

INDEPENDENT AUDITORS' REPORT

To,
The Members,
ZUARI INFRAWORLD INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s Zuari Infracore India Limited ("the Company") which comprise the Balance Sheet as at 31st March 2016, Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 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 thereunder.

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 financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with significant accounting policies and other notes on financial statement attached thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profits and its cash flow .

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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in Paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with returns received from the branches not visited by us.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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";
- 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) There were no pending litigations that would significantly impact the financial position of the company.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses not provided for.
 - 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



Place: Gurgaon
Date : 5/5/16

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

ANNEXURE - A TO THE AUDITORS' REPORT

Annexure referred to in paragraph 1 of our report of even date on the Financial Statement of Zuari Infracore India Limited for the year ended 31st March, 2016

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We have been informed that the fixed assets of the company have been physically verified by the management during the year, which in our opinion, is reasonable having regards to the size of the Company and nature of its assets and that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable property of the company which is part of the inventory is held in its own name. As stated in the Note 5(i) of financial statement the immovable property has been mortgaged with the bank to secure the term loan taken from the bank.
- (ii) The Company does not carry inventories of the nature covered by Accounting Standard - 2
- (iii) As per the information and explanations given to us, the Company has granted unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (a) The terms and conditions of the grant of such loans are not prejudicial to the interests of the company;
- (b) The schedule of repayment of principal and interest has been stipulated and the loan was renewed during the year.
- (c) In respect of the said loan there is overdue amount of interest, however the same is not exceeding ninety days as at the year end.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (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.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.



- (vii) (a) According to the information and explanation given to us and as per our verification of the records of the company, the Company has been fairly regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year to the extent applicable. 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 explanation given to us, there are no unpaid disputed income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess as on 31st March, 2016.
- (viii) According to information and explanation 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.
- (ix) The company has not raised any money by way of initial public offer or further public offer hence clause (xi) is not applicable to the company. According to the information and explanations provided to us, the term loan raised during the year is applied for the purpose for which it was raised.
- (x) According to the information and explanation provided to us and as per our verification of the records of the company, no fraud either on or by the company has been noticed or reported during the year.
- (xi) According to the information and explanations provided to us, the company is of the view that the provisions of section 197 read with Schedule V to the Companies Act 2013 is not applicable to the remuneration paid to the manager during the year since the services rendered by the manager was in the capacity of a professional.
- (xii) The company is not a Nidhi company and hence clause (xii) 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 (Accounting Standard 18 – Related Parties) have been disclosed in the Financial Statements.



Chartered Accountants

- (xiv) According to the information and explanations provided to us and as per verification of the records of the company, the company has made preferential allotment of preference shares during the year under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which they were raised.
- (xv) According to the information and explanations given to us and as per our 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.
- (xvi) As per the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Gurgaon
Date : 5/5/16



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 Infracore India Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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 ("ICAI"). 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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.

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 2016, 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: Gurgaon
Date : 5/5/16



Zuari Infracore India Ltd
Balance Sheet as at March 31, 2016

(Amount in Rupees)

Particulars	Note No.	March 31, 2016	March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Share holder's fund			
(a) Share capital	3	55,05,00,000	53,55,00,000
(b) Reserves and surplus	4	72,45,46,801	57,81,26,103
		<u>1,27,50,46,801</u>	<u>1,11,36,26,103</u>
(2) Non-current Liabilities			
(a) Long term borrowings	5	96,17,48,724	73,55,67,150
(b) Other long term liabilities	6	3,69,10,185	3,09,35,105
(c) Long term provisions	7	26,02,024	35,97,332
		<u>1,00,12,60,933</u>	<u>77,00,99,587</u>
(3) Current Liabilities			
(a) Trade payables	8	14,58,77,946	8,64,80,552
(b) Other current liabilities	9	57,32,65,150	67,85,64,758
(c) Short-term provisions	10	18,77,184	3,66,664
		<u>72,10,20,280</u>	<u>76,54,11,974</u>
TOTAL		<u>2,99,73,28,015</u>	<u>2,64,91,37,664</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	11		
(i) Tangible assets (Net)	11 (a)	1,68,83,878	1,57,09,388
(ii) Intangible assets	11 (b)	13,77,787	10,21,582
		<u>1,82,61,665</u>	<u>1,67,30,970</u>
(b) Non Current investments	12	62,46,16,400	23,96,16,400
(c) Long term loans and advances	13	13,24,36,421	8,71,03,227
(d) Deferred Tax Asset	14	22,37,350	34,96,677
		<u>77,75,51,836</u>	<u>34,69,47,274</u>
(2) Current Assets			
(a) Current investments	15	-	24,36,69,628
(b) Inventories	16	1,28,18,43,521	95,80,58,494
(c) Trade receivables	17	16,70,08,247	7,22,06,282
(d) Cash and bank balance	18	20,41,72,193	49,14,45,035
(e) Short term loans and advances	19	30,21,40,780	27,73,85,587
(f) Other current assets	20	26,46,11,437	25,94,25,364
		<u>2,21,97,76,178</u>	<u>2,30,21,90,390</u>
TOTAL		<u>2,99,73,28,015</u>	<u>2,64,91,37,664</u>

Significant Accounting Policies 1
Other Notes on Financial Statements 2

For VARMA & VARMA
Chartered Accountants
FRN 004532S

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

For and on behalf of the Board of Directors

Suresh Krishnan
N.Suresh Krishnan
Director

V.K. Sinha
V.K. Sinha
Director

G.U.V.S. Nagaraju
G U V S Nagaraju
Chief Financial Officer

Pritam Das Mohapatra
Pritam Das Mohapatra
Company Secretary

Place : Gurgaon
Date : 05.05.2016

Place : Gurgaon
Date : 05.05.2016



Zuari Infracore India Ltd
Statement of Profit and Loss for the year ended March 31, 2016

(Amount in Rupees)

Particulars	Note No.	March 31, 2016	March 31, 2015
Income			
I. Revenue from Operations (Refer Note 1.12 (i))	21	32,30,31,377	56,15,98,624
II. Other Income	22	5,54,33,722	2,35,64,747
TOTAL REVENUE (I+II)		37,84,65,099	58,51,63,371
III. Expenses			
Project Construction and Development	23	59,88,18,019	61,23,39,620
(Increase)/Decrease in inventory	24	(32,40,76,612)	(14,34,04,214)
Employee benefits expense	25	2,16,10,797	1,89,45,970
Depreciation and amortisation expense	11 (a) & 11 (b)	27,97,641	44,84,859
Other expenses	26	5,26,05,689	5,68,54,226
Finance Cost	27	1,40,29,539	1,07,21,155
TOTAL EXPENSES		36,57,85,074	55,99,41,616
IV. Profit before tax		1,26,80,025	2,52,21,755
V. Provision for taxation:			
(a) Current Tax (MAT)		(22,89,953)	(27,65,050)
(b) Deferred tax (Liability) / Asset		(12,59,327)	27,74,217
(c) MAT Credit Entitlement		22,89,953	27,65,050
VI. Profit / (loss) after taxation for the year carried to Balance Sheet		1,14,20,698	2,79,95,972

Earnings per share of the face value of Rs 10/ each

Basic and Diluted	0.25	0.60
Weighted average number of equity shares in calculating basic and diluted EPS	4,65,50,000	4,65,50,000

Significant Accounting Policies	1
Other Notes on Financial Statements	2

In terms of our report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 004532S

Srinivas K.P.
K.P.Srinivas

Partner
M.No.208520

For and on behalf of the Board of Directors

N. Suresh Krishnan

N. Suresh Krishnan
Director

V.K. Sinha

V.K. Sinha
Director

G.U.V.S. Nagaraju *Pritam Das Mohapatra*
G U V S Nagaraju Pritam Das Mohapatra
Chief Financial Officer Company Secretary

Place : Gurgaon

Date : 05.05.2016



Place : Gurgaon

Date : 05.05.2016

Zuari Infraworld India Ltd

Cash Flow Statement for the year ended March 31, 2016

(Amount in Rs.)

Particulars	31-Mar-16	31-Mar-15
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation	1,26,80,025	2,52,21,755
<u>Adjustment for :</u>		
Depreciation & Amortisation	36,94,222	56,16,026
Interest (Income)	(4,78,84,960)	(1,63,91,580)
Dividend (Income)	(7,34,693)	(30,18,832)
Short Term Capital Gain - Mutual Fund	(41,30,396)	
Loss on Sale of Tangible Assets (Net)	49,501	18,81,869
Operating Profit/(Loss) before working Capital Changes	(3,63,26,301)	1,33,09,238
<u>Adjustment for changes in :</u>		
(Decrease)/Increase in trade payables	5,93,97,395	5,31,92,673
Decrease/(Increase) in trade receivables	(9,48,01,965)	(6,84,39,781)
(Increase) / Decrease in Other Current Assets	(86,86,073)	(17,38,89,024)
(Decrease)/Increase in provisions	5,15,212	1,33,47,315
(Decrease)/Increase in other current liabilities	(10,52,99,610)	5,48,24,876
(Increase) / Decrease in inventories	(32,37,85,027)	(14,28,33,797)
(Increase) / Decrease in loans and advances	(5,87,98,074)	(85,08,014)
Net cash generated from operations	(56,77,84,443)	(25,89,96,514)
Direct Taxes Paid (net of refund)	(1,12,90,313)	75,20,582
Net cash generated from operating activities	(57,90,74,756)	(26,65,17,096)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to tangible/intangible assets	(52,86,855)	(1,09,60,745)
Proceeds from sale of tangible/intangible assets	35,12,438	2,43,125
Sale/(Purchase) of Non-current investments in Mutual Funds	(38,50,00,000)	(23,96,16,400)
Sale/(Purchase) of current investments in Mutual Funds	24,36,69,628	(24,36,69,628)
Changes in Other Bank Balances	24,75,35,056	(44,10,13,620)
Short Term Capital Gain - Mutual Fund	41,30,396	-
Interest (Income)	4,78,84,960	1,63,91,580
Dividend (Income) on current investments	7,34,694	30,18,832
Net cash from Investing activities	15,71,80,317	(91,56,06,856)



Zuari Infracore India Ltd

Cash Flow Statement for the year ended March 31, 2016

(Amount in Rs.)

Particulars	31-Mar-16	31-Mar-15
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Share capital	15,00,00,000	70,00,00,000
Proceeds from Long term Borrowings (net)	23,21,56,654	44,02,46,216
Net cash used in financing activities	38,21,56,654	1,14,02,46,216
Net Changes in Cash and Cash equivalents during the year	(3,97,37,785)	(4,18,77,735)
Cash and Cash equivalents at the beginning of the year	5,04,31,416	9,23,09,151
Cash and Cash equivalents at the end of the year	1,06,93,631	5,04,31,416
Components of Cash and Cash Equivalents		
Balances with banks		
- In current accounts	78,43,694	4,08,31,416
- In fixed deposits with maturity less than 3 months	28,49,937	96,00,000
Total Cash and Cash Equivalents	1,06,93,631	5,04,31,416

In terms of our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

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

For and on behalf of the Board of Directors

N. Suresh Krishnan
N. Suresh Krishnan
Director

V.K. Sinha
V.K. Sinha
Director

G.U.V.S. Nagaraju
G U V S Nagaraju
Chief Financial Officer

Pritam Das Mohapatra
Pritam Das Mohapatra
Company Secretary

Place : Gurgaon
Date : 05.05.2016

Place : Gurgaon
Date : 05.05.2016



Zuari Infracore India Ltd
Notes forming part of Balance Sheet

3 SHARE CAPITAL

(Amount in Rupees)

	March 31, 2016	March 31, 2015
Authorized capital		
50,000,000 (2015 : 50,000,000) Equity Shares of Rs. 10 each	50,00,00,000	50,00,00,000
15,000,000 (2015 : 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
Issued, subscribed and paid up capital		
46,550,000 (2015 : 46,550,000) Equity Shares of Rs. 10 each, fully paid up	46,55,00,000	46,55,00,000
8,500,000 8.5 % (2015 : 7,000,000) Non Convertible Cumulative Redeemable Preference Share of Rs. 10 each, fully paid up	8,50,00,000	7,00,00,000
Total	55,05,00,000	53,55,00,000

3.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	March 31, 2016		(in nos.)	March 31, 2015 (Rupees)
	(in nos.)	(Rupees)		
a) Equity Shares:				
At the beginning of the period	4,65,50,000	46,55,00,000	4,65,50,000	46,55,00,000
Add: Issued during the year	-	-	-	-
At the close of the financial year	4,65,50,000	46,55,00,000	4,65,50,000	46,55,00,000
b) Preference Shares:				
At the beginning of the period	70,00,000	7,00,00,000	-	-
Add: Issued during the year	15,00,000	1,50,00,000	70,00,000	7,00,00,000
At the close of the financial year	85,00,000	8,50,00,000	70,00,000	7,00,00,000

3.2 Terms/Rights attached to Equity Shares

The Company has only one class of equity share, having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

Terms/Rights attached to Preference Shares

The Company has only one class of non convertible preference share issued at a face value of Rs. 10 per share with a premium of Rs 90 Per share, carrying coupon rate of 8.5% per annum which are cumulative in nature. Date of redemption is 31st March 2020 & redeemable at a price band of Rs 125-150 per share. 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.

3.3 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares - Zuari Global Ltd	4,65,50,000	100.0%	4,65,50,000	100.00%
Preference Shares - Mr. Saroj Kumar Poddar	85,00,000	100.0%	70,00,000	100.0%

3.4 The entire paid up equity share capital is held by Zuari Global Limited, the Holding Company.



Zuari Infracore India Ltd
Notes forming part of Balance Sheet

(Amount in Rupees)

4 RESERVES AND SURPLUS

(i) Securities Premium

On issue of preference share capital

Balance at the beginning

63,00,00,000

Add: Premium on issue of Preference Shares

13,50,00,000

63,00,00,000

Closing Balance

76,50,00,000

63,00,00,000

(ii) Profit and Loss

Opening balance

(5,18,73,897)

(7,98,69,859)

Profit/(Loss) for the current year

1,14,20,698

2,79,95,962

Closing Balance

(4,04,53,199)

(5,18,73,897)

72,45,46,801

57,81,26,103

5 LONG TERM BORROWINGS

(i) Secured Loans:

ICICI Bank Ltd - Term Loan

1,00,59,48,724

77,80,67,150

Less: Current maturities shown under Current

29,25,00,000

15,50,00,000

Liabilities (Note 9)

71,34,48,724

62,30,67,150

Notes:

1. Secured by equitable mortgage of the piece & parcel of land measuring 2,83,890 sq m at Hulikere Village and building constructed, hypothecation of receivables, pertaining to the extant project, both present and future.

2. Terms loans are taken towards developing the housing projects of Kabini, Kapila, Kaveri, Phase III Villas as well as development at Zuari Garden city.

3. Interest @ 12.60% per annum for Term Loan I

4. Interest @ 12.15% per annum for Term Loan II

5. Terms of Repayment:

Payable in monthly instalment, commencing from October 2014 and ending September 2018 for Term Loan I proportionately on the basis of loan drawn

Payable in monthly instalment, commencing from May 2017 and ending April 2019 for Term Loan II

(ii) Unsecured Loans:

Inter Corporate deposit from Zuari Global Ltd

16,08,00,000

21,08,00,000

[(Holding Company- a related party)]

Inter Corporate deposit from Adventz Finance Private Limited

20,00,00,000

20,00,00,000

Less: Current maturities shown under other

11,25,00,000

29,83,00,000

current liabilities (Note 9)

24,83,00,000

11,25,00,000

Total

96,17,48,724

73,55,67,150

Terms: Zuari Global Ltd

Interest @ 8% p.a.

Maturity: 18 months and due between May 2016 to October 2017

Terms: Adventz Finance Private Limited

Interest @ 14.00% p.a.

Maturity: 18 months and due between June 2017 to July 2017

6 OTHER LONG TERM LIABILITIES

Retention Money

3,69,10,185

3,09,35,105

Total

3,69,10,185

3,09,35,105

7 LONG TERM PROVISIONS

Gratuity

26,02,024

21,33,036

Leave Encashment

-

14,64,296

Total

26,02,024

35,97,332

8 TRADE PAYABLES

Due to Micro & Small Enterprises (Notes 2.18)

14,06,99,600

8,06,72,535

Due to others

51,78,346

58,08,017

Due to related parties

14,58,77,946

8,64,80,552

Total



Zuari Infracore India Ltd
Notes forming part of Balance Sheet

(Amount in Rupees)

	March 31, 2016	March 31, 2015
9 OTHER CURRENT LIABILITIES		
(a) Current maturities of long term borrowings (Note 5(i) & (ii))	40,50,00,000	45,33,00,000
(b) Statutory Dues	48,85,317	53,27,117
(c) Retention Money	57,11,897	75,26,052
(d) Advances from customers	15,17,95,971	20,75,78,439
(e) Interest accrued but not due on borrowings	58,71,965	48,33,150
Total	<u>57,32,65,150</u>	<u>67,85,64,758</u>
10 SHORT TERM PROVISIONS		
For Employee Benefits		
Gratuity	1,41,134	51,614
Leave Encashment	17,36,050	3,15,050
Total	<u>18,77,184</u>	<u>3,66,664</u>



11. FIXED ASSETS (Refer Note 1.3, 1.4 & 1.5)

Particulars	Gross Block-At Cost				Accumulated Depreciation				Net block	
	As at	Additions	Deductions	Balance as at	Up to	For the year	Written back	Up to	As at	As at
	April 01, 2015 April 01, 2014			March 31, 2016 March 01, 2015	March 31, 2015 April 01, 2014			March 31, 2016 March 01, 2015	March 31, 2016 March 01, 2015	March 31, 2015 March 01, 2014
11 (a) TANGIBLE ASSETS										
Leasehold Improvements	88,77,951 (91,22,075)	4,93,277 (88,77,951)	- (91,22,075)	93,71,228 (88,77,951)	36,297 (49,46,181)	9,35,446 (18,09,371)	- (67,19,255)	9,71,743 (36,297)	83,99,485 (88,41,654)	88,41,654 (41,75,894)
Temporary Structures	17,04,550 (17,04,550)	- -	- -	17,04,550 (17,04,550)	16,19,292 (6,81,820)	33 (9,37,472)	- -	16,19,323 (16,19,290)	85,227 (85,260)	85,258 (10,22,730)
Furniture and Fixtures	45,45,892 (55,49,749)	16,22,867 (3,42,590)	- (13,46,447)	61,68,759 (45,45,892)	13,99,167 (14,06,489)	6,25,397 (5,52,061)	- (5,59,383)	20,24,564 (13,99,167)	41,44,195 (31,46,725)	31,46,725 (41,43,260)
Office Equipments	41,44,900 (43,58,632)	20,85,069 (9,93,311)	1,31,875 (12,07,043)	60,98,094 (41,44,900)	15,54,124 (5,91,889)	11,58,234 (14,12,232)	73,374 (4,49,997)	26,38,985 (15,54,126)	34,59,109 (25,90,774)	25,90,776 (37,66,743)
Computer and Data processing units	36,53,124 (29,21,738)	2,35,546 (7,31,386)	68,741 -	38,19,929 (36,53,124)	26,08,149 (20,44,652)	4,81,221 (5,63,497)	65,303 -	30,24,067 (26,08,149)	7,95,862 (10,44,975)	10,44,975 (8,77,086)
Vehicles	(24,31,239)	-	(24,31,239)	-	(7,78,036)	(28,210)	(8,06,245)	-	-	(16,53,203)
Total	2,29,26,417	44,36,759	2,00,616	2,71,62,560	72,17,029	32,00,331	1,38,677	1,02,78,682	1,68,83,878	1,57,09,388
<i>Previous period</i>	<i>(2,60,87,983)</i>	<i>(1,09,45,238)</i>	<i>(1,41,06,804)</i>	<i>(2,29,26,417)</i>	<i>(1,04,49,067)</i>	<i>(53,02,843)</i>	<i>(85,34,880)</i>	<i>(72,17,029)</i>	<i>(1,57,09,388)</i>	<i>(1,56,38,916)</i>

11 (b) INTANGIBLE ASSETS

Computer Software	37,03,862 (36,88,355)	8,50,096 (15,507)	- -	45,53,958 (37,03,862)	26,82,280 (23,69,097)	4,93,891 (3,13,183)	- -	31,76,171 (26,82,280)	13,77,787 (10,21,582)	10,21,582 (13,19,258)
Total	37,03,862	8,50,096	-	45,53,958	26,82,280	4,93,891	-	31,76,171	13,77,787	10,21,582
<i>Previous period</i>	<i>(36,88,355)</i>	<i>(15,507)</i>	<i>-</i>	<i>(37,03,862)</i>	<i>(23,69,097)</i>	<i>(3,13,183)</i>	<i>-</i>	<i>(26,82,280)</i>	<i>(10,21,582)</i>	<i>(13,19,258)</i>

Depreciation for the year is allocated as under

	March -2016	March -2015
Debited to Project (ZGC)	8,96,581	11,31,167
Debited to Profit & Loss A/c	27,97,641	44,84,859
Total	36,94,222	56,16,026

Note: Figures in brackets represent previous year figures.



Zuari Infracore India Ltd
Notes forming part of Balance Sheet

(Amount in Rupees)

	March 31, 2016	March 31, 2015
12 NON CURRENT INVESTMENTS		
Unquoted - Trade - At Cost		
(i) Equity Shares		
Brajbhumi Nirmaan Pvt Ltd - Joint Venture 10,00,000 Shares of Rs 10 each, at premium of Rs 179.40, fully paid	18,94,00,000	18,94,00,000
Darshan Nirman Pvt Ltd - Joint Venture 2,500 Shares of Rs 10 each, fully paid	25,000	25,000
Pranati Niketan Pvt Ltd - Joint Venture 2,500 Shares of Rs 10 each, fully paid	25,000	25,000
Zuari Infra Middle East Ltd - wholly owned subsidiary 10,000 Shares of AED 1 (AED 10000)	1,66,400	1,66,400
(ii) Preference Shares		
Brajbhumi Nirmaan Pvt Ltd - Joint Venture 5,00,000 Shares of Rs 100 each, fully paid 1% Redeemable Non-Cumulative optionally convertible. Date of Maturity - 30.11.2023	5,00,00,000	5,00,00,000
Sub Total	<u>23,96,16,400</u>	<u>23,96,16,400</u>
Non-Trade At Cost		
(iii) Investment in Mutual Funds (Fixed Maturity Plan)		
Investment - ICICI Prudential Fixed Maturity plan Series (77-1473 Days Plan C) (5,000,000 units @ Rs.10 per unit) under lien for the SBLC facility from SBI.	5,00,00,000	-
Investment - ICICI Prudential Fixed Maturity plan Series (78-1130 Days Plan T) (10,000,000 units @ Rs.10 per unit)	10,00,00,000	-
Investment - ICICI Prudential Fixed Maturity plan Series (78-1156 Days Plan T) (5,000,000 units @ Rs.10 per unit)	5,00,00,000	-
Investment - SBI Debt Fund Series B-17(1100 Days) (10,000,000 units @ Rs.10 per unit) under lien for the SBLC facility from SBI.	10,00,00,000	-
Investment - SBI Debt Fund Series B-36(1131 Days) (8,500,000 units @ Rs.10 per unit)	8,50,00,000	-
Aggregate fair value(net asset value) as at the year end 31-Mar-2016 is Rs.39,68,80,500/-		
Sub Total	<u>38,50,00,000</u>	<u>-</u>
Total	<u>62,46,16,400</u>	<u>23,96,16,400</u>
Note: Particulars as required u/s 186(4) of the Companies Act, 2013 - as above		
13 LONG TERM LOANS AND ADVANCES		
(Unsecured - considered good)		
(a) Security deposits	62,01,747	61,51,747
(b) Other loans and advances		
(i) Advance to Vendors	10,03,26,193	6,39,60,556
(ii) Loan to employees (Housing Loan)	4,07,490	4,40,826
(iii) Income tax paid [net of provisions]	1,53,36,829	87,11,337
(iv) MAT Credit Entitlement	50,55,003	27,65,050
(v) Loan to Zuari Infra Middle East Ltd (a wholly owned subsidiary for working capital purpose) Rate of Interest @ 14% p.a. Maturity at the end of 18 months (See note below)	51,09,158	50,73,711
Total	<u>13,24,36,421</u>	<u>8,71,03,226</u>
Note: Particulars as required u/s 186(4) of the Companies Act, 2013		
14 DEFERRED TAX ASSET		
Deferred Tax Asset (On account of depreciation)	22,37,350	34,96,677
Total	<u>22,37,350</u>	<u>34,96,677</u>



Zuari Infracore India Ltd
Notes forming part of Balance Sheet

(Amount in Rupees)

	March 31, 2016	March 31, 2015
15 CURRENT INVESTMENTS		
(At cost or fair value whichever is less)		
In Units of Mutual Fund - Liquid		
-Kotak Mutual Fund - NIL (P.Y. 1,42,53,222.092 units)	-	14,36,69,628
-IDFC Mutual Fund - NIL (P.Y. 45,50,294.404 nos)	-	10,00,00,000
Net asset value NIL (P.Y. Rs.244,631,105)		
Total	-	24,36,69,628
Note: Particulars as required u/s 186(4) of the Companies Act, 2013 - as above		
16 INVENTORY		
Work-in-Progress	1,28,18,43,521	95,80,58,494
(Valued at lower of cost or net realisable value)		
(includes cost of land and project construction and development expenses)		
Total	1,28,18,43,521	95,80,58,494
17 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the due date		
- Related Parties	10,55,30,427	-
Other Debts		
- Related Parties	6,14,77,820	7,22,06,282
Total	16,70,08,247	7,22,06,282
18 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks		
- In current accounts	78,43,694	4,08,31,416
- In fixed deposits with maturity less than 3 months	28,49,937	96,00,000
Other bank balances		
- In fixed deposits with maturity of 12 months or less	19,34,78,562	44,10,13,619
Includes fixed deposits Rs.NIL (P.Y. Rs.41,35,36,938/-) with Bank of Baharain BSC against which lien was marked for loan sanctioned to Zuari Infra Middle East Limited		
Total	20,41,72,193	49,14,45,035



Zuari Infraworld India Ltd
Notes forming part of Balance Sheet

(Amount in Rupees)

	March 31, 2016	March 31, 2015
19 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loan to Zuari Infra Middle East Ltd (a wholly owned subsidiary) *	10,18,691	10,54,137
Advances recoverable in cash or kind (Refer Note 2.10)	28,73,73,889	27,19,90,486
Others		
-Deposits	10,93,929	35,95,249
-Prepaid Expenses	1,25,65,088	1,66,057
-Advance to Employees	89,183	5,79,658
Total	<u>30,21,40,780</u>	<u>27,73,85,587</u>
* For working capital purpose, interest bearing loan @ 14 % p.a.		
20 OTHER CURRENT ASSETS		
Interest receivable	76,46,684	54,53,187
Expenses recoverable (including Rs.2,91,584/- transferred from Inventory)	12,10,746	-
Unbilled revenue	25,57,54,007	25,05,25,247
Capital Assets held for sale (P.Y. net of provision Rs 5,00,000 against book value)	-	34,46,930
Total	<u>26,46,11,437</u>	<u>25,94,25,364</u>



Zuari Infracore India Ltd
Notes forming part of Profit and Loss Statement

(Amount in Rupees)

	March 31, 2016	March 31, 2015
21 REVENUE FROM OPERATIONS		
Sales	24,48,40,658	50,77,60,202
Development Management Fees	7,81,90,719	5,30,07,422
Other Operating Income		
Transfer Fees	-	8,31,000
Total	<u>32,30,31,377</u>	<u>56,15,98,624</u>
22 OTHER INCOME		
Interest Income	4,78,84,960	1,63,91,580
Short Term Capital Gain - Mutual Fund	41,30,396	-
Dividend from Units of Mutual Fund	7,34,693	30,18,832
Foreign Exchange Fluctuation	-	35,446
Miscellaneous Income	26,83,673	41,18,889
Total	<u>5,54,33,722</u>	<u>2,35,64,747</u>
23 PROJECT CONSTRUCTION AND DEVELOPMENT EXPENSES		
Architect Fees	2,16,00,454	3,31,94,962
Consultancy Fee	2,34,89,408	1,75,97,492
Depreciation on assets - Projects	8,96,581	11,31,167
Project Approval cost	64,33,533	18,70,920
Land Development	97,80,422	6,27,00,619
Civil Work	24,30,72,120	29,58,03,428
Landscape Expenses	26,22,080	39,50,004
Site Office Expenses	15,27,116	28,13,574
Site Security Expenses	26,26,123	21,55,021
Project Staff Costs	4,87,31,244	3,72,73,233
Contribution to Provident & Other funds	17,26,677	50,07,759
Gratuity	-	4,47,910
Property Tax	36,04,352	2,37,823
Infrastructure Expenses	5,90,10,833	15,06,636
Miscellaneous project Expenses	55,50,411	1,15,59,157
Legal charges for Rectification Deed	-	36,29,361
Sub Total	<u>43,06,71,354</u>	<u>48,08,79,066</u>
Add: Borrowing cost incurred during the year	16,81,46,666	13,14,60,554
Total	<u>59,88,18,019</u>	<u>61,23,39,620</u>
24 (INCREASE)/DECREASE IN INVENTORIES		
Construction Work-in- progress		
Inventory at the beginning of the year	95,80,58,493	81,52,24,697
Less:- Transferred to other current assets	(2,91,584)	-
Less:- Transferred on account of recovery	-	(5,70,417)
Add: Construction Cost incurred during the year	59,88,18,019	61,23,39,620
Less: Charged off to P&L during the year	(27,47,41,408)	(46,89,35,406)
Inventory at the end of the year	1,28,18,43,521	95,80,58,494
Total (Increase)/Decrease	<u>(32,40,76,612)</u>	<u>(14,34,04,214)</u>
25 EMPLOYEE BENEFIT EXPENSE		
Salary and allowances	6,51,45,873	5,45,05,421
Contribution to Provident Fund	28,23,798	52,55,637
Gratuity	5,58,509	5,19,420
Staff welfare	6,19,806	13,94,394
Sub Total	<u>6,91,47,986</u>	<u>6,16,74,872</u>
Less:- Transferred to Project Construction and Development Expenses	4,75,37,189	4,27,28,902
Total	<u>2,16,10,797</u>	<u>1,89,45,970</u>



Zuari Infraworld India Ltd
Notes forming part of Profit and Loss Statement

(Amount in Rupees)

	March 31, 2016	March 31, 2015
26 OTHER EXPENSES		
Rent	63,10,247	56,53,655
Travel and conveyance	35,50,243	24,82,955
Legal and professional fees	1,04,80,381	47,65,390
Communication and internet charges	9,36,357	7,55,179
Office Expenses	30,02,040	22,53,448
Repairs and maintenance	17,06,451	18,27,994
Auditors remuneration (Refer Note 2.6)	5,97,009	5,31,847.00
Recruitment expenses	20,76,693	11,95,906
Advertising and publicity expense - Villas	72,25,521	41,67,937
Advertising and publicity expense - Apartments & Other Phases	42,79,989	2,12,32,867
Rates and taxes	37,089	2,09,612
Fees for increase in authorised share capital	-	12,00,000
Commission & Brokerage (Refer Note 2.10 (a))	87,12,448	67,05,855
Miscellaneous expenses	36,41,720	24,89,712
Loss on disposal of Asset	49,501	13,81,869
Total	5,26,05,689	5,68,54,226
27 Finance Cost		
Interest on borrowings	17,12,24,485	14,11,21,158
Other borrowing costs	1,09,51,720	10,60,551
Sub Total	18,21,76,205	14,21,81,709
Less:- Transferred to Project Construction and Development Expenses	16,81,46,666	13,14,60,554
Total	1,40,29,539	1,07,21,155



ZUARI INFRAWORLD INDIA LIMITED

ACCOUNTING POLICIES AND OTHER NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31, 2016

Corporate Information:

The Company has been converted from a private company to a public company vide a fresh Certificate of Incorporation, dated January 29, 2010. The Company has changed its name from Adventz Infraworld India Ltd to Zuari Infraworld India Limited vide certificate of incorporation, dated May 28, 2013. The Company is developing a residential cum commercial property intended for sale.

1. Significant Accounting Policies:

1.1 Basis for preparation

These financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on going concern basis, under the historical cost convention and on accrual basis, and comply with Schedule III of the Companies Act, 2013.

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 project and its phase 1 is in advance stage of completion, 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 – non-current classification of assets and liabilities.

1.2 Use of Estimates

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

1.3 Tangible Fixed Assets

The fixed assets 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 working condition for the intended use. Any trade discounts or rebates are deducted in arriving at the purchase cost.



ZUARI INFRAWORLD INDIA LIMITED

ACCOUNTING POLICIES AND OTHER NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31, 2016

1.4 Depreciation on tangible fixed assets:

Depreciation is calculated on straight-line method, based on useful life stated under Schedule II of Companies Act 2013.

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

Name of the Assets	Year Ending 31.03.2016
	Useful Life
Office Equipments	5 years
Computers and Servers	3 and 6 years
Temporary Structure	Over a period of 5 years
Leasehold Improvements	Over the lease period of 11 years
Plant and Machinery	8 years
Furniture & Fittings	8 years

Depreciation is calculated after retaining 5% residual value.

Depreciation on assets used for the project has been considered part of project construction and development cost.

1.5 Intangible Assets:

Computer software acquired is measured on initial recognition at cost. They are amortized on a straight-line basis over the estimated useful economic life of three years. All intangible assets are assessed for impairment whenever there is an indication that they may be impaired.

1.6 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

1.7 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in the value made to recognise a decline other than temporary in the value of the investments. On disposal of investments, the difference between the carrying amount and net disposal proceeds is charged to the statement of profit and loss.

1.8 Inventories

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.



ZUARI INFRAWORLD INDIA LIMITED

ACCOUNTING POLICIES AND OTHER NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31, 2016

1.9 Foreign Currency Transactions

Foreign currency transactions are recorded at exchange rate prevailing on the date of transaction/realisation. Current assets/liabilities are restated at rates prevailing at the year end and resultant exchange differences are recognised in the Statement of Profit and Loss. In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised over the life of the contract as well as the exchange difference on such contracts i.e., differences between the exchange rates at the reporting/settlement date and the exchange rate on the date of inception/last reporting date, is recognised in the Statement of Profit & Loss. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction.

1.10 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. Other borrowing costs are debited to profit and loss statement.

1.11 Taxation

Tax Expense comprising current tax and deferred tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws.

Certain items of income and expenditure are not reported in tax returns and financial statements in the same period for the purpose of determining the current tax. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset/liability. The effect on deferred tax assets and liabilities due to change in such assets/liabilities as at the end of previous accounting period and due to a change in tax rates are recognised in the income statement of the period.

When there is unabsorbed losses/depreciation deferred tax asset is recognised if there is virtual certainty of realisation. MAT credit is recognised as an asset tax only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.12 Revenue Recognition

i) Revenue is recognized in relation to the under construction units, to the extent it is probable that the economic benefits will flow to the Company demonstrated by way of an Agreement for Sale (AFS) and when the buyer's investment is adequate enough to demonstrate a commitment to pay.

The Revenue from sale of residential properties is recognized on the "percentage of completion method". Percentage of completion is determined on the basis of entire project costs incurred including the land cost, borrowing costs and construction and development costs to total estimated project cost, where the actual construction and development cost is 25 percent or more of the total estimated construction and development cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.



ZUARI INFRAWORLD INDIA LIMITED

ACCOUNTING POLICIES AND OTHER NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31, 2016

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

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.

iii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Dividend is recognized as and when the right to receive payment is established.

1.13 Employee Benefits

i) 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.

ii) Gratuity liability under the Payment of Gratuity Act 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.

iii) Short term compensated absences are provided for based on estimates. 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.

iv) Actuarial gains/losses are immediately taken to profit and loss statement and are not deferred.

1.14 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss statement on a straight-line basis over the lease term or on a systematic basis which is more representative of the time pattern of the use by the company.

1.15 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.



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1.16 Provisions & Contingent liabilities

A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates.

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.

2. NOTES ON ACCOUNTS

2.1 Capital and other commitments

Estimated amount of contracts remaining to be executed on project construction and development account- Rs.50,39,66,647 (Previous year Rs124,48,57,078)

2.2 Contingent Liabilities

- i) Claims against the Company not acknowledged as debts –NIL. (Previous year NIL)
- ii) Dividend on cumulative preference shares – Rs.67,58,197/-(Previous year Rs.12,71,507/-)
- iii) The company has furnished SBLC of AED 41,900,000 (previous year AED 21,000,000) obtained from State Bank of India to Zuari Middle East Limited, UAE in respect of borrowings obtained from National Bank of Fujairah by Zuari Middle East Limited. The outstanding borrowing as at the year-end was AED 41,900,000. (Previous year AED 21,000,000)



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2.3 Employee Benefits

Actuarial valuation of the gratuity and leave encashment for the period from 01/04/2015 to 31/03/2016 as per AS - 15 (Revised).

The present value of the obligations on account of gratuity and leave encashment is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional units of benefit entitlement and measures each unit separately to build up the final obligations. The following data are based on the report of the Actuary.

PARTICULARS	GRATUITY	LEAVE	GRATUITY	LEAVE
	(Non Funded)	ENCASHME	(Non	ENCASHME
		NT (Non -	Funded)	NT (Non-
		Funded)		Funded)
	As on 31st March, 2016		As on 31st March, 2015	
A Economic Assumptions				
1 Discount Rate (per annum)	7.46%	7.46%	8.00%	8.00%
2 Rate of Increase in future salary	9.00%	9.00%	9.00%	9.00%
B Expenses recognized in the statement of Profit & Loss Account for the year ended March, 2016				
1 Current Service Cost	10,35,177	7,01,780	10,94,866	10,93,765
2 Interest cost	1,74,772	1,22,169	95,198	66,752
3 Expected return on plan assets	-	-	-	-
4 Net actuarial (gain) / loss recognized during the year	(6,51,440)	(7,28,218)	(63,168)	(3,75,096)
5 Total Expense	5,58,509	95,731	11,26,896	7,85,421
C Net Asset / Liability recognized in the Balance Sheet				
1 Present value of the obligation	27,43,159	16,22,841	21,84,650	15,27,110
2 Fair value of plan assets	-	-	-	-
3 Funded status surplus / (deficit)	(27,43,159)	(16,22,841)	(21,84,650)	(15,27,110)
4 Unrecognized past service cost	-	-	-	-
5 Net Asset / (Liability) recognized in the Balance Sheet	(27,43,159)	(16,22,841)	(21,84,650)	(15,27,110)
D Change in Present value of the Obligation during the year ended March 31, 2016				
1 Present value of the obligation as at April 1, 2015	21,84,650	15,27,110	10,57,754	7,41,689
2 Current Service Cost	10,35,177	7,01,780	10,94,866	10,93,765
3 Interest cost	1,74,772	1,22,169	95,198	66,752
4 Benefits paid	-	-	-	-
5 Benefit transfer-in	-	-	-	-
6 Actuarial (gain) / loss on obligation	(6,51,440)	(7,28,218)	(63,168)	(3,75,096)
7 Present value of obligations as at March 31, 2016	27,43,159	16,22,841	21,84,650	15,27,110



ZUARI INFRAWORLD INDIA LIMITED

ACCOUNTING POLICIES AND OTHER NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31, 2016

Details of provision for gratuity benefits as at 31st March, 2016:

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Defined benefit obligation	27,43,159	21,84,650	10,57,754	5,51,105	3,48,136
Fair value of plan assets	-	-	-	-	-
Plan assets / (liability)	(27,43,159)	(21,84,650)	(10,57,754)	(5,51,105)	(3,48,136)
Experience (gain)/loss on obligation	(6,51,440)	(63,168)	(62,142)	(15,607)	11,412
Experience (gain)/loss on plan assets	-	-	-	-	-

2.4 Related party disclosures under Accounting Standard- 18

2.4.1 List of related parties as identified by the management:

- a) Holding Company Zuari Global Limited (ZGL) (where control exists)
- b) Subsidiary Zuari Infra Middle East Limited (ZIMEL)
- c) Fellow Subsidiaries Zuari Management Services Limited (ZMSL)
Simon India Limited - (SIL)
Zuari Investment Limited (ZIL)
Adventz Finance Private Limited
Zuari Agro Chemicals Limited
- d) Joint Ventures BrajbhumiNirmaan Private Limited (BNPL)
DarshanNirmaan Private Limited(DNPL)
PranatiNiketan Private Limited(PNPL)
- e) Key Management Personnel Alok Banerjee, Chief Executive Officer
- f) Relative of director and director of holding company Mr. Saroj Kumar Poddar



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2.4.2 Transactions carried out with related parties in the ordinary course of business:

Sl. No.	Transaction Details	Year Ended 31st March, 2016					
		Holding Company	Wholly Owned Subsidiaries	Fellow Subsidiaries	Joint Ventures	Key Management Personnel	Relative of Director and director of holding company
1	Payment made on their behalf						
	Zuari Infra Middle East Limited	-	1,49,83,096 (1,72,02,401)	-	-	-	-
	BrajbhumiNirmaan Private Limited	-	-	-	(9,22,087)	-	-
2	Payment made on our behalf for various expenses						
	Zuari Agro Chemicals Limited	-	-	1,58,977 (0)	-	-	-
	Zuari Investments Limited	-	-	7,325 (0)	-	-	-
	ZuariManagementServices Limited	-	-	(1,19,030)	-	-	-
	Zuari Global Limited	1,000 -	-	-	-	-	-



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3	Contribution to Share Capital						
	Zuari Infra Middle East Limited (100% Wholly Owned Subsidiary)	-	(1,66,400)	-	-	-	-
	BrajbhumiNirmaan Private Limited (JointVenture)	-	-	-	(23,94,00,000)	-	-
	PranatiNiketan Private Limited (Joint Venture)	-	-	-	(25,000)	-	-
	DarshanNirmaan Private Limited (Joint Venture)	-	-	-	(25,000)	-	-
4	Service Charges / Management Fees Paid						
	Zuari Management Services Limited	-	-	-	(22,42,790)	-	-
	Zuari Investments Limited	-	-	41,88,299	-	-	-
				(18,35,000)			
5	Service Charges / Management Fees Received/receivable						



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	BrajbhumiNirmaan Private Limited	-	-	-	1,80,00,000 (1,80,00,000)	-	-
	Zuari Infra Middle East Limited	-	6,20,71,158 (3,50,00,000)	-	-	-	-
6	ICD given						
	Zuari Infra Middle East Limited	-	-	-	-	-	-
			(61,27,848)				
7	Repayment of ICD's / loans / advances						
	Zuari Global Limited	5,00,00,000 (11,00,00,000)	-	-	-	-	-
8	Interest paid/payable on ICD received						
	Zuari Global Limited	2,03,96,837 (3,24,89,931)	-	-	-	-	-
9	Interest received/receivable on ICD given						
	Zuari Infra Middle East Limited	-	8,52,936 (3,14,764)	-	-	-	-
	BrajbhumiNirmaan Private Limited	-	-	-	(4,71,983)	-	-
10	Reimbursement of Employee Compensation received and other expenses						



ZUARI INFRAWORLD INDIA LIMITED

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	BrajbhumiNirmaan Private Limited	-	-	-	63,81,596 (42,23,004)	-	-
11	Refundable Deposit						
	Zuari Global Limited	(2,00,000)	-	-	-	-	-
12	ICD converted to equity						
	BrajbhumiNirmaan Private Limited	-	-	-	(1,50,00,000)	-	-
13	Preference Share capital Investment by						
	Mr. Saroj Kumar Poddar (Rs.1.5 crores Share Capital and Rs.13.5 crores Share Premium)	-	-	-	-	-	15,00,00,000 (70,00,00,000)
14	Managerial Remuneration						
	Mr. Alok Banerjee	-	-	-	-	89,46,225 (82,10,342)	-

Note:-

Figures in bracket represent previous year figures.



ZUARI INFRAWORLD INDIA LIMITED

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2.4.3 Balance outstanding at the year end	<u>31-03-16</u>	<u>31-03-15</u>
A Unsecured Loan		
- ICD form Holding Company (ZGL)	16,08,00,000	21,08,00,000
- ICD to Subsidiary Company (ZIMEL)	61,27,848	61,27,848
B Payables		
- Zuari Global Limited	1,000	2,00,000
- Simon India Limited	36,92,844	36,92,844
- Zuari Investments Limited	14,84,500	18,42,480
- Zuari Management Services Limited	-	72,693
C Receivable		
- BrajbhumiNirmaan Private Limited	3,65,83,892	1,96,89,117
- Zuari Infra Middle East Limited	13,04,24,355	5,25,17,165
	<u>31-03-16</u>	<u>31-03-15</u>
2.5 Basic and diluted earnings per share as per Accounting Standard -20		
A Profit for the year	1,14,20,698	2,79,95,962
B Weighted average number of equity shares	4,65,50,000	4,65,50,000
C Face value of per share	10	10
D Basic and diluted earnings per share	0.25	0.60



ZUARI INFRAWORLD INDIA LIMITED

ACCOUNTING POLICIES AND OTHER NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31, 2016

2.6 Payment to Auditors

	<u>31.03.2016</u> (Rs)	<u>31.03.2015</u> (Rs)
Statutory Audit Fees	5,00,000	4,00,000
Tax Audit Fees(paid to previous auditors)	40,512	-
Others – Out of pocket expenses	33,597	31,670
Certification fees	22,900	2,23,596

2.7 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. 59,16,452 (Previous Year Rs. 56,53,655). The future lease payments of operating lease are as follows:

<u>Minimum Lease Rentals payable</u>	<u>31.03.2016</u> (Rs)	<u>31.03.2015</u> (Rs)
Within one year	49,66,308	49,66,308
Later than one year but less than five years	5,06,38,584	5,16,64,428
Later than five year	6,13,83,375	5,69,27,232

2.8 i) The Company has not entered into any forward exchange contracts to hedge foreign currency risk.
ii) Unhedged foreign currency exposures as at the Balance Sheet Date (NIL)

Note: Amount expected to be settled in AED to the extent billed in INR is not considered as unhedged foreign currency exposures.

2.9 Additional information pursuant to the provisions of paragraph 5 of part II of the Schedule II of the Companies Act, 2013:

i) Expenditure in foreign currency (on accrual basis) Rs. 2,52,02,115 (previous year Rs. 3,95,92,713).
The details of foreign currency expenditure are as below:-

	<u>31.03.2016</u> (Rs.)	<u>31.03.2015</u> (Rs.)
Architect fees for Goa project	2,03,49,998	2,95,32,345
Sponsorship & Promotions	13,86,694	2,12,590
Consultancy Fees	-	20,91,900
Legal Fees	-	41,03,509
Foreign Travel	34,65,423	36,94,369
TOTAL	2,52,02,115	3,95,92,713

ii) Earnings in foreign exchange:

	<u>31.03.2016</u> (Rs.)	<u>31.03.2015</u> (Rs.)
Development Management Fees	60,000,000	35,000,000
Interest income on ICD	8,52,936	3,14,764
Guarantee commission	20,71,158	-
TOTAL	6,29,24,094	3,53,14,764



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2.10 Advances Recoverable in Cash or Kind

(a) It includes Rs.1,18,43,237/- (Previous year Rs.1,95,94,323/-) 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 Statement of Profit & Loss as and when revenue is recognized.

(b) 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 till 31.03.2016 (Previous year Rs. 6,39,60,556/-). The amount will be adjusted in the year when the agency becomes entitled to share of income or will be recovered as per the agreement.

2.11 Aggregate amount of project costs incurred and project profits recognized before tax to date is Rs.2,70,50,62,128/- (Previous year Rs. 2,10,65,35,693/-)and Rs.9,99,76,155/-(Previous year Rs. 12,98,76,904) respectively. Amount of advance received from customers is Rs.15,17,95,971/- (Previous year Rs. 20,75,78,439/-). The unbilled revenue is Rs.25,57,54,006/-(Previous year Rs. 25,05,25,247).

2.12 In the opinion of the Board of Directors and to the best of their knowledge and belief, the value of realization of current assets, trade receivable, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

2.13 Some of the trade receivables, trade payables, loans and advances are subject to confirmation.

2.14 Segment Reporting

The company operates in only one primary segment (business) i.e. Real estate which consists of development of properties and rendering development management services

Secondary segment report is based on geographical location of customers. The following is the distribution of the company's operating income by geographical markets and segment assets which can be attributed to customers in suchmarkets.

Operating Income	2015-2016	2014-2015
-India	26,30,31,377	52,65,98,624
-Rest of the world	6,00,00,000	3,50,00,000
Segment assets		
-India	2,86,06,09,411	259,03,26,251
-Rest of the world	13,67,18,604	5,88,11,412



ZUARI INFRAWORLD INDIA LIMITED

ACCOUNTING POLICIES AND OTHER NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31, 2016

2.15 Information in respect of Joint Ventures:-

Sl. No	Particulars	BNPL (stand alone)		PNPL		DNPL	
1	Proportion of Ownership	25%		25%		25%	
2	Country of incorporation	India		India		India	
3	Accounting period ended	31-03-2016	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
4	Assets	31,96,91,150	25,77,32,222	54,18,924	54,20,143	69,07,123	69,08,967
5	Liabilities	19,64,24,899	13,37,62,146	54,43,698	54,36,496	69,31,323	69,25,120
6	Income	14,029	1,14,637	-	-	-	-
7	Expenses (including tax)	7,45,919	7,33,014	-8,421	-8,695	-8,048	-8,623
8	Capital commitment	-	-	-	-	-	-
9	Contingent Liabilities	-	-	-	-	-	-

The above details represents proportionate amount of the company's share in joint venture.

2.18 There are no vendors who are micro, small or medium enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 who have notified the company. Accordingly, no disclosures are made in this regard.

2.19 Previous year figures have been reclassified wherever necessary to conform to current year classification.

As per our report of even date attached

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

Srinivas . k . p .
**K.P.Srinivas
Partner
M No.208520**



**Place: Gurgaon
Date: 05.05.2016**

For and on behalf of Board of Directors of

N. Suresh Krishnan
**N. Suresh Krishnan
Director**

V.K. Sinha
**V.K. Sinha
Director**

G.U.V.S. Nagaraju
**G U V S Nagaraju
Chief Financial Officer**

Pritam Das Mohapatra
**Pritam Das Mohapatra
Company Secretary**

**Place: Gurgaon
Date: 05.05.2016**