences: Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income (OCI) or profit and loss are also recognized in OCI or profit and loss, respectively).

(h.) Inventories

The cost of inventories shall comprise all costs of purchase including cost of land , costs of conversion and other costs including borrowing costs incurred in bringing the inventories to their present location and condition.

Inventories (comprising Land under Development and Construction Work-in-Progress) are stated at lower of cost and net realizable value. Cost includes expenses, net of taxes recoverable, specifically attributable to construction and development of property intended for sale. The allocation of common costs is based on the normal level of the activities.

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(i.) Provisions, Contingent Liabilities and Capital Commitments

Contingent Liabilities

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions

A provision is recognized when the Company has a present obligation 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.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

(j.) Revenue Recognition

(i.) Revenue is recognized in relation to the residential / Commercial units sold, to the extent it is probable that the economic benefits will flow to the Company demonstrated either by way of an Agreement for Sale (AFS) and when the buyer's investment is adequate enough to demonstrate a commitment to pay. In accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India (the "ICAI") that there is a rebuttable presumption that outcome of real estate project can be estimated reliably and revenue from sale of residential properties is recognised on the "percentage of completion method" only if the following conditions are satisfied :

- all critical approvals necessary for the commencement of the project have been obtained.
- the expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- atleast 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- at least 10 % of the contracts/agreements value are realized at the reporting date in respect of such contracts/agreements

(ii.) Income in respect of service contracts which are in the nature of fees for specified periods are recognized proportionately over the specified period.

(iii.) Income in respect of service contracts which are based on the corresponding project costs/profits are recognized when actual construction work commences and there are no significant uncertainties as to the underlying projects and the corresponding costs are incurred or profits are earned by the customers.

(iv.) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable.

(v.) Dividend is recognised as and when the right to receive payment is established by the reporting date.

(k.) Taxes on income

Current income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities using own estimates in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax relating to items recognised outside profit or loss statement is recognised outside profit or loss (either in other comprehensive income or in equity).

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(l.) Retirement and other Employee Benefits

Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss statement of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable under the scheme.

Gratuity

Gratuity liability under the Payment of Gratuity Act 1972, are defined benefit obligations and are provided for on the basis of actuarial valuation on projected unit credit method, made at the end of each financial year. The gratuity liability is not funded.

Compensated Absences

Short term compensated absences are provided for based on estimates by the Management considering the entitlements outstanding as at the reporting date. Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method.

Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss statement in subsequent

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

(m.) Current and Non-current classification

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 Schedule III of the Companies Act, 2013. As the Company is engaged in developing a residential cum commercial project, the normal operating cycle is based on the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has ascertained its operating cycle as one year for the purpose of Current - Noncurrent classification of assets and liabilities, which is considered appropriate.

(n.) 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.

(I.) Financial assets

<u>Initial recognition</u>

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.

<u>Subsequent measurement</u>

For purposes of subsequent measurement, financial assets are classified in three categories:
- Debt instruments at amortised cost
- Debt/ Equity instruments at fair value through other comprehensive income
- Debt / Equity instruments at fair value through profit or loss

Debt instruments at amortised cost

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

(a.) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows

(b.) 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.

Debt at FVTOCI

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

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

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

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

Debt instrument at FVTPL

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

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

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

Equity Instruments at FVTP/FVTOCI

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Companies makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Investments in equity share of subsidiary and associates are measured at cost of acquisition pursuant to Ind AS 109.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no transfer of the amounts from OCI to Profit and Loss , 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 Profit and Loss statement.

Derecognition

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

(a.) The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

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

(a.) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances in current account.

(b.) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component. 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. As registration of property and subsequent revenue recognition is done only when company receives the full amount from the customer, The company does not expect any for credit loss on trade receivables in respect of sale of properties, which is considered appropriate by the Management .

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

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

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

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 Company is required to use the remaining contractual term of the financial instrument

(II.) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

Financial guarantee contracts issued are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

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(o.) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(p.) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision maker reviews the performance of the Group according to the nature of business which predominantly comprises of development of real estate projects , both residential and commercial.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Group as a whole.

(q.) Recent Accounting pronouncements

i. New Accounting standards adopted by the Group :

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from April 01, 2017.

Amendment to Ind AS 7 - Statement of Cash Flows:

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods.

ii. New accounting standards not yet adopted:

In 28 March, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018 notified a new standard, amendments to existing standards and interpretations which are effective for financial year beginning after April 1, 2018, and have not been applied in preparing these standalone financial statements. New standards, amendments to standards and interpretations that could have a potential impact on the financial statements of the Group are:

Notification of new revenue recognition standard Ind AS 115 - Revenue from Contracts with Customers:

Ind AS 115 supersedes all existing revenue recognition requirements in Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations. According to the new standard, revenue is recognized to reflect the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates

The standard allows for two methods of transition: the retrospective approach, under which the effect of adoption of this standard is presented retrospectively to each prior reporting period in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors (subject to few expedients) or the cumulative approach, where the cumulative effect of applying the standard retrospectively is recognized at the date of initial application. The standard is effective for financial year beginning on or after April 1, 2018. The Management is currently assessing the impact of adopting this standard on the Group's financial statements.

Amendment to Ind AS 21- The Effects of Changes in Foreign Exchange Rates:

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21 requires to record a foreign currency transaction, on initial recognition in its functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency (the exchange rate) at the date of the transaction. It further states that the date of the transaction is the date on which the transaction first qualifies for recognition in accordance with Ind AS Standards.

Accordingly, this appendix clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on adoption of this change on the financial statements is expected to be insignificant.

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ZUARI INFRAWORLD INDIA LIMITED

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018.

(Amount in Rupees, unless otherwise stated)

3.1 : Property, Plant and Equipments

Tangible Assets	Plant and Equipment	Office Equipment	Leasehold Improvements	Computers	Furniture and Fixtures	Temporary Structures	Vehicles	Total Amount
Deemed Cost								
As at April 1, 2016	6,77,244	39,40,099	93,34,932	13,08,582	47,69,592	85,259	-	2,01,15,708
Additions	-	4,04,969	-	3,51,731	-	-	1,30,91,165	1,38,47,864
Disposal/ Adjustments	-	(34,255)	-	(9,280)	-	-	26,976	(16,559)
As at March 31, 2017/ April 01, 2017	6,77,244	43,10,813	93,34,932	16,51,033	47,69,592	85,259	1,31,18,141	3,39,47,014
Additions	-	14,98,886	35,85,575	3,16,498	3,84,121	-	64,667	58,49,747
Disposal/ Adjustments	-	(1,40,141)	-	(3,69,820)	(6,32,065)	-	-	(11,42,026)
Foreign currency transition differences	-	50,608	-	-	-	-	39,759	90,367
As at March 31, 2018	6,77,244	57,20,165	1,29,20,507	15,97,711	45,21,648	85,259	1,32,22,567	3,87,45,101
Accumulated depreciation								
As at April 1, 2016	1,17,427	10,40,805	9,35,446	4,84,527	6,25,397	33	-	32,03,635
Charge for the year	1,20,162	8,63,074	9,32,889	4,56,088	6,29,965	-	8,32,132	38,34,310
Disposals/adjustments	-	(13,337)	-	-	-	-	-	(13,337)
As at March 31, 2017/ April 01, 2017	2,37,589	18,90,542	18,68,335	9,40,615	12,55,362	33	8,32,132	70,24,608
Charge for the year	1,20,164	9,42,468	13,04,896	3,24,644	6,02,240	-	16,32,298	49,26,710
Disposals/adjustments	-	(89,244)	-	(3,52,523)	(2,87,684)	-	-	(7,29,451)
Foreign currency transition differences	-	20,364	-	-	-	-	(5,864)	14,500
As at March 31, 2018	3,57,753	27,64,129	31,73,231	9,12,736	15,69,918	33	24,58,566	1,12,36,367
Carrying amount (WDV)								
As at March 31, 2017/ April 01, 2017	4,39,655	24,20,271	74,66,597	7,10,418	35,14,230	85,226	1,22,86,009	2,69,22,406
As at March 31, 2018	3,19,491	29,56,036	97,47,276	6,84,975	29,51,730	85,226	1,07,64,001	2,75,08,734

3.2 : Capital Work-In-Progress (Expenditure incurred on Leasehold Improvements)

Leasehold Improvements	Amount
As at March 31, 2017/ April 01, 2017	13,17,539
Additions (net)	22,68,037
Capitalised during the year	(35,85,576)
As at March 31, 2018	-

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NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018.

3.3 : Other Intangible Assets

Computer Software	Amount
Deemed Cost	
As at April 1, 2016	**18,98,313**
Additions	3,33,861
Disposals/adjustments	(212)
As at March 31, 2017/ April 01, 2017	**22,31,962**
Additions	-
Disposals/adjustments	(14,511)
As at March 31, 2018	**22,17,451**
Accumulated depreciation	
As at April 1, 2016	**4,96,804**
Charge for the year	11,44,533
Disposals/adjustments	-
As at March 31, 2017/ April 01, 2017	**16,41,337**
Charge for the year	3,96,380
Disposals/adjustments	-
As at March 31, 2018	**20,37,717**
Carrying amount (WDV)	
As at March 31, 2017/ April 01, 2017	**5,90,625**
As at March 31, 2018	**1,79,734**

3.4. Other Notes: Depreciation and Amortisation expenses is allocated as under.	31 March,2018	31 March,2017
Depreciation for the year	49,26,710	38,34,310
Amortisation for the year	3,96,380	11,44,533
Total Depreciation and Amortisation for the year	**53,23,090**	**49,78,843**
Less: Transferred to project work-in-progress	6,36,170	8,09,194
Less: Adj. on elimination of unrealised profits	-	24,76,699
Amount Charged to Profit and loss towards depreciation and amortisation	**46,86,920**	**16,92,950**

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(Amount in Rupees, unless otherwise stated)

4. Investments	As at March 31, 2018	As at March 31, 2017
4.1. Non-current		
(i) Investments in equity shares (Unquoted)		
Investments carried at Cost (fully paid)		
In Associates (Unquoted)		
(a.) Brajbhumi Nirmaan Private Limited		
[10,00,000 (2017:10,00,000) Equity Shares of Rs 10 each, issued at a premium of Rs 179.40/-]		
As at the beginning of the year	7,21,98,184	7,20,99,823
Adjustment for unrealised Profits	-	(9,00,352)
Adjustment for share of profit/(loss) in Associates *	(4,23,470)	9,98,713
Adjustment for Goodwill on Consolidation	15,90,00,867	15,90,00,867
	23,07,75,581	**23,11,99,051**
(b.) Darshan Nirman Private Limited		
[2,500 (2017:2,500) Equity Shares of Rs 10 each]		
As at the beginning of the year	(28,701)	(24,201)
Adjustment for share of profit/(loss) in Associates	(11,354)	(4,500)
Adjustment for Goodwill on Consolidation	36,108	36,108
	(3,947)	**7,407**
(c.) Pranati Niketan Private Limited		
[2,500 (2017:2,500) Equity Shares of Rs 10 each]		
As at the beginning of the year	(29,524)	(24,774)
Adjustment for share of profit/(loss) in Associates	(4,490)	(4,750)
Adjustment for Goodwill on Consolidation	36,477	36,477
	2,464	**6,954**
	23,07,74,097	**23,12,13,411**

* Net of Rs.Nil (2017: Rs. 26,44,000/-) groups' share Income disclosed under IDS adjusted to Reserves under Other Equity.

(ii) Investments in preference shares (Unquoted)		
Investments carried at fair value through Profit or Loss: (fully paid)		
Brajbhumi Nirmaan Private Limited	6,54,14,692	6,54,14,692
[5,00,000 shares of Rs 100 each, fully paid, Date of Maturity 30 November, 2023]		
(1% Redeemable Non-Cumulative optionally convertible preference shares)		
	6,54,14,692	**6,54,14,692**

As per the audited consolidated financial statement of the associate entity the investment in optionally convertible preference shares are been considered as compound financial instrument. Accordingly, Rs.1,05,38,375/- (2017: Rs.1,05,38,375/-) was reported as equity component and the balance as Liability.

(iii) Investments in mutual funds (Unquoted)		
Investments at fair value through Profit or Loss:		
(a.) ICICI Prudential Fixed Maturity plan Series (77-1473 Days Plan C)	6,37,92,500	5,94,33,000
[5,000,000 units at Rs 10 per unit, Date of Maturity 25 May, 2019]		
(b.) ICICI Prudential Fixed Maturity plan Series (78-1130 Days Plan T)	11,75,45,000	10,96,28,000
[10,000,000 units at Rs 10 per unit, Date of Maturity 25 April, 2019]	-	
(c.) ICICI Prudential Fixed Maturity plan Series (78-1156 Days Plan T)	5,84,05,500	5,45,13,000
[5,000,000 units at Rs 10 per unit, Date of Maturity 29 May, 2019]	-	
(d.) SBI Debt Fund Series B-36 (1131 Days)	9,93,24,200	9,29,00,750
[8,500,000 units at Rs 10 per unit, Date of Maturity 06 May, 2019]	-	
(e.) SBI Debt Fund Series C-1 (1100 Days)	15,72,49,500	-
[8,500,000 units at Rs 10 per unit, Date of Maturity 26 June, 2020]		
(f.) SBI Debt Fund Series B-17(1100 Days) *	12,54,93,000	11,71,47,000
[10,000,000 units at Rs 10 per unit, Date of Maturity 22 May, 2018]		
(g.) SBI Short Term Debt Fund *	35,58,39,086	-
[1,73,57,242.175 units at Rs 10 per unit]		
	97,76,48,786	**43,36,21,750**
	1,27,38,37,575	**73,02,49,853**

* The Management intends to reinvest the proceeds on maturity, accordingly these investments are classified as Non-current.

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4.2 Summary of Investment and their valuation (Also, refer Note 36) :

Investment Class	Method of Valuation	As at March 31, 2018	As at March 31, 2017
Unquoted equity shares	Cost	23,07,74,097	23,12,13,411
Unquoted preference shares	Discounted cash flows method*	6,54,14,692	6,54,14,692
Mutual funds	Market observable inputs	97,76,48,786	43,36,21,750
		1,27,38,37,575	**73,02,49,853**

** Based on the valuation reports issued by the independent valuer and relied upon by the auditors.*

4.3. Investments in mutual funds are held under lien with bank for stand by letter of credit (SBLC) facility from State Bank of India in favour of a Bank in UAE on the basis of which term loan facilities will be availed by Zuari Infraworld Middle East Limited, Dubai (WOS). The sanctioned limit of the facility is Rs.176.77crores (AED 105 million) (2017: Rs.176.77crores) for a tenor of 4 years and claim period of 2 months (Date of sanction : 23 March, 2015).All the investments are carried as non-current as they are expected to either renewed / re-invested on their maturity.

4.4. Investment of funds in mutual funds will not meet the contractual cash flow test (i.e. SPPI test) as the contractual cash flows (i.e. dividends or redemption amount represented by the NAV) will not just be solely interest and principal. Therefore, the same has been classified as Fair Value through profit and loss (FVTPL)

4.5. Investments in Redeemable optionally convertible Non-cumulative Preference Shares:
Company has made investment in 1% Redeemable optionally convertible Non-cumulative Preference Shares of Brajbhumi Nirmaan Private Limited. These investments in shares does not satisfy contractual cash flow test as they are optionally convertible into equity shares and their dividends are linked to profits earned. Accordingly, the Company has classified these investments in shares as Fair value through profit and loss (FVTPL). For this purpose fair valuation was carried by an independent valuer and the same has been relied upon by the auditors.

4.6. Investments in Mutual Funds brought and sold during the year are given below:

Descriptions	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Purchase Cost	Sale Proceeds	Gain/Income	Purchase Cost	Sale Proceeds	Gain/Income
ICICI Prudential Fixed Maturity Plan	-	-	-	12,20,24,160	12,30,31,010	10,06,850
SBI Debt Funds	-	-	-	79,82,620	81,00,837	1,18,217
ICICI Prudential (Liq.) Mutual Fund	3,95,00,000	3,96,36,902	1,36,902	-	-	-
IDFC-Money Mgr. Fd. -Treasury Plan	50,00,000	50,18,225	18,225	-	-	-
L&T Liquid Fund	25,00,000	25,22,656	22,656	-	-	-
L&T Ultra Short Term Fund	5,71,32,261	5,73,99,047	2,66,786	-	-	-
SBI Mg. Insta Cash Fund (Daily Div.)	13,00,00,000	13,04,63,835	4,63,835	-	-	-
	23,41,32,261	**23,50,40,665**	**9,08,404**	**13,00,06,780**	**13,11,31,847**	**11,25,067**

4.7. No impairment in the value of the carrying value of the investment is considered necessary as the diminution in the net asset is not of a permanent nature considering the future business prospects of the Projects, which is considered appropriate by the Management.

5. Loans	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good		
5.1. Non - Current		
Loan to employees (amortised cost)	-	3,74,154
	-	**3,74,154**
5.2. Current		
Advances to Employees (carried at cost)	50,02,346	61,06,362
	50,02,346	**61,06,362**
	50,02,346	**64,80,516**

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6. Other financial assets	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good		
6.1. Non-current		
Security deposits (carried at amortised cost)	26,69,046	24,77,035
Security deposits (carried at cost)*	30,02,955	2,40,200
	56,72,001	**27,17,235**
6.2. Current		
Security deposits - Current (Carried at cost)*	24,71,416	36,63,923
Other Bank deposits (DSRA)	49,07,610	-
Interest accrued and due - Others (refer note 6.3. below)	33,71,513	18,87,939
Accrued Service Income (refer note 6.4. below)	1,35,000	-
Expenses Recoverable (refer note 6.5. below)	1,68,35,919	97,36,809
Unbilled Revenue	1,80,72,074	24,55,99,582
	4,57,93,533	**26,08,88,254**

** Fully recoverable and hence no provision is considered necessary.*

6.3 Interest accrued on mobilisation advances paid to one of the sub-contractors is expected to be recovered in full and hence provision is not considered at this stage, which is considered appropriate by the Management.

6.4 **Represents service income accrued and not billed to related parties;**		
Zuari Global Limited, India - Commission towards marketing services	1,35,000	-
6.5 **Includes expenses recoverable from related parties;**		
Brajbhumi Nirmaan Private Limited, India	1,57,32,604	86,01,275

7. Other Assets	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good		
7.1. Non-Current		
Advances recoverable in cash or kind (refer note 7.3 & 7.4 below)	8,50,16,721	9,17,74,007
Karnataka VAT - refund receivable	32,01,319	26,25,072
Service tax - refund receivable	10,34,805	-
Less: Provision towards service tax refund	(10,34,805)	-
Advance for Investment (refer note 7.8 below)	37,26,45,000	18,53,77,500
Prepaid lease (Security deposit paid)	1,94,143	3,87,225
	46,10,57,183	**28,01,63,804**
7.2. Current		
Advances recoverable in cash or kind		
Credit of Input VAT	5,76,304	1,01,86,753
CENVAT Credit	-	3,34,21,148
GST Credit (Refer Note 7.5. below)	4,47,94,546	-
Advance to vendors (Refer Note 7.6. below)	24,18,55,481	24,39,39,624
Other Receivables	69,87,094	-
Prepaid expenses (Refer Note 7.7. below)	1,19,81,228	1,04,80,350
Prepaid lease-current (Security deposit paid)	1,93,083	1,93,083
	30,63,87,736	**29,82,20,958**

7.3. Includes recoverable Advances to a Sub-contractor aggregating to Rs 2,10,56,165/- (2017: Rs 2,78,13,451/-) in respect of which the sub-contractor vendor has furnished bank guarantee to the extent of Rs 2,37,12,884/- (2017: Rs 2,37,12,884/-) which was valid upto 31 December, 2017 and the same is pending for renewal.

7.4. Under the Development Management Agreement, the Agency is entitled to a percentage of income calculated in the manner specified under the agreement. The Company has made advance payments aggregating to Rs. 6,39,60,556 as at 31 March, 2018 (2017: Rs. 6,39,60,556/-). The amount will be adjusted in the year when the agency becomes entitled to share of income as per the agreement or recovered. The Management expects to adjust/recover the same in full and hence is of the view that no adjustment is necessary at this stage.

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7.5. GST credits carried in books include input tax credit aggregating to Rs.49,67,270/- pertaining to advance payments made to vendors and eligible tax credits on taxes paid under reverse charge mechanism, which be will be claimed in the subsequent period when the company is eligible to claim such credit as per the Act. The Management of the company expects to realise/ adjust these credits in full.

7.6. Includes recoverable advances paid to a sub-contractor aggregating to Rs 22,46,48,824/-(2017: Rs 22,46,47,417/-). The Management is in negotiation with party for its recovery and is confident that this advance will be ultimately fully recovered. Hence in the view of the Management no provision is considered necessary at this stage.

7.7. Includes Rs.21,77,749/- (2017: Rs.94,56,354/-) on account of brokerage & sales commission paid to an agency for services, on gross sale consideration receivable from customers. As per the agreement, in the event of non-completion of sale transaction, such commission is refundable by the agency. The commission paid is charged to the Profit & Loss Statement as and when revenue is recognized.

7.8. This represents advance amount paid by Zuari Infraworld SJM Elysium Properties LLC (formerly known as SJM Elysium Properties LLC) to a party to joint venture for a 50% shareholding in a company (as per agreement) owning a plot of land valued at AED 140 million on which the project is under development. This amount will be adjusted against future distributable profit on the completion of the project.

8. Inventories (valued at lower of cost or net realizable value)	**As at March 31, 2018**	**As at March 31, 2017**
Work-In-Progress (includes cost of Land , Borrowing Cost and Project Construction and Development Cost)	2,92,03,16,979	2,18,34,73,943
	2,92,03,16,979	**2,18,34,73,943**

Also refer note 38 for further disclosure on project.

8.1. Includes Rs. 23,96,31,787/- (2017: Rs. 21,56,74,893/-) being cost incurred towards project in Goa managed by M/s. Zuari Global Limited which is pending execution.

8.2. The Management has reviewed the carrying value of its project work-in-progress by assessing the net realisable value of the project which is determined by forecasting sales rates, expected sale prices and estimated costs to complete (including escalations and cost overrun). This review by the management did not result any loss and thus no adjustments/ provisions to the carrying value of project work-in-progress is considered necessary by the Management.

9. Trade receivables	**As at March 31, 2018**	**As at March 31, 2017**
Unsecured, Considered Good		
Current		
Trade receivables - Associate	4,04,01,900	4,04,01,900
Trade receivables - Holding	65,49,021	-
Trade receivables - others	8,81,980	-
Project receivables - from sale of flats/villas (refer note 9.5. below)	13,90,03,258	-
Total Trade Receivables	**18,68,36,159**	**4,04,01,900**

9.1. Realisations against the above receivables are appropriated on First-In-First-Out (FIFO) basis.

9.2. Trade receivables are non-interest bearing payable as per the terms of sale.

9.3. Since, the Management of the Company expects full realisation of these receivables, no allowance towards non recovery is considered necessary by the Management at this stage, as the possession and title of the property is also not transferred to these customers.

9.4. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9.5. Receivables in respect of the completed projects against which demand notes are raised and pending execution of sale deed are reported as trade receivables.

9.6. The trade and project receivables are hypothecated as security for borrowings. (Refer Note 13 for details)

10. Cash and cash equivalents	**As at March 31, 2018**	**As at March 31, 2017**
Cash on hand	45,267	-
Balances held in banks in current account	4,74,23,722	2,46,48,218
	4,74,68,990	**2,46,48,218**

10.1. Includes Rs.1,46,607/- balance in current accounts with a bank and are as per the statement of account obtained from banks. Also includes unconfirmed bank balance of Rs.19,35,802/- in respect of its subsidiary.

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(Amount in Rupees, unless otherwise stated)

11. Share capital	As at March 31, 2018	As at March 31, 2017
11.1 (a.) Authorised		
50,000,000 (2017 : 50,000,000) Equity Shares of Rs. 10 each	50,00,00,000	50,00,00,000
15,000,000 (2017 : 15,000,000) Preference Shares of Rs. 10 each	15,00,00,000	15,00,00,000
	65,00,00,000	**65,00,00,000**
(b.) Issued, subscribed & paid up		
4,65,50,000 (2017: 4,65,50,000) Equity Shares of Rs 10 each	46,55,00,000	46,55,00,000
1,14,50,000 (2017 : 85,00,000) Non-Convertible Cumulative Redeemable Preference Shares of Rs 10 each issued at premium of Rs. 90 each. **(Also, refer note 13.7.)**	11,45,00,000	8,50,00,000
	58,00,00,000	**55,05,00,000**

(c.) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
At the beginning of the year (of Rs 10 each)	4,65,50,000	46,55,00,000	4,65,50,000	46,55,00,000
Issued during the year (of Rs 10 each)	-	-	-	-
Outstanding at the end of the year	**4,65,50,000**	**46,55,00,000**	**4,65,50,000**	**46,55,00,000**

(d.) Details of shareholders holding more than 5% shares in the Company as at March 31, 2018

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No's.	% holding	No's.	% holding
Zuari Global Limited, Holding Company (Including 10,000 equity shares jointly held)	4,65,50,000	100%	4,65,50,000	100.00%

Note: The above disclosed information as per the records/ registers including Members register maintained by the Company as at the year end.

(e.) Terms/rights attached to equity shares:

(i) The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

(ii) The company has not issued any securities convertible into equity/preference shares.

(iii) for the period of five years immediately preceding the date as at which the Balance Sheet is prepared, there were:
No shares were allotted as fully paid up pursuant to a contract without payment being received in cash.
No shares were allotted as fully paid up by way of bonus shares.
No shares were bought back.

(iv) There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

(iv) There were no calls unpaid or forfeited shares.

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12. Other equity		As at March 31, 2018	As at March 31, 2017
12.1	**Deemed equity on fair-value adjustment to Non-convertible cumulative redeemable preference Shares:**		
	At the beginning of the year	4,24,95,328	4,24,95,328
	Equity component of redeemable Preference Shares issued during the year	1,37,15,248	-
	Adj. for deferred tax recognised on the interest on redeemable Preference shares	(1,46,14,750)	-
		4,15,95,826	**4,24,95,328**
	Also refer note 13.7 for detailed disclosure on preference shares.		
12.2	**Security Premium Account:**		
	(On issue of Non-convertible cumulative redeemable preference shares)		
	As at the beginning of the year	76,50,00,000	76,50,00,000
	Add: Security premium received during the year	26,55,00,000	-
	As at the end of the year	**1,03,05,00,000**	**76,50,00,000**
12.3	**Balance in profit & Loss Statement**		
	As at the beginning of the year.	(3,70,43,561)	(1,36,95,500)
	Add: Profit for the Year	(3,08,67,867)	(2,38,36,302)
	Add: Re-measurements gain on defined benefit plans, which will not reclassified to profit or loss*	4,92,169	4,88,240
	Net deficits in the profit and loss statement	**(6,74,19,259)**	**(3,70,43,561)**
12.4	**Foreign currency translation reserve**		
	As at the beginning of the year.	5,61,613	90,60,769
	Exchange differences on translating the financial statements of foreign subsidiary	(3,75,846)	(84,99,156)
		1,85,767	**5,61,613**
		1,00,48,62,334	**77,10,13,380**
	***The Remeasurements gains in respect of employee benefits included in Note 12.3 above are as under;**		
	As at the beginning of the year.	9,24,294	4,36,054
	Remeasurements gain/(loss) on defined benefit plans	6,65,093	7,29,403
	Income tax effect on above	(1,72,924)	(2,41,163)
	Balance carried forward to next year	**14,16,463**	**9,24,294**

13. Borrowings		As at March 31, 2018	As at March 31, 2017
13.1	**Long-term borrowings:**		
	Secured Loans		
	Term Loans from banks:		
	Federal Bank Limited (refer note 13.3. below)	1,24,88,63,294	1,06,48,63,295
	Less: Current Maturities (refer note 15.2)	(8,33,33,333)	-
	State Bank of India, Dubai (refer note 13.8)	46,82,67,996	-
		1,63,37,97,957	**1,06,48,63,295**
	Unsecured Loans		
	Inter-Corporate Deposits from (refer note 13.6. below)		
	Zuari Global Limited (carried at cost)	22,08,00,000	12,48,00,000
	Adventz Finance Private Limited (carried at cost)	-	20,00,00,000
	Less: Current Maturities (refer note 15.2)	(22,08,00,000)	(28,48,00,000)
		-	**4,00,00,000**
	Liability component of compound financial instrument		
	Non-Convertible Redeemable Preference Shares	8,14,75,750	5,61,54,238
		1,71,52,73,707	**1,16,10,17,533**

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13.2 Short -term borrowings:

Secured Loans		
Term Loans from banks:		
ICICI Bank Limited (refer note 13.5. below)	15,00,00,000	-
Real Estate loan from National bank of Fujairah (refer note 13.9. below)	70,48,31,400	70,12,56,600
Short-term loan from National bank of Fujairah (refer note 13.10. below)	2,66,17,500	-
Vehicle Loan	1,53,77,231	1,07,50,483
Other Loans (refer note 13.12. below)	10,64,70,000	-
	1,00,32,96,131	**71,20,07,083**
Unsecured Loans		
Inter-Corporate Deposits from	-	
Adventz Finance Private Limited (carried at cost) (refer note 13.6. below)	20,00,00,000	-
Other unsecured loans (refer note 13.11 below)	14,85,83,481	-
	34,85,83,481	**-**
	1,35,18,79,612	**71,20,07,083**

13.3 Federal Bank (Term Loan)

(a.) Term loan facility of Rs. 150 Crores including overdraft facility of Rs. 5 Crores as a sublimit of the overall limits, is secured by equitable mortgage on the Land and Building to be constructed under project name "Zuari Garden City " in area admeasuring to 50 Acres and 35 Guntas, Project receivables including all insurance and further secured by Corporate Guarantee issued by Zuari Global Limited, the Holding Company. There are other conditions and financial covenants attached to this bank facility, which are in ordinary course of business.

(b.) Terms of Repayment:

Particulars	Principal Amount	No. of Instalments	Interest Rate	Outstanding Instalments	Outstanding Loan
(i.) Term Loan for Project	1,24,88,63,294	36 Equal Monthly Instalments	12 % linked to 1 Year MCLR	36	1,24,88,63,294
(Draw down to the extent of Rs.1,24,88,63,294 (excluding overdraft facility) and repayable after 24 months moratorium from the date of initial disbursement i.e., January, 2017)					
(ii.) Overdraft Facility (sub-limit of the overall sanctioned limit)	5,00,00,000	N.A.	12% linked to 1 Year MCLR	N.A.	-

(c.) There are no continuing default in repayment of Principal or Interest as at the year end.

13.4 HDFC Bank (Term Loan)

(a.) Short-term unsecured loan facility for Rs.7,00,00,000/- to meet working capital requirements of the Company. This was availed and repaid during the year.

(b.) Terms of Repayment:

Particulars	Principal Amount	No. of Instalments	Outstanding Instalments	Interest Rate	Outstanding Loan
Short-term loan	7,00,00,000	Rs.3.5 Crores - 150 days of drawdown Rs.3.5 Crores - 180 days of drawdown	NA	12% calculated on 365 days basis.	-

13.5 ICICI Bank (Term Loan)

(a.) Short-term loan facility for Rs.15,00,00,000/- to meet working capital requirements of the Company. The facility is secured by the exclusive charge over the Trade Receivables (other than project receivables) of the Company and Equitable Mortgage over the Land at Vrindavan, Uttar Pradesh owned by Brajbhumi Nirman Private Limited ("BNPL") , an associate entity. Further, irrevocable and unconditional Corporate Guarantee from BNPL. There are other conditions and financial covenants attached to this bank facility, which are in ordinary course of business.

(b.) Terms of Repayment:

Particulars	Principal Amount	No. of Instalments	Interest Rate	Outstanding Instalments	Outstanding Loan
Short-term loan	15,00,00,000	Repayable within 180 days of drawdown. (Drawdown: 28th March 2018)	MCLR Plus spread of 1.25% (9.2%)	NA	15,00,00,000

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13.6 Inter-Corporate Deposits (Unsecured)

(a.) Zuari Global Limited, Holding Company

(i.) These are unsecured loan from Zuari Global Limited, Holding Company to meet the working capital needs of the Company.

(ii.) Terms of Repayment:

Particulars	Outstanding 01 April, 2017	Loans during the Year	Repaid	Outstanding 31 March, 2018	Rate of Interest	Due Date of Repayment
Term Loan (1-4)	8,48,00,000	-	1,15,00,000	7,33,00,000	8%	30-06-2018
Term Loan-5	4,00,00,000	-	-	4,00,00,000	8%	29-09-2018
Term Loan-6	-	15,00,000	-	15,00,000	12%	29-09-2018
Term Loan-7	-	1,30,00,000	-	1,30,00,000	12%	29-09-2018
Term Loan-8	-	15,00,000	-	15,00,000	12%	29-09-2018
Term Loan-9	-	8,00,000	8,00,000	-	12%	29-09-2018
Term Loan-10	-	25,00,000	25,00,000	-	12%	29-09-2018
Term Loan-11	-	50,00,000	-	50,00,000	12%	29-09-2018
Term Loan-12	-	15,00,000	-	15,00,000	12%	29-09-2018
Term Loan-13	-	10,00,000	-	10,00,000	12%	29-09-2018
Term Loan-14	-	40,00,000	-	40,00,000	12%	29-09-2018
Term Loan-15	-	3,50,00,000	-	3,50,00,000	12%	29-09-2018
Term Loan-16	-	3,50,00,000	-	3,50,00,000	12%	29-09-2018
Term Loan-17	-	10,00,000	-	10,00,000	12%	29-09-2018
Term Loan-18	-	90,00,000	-	90,00,000	12%	29-09-2018
	12,48,00,000	**11,08,00,000**	**1,48,00,000**	**22,08,00,000**		

(b.) Adventz Finance Private Limited

Unsecured Loan of Rs 20,00,00,000 /- at a interest rate of 14% p.a. is due on 30th June 2018. (2017: Rs. 20,00,00,000 /- at interest rate of 14% per annum)

Note: The borrowings from banks and others are carried at their cost with interest being accrued on the monthly basis . In the opinion of the Management had the same been amortised using the EIR the effect on these financial statements would be insignificant.

13.7 Non-Convertible Cumulative Redeemable Preference Shares:

(a.) Reconciliation of Shares Outstanding at the beginning and end of the reporting year *(In Numbers)*

Non-Convertible Cumulative Redeemable Preference Shares of Rs 10 each, issued at premium Rs 90 per share	As at 31 March 2018	As at 31 March 2017
At the beginning of the year	85,00,000	85,00,000
Issued during the year	29,50,000	-
Outstanding at the end of the year	**1,14,50,000**	**85,00,000**

(b.) Shares holding more than 5% as at the beginning and end of the reporting year

Non-Convertible Cumulative Redeemable Preference Shares of Rs 10 each, issued at premium Rs 90 per share.	As at 31 March 2018		As at 31 March 2017	
	In No's	In %	In No's	In %
Mr. Saroj Kumar Poddar	85,00,000	74%	85,00,000	100%
Texmaco Infrastructure & Holdings Limited	29,50,000	26%	-	-
Outstanding at the end of the year	**1,14,50,000**	**100%**	**85,00,000**	**100%**

(c) Terms / Rights attached to Non-Convertible Cumulative Redeemable Preference Shares:

The Company has only one class of non-convertible preference share having a par value of Rs 10 per share, carrying coupon rate of 8.5% per annum which are cumulative in nature and redeemable on 31st March 2020 (70,00,000 Shares), 31st March 2021 (15,00,000 Shares) and 31st March 2022 (29,50,000 Shares) respectively. Each holder of preference shares is entitled to one vote per share on resolutions placed before the company, which directly affect the rights attached to the preference share. These shares are redeemable at a price band of Rs 125 - Rs 150 per preference share.

(d) Pursuant to Schedule III of the Companies Act ("the Act"), for companies whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015 read with Indian Accounting Standard 32 - Disclosure of Financial Instruments, Non-convertible redeemable preference shares which are settled in cash needs to be classified as 'financial liability' and not 'equity'. Accordingly company has computed the fair value of these preference shares considering the effective interest rate (EIR) at 14% and the portion computed as 'Borrowing' amounting to Rs.8,14,75,750/-(2017:Rs. 5,61,54,238/-) has been classified under 'Long-term Borrowings' and the portion computed as the deemed equity amounting to Rs.5,62,10,576/- (2017: Rs. 4,24,95,328) has been reported under 'Other Equity'.

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With respect to premium received on issue as well as the additional premium payable on redemption of preference shares no adjustments/ disclosures has been carried out as contemplated in Ind-AS 32 and Ind-AS 109 read with Schedule III of the Act, since such classification of the 'securities premium account' into 'borrowings' or 'other equity' will be inconsistent with the provisions of section 52 of the Act which stipulates the manner in which the securities premium account can be utilised. Also the additional premium payable on the redemption has not been recognised in the absence of the accumulated profits since recognition of such a liability will be violative of section 55 of the Act.

Considering above, the Company has been legally advised that no further recognition or adjustments to the premium amounts are required in view of the specific provisions of contained in section 52 and 55 of the Act. Accordingly No adjustments are made as required under Ind-AS 32 and Ind-AS 109 read with Schedule III of the Act.

13.8 This represent loan amount drawn by Zuari Infra Middle East Limited, a wholly owned subsidiary out of total sanctioned limit of AED 165 million (USD 44.92 million) by State Bank of India, DIFC Dubai, U.A.E for residential real estate development project being undertaken by the subsidiary company. The loan amount is repayable before 31 March 2021.The term loan is secured against irrevocable and unconditional standby letter of comfort of USD 28,580,000 issued by CAG Mumbai (Part of which has been given to National Bank of Fujairah) by CAG Mumbai and corporate guarantee of Zuari Global Ltd to the extent of USD 16,340,000. In addition, there are various conditions and financial covenants attached to the bank facility, which are in the normal course of business.

13.9 This represents term loan of AED 39,720,000 (previous year AED 39,720,000) taken by Zuari Infra Middle East Limited, a wholly owned subsidiary from National Bank of Fujairah for residential real estate development project being undertaken by the subsidiary company. The loan amount is availed for one year and rolled over quarterly for a maximum tenor of four years. The term loan is secured against irrevocable and unconditional standby letters of credit of AED 41,900,000 issued by State Bank of India in favour of National Bank of Fujairah. In addition, there are various conditions and financial covenants attached to the bank facility, which are in the normal course of business.

13.10 This represents unsecured short term loan taken from National Bank of Fujairah for residential real estate development project being undertaken by the subsidiary company. The loan amount is repaid back in April 2018.

13.11 This represents 0 to 12% per annum interest bearing and unsecured loans taken by Zuari Infraworld SJM Elysium Properties LLC, a step down subsidiary which is repayable within a period of 2 years.

13.12 This represent secured and 12% per annum interest bearing loan availed by Zuari Infraworld SJM Elysium Properties LLC, a step down subsidiary from the unrelated party which is repayable within period of 2 year. This loan is secured against development

14. Trade payables		**As at March 31, 2018**	**As at March 31, 2017**
14.1	**Non-Current**		
	Retention Money - non current (carried at cost) - refer note 14.4 below	1,74,08,573	3,97,13,676
	Due to others (carried at cost) - refer note 14.4 below	25,48,074	-
		1,99,56,647	**3,97,13,676**
14.2	**Current**		
	Retention Money - current (carried at cost)	1,45,98,246	1,00,03,904
	Dues to Related Parties (carried at cost) - refer note 14.3. & 14.4 below	36,92,844	1,62,90,366
	Dues to others (carried at cost)	10,28,74,642	15,52,44,225
		12,11,65,732	**18,15,38,495**
14.3	**Due to Related Parties comprises of due to;**		
	Simon India Limited	36,92,844	36,92,844
	Zuari Investments Limited	-	14,84,500
	Zuari Global Limited	-	1,11,13,022
		36,92,844	**1,62,90,366**

14.4 Includes retention money Rs.1,42,78,082/- (2017: Rs. 2,75,39,698/-) and other dues Rs. 25,48,074/- (Rs.25,48,074/-) to one of the sub contractors in respect of which the Management is in negotiation with party for full and the final settlement, pending which it is reported as Non-current which is considered appropriate by the Management.

14.5 Based on the information available with the Company, none of the vendors / service providers have identified themselves to be classified as Micro & Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, no disclosures are made in this regard.

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(Amount in Rupees, unless otherwise stated)

15. Other Financial Liabilities		As at March 31, 2018	As at March 31, 2017
15.1	**Non-Current**		
	Other financial liabilities (carried at amortised cost)		
	Rent Deposit	12,77,068	-
	Payables for capital purchases	5,97,89,364	-
	Deferred Rental on security deposits (fair value adjustment) - Non-current	13,24,003	-
		6,23,90,435	**-**
15.2	**Current**		
	Other financial liabilities (carried at cost)		
	Current maturity of long term loans (refer note 13)	30,41,33,333	28,48,00,000
	Interest accrued and due on borrowings *	-	2,06,33,901
	Interest accruals on loans	70,91,204	28,99,339
	Due to employees	68,42,472	58,34,832
	Due to Parent Company	13,48,531	-
	Due to related parties (refer note 15.3 below)	20,09,121	9,59,560
	Due to others	84,696	-
	Others:		
	Deferred Rental on security deposits (fair value adjustment)-Current	2,37,464	-
		32,17,46,821	**31,51,27,633**

* The Management is of the view that the settlement / service of interest debited by the bank on the day subsequent to such debit is not a default.

15.3	**Due to related parties comprises of dues to;**		
	Zuari Global Limited	2,85,625	-
	Mr. Alok Banerjee	12,39,782	7,37,601
	Mr. Anshul Amit Bansal	4,00,867	1,29,037
	Mr. C G Ramegowda	82,847	92,922
		20,09,121	**9,59,560**

16. Provisions		As at March 31, 2018	As at March 31, 2017
16.1	**Non-Current**		
	Provision for gratuity obligation	33,32,168	28,19,725
	Provision for compensated absences	6,16,764	14,72,489
		39,48,932	**42,92,214**
16.2	**Current**		
	Provision for gratuity obligation	3,28,819	1,82,650
	Provision for compensated absences	3,72,691	2,76,263
	Staff end of service benefits	20,15,743	-
		27,17,253	**4,58,913**

Also, refer note 35 for detailed disclosures on employee benefit plans.

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(Amount in Rupees, unless otherwise stated)

17. Deferred tax liability (net)		As at March 31, 2018	As at March 31, 2017
17.1	**Tax effect of items constituting deferred tax liabilities**		
	Fair valuation of investment in mutual funds	2,02,14,470	1,07,17,205
	Interest on preference shares	1,46,14,750	-
	Unwinding of security deposit received	24,556	-
		3,48,53,775	**1,07,17,205**
17.2	**Tax effect of items constituting deferred tax assets**		
	Unwinding of security deposit paid	11,369	14,103
	Interest accrued on preference shares (Adjustment pursuant to Ind-AS)	60,28,445	45,12,956
	Difference between accounting base and tax base of tangible & Intangible assets	17,98,688	22,90,965
	Timing differences on benefit obligations	12,09,115	-
	Unrealised Profit on DMC fees	76,478	76,478
	Others	2,69,049	-
	MAT Entitlement	41,80,513	75,95,063
	Unused Tax Losses	3,09,53,972	-
	Less: Not recognised in books of account	(3,09,53,972)	-
		1,35,73,657	**1,44,89,565**
		2,12,80,118	**(37,72,360)**

Also, refer note 27 for other tax related disclosures.

17.3. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

17.4. Since the management expects that the interest on Non convertible redeemable Preference shares will not be allowed as a deduction, the deferred tax impact on the same has been recognised in Other Equity.

18. Other current liabilities	As at March 31, 2018	As at March 31, 2017
Statutory dues	73,67,488	73,86,370
Advances from Customers	19,66,90,945	22,04,32,729
Others	27,14,985	27,01,215
	20,67,73,417	**23,05,20,314**

18.1. Advances received represents receipts from buyers in respect of the projects which are under progress and also includes also includes amounts refundable aggregating to Rs.5,00,000/- in respect of cancelled flats/villas.

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ZUARI INFRAWORLD INDIA LIMITED

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018.

(Amount in Rupees, except otherwise stated)

19. Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of flats & villas	3,62,27,486	11,78,34,366
Development management fees	3,01,00,851	79,45,420
	6,63,28,337	**12,57,79,786**

20. Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on ;		
Deposits with Bank	81,514	2,27,854
Income tax refund	5,73,824	-
Others	47,114	24,01,415
Rent from sub-lease (net of directly attributable expenses Rs. 34,79,512/-)	3,62,692	-
Dividend from Mutual funds	4,63,836	-
Gains from redemption of Mutual Fund	4,44,568	11,25,067
Gain on fair value adjustments to financial assets through Profit and loss	4,85,63,201	4,72,23,241
Security deposit	1,92,010	1,78,163
Unwinding of financial liability, security deposit from sub lease	2,37,464	-
Miscellaneous income	7,52,518	20,57,992
	5,17,18,740	**5,32,13,732**

21. Project construction and development expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Architect Fees	13,12,833	5,56,13,250
Legal & Consultancy Fee	12,01,46,262	5,55,22,119
Depreciation on assets - Projects	6,36,170	8,09,194
Project Approval cost	3,03,300	-
Land Development	17,82,315	6,70,105
Civil Work	2,83,38,802	11,44,29,053
Landscape Expenses	39,65,357	44,14,999
Site Office Expenses	48,80,792	38,27,795
Site Security Expenses	14,606	60,94,007
Project Staff Costs	10,13,35,687	7,99,13,791
Contribution to Provident & Other funds	18,02,507	19,36,287
Property Tax	45,80,296	14,88,908
Infrastructure Expenses	24,13,62,131	2,94,38,101
Miscellaneous project Expenses	50,12,469	2,95,49,561
Foreign exchange translations differences to inventories	90,12,565	(98,36,946)
Sub Total	**52,44,86,092**	**37,38,70,223**
Add: Borrowing cost incurred during the year	27,97,44,542	20,00,62,228
Less: Balance no longer required	(2,21,00,000)	-
	78,21,30,634	**57,39,32,451**

22. Changes in inventories	For the year ended March 31, 2018	For the year ended March 31, 2017
Construction Work-in- progress		
Inventory at the beginning of the year	2,18,34,73,942	1,72,24,99,023
Add: Construction Cost incurred during the year	78,21,30,634	57,39,32,451
Less: Charged off to profit and loss during the year	(4,52,87,597)	(11,29,57,531)
Inventory at the end of the year	2,92,03,16,979	2,18,34,73,943
Total (Increase) / Decrease	**(73,68,43,037)**	**(46,09,74,920)**

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(Amount in Rupees, except otherwise stated)

23. Employee benefit expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	1,75,32,454	26,49,856
Contribution to provident and other funds	8,65,397	5,83,717
Gratuity	8,87,990	9,25,826
Staff welfare expenses	61,98,011	3,11,812
	2,54,83,853	**44,71,210**

24. Other expenses	For the year ended March 31, 2018	For the year ended M
Rent	90,89,884	32,44,060
Travel and conveyance	45,09,283	57,36,012
Legal and professional fees	69,70,417	29,53,416
Communication and internet charges	23,74,199	6,89,055
Office Expenses	23,01,806	21,56,930
Repairs and maintenance	36,05,755	4,24,404
Auditors remuneration	10,80,369	9,66,894
Recruitment expenses	5,61,262	1,74,285
Advertising and publicity expense	43,22,707	48,56,327
Rates and taxes	16,75,556	33,37,870
Commission & Brokerage	37,23,555	63,32,661
Security Expenses	13,23,240	28,58,496
Exchange Loss	16,63,935	-
Insurance	2,09,157	-
Miscellaneous expenses	21,39,251	8,16,912
Provision for service tax refund receivable	10,34,805	-
Balances written-off	1,11,381	-
Loss on disposal of Asset	2,55,871	10,850
	4,69,52,433	**3,45,58,172**

24.1. Auditors' Remuneration includes		
Statutory audit fees	5,00,000	5,00,000
Audit fees to the Auditors of Subsidiary	4,30,257	3,19,314
Tax Audit Fees	75,000	75,000
Certification fees	50,000	50,000
Out of pocket expenses	25,112	22,580
	10,80,369	**9,66,894**

25. Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense:		
Interest on borrowings	26,35,25,880	21,94,23,555
Other borrowing cost	2,14,89,165	1,80,26,652
Interest on delayed payment of Income tax	1,43,064	-
Interest on delayed payment of Tax deducted at Source	4,594	-
Fair value adjustment initial recognition of security deposits	1,43,018	-
Fair value adjustment to Preference Shares	95,36,759	68,79,601
	29,48,42,480	24,43,29,808
Less: Transfer to Project Construction and Development expenses	27,97,44,542	20,00,62,228
	1,50,97,938	**4,42,67,580**

25.1. Capitalisation of the Borrowing cost is not required to be suspended when substantial technical and administrative work is carried out or when there is a temporary delay which is a necessary part of the process of getting an asset ready for sale. The Management is of the view that the slow progress of various real estate projects are temporary in nature considering the nature of industry and the economic conditions prevailing in the industry. Accordingly, capitalisation (transfer to inventory) of interest cost is not suspended during the year.

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26. Depreciation and amortization expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets	42,92,250	14,06,115
Amortisation of intangible assets	3,94,669	2,86,835
Less: Depreciation on leasehold improvements attributable to sub-lease income netted off against sublease income	(3,72,005)	-
	43,14,914	**16,92,950**

27. Income Tax	For the year ended March 31, 2018	For the year ended March 31, 2017
Income tax expense	6,00,000	28,87,707
Income tax of earlier year	4,74,091	-
Deferred tax charge/(credit)	1,02,64,805	29,84,134
Total	**1,13,38,896**	**58,71,840**

27.1 Income tax expense for the year reconciled to the accounting profit	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	(1,90,89,657)	(1,89,53,925)
Income tax expense calculated at 26% (2017 : 30.90%)	**(49,63,311)**	**(58,56,763)**
Adjustments for:		
Gain on fair value adjustments to preference shares	-	(32,38,935)
Expenses not considered for tax purposes.	1,15,169	3,37,563
Gain on fair value adjustments to Mutual funds taxable at differential rate	(31,29,168)	(32,54,540)
Interest portion fair value adjustment to preference shares issued	9,64,069	(1,48,806)
Other adjustments	(11,35,149)	(18,652)
Tax effect on unused tax losses not recognised	1,49,98,645	47,67,590
Tax expenses of earlier year debited to profit and loss	4,74,091	-
Minimum Alternate Tax (MAT) of earlier year debited to profit and loss	40,14,550	-
	1,13,38,896	**(74,12,542)**

27.2 The tax effects of timing differences that resulted in changes in deferred tax are as follows:	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair valuation of investment in mutual funds	94,97,264	80,98,506
Unwinding of security deposit paid	2,734	(4,933)
Interest accrued on preference shares issued (Adjustment pursuant to Ind-AS)	(15,15,489)	(22,74,602)
Difference between accounting base and tax base of tangible & Intangible assets	4,92,278	(53,615)
Unwinding of security deposit received	24,556	-
Temporary differences on benefit obligations	(12,09,115)	-
Others temporary differences	(2,69,049)	-
MAT Credit of the earlier year charged off	40,14,550	-
MAT Credit	(6,00,000)	(25,40,060)
Temporary differences on other comprehensive income	(1,72,924)	(2,41,163)
	1,02,64,805	**29,84,134**

27.3. Deferred tax assets arising from the carry forward of unused tax losses not are recognised in these financial statements as there no convincing evidence that sufficient taxable profit will be available in the future against which the unused tax losses can be utilised by the Company, which is considered appropriate by the Management.

27.4. The effective tax rate applicable to the company for the subsequent years is reduced from 30.90% to 26% as per the recent amendments to Income Tax Law. Accordingly, amended rate has been considered for the computation of Deferred Tax.

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28. Disclosure of Interest in subsidiaries, joint arrangements and associates:

28.1. Disclosure of Interest in the following subsidiaries:

Name	Country of Incorporation	Ownership Interest of ZIIL (%) As at 31 March 2018	As at 31 March 2017	Method used to account for investments
(i) Zuari Infra Middle East Ltd	UAE	100%	100%	Line by line consolidation

28.2. Disclosure of Interest in the following associates:

Name	Country of Incorporation	Ownership Interest of ZIIL (%) As at 31 March 2018	As at 31 March 2017	Method used to account for investments
(i) Brajbhumi Nirmaan Private Limited	India	25%	25%	Equity Accounting
(ii) Darshan Nirman Private Limited	India	25%	25%	Equity Accounting
(iii) Pranati Niketan Private Limited	India	25%	25%	Equity Accounting

Also, refer Note 2(a)(iii) for detailed disclosure and accounting treatment.

(b.) Information regarding Associates:

i. Carrying amount of investment in Associates	**As at 31 March 2018**	**As at 31 March 2017**
Darshan Nirmaan Private Limited	(3,947)	7,407
Pranati Nirmaan Private Limited	2,464	6,954
Brajbhumi Nirmaan Private Limited	23,07,75,581	23,11,99,051

ii. Share of Profit/(loss) of Associates	**As at 31 March 2018**	**As at 31 March 2017**
Darshan Nirmaan Private Limited	(11,354)	(4,500)
Pranati Nirmaan Private Limited	(4,490)	(4,750)
Brajbhumi Nirmaan Private Limited	(4,23,470)	(16,45,287)

Summarised financial information of the joint ventures, based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(a) DARSHAN NIRMAAN PRIVATE LIMITED

i. Summarised Balance Sheet	**As at 31 March 2018**	**As at 31 March 2017**
Current assets, including cash and cash equivalents	2,76,53,332	2,76,60,546
Non-current financial liabilities	(2,78,13,554)	(2,77,75,350)
Equity	**(1,60,222)**	**(1,14,804)**
Proportion of the Group's ownership	25%	25%
Group's Share in Net Assets	(40,055)	(28,701)
Value of Goodwill on consolidation	36,108	36,108
Carrying amount of the investment	**(3,947)**	**7,407**

ii. Summarised Profit and Loss Statement	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Other Expenses	(45,417)	(18,000)
Profit/(loss) before tax	**(45,417)**	**(18,000)**
Income tax (expense)/credit	-	-
Profit/(loss) for the year	**(45,417)**	**(18,000)**
Other Comprehensive Income	-	-
Total comprehensive income	**(45,417)**	**(18,000)**
Proportion of the Group's share	25%	25%
Group's share of profit/(loss) for the year	**(11,354)**	**(4,500)**

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(b) PRANATI NIRMAAN PRIVATE LIMITED

i. Summarised Balance Sheet	As at 31 March 2018	As at 31 March 2017
Current assets, including cash and cash equivalents	2,16,94,256	2,16,96,756
Non-current financial liabilities	(2,18,30,310)	(2,18,14,850)
Equity	**(1,36,054)**	**(1,18,094)**
Proportion of the Group's ownership	25%	25%
Group's Share in Net Assets	(34,014)	(29,524)
Value of Goodwill on consolidation	36,477	36,477
Carrying amount of the investment	**2,464**	**6,954**

ii. Summarised Profit and Loss Statement	For the year ended March 31, 2018	For the year ended March 31, 2017
Other Expenses	(17,960)	(19,000)
Profit/(loss) before tax	**(17,960)**	**(19,000)**
Income tax (expense)/credit	-	-
Profit/(loss) for the year	**(17,960)**	**(19,000)**
Other Comprehensive Income	-	-
Total comprehensive income	**(17,960)**	**(19,000)**
Proportion of the Group's share	25%	25%
Group's share of profit/(loss) for the year	**(4,490)**	**(4,750)**

(c) BRAJBHUMI NIRMAAN PRIVATE LIMITED

i. Summarised Balance Sheet	As at March 31, 2018	As at March 31, 2017
Current assets, including cash and cash equivalents Rs. 34,75,504/- (March 31 2017: Rs.21,74,920/-)	1,57,36,81,894	1,43,28,56,028
Non-current assets	51,12,707	57,72,159
Current liabilities including financial liabilities	(1,01,72,67,296)	(83,95,92,095)
Non current financial liabilities	(22,50,27,689)	(26,08,42,599)
Less: Deemed Equity	(4,21,53,500)	(4,21,53,500)
Equity	**29,43,46,116**	**29,60,39,993**
Proportion of the Group's ownership	25%	25%
Group's Share in Net Assets	7,35,86,529	7,40,09,998
Value of Goodwill on consolidation	15,99,00,867	15,99,00,867
Adjustments for unrealised profits	(27,11,815)	(27,11,815)
Carrying amount of the investment	**23,07,75,581**	**23,11,99,051**

Summarised Profit and Loss Statement	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	65,84,100	2,32,49,500
Other Income	1,59,000	1,70,102
	67,43,100	**2,34,19,602**
Purchase of Stock in trade	(14,11,18,766)	(17,07,28,820)
Change in inventories of finished goods, work in progress and stock in trade)	13,46,53,510	14,72,85,354
Employee Benefits Expense	(80,361)	(28,299)
Finance Cost	(3,51,268)	-
Depreciation and amortization expense	(2,21,697)	(2,08,124)
Other Expenses	(12,29,585)	(15,22,280)
	(83,48,167)	**(2,52,02,169)**
Profit/(loss) before tax	**(16,05,067)**	**(17,82,567)**
Income tax (expense)/credit	(88,811)	(47,98,581)
Profit for the year	**(16,93,878)**	**(65,81,148)**
Other Comprehensive Income	-	-
Total comprehensive income	**(16,93,878)**	**(65,81,148)**
Proportion of the Group's share	25%	25%
Group's share of profit/(loss) for the year	**(4,23,470)**	**(16,45,287)**

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29. Commitments and Contingencies

29.1. Leases

Operating lease - as lessee

The Company has taken office premises on an 11 Year operating lease. The lease rentals recognized in the Income & Expenditure account for the year are Rs.1,16,41,104/- (excluding taxes) (2017: Rs. 57,72,792/-) . The future lease payments of operating lease are as given below. Lease Rentals charged to the profit and loss statement and obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements:

Particulars	As at 31 March 2018	As at 31 March 2017
Lease rentals recognized during the period	1,16,41,104	57,72,792
Lease Obligations		
- Within one year	1,22,75,046	1,16,41,104
- After one year but not more than five years	5,53,33,873	5,27,76,580
- More than five years	3,21,96,950	4,70,28,388

29.2. Contingent Liabilities

(i) Dividend liability on Non Convertible redeemable cumulative preference shares	2,94,61,231	1,52,54,704
(ii) TDS demand under the Income Tax Act, 1961 as per TRACES, not acknowledged as debt.	8,22,298	-
(iii) As per the audited consolidated Ind AS Financial statements of Brajbhumi Nirmaan Private Limited an associate entity, disputed Income Tax demand pertaining to AY.2015-16 (FY 2014-15) pending before Commissioner Income Tax (Appeals) Kolkata. Against this demand, Company has deposited Rs.25,00,000/-	4,27,66,240	-

(iv) As per the audited consolidated Ind AS Financial statements of Brajbhumi Nirmaan Private Limited, an associate company the erstwhile landowners have lodged cases against that Company for the procession of land. The Company is assessing the impact of these cases. However, the Management is of the view that impact, if any will be insignificant.

(v) As per the audited consolidated Ind AS Financial statements of Darshan Nirman Private Limited, an associate company few cases have been filed in the court of Tehsildar, Mathura in respect of some of the land purchased by the Company. The Company's Management is of the view that impact of these cases will be insignificant and will not affect the title over the land held by the Company.

29.3. Capital and Other Commitments

(i) Estimated amount of contracts remaining to be executed on Project construction and development aggregates to Rs.41,22,99,037/- (2017:Rs.52,55,83,187/-).

30. Earnings Per Share ("EPS")

Basic Earnings Per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. There are no dilutive potential equity shares, accordingly the Diluted EPS are also calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during as at the end year.

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

Particulars	31 March 2018	31 March 2017
Profit before OCI attributable to equity holders of the company	(3,08,67,867)	(2,38,36,302)
Weighted Average number of equity shares used for computing EPS (Basic & Diluted)	4,65,50,000	4,65,50,000
Earning/(Loss) Per Share (Basic and Diluted) (Rs.)	(0.66)	(0.51)
Face value per share (Rs.)	10.00	10.00

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31. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables, security deposits, and employee dues. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. Further, the company is predominantly into the real estate sector which is subject to The Real Estate (Regulation and Development) Act, 2016 (RERA).

31.1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments in mutual funds.

(i.) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Term Loan facility from Federal Bank and Short term loan facility from ICICI Bank Limited is subject to floating rate of interest based on MCLR, while the borrowings from the related entities and borrowings by subsidiary carry interest at a fixed rates.

Interest sensitivity analysis	Outstanding Loan facility subject to floating rates	Increase/ decrease in basis points	Effect on profit before tax
For the year ended 31 March 2018			
Increase in base points	1,39,88,63,294	+50	69,94,316
Decrease in base points	1,39,88,63,294	-50	(69,94,316)
For the year ended 31 March 2017			
Increase in base points	1,06,48,63,295	+50	53,24,316
Decrease in base points	1,06,48,63,295	-50	(53,24,316)

(ii.) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

There is no significant currency risk as substantially all financial assets and financial liabilities are denominated in Indian Rupees, except for investment in wholly owned subsidiary which is denominated in foreign currency.

(iii.) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all Investment decisions.

31.2. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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Trade receivables

Sale of Flats & Villas:

Customer credit risk is managed by " CRM team " subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer dues with respect to Customers demands are regularly monitored for proactive actions. The unpaid customers demands are included under 'Unbilled Revenue' computed as per the revenue recognition norms stipulated in Guidance note on Real Estate Transactions (for the entities to whom Ind AS is applicable) issued by The Institute of Chartered Accountants of India to the extent such demands related to projects in progress. In respect of completed projects such demands are included under trade receivables.

Development Management Fees:

Apart from real estate activities, the Company also provides Project Development services. The Trade Receivables includes dues from these activities which is aggregated to Rs. 4,67,14,322/- (2017: Rs 19,54,01,900)

An impairment analysis is performed at each reporting date on an individual basis for these entities. The Company does not hold collaterals as security. The Company evaluates the concentration of risk with respect to trade receivables as Nil, as its customers are related and are part of the same group and with respect of sale of flats & villas the sale deed is executed only after the realisation.

31.3. Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain balance between continuity of funding and flexibility through the use of bank loans and Debt Preference Shares. The Company is in the process of assessing the concentration of risk with respect to refinancing its debt preference shares and it is of the opinion that had the same been assessed the effect of the same would be insignificant.

The management expects to renew/rollover all of the short term debts/borrowings that are falling due in next 12 months. Further the Company is confident of increased operational cash inflows from bookings of flats/villas and is also ensured of continued support from its Holding/ Associate Companies and the Promoters.

31.4. 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 ensure their ability to continue as going concern and maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March, 2018:

Particulars	On demand	< 3 month	3 to 12 months	1 to 3 years	> 3 years	Total
Borrowings *(Incl. Debt portion of Preference Shares)*	-	27,33,00,000	52,92,98,065	1,86,38,57,188	-	2,66,64,55,252
Trade payables	-	5,27,18,514	10,50,52,048	1,43,78,260	10,00,000	17,31,48,822
Other financial liabilities	-	88,50,593	85,18,432	5,98,76,890	27,58,008	8,00,03,923
Total	**-**	**33,48,69,107**	**64,28,68,544**	**1,93,81,12,337**	**37,58,008**	**2,91,96,07,997**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March, 2017:

Particulars	On demand	< 3 month	3 to 12 months	1 to 3 years	> 3 years	Total
Borrowings *(Incl. Debt portion of Preference Shares)*	-	-	99,68,07,083	1,16,10,17,533	-	2,15,78,24,616
Trade payables	-	2,75,23,106	15,40,15,389	3,97,13,676	-	22,12,52,171
Other financial liabilities	-	1,22,79,930	1,51,48,363	-	-	2,74,28,293
Total	**-**	**3,98,03,036**	**1,16,59,70,835**	**1,20,07,31,209**	**-**	**2,40,65,05,080**

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32. Related Party Disclosures

32.1. List of Related Parties and nature of relationship where control exists:

Holding Company	Zuari Global Limited
Subsidiary	Zuari Infra Middle East Limited
Step down Subsidiary	Zuari Infraworld SJM Properties LLC (formerly SJM Elysium Properties LLC)
Fellow Subsidiaries	Zuari Management Services Limited
	Simon India Limited
	Zuari Finserv Pvt. Ltd. (erst. Zuari Investment Ltd. demerged w.e.f. 19.11.2017)
Associates	Brajbhumi Nirmaan Private Limited
	Darshan Nirmaan Private Limited
	Pranati Niketan Private Limited
Key Management Personnel	Mr. Alok Banerjee, Chief Executive Officer
	Mr. Anshul Amit Bansal, Chief Financial officer
	Mr. Krishan Kumar Gupta, Independent Director
	Mr. Vishwajit Kumar Sinha, Non Executive Director (resigned w.e.f. 24.03.2018)
	Mr. Sunil Sethy, Independent Director
	Mr.Narayanan Suresh Krishnan, Director
	Mr. C G Ramegowda, Company secretary
Director of holding company	Mr. Saroj Kumar Poddar

32.2.Transactions with related parties:

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i	**Payment made on our behalf of the Company:**		
	Zuari Global Limited	2,84,625	-
ii	**Service Charges / Management Fees Paid**		
	Zuari Finserv Pvt. Ltd. (erstwhile Zuari Investment Ltd. demerged w.e.f. 19.11.2017)	5,000	31,500
iii	**Service Charges / Management Fees Income**		
	Brajbhumi Nirmaan Private Limited	-	75,00,000
	Zuari Global Limited	2,19,00,851	-
iv	**Inter-Corporate Deposits Taken - Liability**		
	Zuari Global Limited		
	- Accepted	11,08,00,000	4,00,00,000
	- Repayment	1,48,00,000	7,60,00,000
v	**Interest on ICD received (Expenses)**		
	Zuari Global Limited	12,08,02,388	97,43,781
vi	**Reimbursement of Expenses received/receivable**		
	Brajbhumi Nirmaan Private Limited	1,00,37,361	26,66,159

Note: Transactions during the year ended 2018 is exclusive of taxes

32.3. Key management personnel compensation:

Particulars	As at March 31, 2018	As at March 31, 2017
i. Short-term employee benefits		
Mr. Alok Banerjee, Chief Executive Officer	99,78,338	93,21,328
Mr. Anshul Amit Bansal, Chief Financial officer	22,39,661	19,04,460
Mr. C G Ramegowda, Company secretary	12,62,986	2,99,108
ii. Retirement benefits (Provident fund and Gratuity)		
Mr. Alok Banerjee, Chief Executive Officer	5,84,568	5,43,784
Mr. Anshul Amit Bansal, Chief Financial officer	1,32,183	1,12,515
Mr. C G Ramegowda, Company secretary	74,244	17,506
ii. Sitting fees		
Directors sitting fees to Non-executive Directors	5,35,000	5,72,500
Total compensation	**1,48,06,980**	**1,27,71,201**

32.4. Year-end balances

i. Trade payable	As at March 31, 2018	As at March 31, 2017
Zuari Global Limited	-	1,11,13,022
Simon India Limited	36,92,844	36,92,844
Zuari Finserv Private Limited	-	14,84,500

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ii. Other payable	As at March 31, 2018	As at March 31, 2017
Mr. Alok Banerjee	12,39,782	7,37,601
Mr. Anshul Amit Bansal	4,00,867	1,29,037
Mr. C G Ramegowda	82,847	92,922
Zuari Global Limited	2,85,625	-

iii. Trade receivable	As at March 31, 2018	As at March 31, 2017
Brajbhumi Nirmaan Private Limited	4,04,01,900	4,04,01,900
Zuari Global Limited	65,49,021	-

iv. Expenses Recoverable	As at March 31, 2018	As at March 31, 2017
Brajbhumi Nirmaan Private Limited	1,57,32,604	86,01,275
Zuari Global Limited.	13,48,531	-

	As at March 31, 2018	As at March 31, 2017
Zuari Global Limited	22,08,00,000	12,48,00,000

vi. Other year end balances	As at March 31, 2018	As at March 31, 2017
Included in Project Work-in-Progress		
Zuari Global Limited.	23,96,31,787	21,56,74,893
Service Income accrued		
Zuari Global Limited.	1,35,000	-

32.5.Terms and conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and in the normal course of business.

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33: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value		Fair value	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
(a.) Financial assets				
(i.) FVPL financial instruments:				
Un-Quoted mutual funds	97,76,48,786	43,36,21,750	97,76,48,786	43,36,21,750
Preference Shares held in Associate Company	6,54,14,692	6,54,14,692	6,54,14,692	6,54,14,692
(ii.) Amortised Cost:				
Security deposits	26,69,046	24,77,035	26,69,046	24,77,035
Total	**1,04,57,32,524**	**50,15,13,477**	**1,04,57,32,524**	**50,15,13,477**
(b.) Financial liabilities				
(i.) Amortised Cost:				
Preference shares (debt portion)	8,14,75,750	5,61,54,238	8,14,75,750	5,61,54,238
Security deposit towards sub lease	12,77,068	-	12,77,068	-
ICICI Bank Ltd - Term Loan	15,00,00,000	-	15,00,00,000	-
Federal Bank Ltd-Term Loan	1,24,88,63,294	1,06,48,63,295	1,24,88,63,294	1,06,48,63,295
State Bank of India, Dubai	46,82,67,996	-	46,82,67,996	-
Short-term loan from National bank of Fujairah	2,66,17,500	-	2,66,17,500	-
Real Estate loan from National bank of Fujairah	70,48,31,400	70,12,56,600	70,48,31,400	70,12,56,600
Total	**2,68,13,33,008**	**1,82,22,74,133**	**2,68,13,33,008**	**1,82,22,74,133**

Other Notes:

(i.) The management assessed that cash and cash equivalents, other bank balances, trade receivables, retention money, inter corporate deposits, loan to related party and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii.) The following methods and assumptions were used to estimate the fair values:

(a.) Long-term fixed-rate and variable-rate Borrowings are evaluated by the Company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if any.

(b.) The fair values of the unquoted Preference shares have been estimated using a DCF model and considering the future cash outflow in this regard, based on a independent valuation . The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted Preference shares.

(c.) The fair values of the Group's interest-bearing borrowings and loans approximates to their carrying amounts i.e., cost as at the end of the reporting year. The own non-performance risk as at reporting was assessed to be insignificant.

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34. Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(a.) Quantitative disclosures fair value measurement hierarchy for assets:

Assets:	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(i.) FVPL financial instruments:				
Investments in Mutual funds	97,76,48,786	-	97,76,48,786	-
	(1,06,48,63,295)	-	(1,06,48,63,295)	-
Preference shares held in Associate	6,54,14,692	-	-	6,54,14,692
	(6,54,14,692)	-	-	(6,54,14,692)
(ii.) Amortised Cost:				
Loan to Subsidiary	-	-	-	-
	-	-	-	-
Security deposits	26,69,046	-	26,69,046	-
	(24,77,035)	-	(24,77,035)	-

(b.) Quantitative disclosures fair value measurement hierarchy for liabilities:

Liabilities:	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(i.) Borrowings:				
Federal Bank Ltd - Term Loan	1,24,88,63,294	-	1,24,88,63,294	-
	(1,06,48,63,295)		(1,06,48,63,295)	
ICICI Bank Ltd - Term Loan	15,00,00,000		15,00,00,000	
	-		-	
State Bank of India, Dubai	46,82,67,996		46,82,67,996	
	-		-	
Short-term loan from National bank of Fujairah	2,66,17,500		2,66,17,500	
	-		-	
Real Estate loan from National bank of Fujairah	70,48,31,400		70,48,31,400	
	70,12,56,600		(70,12,56,600)	
Preference shares (debt portion)	8,14,75,750	-	-	8,14,75,750
	(5,61,54,238)	-	-	(5,61,54,238)
(ii.) Security deposit (At amortised cost)				
Security deposit towards sub lease	12,77,068	-	12,77,068	-
	-	-	-	-

(i.) Amounts in the parenthesis represent previous year.
(ii.) There have been no transfers between Level 1 and Level 2 during the year.

(c.) The Company has not valued the Financial guarantee that it has extended to its wholly owned subsidiary to its fair value. It is the opinion of the Management that, had the same been valued it would not have any significant impact on these financial statements.

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35. Gratuity (Employment benefit plan)

	As at 31 March 2018		As at 31 March 2017	
	Current	Non-current	Current	Non-current
Value of Plan - Gratuity (Un-Funded)	3,28,819	33,32,169	1,82,650	28,19,725
	3,28,819	**33,32,169**	**1,82,650**	**28,19,725**

Gratuity:

The Holding company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i.) Net employee benefit expense (recognized in Employee Cost) for the year ended:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Current Service Cost	10,52,900	11,72,356
Past Service cost-(non vested benefits)	2,460	-
Past Service cost-(vested benefits)	1,81,164	-
Net Interest Cost	1,97,179	1,90,674

(ii.) Amount recognised in Other Comprehensive Income for the year ended:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(2,26,549)	1,65,534
Experience (gains) / losses	(4,38,544)	(8,95,943)

(iii.) Changes in the present value of the defined benefit obligation are, as follows:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Opening defined obligation	30,02,375	27,43,159
Current service cost	10,52,900	11,72,356
Past Service cost-(non vested benefits)	2,460	-
Past Service cost-(vested benefits)	1,81,164	-
Interest cost	1,97,179	1,90,674
Contribution paid	(1,09,997)	(3,74,405)
Actuarial (gain)/ loss on obligations	(6,65,093)	(7,29,409)
Defined benefit obligation	**36,60,988**	**30,02,375**

(iv.) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As at 31 March 2018	**As at 31 March 2017**
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.48%	6.69%
Rate of increase in compensation	9%	9%
Expected average remaining service	9.16	9.02
Benefit of normal retirement considered as per Payment of Gratuity Act, 1972	Rs. 20,00,000	Rs. 10,00,000
Employee Attrition Rate (Past Service)	PS: 0 to 40 years: 8%	PS: 0 to 40 years: 8%

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(v.) A quantitative sensitivity analysis for significant assumption as at the reporting date is as shown below:

Gratuity Plan	As at 31 March 2018		As at 31 March 2018	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	+1% increase	-1% decrease	+1% increase	-1% decrease
Impact on definedbenefit obligation	34,06,769	39,52,077	39,34,433	34,17,247

Gratuity Plan	As at 31 March 2017		As at 31 March 2017	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	+1% increase	-1% decrease	+1% increase	-1% decrease
Impact on definedbenefit obligation	27,89,367	32,47,185	32,19,083	27,99,040

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at 31 March 2018	As at 31 March 2017
Within the next 12 months	3,28,819	1,82,650
Between 2 and 5 years	15,19,877	15,69,335
Between 5 and 10 years	24,65,278	32,54,386
Total expected payments	**43,13,974**	**50,06,371**

Note: The above disclosures are based on the valuation report by the independent actuary and relied upon by the auditors.

35.1. In case of Zuari Infra Middle East Limited, a wholly owned subsidiary company the provision for the liability to staff end of service gratuity is computed assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

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ZUARI INFRAWORLD INDIA LIMITED

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(Amount in Rupees, unless otherwise stated)

36. Additional information pursuant to part-III of the Schedule III to the Act.

Name of the Entity in the	Net Assets i.e., Total Assets minus total liabilities as at		Share in Profit or Loss for the year ended		Share in Other comprehensive Income for the year ended		Share in total comprehensive income for the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
i. Parent								
Zuari Infraworld India Limited								
Amount	1,52,40,59,494	1,26,08,40,464	(18,73,637)	1,81,65,763	4,92,169	4,88,240	(13,81,468)	1,86,54,003
As % of Consolidated	103.65%	101.97%	6.07%	-76.21%	423.11%	-6.09%	4.49%	-58.57%
ii. Foreign subsidiaries								
a. Zuari Infra Middle East Limited								
Amount	5,03,23,720	2,00,59,346	2,98,50,212	1,54,44,713	-	-	2,98,50,212	1,54,44,713
As % of Consolidated	3.42%	1.62%	-96.70%	-64.79%	-	-	-97.07%	-48.50%
b. Zuari Infraworld SJM Elysium Properties LLC *(formely known as SJM Elysium Properties LLC)*								
Amount	(3,33,63,652)	(80,98,596)	(2,49,62,935)	(74,97,542)	-	-	(2,49,62,935)	(74,97,542)
As % of Consolidated	-2.27%	-0.65%	80.87%	31.45%	-	-	81.18%	23.54%
iii. Associates (share of profit/loss)								
a. Brajbhumi Nirmaan Private Limited								
Amount	-	-	(4,23,470)	9,98,713	-	-	(4,23,470)	9,98,713
As % of Consolidated	-	-	1.37%	-4.19%	-	-	1.38%	-3.14%
b. Pranati Niketan Private Limited								
Amount	-	-	(11,354)	(4,500)	-	-	(11,354)	(4,500)
As % of Consolidated	-	-	0.04%	0.02%	-	-	0.04%	0.01%
c. Darshan Nirmaan Private Limited								
Amount	-	-	(4,490)	(4,750)	-	-	(4,490)	(4,750)
As % of Consolidated	-	-	0.01%	0.02%	-	-	0.01%	0.01%
iv. Eliminations & adjustments on consolidation								
Amount	(7,06,57,228)	(3,62,87,835)	(3,34,42,195)	(5,09,38,699)	(3,75,846)	(84,99,156)	(3,38,18,040)	(5,94,37,855)
As % of Consolidated	-4.81%	-2.93%	108.34%	213.70%	-323.11%	106.09%	109.97%	186.63%
Zuari Infraworld India Limited (Consolidated)								
In Amount	**1,47,03,62,334**	**1,23,65,13,380**	**(3,08,67,867)**	**(2,38,36,302)**	**1,16,323**	**(80,10,916)**	**(3,07,51,544)**	**(3,18,47,217)**
In Percentage (%)	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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37. Segment Information

Information regarding Operating Segment Reporting as per Ind AS-108

The Company operates in only one segment (i.e., real estate sector) which consists of development of properties and rendering development management services and thus entire business has been considered as a single operating component by the management.

Geographical information	Revenue from operations		Non-current assets	
	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017
India	6,63,28,337	12,57,79,786	11,56,40,090	31,20,65,673
Outside India	-	-	39,05,39,598	1,82,70,330
	6,63,28,337	**12,57,79,786**	**50,61,79,688**	**33,03,36,003**

Note:

(i.) Segment Assets disclosed above includes Rs. Nil (2017: Rs.13,17,539/-) being capital work-in-progress.

(ii.) Non-current assets disclosed above are excluding Investment in subsidiaries & Associates, financial instruments, deferred tax assets, post-employment benefit assets.

37.2. Revenue from the customers contributing more than 10% of the total revenue are given below:

Particulars	As at 31 March 2018	As at 31 March 2017
Zuari Global Limited	2,19,00,851	-
Swiss Cottage Infraworld	82,00,000	-
Brajbhumi Nirmaan Private Limited	-	98,20,420
Total	**3,01,00,851**	**98,20,420**

38. Disclosures relating to Projects:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Project revenue recognized as revenue in the reporting period	3,62,27,486	11,78,34,366
Aggregate amount of costs incurred and profits recognised (less recognised losses) upto the reporting date.	2,85,68,66,186	2,07,93,99,270
Amount of advance received on project under progress	19,66,90,945	22,04,32,729
Amount of work in progress and the value of inventories	2,92,03,16,979	2,18,34,73,943
Excess of revenue recognised over actual bills raised (unbilled revenue) *	1,80,72,074	24,55,99,582
Method used to determine project revenue recognised during the year	Refer Note 2 (j)	Refer Note 2 (j)
Method used to determine the stage of completion of projects in progress	Refer Note 2 (j)	Refer Note 2 (j)

* Does not include Rs.13,90,03,256/- receivable towards completed projects which are pending execution of sale deeds and are reported under trade receivable in Note 9.

39. Foreign Currency Exposure:

(i.) The Company has not entered into any forward contracts to hedge the Foreign currency risk.

(ii.) Un-hedged Foreign currency exposures as the reporting date is given below:

Nature of Exposure	Currency	As at 31.03.2018	As at 31.03.2017
Trade and Other Payables	AED	17,43,777	1,11,57,562
	INR	3,09,43,323	19,69,86,757

40. Figures pertaining to subsidiary and associate companies have been reclassified wherever necessary to bring in line with the parent Company's financial statements.

41. Goodwill

Goodwill appearing in the Consolidated Financial Statements represents the goodwill on consolidation reported in the audited consolidated Financial Statements of the subsidiary company in respect of Zuari Infraworld SJM Elysium Properties LLC (Formerly known as SJM Elysium Properties LLC) as per the details given below.

Particulars	As at 31.03.2018	As at 31.03.2017
Goodwill on consolidation	58,74,579	58,74,579

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42. In the opinion of the Management none of the assets, other than fixed assets, have a value lower on realisation in the ordinary course of business than the amount at which they are stated in these financial statements. Accounts of most of the Trade Payables , Trade Receivables, loans & advances and Customer Advances are subject to confirmations.

The accompanying notes forms an integral part of the standalone financial statements

As per our report of the even date attached
For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas. K.P.
K P SRINIVAS
Partner
M. No. 208520

Place: Gurgaon
Date: 21 May, 2018

VARMA & VARMA
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For and behalf of the Board of Directors of
Zuari Infraworld India Limited

N SURESH KRISHNAN
Director
DIN: 00021965

SUNIL SETHY
Director
DIN: 00244104

ANSHUL A. BANSAL
Chief Financial Officer

C G RAMEGOWDA
Company Secretary

Place: Gurgaon
Date: 21 May, 2018