

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ZUARI INFRA MIDDLE EAST LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ZUARI INFRA MIDDLE EAST LIMITED** (the “company”), which comprise the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ZUARI INFRA MIDDLE EAST LIMITED** as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates and the Jebel Ali Free Zone Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and regulations issued by the Jebel Ali Free Zone Authority and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ZUARI INFRA MIDDLE EAST LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

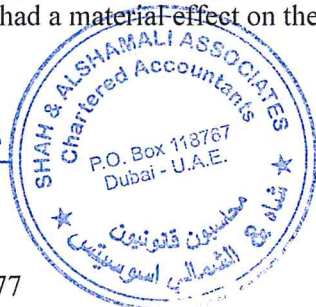
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, proper books of account have been kept by the company and the information contained in the Directors' Report relating to these financial statements is in agreement with the books of accounts. According to the information available to us, there were no violations of the laws of Jebel Ali Free Zone Authority Offshore Companies Regulations or the Articles of Association of the company which would have had a material effect on the business of the company or on its financial performance.



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



Shah & Alshamali Associates Chartered Accountants
8 May 2017
Dubai

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Financial Position
31 March 2017

	<i>Notes</i>	<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>
ASSETS			
Property, plant and equipment	5	1,802	2,878
Investment in a subsidiary	6	147,000	147,000
Accounts receivable	7	9,740,000	6,000,000
Advance to a subsidiary	8	42,724,156	30,661,411
Cash and cash equivalents	9	201,931	11,229,417
Total assets		<u>52,814,889</u>	<u>48,040,706</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	10,000	10,000
Retained earnings		<u>1,126,185</u>	<u>279,737</u>
Total equity		<u>1,136,185</u>	<u>289,737</u>
LIABILITIES			
Real estate loan	11	39,720,000	39,720,000
Vehicle loans		608,920	-
Loan from parent shareholder company		-	360,000
Advance from parent companies	12	11,157,562	7,508,017
Other payables and accruals	13	<u>192,222</u>	<u>162,952</u>
Total liabilities		<u>51,678,704</u>	<u>47,750,969</u>
Total equity and liabilities		<u>52,814,889</u>	<u>48,040,706</u>

The notes on pages 8 to 15 form an integral part of these financial statements.



DIRECTOR



ZUARI INFRA MIDDLE EAST LIMITED

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2017

	<i>Notes</i>	<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>
Revenue	14	<u>4,469,891</u>	<u>3,736,663</u>
Expenditure			
Service fees	15	(3,301,765)	(3,394,248)
Legal and professional fees		(64,865)	(12,688)
Other administrative expenses		(253,484)	(54,549)
Depreciation		(1,076)	(348)
Finance costs (net)	16	<u>(2,253)</u>	<u>(19,653)</u>
Total expenditure		<u>3,623,443</u>	<u>(3,481,486)</u>
Profit for the year		846,448	255,177
Other comprehensive income / (loss)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>846,448</u></u>	<u><u>255,177</u></u>

The notes on pages 8 to 15 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Changes in Equity
for the year ended 31 March 2017

	<i>Share capital AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
As at 31 March 2015	10,000	24,560	34,560
Profit for the year	-	<u>255,177</u>	<u>255,177</u>
As at 31 March 2016	10,000	279,737	289,737
Profit for the year	-	<u>846,448</u>	<u>846,448</u>
As at 31 March 2017	<u>10,000</u>	<u>1,126,185</u>	<u>1,136,185</u>

The notes on pages 8 to 15 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED

Statement of Cash Flows
for the year ended 31 March 2017

	<i>Note</i>	<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>
<u>Cash flows from operating activities</u>			
Profit for the year		846,448	255,177
Adjustments for:			
Depreciation		1,076	348
Finance costs		<u>3,106,441</u>	<u>3,276,452</u>
Operating profit before working capital changes		3,953,965	3,531,977
(Increase)/ decrease in accounts receivable		(3,740,000)	(3,730,000)
(Increase)/ decrease in advance to a subsidiary		(5,224,914)	(10,688,360)
(Increase)/ decrease in advance from parent companies		4,757,326	4,412,328
Increase/(decrease) in other payables and accruals		<u>(134,952)</u>	<u>(175,562)</u>
Cash generated from / (used in) operations		(388,575)	(6,649,617)
Finance costs paid		<u>(1,695,050)</u>	<u>(1,886,498)</u>
Net cash from / (used in) operating activities		<u>(2,083,625)</u>	<u>(8,536,115)</u>
<u>Cash flows from investing activities</u>			
Payment for purchase of property, plant and equipment		-	(3,226)
Payment for investment in a subsidiary		-	(147,000)
Net cash from / (used in) investing activities		<u>-</u>	<u>(150,226)</u>
<u>Cash flows from financing activities</u>			
Proceeds from term loans (net)		-	18,720,000
Proceeds from vehicle loans		608,920	-
Funds advanced to a subsidiary		(8,085,000)	-
Payment of loan from parent shareholder company		(360,000)	-
Payments to parent companies		<u>(1,107,781)</u>	<u>-</u>
Net cash from / (used in) financing activities		<u>(8,943,861)</u>	<u>18,720,000</u>
Net increase/ (decrease) in cash and cash equivalents		(11,027,486)	10,033,659
Cash and cash equivalents at the beginning of the year		<u>11,229,417</u>	<u>1,195,758</u>
Cash and cash equivalents at the end of the year	9	<u>201,931</u>	<u>11,229,417</u>

The notes on pages 8 to 15 form an integral part of these financial statements.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2017***1. Legal status and activities**

ZUARI INFRA MIDDLE EAST LIMITED (the “company”) is a private limited liability international company incorporated under the Jebel Ali Free Zone Offshore Companies Regulations of 2003 with Zuari Infracore India Limited, India as its sole shareholder.

The registered address of the company is P.O. box 11429, Dubai, United Arab Emirates.

The ultimate parent entity is Zuari Global Limited, India.

The company is engaged in rendering management consultancy services and related financing activities to its beneficially wholly owned subsidiary which is engaged in developing a residential real estate project in Burj District, emirate of Dubai, U.A.E.

2. Basis of preparation

These financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group.

The accompanying financial statements have been prepared on the basis that the company will continue as a going concern. The continuation of the company as a going concern is dependent upon the parent shareholder company and the banker continuing to provide the necessary financial support.

In the opinion of the management, the going concern assertion remains appropriate for the following reasons:

- The ultimate parent companies have confidence in the project and will ensure that adequate funds are introduced / maintained in the company to ensure that all short, medium and long term liabilities are met as they fall due.
- During the year, the company has availed term loan facility for the real estate development project being undertaken by the subsidiary company.
- Future forecast reflects a continuation of a positive operating and financial performance.
- Key executive management is in place.
- There are no pending changes in government legislation that may adversely affect the company.

Statement of compliance

The financial statements have been prepared under accrual basis of accounting and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of U.A.E. laws.

Basis of measurement

The financial statements have been prepared under the historical cost basis.

Functional and presentation currency

The financial statements are presented in UAE Dirhams (AED), being the company’s functional and presentation currency.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2017***Basis of preparation (cont'd)***Use of estimates and judgements*

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

Application of new and revised International Financial Reporting Standards (IFRS)

The company adopted all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 April 2016. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Summary of significant accounting policies

The accounting policies, which are consistent with those used in the previous year, in dealing with items that are considered material in relation to the financial statements are as follows:

Property, plant and equipment

Property, plant and equipment are stated at cost together with any related expenses of acquisition or less accumulated depreciation and impairment if any. Depreciation is charged using the straight-line method whereby the cost of an asset is depreciated over its estimated useful life of three years.

Investment in a subsidiary

Subsidiaries are the entities over which the company has the power to govern the financial and operating policies. Investment in a subsidiary is accounted for at cost less provision for impairment in value of the investments, if any. Dividend income is recognized in the statement of profit or loss and other comprehensive income when dividend is declared by the subsidiary out of the profits made subsequent to the date of acquisition.

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

The financial asset comprise accounts receivable, advance to a subsidiary and bank balance.

Accounts receivable

Accounts receivable are stated at original invoice amount less provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable and provided for in the accounts. Bad debts are written off as they arise.

ZUARI INFRA MIDDLE EAST LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2017***Financial instruments (cont'd)***Cash and cash equivalents*

Cash and cash equivalents comprise bank current account that is readily convertible to known amount of cash and which is subject to an insignificant risk of changes in value.

Financial liabilities

The financial liabilities include real estate loan, vehicle loans, advance from parent companies, other payables and accruals.

Loans and borrowings

Loans and borrowings are initially recognized at fair value net of directly attributable transaction costs. Interest-bearing loans and borrowings are subsequently measured at amortized cost using effective interest method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Other payables

Liabilities are recognized for amounts to be paid in the future for services received, whether invoiced or not.

Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and revenue can be measured reliably.

Management fees

Management fees principally relate to project management services provided in line with the terms of arrangement/ agreement following the accrual basis and is recognized in the period to which the services relate.

Interest income

Revenue from interest income is recognized on a time-proportion basis using the effective interest method.

Foreign currency transactions

Transactions in foreign currencies are converted into UAE Dirhams at the rate of exchange ruling as on date of transaction. Assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the date of statement of financial position. Resulting gain or loss is taken to the statement of profit or loss and other comprehensive income.

4. Significant judgment employed in applying accounting policies and key sources of estimation uncertainty**4.1 Significant judgment employed**

The significant judgment made in applying accounting policies that has the most significant effect on the amounts recognized in the financial statements pertains to impairment. At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2017

Significant judgment employed (cont'd)

In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss and other comprehensive income or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

4.2 Key sources of estimation uncertainty

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Impairment of accounts receivable

An estimation of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of past time due, based on anticipated recovery rates.

Impairment of other receivables

Management regularly undertakes a review of the amounts of other receivables and assess the likelihood of non-recovery. Such assessment is based upon the age of the debt, historic recovery rates and assessed credit worthiness of the receivable. Based on the assessment assumptions are made as to the level of provisioning required.

5. Property, plant and equipment

*Office
equipment
AED*

Cost

As at 01.04.2016
As at 31.03.2017

3,226
3,226

Depreciation

As at 01.04.2016
Charge for the year
As at 31.03.2017

348
1,076
1,424

Net book value

As at 31.03.2017
As at 31.03.2016

1,802
2,878

6. Investment in a subsidiary

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>% of Ownership</i>		<i>2017 AED</i>	<i>2016 AED</i>
		<i>De jure</i>	<i>De facto</i>		
Zuari Infraworld S J M Properties L.L.C.	U.A.E.	49	100	<u>147,000</u>	<u>147,000</u>
Share of net book value				<u>(224,770)</u>	<u>(23,427)</u>

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2017**Investment in a subsidiary (cont'd)**

By virtue of control, Zuari Infraworld S J M Properties L.L.C. is considered to be a wholly owned subsidiary of the company. The subsidiary company is engaged in long term real estate development which is expected to be completed by the year 2020.

In the opinion of the management, no impairment in the value of the investment is considered necessary as diminution in the net asset value is not of a permanent nature.

7. Accounts receivable

This represents management consultancy fees receivable from the company's wholly owned subsidiary as per terms of arrangement/ agreement and will be recovered over the tenure of the project. The balance is unsecured and free of interest charge.

8. Advance to a subsidiary

This represents 0 to 15% per annum interest bearing funds advanced to the subsidiary company to meet with its project development expenditure without any fixed repayment schedule. It includes vehicle loans liability of AED 608,920 for the purchase of vehicles by the subsidiary company which are repayable in 48 monthly instalments.

	<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>
Project funding-		
Non- interest bearing	34,635,869	30,661,411
Interest bearing	<u>7,479,367</u>	<u>-</u>
	42,115,236	30,661,411
Vehicle loans	<u>608,920</u>	<u>-</u>
	<u>42,724,156</u>	<u>30,661,411</u>

9. Cash and cash equivalents

This represents balance in current accounts with a bank.

	<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>
10. Share capital		
Authorized, issued and paid up		
10,000 shares of AED 1 each	<u>10,000</u>	<u>10,000</u>

11. Real estate loan

This represents term loan taken 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 annually for a maximum tenor of four years.

The term loan is secured against irrevocable and unconditional standby letters of credit of AED 110,250,000 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.

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2017**12. Advance from parent companies**

This represents unsecured and non-interest bearing funds from the parent companies without any fixed repayment schedule as under:

	<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>
Zuari Infracore India Limited	10,955,026	7,486,022
Zuari Global Limited	<u>202,536</u>	<u>21,995</u>
	<u>11,157,562</u>	<u>7,508,017</u>

13. Other payables and accruals

Accruals	28,000	7,500
Interest accrued- real estate loan	<u>164,222</u>	<u>155,452</u>
	<u>192,222</u>	<u>162,952</u>

14. Revenue

Management fees- subsidiary company	3,740,000	3,730,000
Interest income #	673,917	6,663
Exchange gain	<u>55,974</u>	<u>-</u>
	<u>4,469,891</u>	<u>3,736,663</u>

Includes AED 661,769 (previous year AED Nil) due from the subsidiary company. (refer note 8)

15. Service fees

This represents service fees charged by the parent shareholder company for management services provided for the project of the company's subsidiary as per the terms of agreement.

	<i>2017</i> <i>AED</i>	<i>2016</i> <i>AED</i>
16. Finance costs		
Interest on term loans	1,346,913	992,093
Interest on loan from parent shareholder company	-	47,287
Guarantee commission charges	1,244,916	689,849
Loan processing fees and other charges	<u>514,612</u>	<u>1,547,223</u>
	<u>3,106,441</u>	<u>3,276,452</u>
Less: Recharged to the subsidiary company	<u>(3,104,188)</u>	<u>(3,256,799)</u>
	<u>2,253</u>	<u>19,653</u>

17. Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximizing the return to the shareholder through optimization of the debt and equity balance. The capital structure of the company comprises net debt (comprising interest bearing loans and borrowings less cash and cash equivalents) and equity (comprising share capital and retained earnings).

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2017**18. Related party transactions and balances**

The company enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard-24: Related Party Disclosures.

Related parties are the entities which possess the ability (directly or indirectly) to conduct or exercise significant influence over the operating and financial decision of the company or vice versa and it is subject to common control or common significant influence. Related parties comprise the parent companies and subsidiary company as under:

- Zuari Global Limited, India – *Ultimate parent company*
- Zuari Infracore India Limited, India – *Parent shareholder company*
- Zuari Infracore SJM Properties L.L.C, U.A.E. – *Subsidiary company*

The company receives/provides funds with or without interest from/to related parties as and when required to meet with its subsidiary company's project funding requirements.

At the date of statement of financial position, balances with related parties were as follows:

	<i>2017</i>	<i>2016</i>
	<i>AED</i>	<i>AED</i>
	<i>Dr./ (Cr.)</i>	<i>Dr./ (Cr.)</i>
Accounts receivable	9,740,000	6,000,000
Advance to a subsidiary	42,724,156	30,661,411
Loan from parent shareholder company	-	(360,000)
Advance from parent companies	(11,157,562)	(7,508,017)

Significant transactions with related parties during the year were as under:

	<i>2017</i>	<i>2016</i>
	<i>AED</i>	<i>AED</i>
	<i>Dr./ (Cr.)</i>	<i>Dr./ (Cr.)</i>
Revenue	(3,740,000)	(3,730,000)
Interest from subsidiary company	(661,769)	-
Interest on loan from parent shareholder company	-	47,287
Recharge of finance costs to subsidiary company	(3,104,188)	(3,256,799)

19. Financial instruments: Credit, liquidity and market risk exposures**Credit risk**

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of accounts receivable, advance to a subsidiary and bank balance in current account. The company's bank balance in a current account is placed with a high credit quality financial institution. Accounts receivable and advance to a subsidiary are not perceived as a credit risk. There are no significant concentrations of credit risk from receivables outside the industry in which the company operates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The company limits its liquidity risk by ensuring bank and other facilities and adequate funding requirements from the parent companies are available to meet its commitments for liabilities as they fall due.

ZUARI INFRA MIDDLE EAST LIMITED

Notes to the Financial Statements
for the year ended 31 March 2017

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Bank borrowings are at floating rates at levels which are generally obtained in the U.A.E. Vehicle loans and loan to subsidiary company are at fixed rate.

Currency risk

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

	<i>2017</i>	<i>2016</i>
	<i>Equivalent</i>	<i>Equivalent</i>
	<i>AED</i>	<i>AED</i>
Foreign currency financial liabilities		
Loan from parent shareholder company		
INR	-	360,000
Advance from parent companies		
INR	11,157,562	7,508,017

20. Financial instruments: Fair values

The fair values of the company's financial assets, comprising accounts receivable, advance to a subsidiary and bank balance and financial liabilities comprising real estate loan, vehicle loans, advance from parent companies, other payables and accruals, approximate to their carrying values.

21. Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments outstanding at the date of statement of financial position.

22. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

23. Approval of the financial statements

The financial statements were approved by the directors and authorized for issue on 8 May 2017.