adventz

49th ANNUAL REPORT 2016 - 2017

Zuari Global Limited

DIRECTORS	:	Mr. Saroj Kumar Poddar, Chairman Mr. N. Suresh Krishnan, Managing Director Mrs. Jyotsna Poddar, Whole Time Director Mr. J. N. Godbole Mr. Marco Wadia Mr. K. K. Gupta
CHIEF FINANCIAL OFFICER	:	Mr. Vijay Kathuria
ASST. COMPANY SECRETARY	:	Mr. Sachin Patil
BANKERS	:	State Bank of India HDFC Bank Limited ICICI Bank Limited Indusind Bank Limited
LEGAL ADVISERS	:	Khaitan & Co., Kolkata
STATUTORY AUDITORS	:	S. R. Batliboi & Co. LLP, Chartered Accountants, New Delhi
REGISTERED OFFICE	:	Jai Kisaan Bhawan, Zuarinagar, Goa 403 726. Tel: (0832) 2592180/81 Fax: (0832) 2555279 CIN - L65921GA1967PLC000157 Website: www.adventz.com

Notice of the Annual General Meeting is being sent separately through permitted mode as required under the Companies Act, 2013 and Rules made thereunder.

DIRECTORS' REPORT 2016-17

To the Members,

1. Your Directors place before you the Forty-Ninth Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2017.

2. **Financial Results and Appropriation:** **(₹ In lakhs)**

Particulars	Standalone		Consolidated	
	Current Year 2016-17	Previous Year 2015-16	Current Year 2016-17	Previous Year 2015-16
Profit for the year before depreciation and taxation	2400.57	3427.16	773.06	(1206.17)
Less :Depreciation for the year	21.90	21.61	1482.46	805.06
Profit/(loss) before tax	2378.67	3,405.55	(709.40)	(2011.23)
Less : Tax Expense				
a) Current Tax	401.22	689.69	456.36	717.60
b) MAT Credit Entitlement	-	-	(42.63)	(22.90)
c) Income Tax Adjustment for earlier years	(41.37)	(202.16)	(20.72)	(202.16)
d) Deferred Tax charge	(30.45)	(21.95)	(367.40)	(2638.39)
Profit/(loss) after tax	2049.27	2939.97	(735.01)	134.62
Add: Share in profit/(losses) from Associates	-	-	(1500.62)	(3964.42)
Profit/(loss) for the year before Minority Interest	2049.27	2939.97	(2235.63)	(3829.80)
Less: Share of minority interest in profits/(losses)	-	-	561.39	567.52
Profit/(loss) for the year	2049.27	2939.97	(2797.02)	(4397.32)
Add : Balance of profit brought forward	60719.99	58172.05	97988.33	102400.29
Add: Reclassification from OCI to retained earnings				
Disposal of Investment	436.68	-	-	-
Share of (Loss)/profit from Associate	-	-	45.86	57.99
Transfer on account of divestment of stake	-	-	-	309.29
Add: Other comp. income on defined benefit plan	(3.41)	12.31	(86.43)	22.42
Less : Transfer to general reserve	50.00	50.00	50.00	50.00
Less : Cash Dividends	294.41	294.41	294.41	294.41
Less : Tax on dividend (Including Surcharge)	59.93	59.93	59.93	59.93
Balance of profit carried forward	62798.19	60719.99	94746.40	97988.33
Earnings per share(EPS)	₹ 6.96	₹9.98	(₹9.50)	(₹14.94)

A) Review of Operations:

The revenue from operations (Standalone) for the year ended 31st March, 2017 was Nil (31st March 2016 – Nil).

The Profit before tax for the year ended 31st March, 2017 was ₹ 2,378.67 lakhs as compared to ₹ 3,405.55 lakhs for the year ending 31st March, 2016. The Profit after Tax stood at ₹ 2049.27 lakhs for the year ending 31st March, 2017 as compared to ₹ 2,939.97 lakhs for the previous year ending 31st March, 2016.

The revenue from operations (Consolidated) for the year ended 31st March, 2017 was ₹ 63,114.68 lakhs as compared to ₹ 57,682.83 lakhs for the previous year.

The Consolidated Loss before tax for the year ended 31st March, 2017 was ₹ 709.40 lakhs as compared to a Loss of ₹ 2011.23 lakhs for the year ending 31st March, 2016. The Loss after Tax stood at ₹ 735.01 lakhs for the year ending 31st March, 2017 as compared to profit of ₹ 134.62 lakhs for the previous year.

There were no material changes and commitments affecting the financial position of the Company from the end of the financial year till the date of the Directors' Report.

B) Reserves:

The Company proposes to transfer a sum of ₹ 50 lakhs to the general reserve. An amount of ₹ 62,798.19 lakhs shall be retained as surplus in the Profit and Loss account.

3. Dividend:

The Directors recommend a dividend of ₹1/- per equity share of ₹ 10/- each (₹ 1/- per equity share in the previous year).

4. Conservation of Energy / Technology Absorption / Foreign Exchange earnings and outgo:

The Company is not engaged in manufacturing activities; hence no information on Conservation of Energy is required to be provided. Similarly, no new technology was absorbed during the year.

The details of Foreign exchange earnings and outgo are given below:

Expenditure in Foreign Currency	-	₹ 8, 69,604/-
Earnings in Foreign Currency	-	₹ 30, 81,212/-

5. Industrial Relations:

The industrial relations with the employees continues to be harmonious.

6. Extract of the Annual Return:

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return for the financial year ended 31st March, 2017 in Form No. MGT–9 is enclosed as **Annexure 'E'** to the Directors' Report.

7. Related Party Transactions:

All related party transactions that were entered into during the financial year were at arm's length basis. All related party transactions are approved by the Audit Committee and the Board of Directors. There were no other materially significant related party transactions entered into by the Company with the promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. All the transactions are under threshold limit, thus Form AOC–2 is not applicable.

8. Particulars of Loans, Guarantees or Investments:

The details of Loans, Corporate Guarantees and Investments made during the financial year under the provisions of Section 186 of the Companies Act, 2013 are given in Note No.41 to the Financial Statements.

9. Nomination and Remuneration Policy and Disclosures on Remuneration:

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and employees in the Senior Management. More details of the same including the composition of the Committee are given in the Report on Corporate Governance enclosed as **Annexure - A** to this report.

The nomination and remuneration policy is displayed on the Company's website. The weblink for the same is : www.adventz.com/annualReports/Nomination-and-Remuneration-Policy.pdf

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request by the shareholders.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

The disclosures under Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 'H'** to this Report.

10. Risk Management:

The Company has constituted Risk Management Committee with the objective to monitor and review the risk management plan for the Company including identification therein of elements of risks if any, which may threaten the existence of the Company and such other functions.

The Risk Management Committee consists of the following members:

- J. N. Godbole
- N. Suresh Krishnan
- Marco Wadia

11. Vigil Mechanism / Whistle Blower Policy:

The Company in accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 has established a vigil mechanism for Directors and employees to report genuine concerns to the management viz. instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. The Company has also formulated Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimization of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Company has not denied any person from having access to the Chairperson of the Audit Committee.

12. Corporate Social Responsibility ('CSR'):

The Board of Directors has constituted a CSR Committee and also approved the CSR Policy. CSR Committee comprises of two Non-Executive Independent Directors and one Executive Director. Mr. Sachin Patil, Asst. Company Secretary is the Secretary of the Committee. During the Financial Year 2016-17, only one meeting of the Committee was held on 13th May, 2016.

The Composition of Committee & their attendance at the meetings are as follows:

Name of the member	Status	Nature of Directorship	No. of meetings attended
K.K.Gupta	Chairman	Non-Executive Independent Director	1
N. Suresh Krishnan	Member	Managing Director	1
Marco Wadia	Member	Non-Executive Independent Director	1

The Corporate Social Responsibility Policy is displayed on the Company's website. The weblink for the same is : http://www.adventz.com /adventz-investors-zgl.php.

The CSR Committee formulates and recommends to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013. The Committee also recommends the amount of expenditure to be incurred on the CSR activities and monitors the CSR Policy of the Company from time to time.

The detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure 'G'** to this report.

13. Directors and Key Managerial Personnel:

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

In accordance with the provisions of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company organizes familiarization programme for Independent Directors as and when required.

Mrs. Jyotsna Poddar retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. A brief profile and details of other Directorships of Mrs. Jyotsna Poddar, are given in the Report on Corporate Governance attached as **Annexure 'A'** to this report.

Corporate Governance Report also contains other information on the Directors, Board and Committee Meetings.

Mr. J.N. Godbole was appointed as an Additional Director in the category of Independent Director w.e.f. 9th September, 2016. At the 48th Annual General Meeting i.e. 30th September, 2016 he vacated the office as Additional Director. The Board of Directors of the Company at its meeting held on 30th September, 2016, appointed him as Additional Director in the category of Independent Director w.e.f 30th September, 2016. His term as Additional Director is upto the conclusion of the 49th Annual General Meeting.

Mr. N. Suresh Krishnan, Managing Director, Mr. Vijay Kathuria, CFO and Mr. Sachin Patil, Asst. Company Secretary, have been designated as Key Managerial Personnel in accordance with provisions of Section 203(1) of the Companies Act, 2013.

14. Performance Evaluation:

Pursuant to the provisions of the Section 134, 178 and Sch. IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the following performance evaluations were carried out;

a. Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;
b. Performance evaluation of the Board, its committees and Independent Directors by the Board of Directors; and
c. Performance evaluation of every director by the Nomination and Remuneration Committee.

The details of Annual Performance evaluation carried out are given in the Corporate Governance Report attached as **Annexure 'A'** to this report.

15. a. Board Meetings:

During the year under review, six Board meetings were held on : 13th May, 2016, 9th September, 2016, 30th September, 2016, 21st October, 2016, 9th February, 2017 and 22nd March, 2017.

b. Audit Committee:

During the year under review seven Audit Committee Meetings were held and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report.

16. Fixed Deposits:

As reported in the year 2008-09, the Fixed Deposit Scheme of the Company was discontinued. Deposits matured and claimed have been repaid. 5 deposits amounting to ₹ 1,51,000/- which had matured have not been claimed. The Company advises the depositors at regular intervals for repayment of the deposits. During the year, the Company has transferred an amount of ₹ 1,20,000 towards unclaimed deposits to 'The Investors Education and Protection Fund', pursuant to Section 125 of the Companies Act, 2013

17. Details of significant and material orders passed by the regulators or courts:

There are no significant material orders passed by the courts/regulators or tribunals impacting the going concern status and Company's operations in future. The details pertaining to various demand notices from various statutory authorities are disclosed in Note No. 30 (B) of financial statements under the heading – Contingent liabilities.

18. Adequacy of internal financial controls with reference to financial statements:

The company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. The Company has designed and put in place adequate Standard Operating Procedures and Limits of Authority Manuals for conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The Company uses a state-of-the-art ERP (SAP) system to record data for accounting and managing information with adequate security procedure and controls.

19. Disclosure Requirement:

Your Company has complied with all the mandatory requirements of Schedule V of SEBI (LODR) Regulations, 2015. The Report on Corporate Governance pursuant to Schedule V of SEBI (LODR) Regulations, 2015 is enclosed as **Annexure 'A'** to this report. The Practising Company Secretary's Certificate on compliance of Corporate Governance is enclosed as **Annexure 'B'**. Declaration by the Managing Director is enclosed as **Annexure 'C'** and the Management Discussion and Analysis is enclosed as **Annexure 'D'** to this report and Secretarial Audit Report is enclosed as **Annexure'F'** to this report.

20. Statutory Auditors:

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, New Delhi were holding office of the auditors up to the conclusion of the 49th Annual General Meeting. Since the existing auditor's firm has completed maximum number of consecutive years for which the firm may be appointed in the same company, including transitional period of 3 years, the Company shall not reappoint existing auditor's firm as Statutory Auditor as per Section 139(2).

Accordingly, the Audit Committee has recommended appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants as Statutory Auditors for a period of 5 years commencing from the conclusion of 49th Annual General Meeting till the conclusion of the 54th Annual General Meeting, subject to ratification by shareholders at every Annual General Meeting, in place of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, New Delhi.

M/s. Walker Chandiok & Co. LLP, Chartered Accountants, New Delhi have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Board of Directors recommends to the shareholders the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company from the conclusion of the 49th Annual General Meeting till the conclusion of 54th Annual General Meeting, subject to ratification by shareholders at every Annual General Meeting.

The Report does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors.

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

21. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Sadashiv V. Shet, Practicing Company Secretary as Secretarial Auditor, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor for the Financial Year 2016-17 is enclosed as **Annexure 'F'** to this report. The report does not contain any qualification.

22. Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal)Act, 2013:

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment. There were no complaints/cases filed/pending with the Company during the financial year.

23. Employees' Stock Option (ESOP) Scheme:

The Company has not issued any ESOP to its employees during the year.

24. Consolidated Financial Statements under Section 129 of the Companies Act, 2013:

The consolidated financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016 which forms part of this Annual Report..

Upto the year ended 31st March, 2016, the Company prepared its Financial Statements in accordance with Generally Accepted Accounting Principles in India, including Accounting Standards read with Section 133 of the Act notified under the Companies (Accounting Standards) Rules, 2006 ('Previous GAAP').

These financial statements are the first financial statements of the Company under Ind AS.

The Company will make available the financial statements of subsidiaries, upon request by any member of the Company interested in receiving this information. The Annual Accounts of the Subsidiary Companies will also be available for inspection by any investor at the Registered Office of the Company and its Subsidiaries.

25. Subsidiaries:

A brief review of the subsidiaries of the Company is given below:–

A. Zuari Infraworld India Limited(ZIIL):

A wholly owned subsidiary of your Company represents the group's foray into Real Estate Sector. The strategy of the group is to monetize the large land bank that the various group companies hold across the country. Besides, to also follow an asset light model of increasing business through Joint Ventures and Joint Development. Given the good corporate image of the group many land owners and parties have approached us to develop on their behalf.

The company gained experience by delivering the first phase at Mysore which is 5.65 lakh sft. Construction is under progress of apartments in Mysore of 4.5 lakh sft and at Goa, which comprises of Villas and Apartments of 1.67 lakh sft.

Several projects in all categories i.e. Residential apartments, Villas, Villaments, Plots, Club House, Retail, Office and Museum are at various stages of design and approval.

Projects under execution

1) Zuari Garden City Project, Mysore

This project is the flagship project. The integrated township, first of its kind, is located in the outskirts of the city of Mysore on KRS Road. The project is situated just 3 kms. away from the famous Brindavan Gardens. The project is planned to have residential, retail, commercial and office space. Development has been divided into phases as explained below

a) Phase I Villas:

Zuari Garden City Mysore project was started off with Villas construction on 18 acres. Total of 217 villas have been constructed comprising of three types, Townhouse (114), Luxury Villas (95) and Grand Villas (8) with a total built up area of 5.65 lakh sft.

Since most of the customers are located outside Mysore, the registration and handover process has been a tad slow. 110 units have been registered. Handover Target of the balance units have been set to be achieved by end of October 2017.

Club house has been commissioned and ready for use with swimming pool, gym, party room, Table Tennis and Snooker with all supporting infrastructure in place.

This phase has won many accolades and has become a landmark development of Mysore. It has won the prestigious landscape award instituted by the Mysore District authorities for the last three years besides Best Upcoming Project Award by Construction Times.

b) Phase II Apartments:

A total of 3 towers of G+12 (2 towers) and G+10 (1 tower) floors are being constructed with a built up area of 6 lakh sft. Almost 90% of the structure has been completed. The project is expected to be handed over in the next 18 months. Sales have been a bit slow and about 26% of the area has been sold.

c) Phase III Villament:

Brindavan Serenity Phase III marks the venture of Zuari Infraworld in to Affordable Housing sector. 192 numbers of 2BHK units are coming up in a G+1 structure format with a built up area of 1.25 lakh sft.

The company has pre-sold almost 50% as on date.

Layout plan approval has been received in May '17. Target start date for construction is August 2017.

Shear Wall construction to be adopted for superior quality work and faster project completion at economical rates. The project is expected to be completed in two years.

2) Mayavan Project, Vrindavan, Mathura

ZIIL holds 25% of the equity in the JV company. The land is located midst of a beautiful countryside on the banks of river Yamuna in Vrindavan, Mathura. Just over an hour down the Yamuna Expressway from Delhi. Mayavan is envisaged as a gated community providing a farmhouse living experience to families seeking to relish the countryside in style. The land parcel is approximately 123 acres.

Phase 1 is a plotted development of 16 acres. Development work on site is in final stages of completion. 80% of the plots have been sold.

Infrastructure work for the whole property like the entrance gate, internal roads and landscaping has been completed.

Phase 2 consists of half acre farmhouses on a land area of 22 acres. It is in final stage of detailed design. This project is expected to be launched within the next six months.

3) Luxury Residential Tower – Downtown, Dubai

This project is located in the heart of Dubai in close proximity to Dubai mall and the iconic Burj Khalifa. This is a 50% Joint Venture project with Zuari Infraworld India Limited being the Managing partner. Dubai skyline is famous for its architecture. However, project is going to be unique in the sense that all apartments will have their private pool and garden. The design work is complete and has won the Best design award for upcoming multi-unit building in Dubai and in the World.

The built up area is 8.5 lakhs sft. Approvals are in progress and expected to commence construction in July/August '17 and delivered by end 2020.

4) Goa Residential Project:

This project is located in Zuarinagar in close proximity to the airport. Land belongs to Zuari Global Limited and is being developed by Zuari Infraworld India Limited on a fee basis.

The total land area is 37 acres and the first phase of the project is on 6.8 acres with a built up area of 1.67 lakh sft comprising of Villas and Apartments, along with large fun pool and clubhouse.

40% of structural work is completed and is expected to be delivered in the next 18 months. About 50% of the project has been sold.

<u>Projects on the Anvil:</u>

The following projects are at design stage:

1. Delhi Kamlanagar – residential project with a built-up area of 30 lakh sft. Drawings for approval of DDA will be submitted by June '17 and Project launch will be in 2018.
2. Vasant Kunj, Delhi- Museum-cum-office complex with a built up area of 7 lakh sft. The first phase comprising of 3 lakh sft is expected to commence by mid 2018.
3. Kolkata residential – this is a project in the heart of the city with a built up area of 7.5 lakh sft. Project design work is in progress and it is expected to be launched in the last quarter of 2018.
4. Kolkata Commercial building – This is a Development management contract to design, build and deliver 7 lakh sft of office space for a related company. Design work is in progress and construction is expected to commence around third quarter of 2018.

ZIIL, a subsidiary of your company is in the midst of hectic growth with a portfolio of projects of around 75 lakhs sft spread across the country and abroad. There are more projects on the anvil which will be taken up at a later date.

Standalone

ZIIL achieved a turnover of ₹ 24.07 Crores in the current year as compared to ₹39.86 Crores for the year 2015-16.

The total income from operation for the year ended 31st March, 2017 was ₹ 18.77 crores as compared to ₹ 32.72 crores in the previous year. The Profit Before Tax expenses & extraordinary item for the year ended 31st March, 2017 is ₹ 2.40 Crores as compared to Profit of ₹2.21 crores in the previous year ended 31st March, 2016.

Consolidated

ZIIL achieved a turnover of ₹ 17.90 Crores in the current year as compared to ₹33.13 Crores for the year 2015-16.

The total income from operation for the year ended 31st March, 2017 was ₹ 12.58 crores as compared to ₹ 26.27 crores in the previous year. The Profit(/Loss) Before Tax expenses & extraordinary item for the year ended 31st March, 2017 was ₹ (1.80) Crores as compared to Loss of ₹(0.52) crores in the previous year ended 31st March,2016.

B. Simon India Limited (SIL) :

Simon India Limited (SIL), a wholly owned subsidiary of your Company, was engaged in the execution of following projects in 2016-17:

- 2000 TPD Sulphuric Acid Plant stream C along with its captive 23 MW power plant based on heat recovery from Sulphur burning gases and auxiliary systems like cooling water and demineralized water for Paradeep Phosphates Limited, Paradeep. (The plant has an additional proprietary heat recovery system with MECS USA was executed on EPC basis by Simon India). The Sulphuric Acid Plant & Power Plant are operating satisfactorily. The engineering, procurement and construction of second phase of the project involving retrofit of proprietary heat recovery system of MECS are in progress.
- 200 TPD (Expandable to 250 TPD) Chlor-Alkali Plant for KLJ Organics-Qatar in Qatar on EPCM basis – The engineering and procurement services are completed more than 95%. Construction services are provided on per diem basis and in progress.
- 2x10,000 MT phosphoric acid tanks for Gujarat State Fertilisers & Chemicals Limited, Sikka Shore Terminal on EPC basis-The project is completed and the site is under closure.
- 50,000 TPY Caprolactum Distillation Unit for Gujarat State Fertilisers & Chemicals Limited, Vadodara on EPC basis – Engineering and major procurement are completed. Construction is fast progressing.
- Project Management Consultancy for construction of Specialty Chemical Complex of Addar Chemical Company, KSA – The project is completed and closed.
- Conceptual Design of Butadiene Loading Station for Addar Chemical Company, Kingdom of Saudi Arabia – The project is completed and closed.
- Detail Engineering of Ammonia Unloading Trolley for Paradeep Phosphates Limited, Paradeep – The project is completed and closed.

SIL's revenue from operations for the year ended 31st March, 2017 was ₹ 89.44 crores as compared to ₹ 87.42 crores for the year ended 31st March, 2016.

The total Revenue for the year ended 31st March, 2017 was ₹ 95.66 crores as compared to ₹ 93.38 crores for the year ended 31st March, 2016.The Profit/(Loss) before tax for the year ended 31st March, 2017 was ₹ (13.94) crores as compared to ₹0.76 crores for the year ended 31st March, 2016.

The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ (9.26) crores as compared to ₹ 0.81 crores for the year ended 31st March, 2016.

C. Indian Furniture Products Limited (IFPL):

Your Company holds 72.45 % share in IFPL.

IFPL is into the business of manufacturing of particle board furniture and also into retail/wholesale trade of furniture.

Furniture industry across the country has been going through difficult times during the last 3 years. As sluggishness further continued, IFPL went ahead with weeding out operations of unhealthy stores. Thirty loss-making showrooms have been closed to turn operations healthier.

IFPL achieved a turnover of Rs116.34 Crores in the current year as compared to ₹ 120.47 Crores for the year 2015-16.

The Profit Before Tax expenses & extraordinary item for the year ended 31st March, 2017 was ₹(20.94)Crores as compared to Loss of ₹(11.49) crores in the previous year ended 31st March,2016.

Soundaryaa IFPL Interiors Ltd. (SIFPL):

SIFPL is a subsidiary of IFPL, which is a highly reputed Company in commercial interiors business. It has executed several projects for many multinational companies in India. IFPL holds 50.01 % share in SIFPL.

Forte Furniture Products India Private Limited (FFPL)

IFPL has formed a Joint Venture Company with Fabryki Mebli "Forte" S.A ("**Forte**"), which is a highly reputed Company situated at Poland and engaged in the business of manufacturing, selling furniture and furniture related products in Europe. IFPL holds 50 % share in FFPL.

D. Zuari Investments Limited:

Zuari Investments Limited (ZIL), a wholly owned subsidiary of your Company, is engaged in the distribution of financial products and is focused to be a single window for all leading financial institutions offering complete bouquet of all financial products/services under one roof.

ZIL is a member of both, National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), for cash, derivative and currency segments and providing Stock Broking services to clients. ZIL is a Depository Participant with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and providing Depository Services to clients. Besides being empanelled with Association of Mutual Fund of India (AMFI) for distribution of Mutual Fund products and a Category- II Registrar and Share Transfer Agent, registered with Securities and Exchange Board of India (SEBI). In addition to above, the company is engaged as a direct selling agent for mortgages and real estate products.

ZIL's revenue from operations was ₹ 7.45 crores as compared to ₹ 6.76 crores for the previous year. The total Revenue for the year ended 31st March, 2017 was ₹ 11.28 crores as compared to ₹ 11.23 crores for the previous year. The Profit/ (Loss) Before Tax expenses & extraordinary item for the year ended 31st March, 2017 was ₹ (15.56) crores as compared to ₹(17.05) crores for the previous year. The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ (15.56) crores as compared to ₹ (17.05) crores for the previous year.

(i) Zuari Insurance Brokers Limited:

Zuari Insurance Brokers Limited (ZIBL), a wholly owned subsidiary of ZIL, is registered with the Insurance Regulatory and Development Authority (IRDA) and provides complete Insurance solutions to Individuals & Corporates as an Insurance Broker. The company also caters to the entire in-house Insurance requirements of the group.

ZIBL's revenue from operations was ₹ 2.75 crores as compared to ₹ 2.31 crores for the previous year. The total Revenue for the year ended 31st March, 2017 was ₹ 2.87 crores as compared to ₹ 2.41 crores for the previous year. The Profit/ (Loss) Before Tax expenses & extraordinary item for the year ended 31st March, 2017 was ₹ 0.85 crores as compared to ₹0.08 crores for the previous year. The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ 0.85 crores as compared to ₹ 0.06 crores for the previous year.

(ii) Zuari Commodity Trading Limited:

Zuari Commodity Trading Limited (ZCTL), a wholly owned subsidiary of ZIL, is a member of National Commodity Derivative Exchange Limited (NCDEX) and Multi Commodity Exchange Limited (MCX), providing commodity trading services to the clients.

ZCTL's revenue from operations was ₹ 0.20 crores as compared to ₹ 0.31 crores for the previous year. The total Revenue for the year ended 31st March, 2017 was ₹ 0.26 crores as compared to ₹ 0.37 crores for the previous year. The Profit/ (Loss) Before Tax expenses & extraordinary item for the year ended 31st March, 2017 was ₹ (0.08) crores as compared to ₹(0.05) crores for the previous year. The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ 0.06 crores as compared to ₹ (0.05) crores for the previous year.

(iii) Gobind Sugar Mills Limited:

Gobind Sugar Mills Limited (GSML), a subsidiary of Zuari Investments Limited (ZIL), belongs to the Adventz Group.

During the year under review (Sugar Season 2016-17), the Company has crushed 94.06 Lacs Qtls (previous year 71.52 Lacs Qtls) of sugarcane achieving sugar recovery rate of 10.27% (Previous year 10.53%). Sugar production was 9,66,341 Qtls (previous year 7,52,814 Qtls) and Molasses production was 4,56,120 Qtls (Previous year 3,71,231 Qtls).

GSML's revenue from operations for the year ended 31st March, 2017 was ₹ 404.89 crores as compared to ₹ 333.72 crores for the previous year ended 31st March, 2016. The total revenue for the year ended 31st March, 2017 was ₹ 420.92 crores as compared to ₹ 344.87 crores for the previous year ended 31st March, 2016. The Profit Before Tax expenses & extraordinary item for the year ended 31st March, 2017 was ₹ 34.47 crores as compared to Loss of ₹ 10.02 crores for the previous year ended 31st March, 2016. The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ 18.36 as compared to ₹ 14.92 crores for the previous year.

SALES PERFORMANCE:

During the period under review, sales of free sugar realized ₹3,587.50 per Qtls (prev. year ₹ 2,668.15 per Qtls). After keeping the sugarcane price same for the last three consecutive years, the prevailing UP Government decided to increase the cane price by ₹ 25/- per quintal to ₹ 305/- per quintal. Government has also withdrawn partial payment mode i.e. FRP within 14 days and difference between SAP and FRP at the end of season.

E. Zuari Sugar & Power Limited:

Zuari Sugar & Power Limited (ZSPL) (Formerly known as Zuari Financial Services Limited), is a wholly owned subsidiary of your Company. ZSPL is a registered trader to deal in agri related commodities. The company is looking forward to procure sugar from group company and others for trading, to build as a volume trader, which shall strengthen the business position of the company.

ZSPL's revenue from operations was ₹ 1.52 crores as compared to ₹ 2.22 crores for the previous year. The total Revenue for the year ended 31st March, 2017 was ₹ 2.58 crores as compared to ₹ 3.08 crores for the previous year. The Profit/ (Loss) Before Tax expenses & extraordinary item for the year ended 31st March, 2017 was ₹ (1.29) crores as compared to ₹(1.34) crores for the previous year. The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ (1.29) crores as compared to ₹ (1.34) crores for the previous year.

F. Zuari Management Services Limited:

Zuari Management Services Limited (ZMSL), a wholly owned subsidiary of your Company, is engaged in the business of rendering management services. The services to Group Companies include in the areas of human resource, internal audit, corporate communication, etc.

ZMSL's revenue from operations for the year ended 31st March, 2017 was Nil as compared to ₹ 2.70 crores for the year ended 31st March, 2016.

The total Revenue for the year ended 31st March, 2017 was ₹ 0.06 crores as compared to ₹ 3.74 crores for the year ended 31st March, 2016.The Profit/(Loss) before tax for the year ended 31st March, 2017 was ₹ (3.33) crores as compared to ₹(1.40) crores for the year ended 31st March, 2016.

The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ (3.49) crores as compared to ₹(1.40) crores for the year ended 31st March, 2016.

G. Zuari Finserv Private Limited (ZFPL)

Zuari Finserv Private Limited (ZFPL) formerly known as Horizon View Developers Private Limited, a wholly owned subsidiary of your Company, w.e.f. 21st Oct, 2016 is engaged in the business of investments and financial services e.g. stock broking, depository services, merchant banking, portfolio management, registrar and share transfer agent, distribution of mutual fund products, direct sale agent for real estate and mortgages and indirectly also engaged in insurance brokerage and commodity trading business etc.

ZFPL's turnover for the financial year 2016-17 was Nil (previous year Nil).The Profit before tax & Profit after tax for the year ended 31st March, 2017 was Rs. (45,050) as compared to Rs.(45,003) for the previous year ended 31st March, 2016.

26. <u>Joint Ventures:</u>

Zuari Indian Oiltanking Private Limited:

Zuari Indian Oiltanking Private Limited (ZIOPL), has state-of-the art terminalling facility for handling petroleum products namely Naphtha, Motor Spirit, High Speed Diesel & Superior Kerosene.

The Company provides terminalling services to Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited & Indian Oil Corporation Limited as a Common User Terminal (CUT) facility. Products currently handled are Motor Spirit, High Speed Diesel & Ethanol. For the year, 2016-17, the Oil Terminal has achieved a throughput of 620197.651 KL @ 15.

ZIOTPL's revenue from operations for the year ended 31st March, 2017 was ₹ 15.08 crores as compared to ₹ 13.39 crores for the year ended 31st March, 2016.

The total revenue for the year ended 31st March, 2017 was ₹ 16.27 crores as compared to ₹ 14.24 crores for the year ended 31st March, 2016.The Profit/(Loss) before tax for the year ended 31st March, 2017 was ₹ 5.60 crores as compared to ₹(0.32) crores for the year ended 31st March, 2016.

The Profit/(Loss) after tax for the year ended 31st March, 2017 was ₹ 4.70 crores as compared to ₹ (0.19) crores for the year ended 31st March, 2016.

27. <u>Associates:</u>

Zuari Agro Chemicals Limited:

Your Company holds 20% shares and the subsidiary Zuari Management Services Limited holds 12.08% shares of Zuari Agro Chemicals Limited (ZACL).

ZACL's revenue from operations (Standalone) for the year ended 31st March, 2017 was ₹3932.50 crore as compared to ₹5280.11 crore for the previous year ending 31st March, 2016.

The Profit before tax for the year ended 31st March, 2017 was ₹30.40 crores as compared to Loss of ₹ 36.67 crores for the year ending 31st March, 2016. The Profit after Tax stood at ₹19.59 Crores for the year ending 31st March, 2017 as compared to loss of ₹ 9.03 crores for the previous year.

The Gross revenue from operations (Consolidated) for the year ended 31st March, 2017 was ₹ 6415.43 crores as compared to ₹7640.63 crores for the previous year.

The Consolidated Loss before tax for the year ended 31st March, 2017 was ₹ 21.80 crores as compared to Loss of ₹157.00 crores for the year ending 31st March, 2016. The Loss after Tax stood at ₹ 43.85 crores for the year ending 31st March, 2017 as compared to a Loss of ₹ 123.06 crores for the previous year.

The statement containing salient features of the financial statement of subsidiaries/associates/joint ventures is attached as **Annexure 'I'** to this report.

28. Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of provisions of Section 134 (5) of the Companies Act, 2013, and hereby confirm that:

(a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively .

29. Acknowledgements:

Your Directors wish to place on record their appreciation for the dedication, commitment and contribution of all the stakeholders and employees of your Company.

For and on behalf of the Board

Place: Gurgaon
Date :19th May, 2017

S.K. Poddar
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Report on Corporate Governance

1. **Company's Philosophy on the Code of Corporate Governance:**

   The Company's Philosophy on Corporate Governance envisages an attainment of the highest level of transparency and accountability. It is aimed at safeguarding and adding value to the interests of various stakeholders. The Company is committed to the best Corporate Governance and continues with its initiatives towards the best Corporate Governance practices.

2. **Board of Directors:**

   The Board of Directors of the Company comprises six members including Managing Director, a Whole Time Director and four Non-Executive Directors. Half of the Board comprises of Independent Directors. The other related information concerning the Board is given hereunder.

   During the year under review, six Board meetings were held on: 13th May, 2016, 9th September, 2016, 30th September, 2016, 21st October, 2016, 9th February, 2017 and 22nd March, 2017.

   Attendance of each Director at the Board of Directors' meetings and at the last Annual General Meeting along with the number of other Companies and Committees where he is a Chairman / Member is given hereunder:

Director	Category of Directorship #	No. of Director-ships in other companies**	No. of Board Meetings Attended	No. of shares held	Attendance at last AGM	No. of Board Committees of all other companies*	
						Chairman	Member
S.K. Poddar	Promoter/Chairman	12	5	1483446	No	-	-
N. Suresh Krishnan	Managing Director	10	6	NIL	Yes	-	5
D.B. Engineer $	NED / I	-	-	NIL	-	-	-
J.N. Godbole @	NED / I	8	5	NIL	Yes	3	4
Jyotsna Poddar	Whole Time Director	10	3	71621	No	-	-
Marco Wadia	NED / I	12	6	2,811	Yes	3	5
K.K. Gupta	NED/I	2	5	NIL	Yes	-	2

I - Independent, NED-Non-Executive Director,
* Includes Audit Committee and Stakeholders Relationship Committee
** The number of directorships in other Public and Private Limited Companies
$ Ceased to be Director w.e.f. 30-5-16
@ Appointed as Additional Director w.e.f. 9-9-16. At the 48th AGM i.e 30-9-2016 he vacated the office as Additional Director. He was appointed by the Board at its meeting held on 30th September, 2016 as Additional Director.

3. **Retirement of Directors by rotation and re-appointment:**

   Mrs. Jyotsna Poddar retires by rotation and is eligible for re-appointment.

   As per Section 152(6) of the Companies Act, 2013, brief profile and information about Mrs. Jyotsna Poddar is given below:

   Mrs. Jyotsna Poddar, aged 66 years, a Psychology Honors student from Loreto House, Kolkata, is the Chairperson of Lionel India Limited. She is the wife of Mr. Saroj Kumar Poddar, who is the Chairman of the renowned **"Adventz"** Group of Companies and daughter of Late Dr. K.K. Birla, one of India's leading industrialists.

   Mrs. Poddar is the Wholetime Director of Zuari Global Ltd., and is also on the Board of Nilgiri Plantations Ltd., Sangha Shree Investment & Trading Co. Ltd., Yashovardhan Investment & Trading Co. Ltd., Ronson Traders Ltd. and Syndak Teatech Ltd.

   A person with wide and diverse interests, Mrs. Poddar has a passion for cricket and runs a trust – Young Cricketer's Organization. This trust promotes young cricketing talent and supports former cricketers. Mrs. Poddar has authored a book – Cricketing Memories, the foreword for which was written by Sir Don Bradman. In 1987, she was a member of the Reliance World Cup Organizing Committee.

Mrs. Poddar is an active social worker, and she runs a private trust – Jeevan Jyoti Medical Society, which provides free medical facilities to the economically disadvantaged.

Mrs. Poddar is also an active Rotarian.

Names of the other Companies in which Mrs. Jyotsna Poddar is a Director as on 31st March, 2017 is given below :

Sr. No.	Names of the Companyies/Bodies Corporate/Firms/Association of Individuals
1	Lionel Edwards Ltd.
2	Lionel India Ltd.
3	Nilgiri Plantations Ltd.
4	Ronson Traders Ltd.
5	Sangha Shree Investment & Trading Co. Ltd.
6	Syndak Teatech Ltd.
7	Yashovardhan Investment & Trading Co. Ltd.
8	Texmaco Infrastructure & Holdings Ltd.
9	Adventz Homecare Pvt. Ltd.
10	Abhishek Holdings Pvt. Ltd.

4. Board Agenda:

The Board meetings are scheduled well in advance and the Board members are generally given notice at least 7 days prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

5. Formal letter of appointment to Independent Directors:

The Company has issued a formal letter of appointment to all Independent Directors at the time of appointment in accordance with the provisions of the Companies Act, 2013 and Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors is uploaded on the Company's website.

6. Annual Performance evaluation:

Pursuant to the provisions contained in Companies Act, 2013 and Schedule IV (Section 149(8)) of the Companies Act, 2013 the annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc.

The performance evaluation of the Board and the Committees, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman and Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction over the entire evaluation process.

7. Independent Directors' Familiarization Programme:

The Company in compliance with Regulation 25(7) of SEBI (LODR) Regulations, 2015 has formulated a programme to familiarize the Independent Directors with the Company, their roles, responsibilities. The Independent Directors are given detailed presentation on the operations of the Company on quarterly basis at the meetings of the Board/Committees. The details of the familiarization programme has been disclosed on the Company's website. The weblink for accessing the familiarization policy is ***http://www.adventz.com/adventz-investors-zgl.php***

8. Board Diversity Policy:

The Company in compliance with Regulation 19(4) of SEBI (LODR) Regulations, 2015 has formulated policy on Board Diversity which sets out the frame work to promote diversity on Company's Board of Directors. The policy was recommended by Nomination and Remuneration Committee and approved by the Board.

9. Independent Directors Meeting:

During the year under review, the Meeting of the Independent Directors was held on 13th May, 2016, without the attendance of non-independent directors and members of Management, inter alia, to discuss the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairman of the Company, taking in to account the views of the Managing Director and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

10. Board Committees:

The Committees of the Board are as follows:

a) Audit Committee:

The Audit Committee comprises of three Non-Executive Independent Directors and Managing Director. The permanent invitee includes Head of internal audit. The Asst. Company Secretary is the Secretary of the Committee. The Committee met 5 times during the financial year ended 31st March, 2017 on : 13th May, 2016, 8th September, 2016, 21st October, 2016, 9th February, 2017 and 22nd March, 2017.

Terms of Reference

As per Regulation 18(3) of SEBI (LODR) Regulations, 2015 and Schedule II the terms of reference and role of the Audit Committee includes among other things, review of the Company's financial reporting process and its financial statements, review of the accounting and financial policies and practices, the internal control and internal audit systems (including review and approval of Internal Audit plan, appointment of Internal Auditors and review of internal audit reports), risk management policies and practices, review the functioning of the Whistle Blower mechanism, etc. The role also includes making recommendations to the Board, re-appointment of Statutory Auditors/Secretarial Auditors and fixation of audit fees.

Besides above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes reviewing and monitoring auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditor's report thereon; approval or any subsequent modification of transactions of the company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary.

The Composition of Committee & their attendance at the meetings are as follows:

Name of the member	Status	Nature of Directorship	No. of meetings attended
Mr. D.B. Engineer*	Chairman	Non - Executive Independent Director	0
Mr. Marco Wadia **	Chairman	Non - Executive Independent Director	5
Mr. K.K. Gupta	Member	Non - Executive Independent Director	5
Mr. J.N. Godbole***	Member	Non - Executive Independent Director	3
Mr. N. Suresh Krishnan	Member	Managing Director	5

* Ceased to be Member w.e.f. 30-5-16
** Appointed as Chairman w.e.f.30 -9-16
*** Appointed as member w.e.f. 30-09-16

b) Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee comprises of three Non-Executive Independent Directors and Managing Director. The Board has designated Asst. Company Secretary, as the Secretary to the Committee. The Committee met 4 times during the financial year ended 31st March, 2017 on 13th May, 2016, 8th September, 2016, 21st October, 2016 and 27th January, 2017.

Terms of Reference:

The Board has constituted Stakeholders' Relationship Committee which oversees the performance of the share transfer work and recommends measures to improve the level of investor services. In addition, the Committee looks into investors' grievances such as non receipt of dividend, Annual Reports and other complaints related to share transfers.

There were 44 complaints received from the shareholders during the year, which were duly addressed. There were no outstanding complaints or share transfers pending as on 31st March, 2017.

The attendance of the members at the meeting was as follows:-

Name of the member	Status	Nature of Directorship	No. of meetings attended
Mr. D.B. Engineer*	Chairman	Non - Executive Independent Director	0
Mr. Marco Wadia	Member	Non - Executive Independent Director	4
Mr. N. Suresh Krishnan	Member	Managing Director	4
Mr. J.N. Godbole**	Chairman	Non - Executive Independent Director	1
Mr. K.K. Gupta	Member	Non - Executive Independent Director	2

* Ceased to be Chairman w.e.f. 30-5-16
** Appointed as Chairman w.e.f. 30-9-16

c) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors and one Non-Executive non Independent Director. The Board has designated Asst.Company Secretary as the Secretary to the Committee. The Committee met 3 times during the financial year ended 31st March, 2017 on: 13th May, 2016, 8th September, 2016 and 9th February, 2017.

Terms of Reference:

The Board has constituted the Nomination & Remuneration Committee, as required under the Companies Act, 2013. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Nomination & Remuneration Committee shall also formulate criteria for evaluation of Independent Directors and the Board and devise a policy on Board diversity. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and for removal.

The Composition of Committee & their attendance at the meetings are as follows:

Name of the member	Status	Nature of Directorship	No. of meetings attended
Mr. D.B. Engineer*	Chairman	Non - Executive Independent Director	0
Mr. Marco Wadia	Member	Non - Executive Independent Director	3
Mr. K.K. Gupta	Member	Non - Executive Independent Director	3
Mr. J.N. Godbole**	Chairman	Non - Executive Independent Director	1
Mr. Saroj Kumar Poddar***	Member	Non - Executive Non Independent Director	0

* Ceased to be Chairman w.e.f. 30-5-16
** Appointed as Chairman w.e.f. 9-9-16
*** Appointed as Member w.e.f. 28-6-2016

Details of remuneration to all the Directors for the year:

Payment of remuneration to the Whole Time Director and Managing Director is as approved by the Remuneration Committee, the Board and the Shareholders. The remuneration comprises salary, incentives, perquisites, contribution to the Provident Fund, Superannuation Fund and Gratuity.

(₹ in Lacs)

Executive Directors	Salary	Perquisites	Retirement benefits	Total
Mrs. Jyotsna Poddar	61.00	0.00	4.32	65.32
Mr. N. Suresh Krishnan	286.42	2.92	25.94	315.28

The term of the Whole Time Director is for a period of five years with effect from 1st April, 2017 and of Managing Director is 3 years w.e.f. 1st April, 2015. The notice period for the termination of the appointment of the Whole Time Director/ Managing Director is three months from either side.

a. No severance pay is payable on termination of the appointment of the Whole Time Director.
b. Payment of remuneration to the Whole Time Director / Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders.

Sitting fees paid to Non-Executive Directors

The Non-Executive Directors of the Company receive remuneration by way of sitting fees. The details of sitting fees paid to the Non-Executive Directors during the financial year ended 31st March, 2017 for attending the meetings of the Board and the Committees thereof is given below:

Sr. No.	Name of Director	Amount (₹)
1.	Mr. S.K. Poddar	2,87,250
2.	Mr. Marco Wadia	6,43,325
3.	Mr. K.K. Gupta	5,91,725
4.	Mr. J.N. Godbole	4,08,250

Pecuniary relationship of Directors:

During the financial year, none of the Directors of the Company had any material pecuniary relationship(s) or transaction(s) with the Company, its Promoters, its Senior management, its Subsidiary or Associate Company apart from the following:

- o Remuneration paid to the Managing Director, Whole-time Director and Sitting Fees paid to the Non – Executive Directors;
- o Reimbursement of expenses incurred by the Directors in discharging their duties;
- o Professional fees of ₹ 0.77 Lacs paid to Crawford Bayley & Co during the year. Late Mr. D.B. Engineer who was a partner and Mr. Marco Wadia is a partner in Crawford Bayley & Co, Solicitors & Advocates, which has professional relationship with the Company. However, this is not considered material enough to infringe independence of Late Mr. D.B. Engineer and Mr. Marco Wadia;
- o Mr. Saroj Kumar Poddar, Mrs. Jyotsna Poddar and Mr. Marco Wadia are holding equity shares of the Company, details of which are given in this Report.

d) Other Committees:

Apart from above, the Board has constituted other committees including a Banking and Finance Committee, Risk Management Committee and Corporate Social Responsibility (CSR). The Committee meetings are held as and when the need arises and at such intervals as may be expedient.

11. Annual General Meetings

a. Details of the last three Annual General Meetings are as follows:

Year	Location	Date	Time	Whether any special resolutions passed
2015-2016	Jai Kisaan Bhawan, Zuarinagar, Goa-403726	30-09-2016	10.30 a.m.	YES
2014-2015		22-09-2015	10.00 a.m.	YES
2013-2014		01-09-2014	11.00 a.m.	YES

b. Special Resolutions Passed

Special Resolutions passed in the Annual General Meetings / Extra Ordinary General Meetings held during last three financial years are as follows:

Details of Special resolutions:

Financial Year	Date of AGM/EGM	Particulars of Special Resolution
2015-16	30th September, 2016	1. Re-classification of shareholder, SIL Investments Limited, which holds 9.48% of the issued and paid-up share capital of the Company from Promoter Group Category to Public Category
2014-15	22nd September, 2015	1. Appointment and Remuneration of Mr. N. Suresh Krishnan as the Managing Director of the Company for a period of 3 years w.e.f. 1st April, 2015

Financial Year	Date of AGM/EGM	Particulars of Special Resolution
		2. Alteration in the Articles of Association of the Company by replacing all the existing regulations as per the draft regulations contained in the Articles of Association submitted
2013-14	1st September, 2014	1. To borrow from time to time any sum or sums of money not exceeding ₹1000 crore
		2. Alteration of Clause V of the Memorandum of Association of the Company
		3. Alteration of Clause 3 of the Articles of Association of the Company
		4. Sale of 3,22,67,741 shares of Nagarjuna Fertilisers & Chemicals Ltd., held by the Company
		5. Purchase of 25,00,000 equity shares of ₹10/- each of Zuari Financial Services Ltd. from Zuari Investments Limited

c. **Special Resolutions passed through Postal Ballot**

The Company has not passed any special resolution through Postal Ballot during the year ended March 31, 2017. None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot.

12. Disclosures:

A) Late Mr. D.B. Engineer who was partner and Mr. Marco Wadia, Partner of Crawford Bayley & Co., Solicitors & Advocates, has a professional relationship with the Company. The professional fees of ₹ 77,500/– paid to Crawford Bayley & Co. during the year is not considered material enough to infringe on the independence of Late Mr. D.B. Engineer and Mr. Marco Wadia. Accordingly, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives having potential conflict with the interest of the Company.

B) There were no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority or any matter related to capital markets during the last three years.

C) The Company has put in place a Vigil mechanism and adopted the Whistle Blower Policy and affirms that no person has been denied access to the Audit Committee. The information on Vigil mechanism is placed on the website of the Company. The weblink for accessing the policy is ***http//:www.adventz.com/adventz-investors-zgl.php***

D) The Company has formulated a policy for determining material subsidiaries and the policy is disclosed on the Company's website. The weblink for accessing the policy is ***http//:www.adventz.com/adventz-investors-zgl.php***

E) The Company has formulated a policy on dealing with Related Party transactions and the same is disclosed on the Company's website. The weblink for accessing the Related Party Transaction Policy is ***http//:www.adventz.com/adventzinvestors-zgl.php***

F) The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligation & Disclosure Regulation) Regulation, 2015. Company has also adopted Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

13. Means of communication:

a. **Half-yearly Unaudited Financial Results:**

Unaudited financial results for the half-year ended 30th September, 2016 were sent to each household of shareholders, apart from publishing in one English National Daily and Local Dailies, published in the language of the region where the registered office of the Company is located.

b. **Quarterly Results:**

Quarterly results are published in one English National Daily and Local Dailies, published in the language of the region where the registered office of the Company is located.

c. **Website on which the results are displayed:** *www.adventz.com*

The Company does not publish official new –releases on its website. The presentations made to institutional investors and analysts are uploaded on the Company's website.

14. Code of Conduct:

The Company has adopted a 'Code of Conduct' for the Directors and Senior Executives of the Company. The code promotes conducting business in an ethical, efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders. The code has set out a broad policy for one's conduct in dealing with the Company, fellow Directors and employees and the external environment in which the Company operates.

The declaration given by the Managing Director of the Company with respect to the affirmation of compliance of the code by the Board of Directors and Senior Executives of the Company is enclosed as **Annexure 'C'** to this report.

15. Code of internal procedures and conduct for trading in securities of the Company:

The Company has adopted a code of Prevention of Insider Trading in securities of the Company , pursuant to SEBI(Prohibition of Insider Trading) Regulations, 2015.The code of internal procedures and conduct for trading in securities of the Company adopted by the Company inter alia prohibits purchase/sale of shares of the Company by the Directors and designated employees of the Company while in possession of unpublished price sensitive information related to the Company

The Board has designated Mr. Sachin Patil, Asst. Company Secretary as the compliance officer and has authorised Managing Director to monitor compliance of said Regulation.

16. General Shareholders Information:

a. Annual General Meeting:

The Annual General Meeting will be held on Thursday, 28th September, 2017 at Jai Kisaan Bhawan, Zuarinagar, Goa-403726 at 10.00 A.M.

b. Financial Year :1st April to 31st March

c. Financial calendar (Tentative)

Results for the quarter ended 30th June, 2017– on or before 2nd week of August, 2017
Results for the half-year ended 30th September, 2017–on or before 2nd week of November, 2017
Results for the quarter ended 31st December, 2017– on or before 2nd week of February, 2018
Audited Annual Results 2017-18 – on or before 31st May, 2018

d. Date of book closure:

15th July, 2017 to 22nd July, 2017 (inclusive of both days).

e. Dividend payment date:

The Dividend payment date is on or after 3rd October, 2017 but within the stipulated time under the Companies Act, 2013.

f. Management Discussion and Analysis forms part of this Report as Annexure 'D'.

g. Listing on Stock Exchanges: Company's shares are listed on:

BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI – 400 001

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), MUMBAI – 400 051

The company has paid the annual listing fees to the stock Exchanges for the Financial Year 2016-17

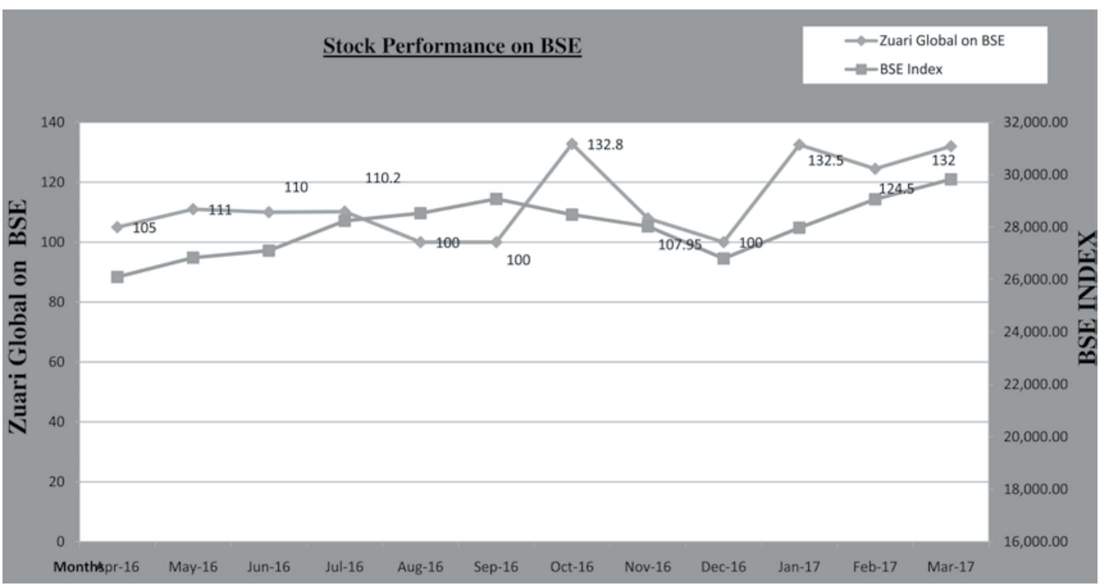
h. Stock Code:

1. BSE Limited, Mumbai: 500780
2. The National Stock Exchange of India Limited, Mumbai: ZUARIGLOB
3. International Standard Identification Number (ISIN) : INE217A01012

i. Stock Market Data:

High/Low share prices during the period 1st April, 2016 to 31st March, 2017:

Months	BSE		BSE Sensex	
	High	Low	High	Low
April, 2016	105.00	89.35	26100.54	24523.20
May, 2016	111.00	93.70	26837.20	25057.93
June, 2016	110.00	96.00	27105.41	25911.33
July, 2016	110.20	96.20	28240.20	27034.14
August, 2016	100.00	89.50	28532.25	27627.97
September, 2016	100.00	92.50	29077.28	27716.78
October, 2016	132.80	93.05	28477.65	27488.30
November, 2016	107.95	85.00	28029.80	25717.93
December, 2016	100.00	91.25	26803.76	25753.74
January, 2017	132.50	94.20	27980.39	26447.06
February, 2017	124.50	111.60	29065.31	27590.10
March, 2017	132.00	117.00	29824.62	28716.21



j. Share Transfer System

The Share Transfers in physical mode above 1000 equity shares are approved by Stakeholders' Relationship Committee.

The Company has authorized the Company Secretary to approve share transfers involving up to 1000 shares with a view to expedite the process of share transfers.

k. Shareholders are requested to write to the Company or the Share Transfer Agents at the following address:

Link Intime India Pvt. Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (W)
Mumbai – 400 083
Tel: 022 – 49186000 Fax: 022 – 49186060
Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.com

l. **The Company maintains an exclusive email id, *investor_redressal@adventz.com*** to redress the Investor's Grievances as required under Regulation 13 of SEBI (LODR) Regulations, 2015. The correspondence received under this email id are monitored and addressed on a daily basis.

m. **Shareholding:**

a) The distribution of shareholding as on 31st March, 2017 was as follows:

No. of shares	No. of shareholders	% of shareholders
Upto 500	31,797	96.56
501 – 1000	531	1.61
1001- 2000	277	0.84
2001 – 3000	95	0.29
3001 – 4000	35	0.11
4001 – 5000	41	0.12
5001 – 10000	54	0.16
10001 and above	98	0.30
Total	**32,928**	**100.00**

b) **Shareholding Pattern as on 31st March, 2017:**

Category	No. of shares held	% shareholding
Promoters	1,65,77,659	56.31
Banks/Financial Institutions and Insurance Companies	23,67,283	8.04
Foreign Institutional Investors	400	0.00
Mutual Funds	16,00,100	5.44
NRIs/OCBs	66,151	0.22
Bodies Corporate	44,02,070	14.95
Public	44,26,941	15.04
TOTAL	**2,94,40,604**	**100.00**

n. **Dematerialization of shares and liquidity:**

2,90,48,115 equity shares (98.67%) have been dematerialized as on 31st March, 2017.

o. **The Company has not issued GDRs/ADRs/Warrants or convertible instruments during the financial year**.

p. **Commodity price risk or foreign exchange risk and hedging activities:**

As the Company is not engaged in business of commodities which are traded in recognized commodity exchanges, commodity risk is not applicable.

q. **The Address for correspondence is:**

Zuari Global Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa- 403 726.
Tel: 91-0832-2592509
Fax: 91-0832-2555279
E- mail: shares@ adventz.com and/or investor_redressal @adventz.com
Website: www.adventz.com

r. **Non mandatory Requirement**

The Company has complied with the following non mandatory requirements:

- Providing half yearly unaudited financial results of the Company to each household of the shareholder.
- Sharing the expenses for maintaining the Chairman's Office.
- Internal Auditor reports directly to the Audit Committee

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Certificate of Corporate Governance

To

The Members of Zuari Global Limited

I have examined the compliance of conditions of corporate governance by Zuari Global Limited, (`the Company) of the requirements of compliance with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR") for the year ended 31st March 2017.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR. This Certificate is issued pursuant to the requirements of Schedule V (E) of the LODR.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted, and implementation thereof, by the Company for ensuring compliance with the condition of Corporate Governance under LODR. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I further sate that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the company.

CS Sadashiv V. Shet

Place : Panjim
Date : 19th May, 2017

Practising Company Secretary
FCS No.: 2477 CP No. 2540

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Declaration by the Managing Director

Pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015, I, N. Suresh Krishnan, Managing Director of Zuari Global Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the financial year 2016-17.

Place : Gurgaon
Date : 19th May, 2017

N. Suresh Krishnan
Managing Director

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Management Discussion and Analysis

The Board of Directors is pleased to present the business analysis and outlook for Zuari Global Limited (ZGL) based on the current Government policies and market conditions.

GLOBAL OUTLOOK

Stagnant global trade, subdued investment and heightened policy uncertainty marked another difficult year for the world economy. A moderate recovery is expected for 2017, with receding obstacles to activity in commodity-exporting emerging markets and developing economies. Weak investment is weighing on medium-term prospects across many emerging markets and developing economies. Although fiscal stimulus in major economies, if implemented, may boost global growth above expectations, risks to growth forecasts remain tilted to the downside. Important downside risks stem from heightened policy uncertainty in major economies.

Global output growth is estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors. Forward-looking indicators such as purchasing managers' indices have remained strong in the fourth quarter in most areas.

Among advanced economies, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Output remains below potential in a number of other advanced economies, notably in the euro area. Preliminary third-quarter growth figures were somewhat stronger than previously forecast in some economies, such as Spain and the United Kingdom, where domestic demand held up better than expected in the aftermath of the Brexit vote. Historical growth revisions indicate that Japan's growth rate in 2016 and in preceding years was stronger than previously estimated.

The picture for Emerging Market and Developing Economies (EMDEs) remains much more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey, which faced a sharp contraction in tourism revenues. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices.

Indian Economy;

During the current Financial Year 2016-17, the Indian Economy has continued to consolidate the gains achieved in restoring macro-economic stability. Despite the continuing global sluggishness and recent pick-up in petroleum prices, the economic growth has continued to be robust and inflation has remained more or less stable in the current year, while Fiscal Deficit and Current Account Deficit as percentage of GDP have improved. The Growth Rate of the economy during the First Half of the current Financial Year is estimated at 7.2 per cent, which makes India one of the fastest growing major economies in the world. At the sectoral level, the growth rates for agriculture & allied sectors, industry and services sectors for the First Half of the current year are estimated at 2.5 per cent, 5.6 per cent, and 9.2 per cent respectively. The stress given to fiscal consolidation through expenditure rationalization and revenue raising efforts and the focus on administrative measures for cooperative financial governance and also steps towards containing inflation have contributed significantly to macro-economic stability.

- **Inflation**

  Inflation measured in terms of Consumer Price Index and Wholesale Price Index has remained in comfort zone during the current Financial Year 2016-17. CPI (Combined) inflation for 2015-16 declined to 4.9 per cent from 5.9 per cent in 2014-15. It averaged 5.2 per cent in 2016-17 (Apr-Oct) and stood at 4.2 per cent in October 2016. Food inflation as measured by Consumer Food Price Index

(CFPI) declined to 4.9 per cent in 2015-16 from 6.4 per cent in 2014-15. It averaged 6.1 per cent in 2016-17 (Apr-Oct) and eased to 3.3 per cent in October 2016.WPI inflation declined to (-) 2.5 per cent in 2015-16 from 2.0 per cent in 2014-15. It averaged 2.7 per cent in 2016-17 (Apr-Oct) and stood at 3.4 per cent in October 2016.

As per the revised Monetary Policy Framework, the Government has fixed the inflation target of 4 per cent with tolerance level of +/- 2 per cent for the period beginning from August 5, 2016 to March 31, 2021. The Government monitors the price situation on a regular basis as controlling inflation is a key priority and has taken a number of measures to control inflation especially food inflation. The steps taken, inter alia, include, (i) increased allocation of ₹ 900 crore for Price Stabilization Fund in the budget 2016-17 to check volatility of prices of essential commodities, in particular of pulses; (ii) created buffer stock of pulses through domestic procurement and imports; (iii) announced higher Minimum Support Prices so as to incentivize production; (iv) issued advisory to States/UTs to take strict action against hoarding and black marketing under the Essential Commodities Act 1955 and the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980.

- **Trade**

  India's merchandise exports (customs basis) declined by 15.5 per cent to US$ 262.3 billion in 2015-16. In 2016-17 (April-October), growth of exports declined by 0.2 per cent (US$ 154.9 billion vis-à-vis US$ 155.2 billion in the corresponding period of previous year). Imports declined by 15.0 per cent to US$ 381.0 billion in 2015-16. Imports for 2016-17 (April-October) were at US$ 208.1 billion which is lower by 10.9 per cent as compared to US$ 233.4 billion in the corresponding period of previous year. During 2016-17 (April-October), trade deficit decreased to US$ 53.2 billion as against US$ 78.2 billion in the corresponding period of previous year. There has been significant market diversification in India's trade from Europe and America to Asia and Africa in recent years –a process that has helped in coping up with the sluggish global demand.

- **Industry**

  The data on Index of Industrial Production (IIP) released by the Central Statistical Office (CSO) shows that the production of industrial sector broadly comprising mining, manufacturing and electricity sectors has fallen by 0.3 per cent during April-October (2016-17) as compared to 4.8 per cent growth during April-October (2015-16). The Government has undertaken a number of policy measures including enhanced public investment, kick starting stalled projects, improving governance through systemic changes like open auction for natural resources like coal and spectrum, improving business environment through programmes like Make in India, Ease of Doing Business, Start-up India. The Government has also liberalized and simplified the Foreign Direct Investment (FDI) policy in the sectors like defence, railway infrastructure, construction and pharmaceuticals etc.

Selected economic indicators (%) – India	**2016**	**2017 Forecast**	**2018 Forecast**
GDP Growth	7.1	7.4	7.6
Inflation	4.7	5.2	5.4

Source: *Asian Development Outlook 2017*

The Real Estate sector

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Market Size

The Indian real estate market is expected to touch US$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP).

In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

The private equity investments in real estate increased 26 per cent to a nine-year high of nearly ₹ 40,000 crore (US$ 6.01 billion) in 2016.

Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The office space absorption in 2016 across the top eight cities amounted to 34 million square feet (msf) with Bengaluru recording the highest net absorption during the year. Information Technology and Business Process Management sector led the total leasing table with 52 per cent of total space uptake in 2016. Mumbai is the best city in India for commercial real estate investment, with returns of 12-19 per cent likely in the next five years, followed by Bengaluru and Delhi-National Capital Region (NCR).

Challenges faced by Real Estate Sector

(A) Regulatory Hurdles:

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

(B) Shortage of Manpower & Technology:

Despite being the second largest employer in the country the construction sector as a whole faces a manpower shortage. Further the sector is heavily dependent on manual labour which increases the timelines for projects and results in supply getting deferred. Hence less labour intensive alternative methods of construction need to be adopted on a large scale besides institutions for training and development of manpower to enhance skill levels is necessary.

Government Initiatives

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- The Securities and Exchange Board of India (SEBI) has proposed easier regulations for Real Estate Investment Trusts (REITs), such as raising the cap of investment of REITs' assets in under-construction projects from 10 per cent to 20 per cent, in order to attract the interest of developers, and also plans to relax the rules for foreign fund managers to relocate to India.
- SEBI has allowed Foreign Portfolio Investors (FPI) to invest in units of Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), category III Alternative Investment Funds (AIFs), and also permitted them to acquire corporate bonds under default.
- The Rajya Sabha or the upper house of the Parliament has passed the Real Estate (Regulation and Development) Bill, 2013, which aims to protect consumer interest, ensure efficiency in all property related transactions, improve accountability of real estate developers, increase transparency and attract more investments into the realty sector in India.
- India's Prime Minister Mr. Narendra Modi approved the launch of Housing for All by 2022. Under the Sardar Patel Urban Housing Mission, 30 million houses will be built in India by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP) and interest subsidy.

- The Securities and Exchange Board of India (SEBI) has notified final regulations that will govern Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). This move will enable easier access to funds for cash-strapped developers and create a new investment avenue for institutions and high net worth individuals, and eventually ordinary investors.
- The Government would introduce Goods & Service Tax (GST)_ which is the single-biggest tax reform to be ever introduced in India. GST aims at eliminating the difference in indirect taxes applicable across various states, hence bringing in ease of doing business and simplified taxation procedure for businesses.
- The Government also introduced The Benami Transactions (Prohibition) Act, 2016 which will curb black money flow into real estate and will render holding of property under fictitious names a punishable offence. The said Act aims at bringing transparency and accountability in the sector as a whole especially with regard to funding

Road Ahead

Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The Real Estate sector expects significant demand across country from the mid income residential segment The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

Subsidiaries

Diversity enriches, insulates and encompasses multiple hues of our business spectrum. With the objective of providing consumers with a comprehensive range of world-class products, the Company continues to strengthen its diverse product portfolio through its subsidiaries in the sugar, financial services, engineering services and furniture sectors, which are leading the Company to become a vibrant, multi brand enterprise.

A profile of these businesses is given below:

(I) GOBIND SUGAR MILLS LIMITED

After falling in 2015, the sugar prices rose by 5% in 2016, mainly reflecting a sharp 34% increase after 4 consecutive years of declines. Sugar prices soared because of reduced production in both Brazil and India, and as a strengthening Brazilian real against the US dollar encouraged sugar farmers to retain their stocks rather than sell them.

Sugar registered the biggest price gains at 53.2 per cent from January to September 2016. In September 2016, the FOB price of sugar at Caribbean ports reached its highest level since July 2012 at US 21.5 per lb. This price spike was mainly due to low inventories triggered by a growing production-demand gap, which is expected to further widen after falling output forecasts for Brazil, India and Thailand. Hence, the upward trend in sugar prices is likely to continue in the near future.

Indian Sugar industry

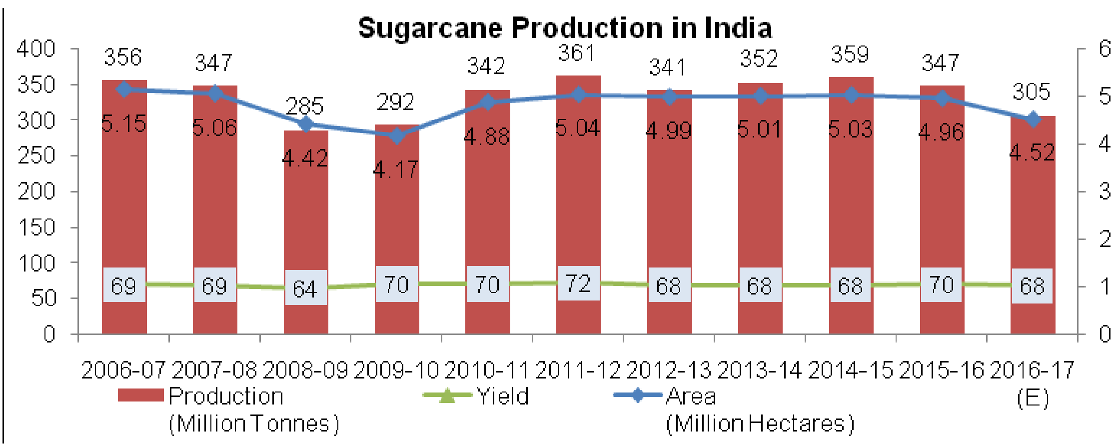
Sugarcane is primarily grown in nine states of India: Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Uttar Pradesh and Tamil Nadu. More than 50 million farmers and their families are dependent on sugarcane for their livelihood. The sugar industry caters to an estimated 12 percent of rural population in these nine states through direct and indirect employment. In addition to the sugar industry's contribution to the rural economy, it has significant social and economic impact for the nation as well. The sugar industry is a green industry and is largely self sufficient in energy needs through utilisation of bagasse for generating electricity and steam. In fact, the sugar industry generates surplus exportable energy through cogeneration and contributes in reducing the energy deficit. The sugar industry is also the primary source of raw material for the alcohol industry in India.

The Indian sugar production has grown at a CAGR of 4.9 percent over the last 46 years. Sugar production has been increasing steadily but there have been periods of low production, due to a variety of reasons including pests and drought. Production has been cyclical, with the typical cycle duration ranging between 4 to 6 years.

India exported 0.99 lakh tons of sugar while imported 2.90 lakh tons of sugar in November, 2016. However, the country exported and imported 0.60 lakh tons and 3.76 lakh tons of sugar respectively last month in October, 2016.

Sugar Production in 2016-17:

The Sugar production in the current sugar season 2016-17 is around 203 lac tons as estimated by ISMA in revision to its previously estimated figure of 213 lac tons. This is mainly due to substantially lower yield of the sugarcane harvested in January and February 2017, in Maharashtra, Karnataka, Andhra Pradesh and Telangana, which were badly affected by the drought that the States faced in the last couple of years. In some areas, the yield per hectare in the month of February 2017 was 40 to 50% lower than last year at the same time. In addition to this, higher need of seed for increased acreage, especially in the State of Maharashtra, also resulted in lower sugarcane availability for crushing this season.



Uttar Pradesh has achieved record sugar production this year, catapulting the traditionally second-largest sugar producing state in the country to the No 1 position, past drought-hit Maharashtra. As per Uttar Pradesh Sugar Mills Association, U.P. has produced the highest ever sugar in the state at 86 lakh tonnes (as on April 2017) which represents 65 of the total 91 private sugar mills in the state.

Common Problems faced by Sugar Industry:

1. Low Yield of Sugarcane:

   Although India has the largest area under sugarcane cultivation, the yield per hectare is extremely low as compared to some of the major sugarcane producing countries of the world. This leads to low overall production and results in short supply of sugarcane to sugar mills.

2. Short crushing season:

   Manufacturing of sugar is a seasonal phenomena with a short crushing season varying normally from 4 to 7 months in a year. The mills and its workers remain idle during the remaining period of the year, thus creating financial problems for the industry as a whole.

3. Fluctuating Production Trends:

   Sugarcane has to compete with several other food and cash crops like cotton, oil seeds, rice, etc. Consequently, the land available to sugarcane cultivation is not the same and the total production of sugarcane fluctuates. This affects the supply of sugarcane to the mills and the production of sugar also varies from year to year.

4. Low rate of recovery:

   The average rate of recovery in India is less than ten per cent which is quite low as compared to other major sugar producing countries where the recovery rate is as high as 14-16 per cent.

5. High cost of Production:

   High cost of sugarcane, inefficient technology, uneconomic process of production and heavy excise duty result in high cost of manufacturing. The production cost of sugar in India is one of the highest in the world. Intense research is required to increase the sugarcane production in the agricultural field and to introduce new technology of production efficiency in the sugar mills. Production cost can also be reduced through proper utilisation of by- products of the industry.

6. Small and uneconomic size of mills:

   Most of the sugar mills in India are of small size with a capacity of 1,000 to 1,500 tonnes per day. This makes large scale production uneconomic. Many of the mills are economically not viable.

7. Old and obsolete machinery:

   Most of the machinery used in Indian sugar mills, particularly those of Uttar Pradesh and Bihar is old and obsolete, being 50-60 years old and needs rehabilitation. But low margin of profit prevents several mill owners from replacing the old machinery by the new one.

8. Regional imbalances in distribution:

   Over half of sugar mills are located in Maharashtra and Uttar Pradesh and about 60 per cent of the production comes from these two states. On the other hand, there are several states in the north-east, Jammu and Kashmir and Orissa where there is no appreciable growth of this industry. This leads to regional imbalances which have their own implications.

9. Low per capita consumption:

   The per capita annual consumption of sugar in India is only approx. 18.2 kg as against 48.8 kg in the USA., 53.6 kg in U.K., 57.1 kg in Australia and 78.2 kg in Cuba and the world average of about 23.1 kg. This result in low market demand and creates problems of sale of sugar.

Total India & State wise Sugarcane Price (₹/Ton)

State	**2015-16**	**2016-17**
India(FRP)	2300	2300
UP	2800	3050
Punjab	2800 – 2950	2900
Haryana	3000 – 3100	-
Karnataka	2300 – 2625	2300 – 3050
Tamil Nadu	2850	2850

Source: Agriwatch

Sugar Prices

The all-India average retail prices of sugar rose by 22.17 per cent to ₹ 42.43 per kg as on March 15, 2017, against ₹ 34.73 per kg a year ago. Government had issued the order imposing stock holding and turnover limits on dealers of sugar currently valid till April 28, 2017. State governments/UTs had been advised to enforce this order to prevent any speculative and hoarding tendencies. Further, the customs duty of 20 per cent had also been imposed on export of sugar to discourage further exports. With the carryover stock of 77 lakh tonnes and estimated current season's production, sufficient sugar would be available to meet domestic consumption requirement at reasonable prices. The supply and price situation is monitored on regular basis by the government and necessary actions are taken at appropriate time.

Demand drivers for Sugar industry

- Rising per capita consumption: Sugar consumption is expected to be the highest in Asia and within Asia, India is estimated to have 18.8% of global consumption.
- Demographics: As per Census of India, India's growing population (estimated to reach 1.3 billion by 2020) is likely to intake more sugar in the future. Sugar users such as soft drink manufacturers, bakeries, confectionary, hotel and restaurant consumers account for 60% of milled sugar demand in India.
- Rising incomes and urbanisation: People demand more processed food (high on sugar content) as incomes rise and dietary habits change.
- Deregulation: Government initiatives in cane price rationalisation and levy on sugar imports will augur well for the domestic industry.
- Urgent need for renewable biofuels: Unprecedented opportunities emerge from diversifications like electricity and ethanol for sugar millers (ethanol from molasses). Supportive government policies in both these by-products can drive demand for sugar millers.

Operations of the Unit:

The comparative operating performance of the Company for the last two seasons is given below:

Particulars	2015-2016	2016-2017
Sugarcane crushed (lac Quintals)	71.52	94.06
Recovery (%)	10.53	10.27
Sugar produced (lac Quintals)	7.53	9.70
Crushing days	137	145

The Cogen power plant operating performance is as mentioned below:

	2015-2016	2016-2017
Power Generation (Mn Units)	66.13	108.44
Power Export to Grid (Mn Units)	40.09	69.41

Projects to be undertaken by the Company:

During the financial year 2016-17, the setting up of a back end Sugar Refinery with a capacity of 500 TPD was completed and the mill started producing sulpher less sugar in the range of 75 – 80 ICUMSA from 22nd December 2016 and the refined sugar production of 50 – 60 ICUMSA started from 5th February 2017.

Now, the company is working on Phase-II of projects; under which it intends to set up molasses based 60 KLPD Distillery and another 16 MW Cogen Power Plant. The Distillery would be a multi-product one, capable of producing full Rectified Spirit, ENA or Ethanol. It would be a Zero Liquid Discharge plant, having a cogeneration plant based on Incineration technology. The 16 MW Cogen Power Plant would consist of replacement of 70 TPH Boiler and 3 MW Turbogenerator.

Both of these projects will help to implement the integrated model concept adopted by the Company in regard to better utilisation of by-products and would definitely strengthen the financial health of the company and its ability to withstand the turbulent period of sugar industry in particular.

II) ZUARI INFRAWORLD INDIA LIMITED

Real Estate Sector Overview

India is one of the fastest growing economies in the world and real estate has been one of the thriving sectors. Several steps taken by the Government; from the Real Estate Regulatory Act (RERA) and the Goods and Services Tax (GST), to Real Estate Investment

Trustee (REITs) and the latest demonetization drive have all been steps towards bringing in transparency in the sector and boosting the confidence of consumers, developers and investors.

The residential market continued its shift from a pure, price play mechanism towards a market that is driven by commitment to delivery, quality and right pricing strategies, High price points, inventory pressures and cautious buyer approach, resulted in a muted demand in key metro cities during the year.

On the other hand, the commercial real estate market in India continues to grow at a steady pace. Positive changes in policy and regulations have given a further boost to this segment.

Overall, the outlook for India's real estate sector remains positive. We can expect more capital inflows into the segment in the year 2017.

OPPORTUNITIES:

- **Affordable Housing:**

  Your Company expects demand from the mid income residential segment to remain strong as we believe there is significant demand in this category across the country. Increasing disposable incomes, rapid urbanization, and strong demographics are some of the trends favouring the mid income residential market and the "Housing for All by 2022" scheme is an ambitious plan to provide affordable housing for people of the economically lower segment, slum rehabilitation and subsidy for house construction, India will require at least 40-45 million housing units by 2028. As per new government regulations, loans for these houses have to be 1.5-2% cheaper than market rates and cheaper rates will help in increased absorption of more number of units.

- **Monetary Easing:**

  The real estate sector performance is directly bound by the country's economic fundamentals and monetary policies. The Real estate sector has gained with the Reserve Bank of India's announcement to allow banks to invest in Real Estate Investment Trusts (REITs) and infrastructure Investment Trusts (InvITs). Bank's involvement will help the real estate segment by bringing in much needed liquidity.

- **FDI:**

  The government's policy initiative to ease FDI rules in construction development sector by reducing the minimum capital requirements from US$ 10 million to US$ 5 million and the built up area from 50,000 sq.m. to 20,000 sq.m. is likely to boost foreign funds significantly.

THREATS & CHALLENGES

- **Regulatory Hurdles:**

  Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

- **Shortage of Manpower & Technology**:

  Despite being the second largest employer in the country the construction sector as a whole faces a manpower shortage. Further the sector is heavily dependent on manual labour which increases the timelines for projects and results in supply getting deferred. Hence less labour intensive alternative methods of construction need to be adopted on a large scale besides institutions for training and development of manpower to enhance skill levels is necessary.

- **Regulatory Changes and Policy Initiatives For The Sector**

  The Real Estate Sector witnessed introduction of regulatory changes and policy initiatives in order to transform it into an organized, transparent, accountable and investor-friendly sector.

  Zuari Infraworld India Limited achieved a turnover of ₹ 24.07 Crores in the current year as compared to ₹39.86 Crores for the year 2015-16.

  The total income from operation for the year ended 31st March, 2017 was ₹ 18.77 crores as compared to ₹ 32.72 crores in the previous year. The Profit Before Tax expenses & extraordinary item for the year ended 31st March, 2017 is ₹ 2.40 Crores as compared to Profit of ₹2.21 crores in the previous year ended 31st March,2016.

III) SIMON INDIA LIMITED (SIL)

Though the EPC activity in the country has not recovered much from 2016-17, India's economy expected to be expanded by between 6.75% and 7.5% in 2017-18 signaling that growth could recover sooner than expected. India's energy sector has witnessed rapid growth promises over the last one year fueled by interventional policies, reforms and investments. Policy initiatives such as Hydrocarbon Exploration Licensing Policy (HELP) offering single license to explore conventional and unconventional oil and gas resources to propel investment in the energy sector. This may bring in lots of opportunities of EPC business in India later this year.

SIL has been conventionally following business opportunities in Chemical, Fertilizers, Petrochemicals and Waste heat recovery plants in Cement Industry. Keeping growth prospects in Hydrocarbon Industry, it has been planned to add a few more business areas namely Oil & Gas Terminals, Process plants, Tank Farms and Cross country pipelines.

Government's plans of expanding LPG distribution network and using LNG as Transportation fuel have accelerated implementation of LPG / LNG Terminal projects. Energy efficiency initiatives in Fertilizer Industry have created a number of Revamp opportunities. Implementation of Euro 6 in Indian Refineries have also resulted in number of upcoming projects.

SIL is very close to finalize an EPC contract with Adani for its Mundra LPG Import Terminal Project for about INR 400 crores. This brings SIL a glory and big opportunity.

While continuing its conventional business sectors, SIL is planning participation in EPC Refinery process plants, Tank farms and Oil & Gas terminals EPC Projects. In order to qualify in these bids, SIL is working on teaming up with a few EPC organizations in Russia and ME, who are keen to enter in Indian market.

Apart from India, SIL also sees opportunities in Kingdom of Saudi Arabia (KSA) and South East (SE) Asia. In order to address to larger business volumes, SIL may consider strategic alliance in these regions.

IV) ZUARI INVESTMENTS LIMITED

Market Overview

During the year under review, the Sensex has touched 29825 and made a low of 24674. Overall, the year was good for Indian Stock Market but remained very volatile. Heavy buying by Domestic/Foreign Financial Institutions, stable and strong government, comfortable fiscal deficit, stable crude oil prices, controlled inflation and progressive budget has helped the market to move upward. On the other hand, factors like demonetization, Brexit, Economy slowdown of China, precarious situation of world's biggest economies, devaluing of currency by China, created panic waves across the world impacted its fragile recovery from recession which kept retail clients away from the market throughout the year.

In this tough time, Mutual Funds Segment has again proved to be an asset class which has seen growth in quarter (Q4) too. Focus of investor shifted to equity based mutual funds during Q4. Balance Mutual Funds which is a mix of Equity & Debt based instruments also saw a healthy grow in Q4. Insurance sector is increasing its penetration as peoples have started focusing towards protection, but it will take long time to reach at the penetration level of advanced countries.

Business Overview

Stock market has continued to be an asset class which though has the potential to give stupendous returns however has not been utilized to its full potential. ZIL focusing in accumulating customers who has the capability to hold and can remain invested in the market. Even during this tough time, we have sourced 265 new customers which resulted in cash flow of ₹ 2.50 Cr (Approx.) as Cash margin, which is the key in generating revenue and at the same time helps in keeping risk in control as well.

Mutual Fund: In Mutual Fund segment ZIL have got 172 new customers on-board (Q4) which have resulted to net inflow of 22 Cr in our AUM. We are focusing on acquiring customers having long-term investment horizon; where by using our tools and services we can service them with the best solutions / approach that suits to their requirement and investment goals.

Real Estate: Overall Real Estate industry is not doing good, still we have managed to close 6 deals of ₹ 1.90 Cr (approx.) during the last quarter. ZIL have tie-up with reputed builders so as to keep adding on in the Real Estate Product suite which is helping us in serving customer to provide the solution that best suits to their requirement. We shall surely see a boost in this segment in the coming time.

Depository & RTA: These segments are giving regular and sustained revenue. There is regulatory change in the charges structure which talks about capping of AMC in accounts that falls under a specific category and to counter that, the segment has immediately taken the required steps. The impact though can't be completely nullified however can be reduced to a certain extent. RTA segment has added 7 new Corporates in Q4 totalling to 108 & are gradually increasing their customer base and revenue. FY 16-17 would show a revenue growth in RTA segment by approx. 4-6%.

Financial Overview

During the year under review Company earned a total revenue of ₹ 1803.86 Lacs, which includes a profit ₹ 1109.20 Lacs earned on inter se transfer of 28,50,000 shares of M/s Texmaco Infrastructure & Holdings Limited and a loss of ₹ 165.90 Lacs on sale of 7% NCRPS of Gobind Sugar Mills Limited to Zuari Sugar & Power Limited. The Company earned a profit before tax of ₹ 127.81 Lacs after payment of interest on ICDs of ₹ 894.41 Lacs for the FY 2016-17.

Future Outlook

India today is one of the largest growing economies in the world, the stage for which was set during the last decade when India embarked on a remarkable growth phase. India emerged unscathed from the impact of the global financial crisis revealing to the world the inherent strong fundamentals that the Indian economy possesses. This has led to aspirations of achieving high and inclusive growth. The current decade is thus, expected to play a crucial role in determining India's journey towards achieving this goal.

The International Monetary Fund cut its growth outlook for India for this fiscal year, but said the country is on track to remain the world's fastest-growing large economy. Recent data suggest that India's economy ended FY 2016 on a high note. Industrial production remains subdued after demonetization. Going forward the key to maintaining strong growth momentum lies in enacting meaningful economic reforms including the implementation of Goods and services Tax (GST) which is going to become biggest tax reform of independent India.

World Bank has also projected that India will grow by a robust 7.2% in 2017-18 and 7.5% in the next two years. World Bank also predicted that India will be the fastest growing economy in the world in the next three years and would outpace China. With the recent fall in oil prices, India remains the bright spot of the global economy as Chinese growth is predicted to slow further, which will make Indian Economy more attractive.

Considering the above factors, the future prospects of India seems to be bright for the growth of economy.

V) INDIAN FURNITURE PRODUCTS PRIVATE LIMITED

Industry Structure and Developments

The furniture industry in India is considered as a "non-organized" sector, with handicraft production accounting for about 85% of the furniture production in India. The Indian furniture market is slowly moving towards organised segment. A major change is expected to come in with the implementation of Goods and Services Tax GST, which is expected to bring the unorganized sellers into the tax net. This should help branded players like us compete better in the market, as well as speed up conversion to the organized sector.

In India absolute consumption is very high. However, per capita consumption is low as compared to other countries, largely due to huge income disparity. However with rise in middle class segment, trend is moving towards achieving high per capita consumption.

This is marked by increasing customer preference for readymade, branded furniture. Preference is shifting towards high-end, low maintenance, quickly installable products, with customization options. Simple, contemporary designs are preferred over heavy, complex traditional furniture. Indian tastes have started to get more refined and Indian people are looking for a more western furniture style.

Thus, the prospects of the furniture sector in India seem positive. Several agreements have been signed between local producers looking for technology and European companies trying to reach this large market or to reduce their costs for selling in other markets. Foreign brands such as Ashley Furniture from the USA, and IKEA, from Europe have both firmed up fairly large expansion plans in India.

OPPORTUNITIES & THREATS

Opportunities

The demand for branded furniture has increased in India due to the emerging upper and middle class urban population. Although demand for local artisan furniture still exists, there is growth in demand for branded furniture as Indians seek contemporary designs in a modern world. With branded furniture accounting for less than 15% of the total sales in India, the new demand for branded furniture presents a large opportunity.

Rapid urbanisation and increasing trend of nuclear households is also leading to migration of consumers to new places, and setting up home there. Similarly, there is a big opportunity due to the expanding middle income group, as it drives demand due to change in consumer preferences and awareness.

Sighting the opportunity for growth, Company entered into a joint venture agreement on 18th January 2017 with the Polish Company "FABRYKI MEBLI "FORTE" S.A." for the production and sales of furniture in the Indian market.

As a result of the JV agreement, a company by name FORTE FURNITURE PRODUCTS INDIA PRIVATE LTD. (FFPIPL) was established, the primary business activity of which is the manufacture and sales of furniture. FFPIPL's operation will be based on the existing manufacturing plant and the sales network in India owned by the Company and FORTE will contribute in the form of know-how, designs, and product development and production technology into the mix.

FORTE is one of the largest European manufacturers of furniture for self-assembly. FORTE furniture is present in almost all important retail chains and many good furniture stores all over Europe, and has become a major international manufacturer, supplying over 4,500 distributors from 40 countries worldwide FORTE furniture designs are adapted to changing market trends and the expectations of even the most demanding customers. They have a catalogue of over 3500 designs, and have a robust New Product Implementation program of over 1000 designs every year.

Threats:

Consumer preference will move from the currently popular solid wood furniture to new materials such as particle board, medium density fibre (mdf), plywood, and others. The company's dependence on particle board furniture may prove to be a threat, if demand for particle board does not keep pace with rest of the furniture market, in the large middle class market.

The company has old infrastructure in place for making furniture, and needs reasonably high investment to upgrade its machines and buy new ones to match the current consumer tastes of high gloss and new finishes.

Particle board as a raw material has moved into mass adoption mode, with a lot of small producers and local carpenters also using it as a cheaper option (compared to wood or plywood). This could lead to a drop in prices of particle board furniture and thus increase cost of branding and building entry barriers.

OUTLOOK

Some of the developments mentioned earlier will help the company to grow much faster. Implementation of GST will move the industry faster to the organized sector. Changing consumer preferences will create very good opportunities for brands to become leading players and grow in size. The company's joint venture with "FABRYKI MEBLI "FORTE" S.A." will allow access to leading edge product design, as well as the large design catalog that they have. Further, the company will have opportunity to study the best practices of Forte and adapt them to Indian markets.

All the above together will enable the company to grow at a much better rate over the next few years, initially in revenue terms, and later in profitability terms.

RISKS & CONCERNS

Anticipating the risks in the business, the company has set up adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorisation coupled with ensuring compliance of corporate policies.

Internal Control Systems and their Adequacy

The company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorisation coupled with ensuring compliance of corporate policies through documented Standard Operating Procedure (SOP) and Limits of Financial Authority Manual (LOAM).

These documents are reviewed and updated on an ongoing basis to improve the internal controls system and operational efficiency. The Company uses a state-of-the-art ERP (SAP) system to record data for accounting and managing information with adequate security procedure and controls.

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the Corporate Governance Report. The Audit Committee of the Board reviews the Audit Reports submitted by the Internal Auditors along with the recommendations of the Management Committee. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of the corrective actions. The implementation status of the directions is placed before the Audit Committee periodically, confirming the actions undertaken. The Committee also meets the Company's statutory auditors on a periodic basis to ascertain, inter alia, their views on the adequacy of the internal control systems in the Company and keeps the Board of Directors informed about its major observations from time to time.

Enterprise Risk Management (ERM)

The Risk Management Committee of the Board has approved a Risk Management Policy which has been formulated in accordance with the provisions of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligation and Disclosure Regulation) Regulation 2015.

Our ERM framework encompasses practices relating to identification, assessment, monitoring and mitigation of strategic, operational, financial and compliance related risks. The coverage includes both internal and external factors. The risks identified are prioritised based on their potential impact and likelihood of occurrence. Risk register and internal audit findings also provide input for risk identification and assessment. The prioritised risks along with the mitigation plan are discussed with the Risk Management Committee on periodic basis.

The Company has, during the year internally conducted the Risk Assessment exercise for reviewing the existing processes of identifying, assessing and prioritizing risks. Mitigation plans have been defined for the prioritised risks and same are being reviewed for adherence periodically.

The Risk Management Committee shall periodically review the risks and report to the Board of Directors from time to time.

Material development in human resources

Overall, this year the focus remained on the implementation of initiatives rolled out by the Corporate, rather than on initiating anything new. Steps have been taken to inculcate a performance-oriented culture by focusing and laying more emphasis on the performance management system. Open communication has been encouraged so that the employees understand the objectives of the organization and their needs also get taken care of in the process. Development of employees has been taken up through specialized training modules and programs that focus on soft skills. It has been Company's endeavour to attract talent from the most reputed institutions to meet the requirements of various functions. Efforts are being made towards retention of talent so that the organization does not lose high performers and high-potential employees.

CAUTIONARY STATEMENT:

There are certain statements in this report which the Company believes are forward looking. The forward looking statements stated in this report could significantly differ from the actual results due to certain risks and uncertainties, including but not limited to economic developments, Government actions, etc.

ANNEXURE 'E' TO THE DIRECTORS REPORT

MGT-9

Extract Of Annual Return

As on the financial year ended on 31.03.2017(Pursuant to sec 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration) Rules, 2014)

I. CORPORATE INFORMATION:

i)	CIN:-	L65921GA1967PLC000157
ii)	Registration Date:	12/05/1967
iii)	Name of the Company	Zuari Global Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	Jai Kisaan Bhawan, Zuarinagar, Goa, 403726. Tel No. 0832-2592509. Email Id: investor_redressal@adventz.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Limited, C-101, 247 Park, L.B.S. Marg, Bhandup (W), Vikhroli West, Mumbai – 400078 Tel: 91 2249186000 Fax: 91 22491860860 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. Principal Business Activities of the Company

Al l the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Real estate segment	681 & 682	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Indian Furniture Products Limited , G106, SIDCO Industrial Estate, Kakkalur, Tamil Nadu- 602003.	U72200TN2000PLC089255	Subsidiary	72.45	2(87)
2	Simon India Limited, A-36, Mehtab House, Mohan Cooperatives Industrial Estate, New Delhi-110044.	U74899DL1995PLC071074	Subsidiary	100	2(87)
3	Zuari Management Services Limited, Jai Kisaan Bhawan, Zuarinagar, Goa, 403726.	U74900GA2006PLC004921	Subsidiary	100	2(87)

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
4	Zuari Infraworld India Limited, Adventz Centre, 1st Floor, No. 28, Cubbon Road, Bangalore- 560001 Karnataka.	U45309KA2007PLC43161	Subsidiary	100	2(87)
5	Zuari Investments Limited, Jai Kisaan Bhawan, Zuarinagar, Goa-403726	U65993GA1995PLC001942	Subsidiary	100	2(87)
6	Zuari Sugar & Power Limited, Jai Kisaan Bhawan, Zuarinagar, Goa-403726	U65100GA2008PLC007282	Subsidiary	100	2(87)
7	Zuari Finserv Private Limited Formerly known as Horizon View Developers Private Limited w.e.f. 21.10.2016 Jai Kisaan Bhawan, Zuarinagar, Goa-403726	U45400GA2013PTC007383	Subsidiary	100	2(87)
8	Zuari Agro Chemicals Limited, Jai Kisaan Bhawan, Zuarinagar, Goa-403726	L65910GA2009PLC006177	Associate	20	2(6)
9	Lionel India Limited , 21, Old Court House Street, Kolkata, West Bengal- 700001	L65910GA2009PLC006177	Associate	24.57	2(6)
10	Zuari Indian Oiltanking Private Limited (Formerly known as Zuari Indian Oiltanking Limited), NH-17, Bsancoale, Goa-40372	U11202GA2000PTC002869	Joint Venture	50	2(6)
11	Gobind Sugar Mills Limited, 9/1 R N Mukherjee Road, Kolkata , West Bengal- 700001	L15421WB1952PLC020577	Indirect Subsidiary	51.27	2(87)
12	Soundaryaa IFPL Interiors Limited, G106, SIDCO Industrial Estate, Kakkalur, Tamil Nadu- 602003	U36912TN2014PLC096859	Indirect Subsidiary	50.01	2(87)
13	Zuari Infra Middle East Limited, PO Box No 11429, Dubai, United Arab Emirates	N.A	Indirect Subsidiary	100	2(87)
14	Zuari Insurance Brokers Limited, Jai Kisaan Bhawan, Zuarinagar, Goa-403726	U66010GA2003PLC003185	Indirect Subsidiary	100	2(87)
15	Zuari Commodity Trading Limited, Zuari House, 2 Community Centre, Zamrudpur, Kailash Colony Extension, New Delhi- 110048	U27205DL2008PLC180160	Indirect Subsidiary	100	2(87)
16	Zuari Infraworld SJM Elysium Properties LLC (formerly known as SJM Elysium Properties LLC)	N.A	Indirect Subsidiary	100	2(87)
17	Stylespa Furniture Private Limited G 106, Sidco Industrial Estate Kakkalur Thiruvallur Thiruvallur Tamil Nadu 602003 w.e.f.2nd Jan, 2017	U36994TN2017PTC113974	Indirect Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders			No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters										
	1	Indian									
		a) Individual/ HUF	1600578	0	1600578	5.44	1585067	0	1585067	5.38	-0.06
		b) Central Govt									
		c) State Govt(s)									
		d) Bodies Corp.	10072903	0	10072903	34.21	7262914	0	7262914	24.67	-9.54
		e) Banks / FI									
		f) Any other									
		Sub-total (A) (1)	11673481	0	11673481	39.65	8847981	0	8847981	30.05	-9.6
	2	Foreign									
		a) NRIs - Individuals	0	0	0	0	237928	0	237928	0.81	0.81
		b) Other -Individuals IninIndividuals									
		c) Bodies Corp.	7491750	0	7491750	25.45	7491750	0	7491750	25.45	0.00
		d) Banks / FI									
		e) Any Other....									
		Sub-total (A) (2)	7491750	0	7491750	25.45	7729678	0	7729678	26.26	0.81
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)		19165231	0	19165231	65.10	16577659	0	16577659	56.31	-8.79
B	Public Shareholding										
	1	Institutions									
		a) Mutual Funds	1600000	100	1600100	5.44	1600000	50	1600050	5.43	-0.01
		b) Banks / FI	875	2965	3840	0.01	1610	3015	4625	0.02	0.01
		c) Central Govt									
		d) State Govt(s)									
		e) Venture Capital Funds									
		f) Insurance Companies	2362458	250	2362708	8.03	2362458	250	2362708	8.03	0.00
		g) FIIs	1067318	400	1067718	3.62	0	400	400	0.00	-3.62
		h) Foreign Venture Capital Funds									
		i) Others (specify)									
		i-i Foreign Bank	217	0	217	0	217	0	217	0.00	0.00
		Sub-total (B)(1):-	5030868	3715	5034583	17.10	3964285	3715	3968000	13.48	-3.62
	2	Non-Institutions									
		a) Bodies Corp.									
		i) Indian	1123815	16960	1140775	3.87	4385110	16960	4402070	14.95	11.08
		ii) Overseas									
		b) Individuals									
		i) Individual shareholders holding nominal share capital upto ₹2 lakhs	2405620	354925	2760545	9.38	2651893	368418	3020311	10.26	0.88
		ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	956258	15190	971448	3.30	983843	0	983843	3.34	0.04

		Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
		c) Others (specify)									
		i) Clearing Members	46348	0	46348	0.16	154124	0	154124	0.52	0.36
		ii) Non Resident Indians	73187	2837	76024	0.26	62538	2946	65484	0.23	-0.03
		iii) Overseas Bodies Corp.	0	450	450	0	0	450	450	0.00	0.00
		iv) Trusts	943	0	943	0	943	0	943	0.00	0.00
		v)HUF	244257	0	244257	0.83	267720	0	267720	0.91	0.08
		Sub-total (B)(2) :	4850428	390362	5240790	17.80	8506171	388774	8894945	30.21	12.41
		Total Public Shareholding (B)=(B)(1)+ (B)(2)	9881296	394077	10275373	34.90	12470456	392489	12862945	43.69	8.79
		TOTAL (A)+(B)	29046527	394077	29440604	100	29048115	392489	29440604	100.00	0.00
C	Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)			**29046527**	**394077**	**29440604**	**100**	**29048115**	**392489**	**29440604**	**100.00**	**0.0**

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Globalware Trading and Holdings Ltd.	7012000	23.82		74,91,750	25.45		1.63
2	Texmaco Infrastructure & Holdings Ltd.	2757941	9.37		2757941	9.37		0.00
3	Coltrane Corpn. Ltd.	479750	1.63		0	0		-1.63
4	Jeewan Jyoti Medical Society	138550	0.47		138550	0.47		0.00
5	Adventz Finance Private Limited	1687512	5.73		2294491	7.79		2.06
6	Duke Commerce Ltd.	301761	1.02		301761	1.02		0.00
7	Saroj Kumar Poddar	951347	3.23		272989	0.93		-2.30
8	Adventz Securities Enterprises Ltd.	98804	0.34		98804	0.34		0.00
9	Adventz Investment Co. Pvt. Ltd.	32500	0.11		32500	0.11		0.00
10	Ricon Commerce Ltd.	8100	0.03		8100	0.03		0.00
11	Jyotsna Poddar	471621	1.60		71621	0.24		-1.36
12	New Eros Tradecom Ltd.	1196767	4.07		1196767	4.07		0.00
13	SIL Investments Ltd.*	3208000	10.90	5.67	0.00	0.00		0.00
14	Pilani Investment & Ind. Corp. Ltd.	434000	1.47		434000	1.47		0.00
15	RTM Investment & Trading Co. Ltd.*	110768	0.38		0	0.00		0.00
16	SCM Investment & Trading Co. Ltd.*	35000	0.12		0	0.00		0.00
17	Ronson Traders Ltd.*	63200	0.21		0	0		0.00
18	Basant Kumar Birla	30000	0.10		30000	0.10		0.00
19	Saroj Kumar Poddar (HUF)	10457	0.04		10457	0.04		0.00
20	Akshay Poddar	137153	0.47		237928	0.81		0.34
21	Saroj Kumar Poddar (trustee)	-	-	-	1200000	4.08		4.08
TOTAL		**19165231**	**65.10**	**5.67**	**16577659**	**56.31**	**0.00**	**-8.79**

*BSE Limited (vide its letter dated Nov. 29, 2016) & National Stock Exchange of India Limited("NSE") (vide its letter dated Dec 27, 2016) had approved the reclassification of above shareholders from 'Promoter/promoter Group to 'Public Category') under Reg 31A of SEBI Listing Regulations.

iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	**Saroj Kumar Poddar (Individual)**				
	At the beginning of the year	951347	3.23	-	-
	19th May, 2016	6366	0.02	957713	3.25
	20th May, 2016	3465	0.01	961178	3.26
	23rd May, 2016	3254	0.01	964432	3.28
	24th May, 2016	568	0.00	965000	3.28
	25th May, 2016	1562	0.01	966562	3.28
	26th May, 2016	1545	0.01	968107	3.29
	27th May, 2016	4882	0.02	972989	3.30
	30th March, 2017	(700000)	2.38	272989	0.93
	At the End of the year			272989	0.93
2	**Globalware Trading and Holdings Ltd**				
	At the beginning of the year	70,12,000	23.82		
	22nd November, 2016-Acquisition	4,79,750	1.63	74,91,750	25.45
	At the end of the year			74,91,750	25.45
3	**Saroj Kumar Poddar (HUF)**				
	At the beginning of the year	10,457	0.04		
	At the end of the year			10,457	0.04
4	**Jyotsna Poddar**				
	At the beginning of the year	4,71,621	1.60		
	30th March 2017 Acquired as a gift	8,00,000	2.72	12,71,621	4.32
	30th March 2017 Transferred	(12,00,000)	4.08	71,621	0.24
	At the End of the year			71,621	0.24
5	**Coltrane Corpn. Ltd.**				
	At the beginning of the year	4,79,750	9.37		
	23rd December 2016- Sale	4,79,750	9.37	0	0
	At the End of the year			0	0
6	**Saroj Kumar Poddar (trustee)**				
	At the beginning of the year	0	0		
	30th March, 2017- Acquired by way of gift	12,00,000	4.08	12,00,000	4.08
	At the End of the year			12,00,000	4.08
7	**Akshay Poddar**				
	At the beginning of the year	1,37,153	0.47		
	30th March 2017 Increase – Acquired by way of Gift	2,00,775	0.68	3,37,928	1.15
	30th March 2017-Transferred	(1,00,000)	0.34	2,37,928	0.81
	At the End of the year			2,37,928	0.81
8	**Adventz Finance Private Limited**				
	At the beginning of the year	16,87,512	5.73		
	Acquisition 24/06/2016	6,06,979	2.06	2,29,4491	7.79
	At the End of the year			22,94,491	7.79

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SIL Investments Limited				
	At the beginning of the year	3208000	10.90	-	-
	17th June,2016	(418000)	0.15	2790000	9.48
	At the end of the year			2790000	9.48
2	Reliance Capital Trustee Co Ltd A/C- Reliance Regular Savings Fund-Equity Option				
	At the beginning of the year	1600000	5.43		
	At the end of the year			1600000	5.43
3	Life Insurance Corporation of India				
	At the beginning of the year	1350526	4.59	-	-
	At the end of the year			1350526	4.59
4	General Insurance Corporation of India				
	At the beginning of the year	565992	1.92		
	At the end of the year			565992	1.92
5	The New India Assurance Company Limited				
	At the beginning of the year	446010	1.51		
	At the end of the year			446010	1.51
6	SICGIL India Limited				
	At the beginning of the year	331500	1.13		
	At the end of the year			331500	1.13
7	Earthstone Holding (Two) Limited				
	At the beginning of the year	198225	0.67		
	At the end of the year			198225	0.67
8	Shri Parasram Holdings Private Limited				
	At the beginning of the year	9494	0.03		
	8th April 2016	1070	0.00	10564	0.04
	15th April 2016	(50)	(0.00)	10514	0.04
	22nd April 2016	130	0.00	10644	0.04
	29th April 2016	1800	0.00	12444	0.04
	6th May 2016	700	0.00	13144	0.04
	13th May 2016	(937)	(0.00)	12207	0.04
	20th May 2016	(3061)	(0.01)	9146	0.03
	3rd June 2016	102	0.00	9248	0.03
	10th June 2016	396	0.00	9644	0.03
	17th June 2016	(399)	(0.00)	9245	0.03
	24th June 2016	(700)	(0.00)	8545	0.03
	30th June 2016	(301)	(0.00)	8244	0.03
	1st July 2016	200	0.00	8444	0.03
	8th July 2016	(200)	(0.00)	8244	0.03
	22nd July 2016	750	0.00	8994	0.03
	29th July 2016	750	0.00	9744	0.03
	5th August 2016	202	0.00	9946	0.03
	12th August 2016	300	0.00	10246	0.03
	19th August 2016	200	0.00	10446	0.04

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	26th August 2016	600	0.00	11046	0.04
	2nd September 2016	2176	0.01	13222	0.04
	16th September 2016	370	0.01	13592	0.05
	23rd September 2016	200	0.00	13792	0.05
	30th September 2016	(1300)	0.00	12492	0.04
	7th October 2016	4972	0.02	17464	0.06
	14th October 2016	(4086)	(0.01)	13378	0.05
	21st October 2016	(5821)	(0.02)	7557	0.03
	28th October 2016	(246)	(0.00)	7311	0.02
	4th November 2016	5801	0.02	13112	0.04
	11th November 2016	(363)	(0.00)	12749	0.04
	18th November 2016	62	0.00	12811	0.04
	25th November 2016	896	0.00	13707	0.05
	2nd December 2016	35	0.00	13742	0.05
	9th December 2016	(965)	(0.00)	12777	0.04
	16th December 2016	3497	0.01	16274	0.06
	23rd December 2016	2688	0.01	18962	0.06
	30th December 2016	3253	0.01	22215	0.08
	6th January 2017	(816)	(0.00)	21399	0.07
	13th January 2017	53032	0.18	74431	0.25
	20th January 2017	244201	0.83	318632	1.08
	27th January 2017	99986	0.34	418618	1.42
	3rd February 2017	(304329)	(1.03)	114289	0.39
	10th February 2017	12374	0.04	126663	0.43
	17th February 2017	4112	0.01	130775	0.44
	24th February 2017	(20901)	(0.07)	109874	0.37
	3rd March 2017	21796	0.07	131670	0.45
	10th March 2017	5539	0.02	137209	0.47
	17th March 2017	3911	0.01	141120	0.48
	24th March 2017	42206	0.14	183326	0.62
	31st March 2017	7171	0.02	190497	0.65
	At the end of the year			190497	0.65
9	Deutsche Securities Mauritius Limited				
	At the beginning of the year	899027	3.05	-	-
	21st October 2016	(3438)	(0.01)	895589	3.04
	28th October 2016	(62411)	(0.04)	833178	2.83
	04th November 2016	(11124)	(0.04)	822054	2.79
	11th November 2016	(527)	(0.00)	821527	2.79
	18th November 2016	(1050)	(0.00)	820477	2.79
	25th November 2016	(5308)	(0.02)	815169	2.77
	06th January 2017	(14210)	(0.68)	800959	2.72
	13th January 2017	(199407)	(0.68)	601552	2.04
	20th January 2017	(417865)	(1.42)	183687	0.62
	27th January 2017	(183687)	(0.62)	0	0
	At the end of the year			0	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Sparrow Asia Diversified Opportunities Fund				
	At the beginning of the year	168291	0.57		
	22nd April 2016	1713	0.00	170004	0.58
	29th April 2016	9131	0.03	179135	0.61
	6th May 2016	13828	0.05	192963	0.66
	13th May 2016	662	0.00	193625	0.66
	20th May 2016	1974	0.00	195599	0.66
	27th May 2016	744	0.00	196343	0.67
	3rd June 2016	1432	0.00	197775	0.67
	10th June 2016	3000	0.01	200775	0.68
	10th March 2017	(200775)	(0.68)	0	0.00
	At the end of the year			0	0.00

iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Saroj Kumar Poddar (individual capacity)	951347	3.23	272989	0.93
2	Saroj Kumar Poddar(HUF)	10457	0.04	10457	0.04
3	Saroj Kumar Poddar(as a Trustee to Saroj and Jyoti Poddar Holdings Private Trust	0	0.00	1200000	4.08
4	Jyotsna Poddar	471621	1.6	71621	0.24
5	Marco Wadia	2811	0.01	2811	0.01
6	Sachin Patil	100	0.00	100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	800,000,000	-	271,000	800,271,000
ii) Interest due but not paid	-	-	261,501	261,501
iii) Interest accrued but not due	271,781	-	-	271,781
Total(i+ii+iii)	800,271,781	-	532,501	800,804,282
Change in Indebtedness during the financial year				
* Addition				
- Principal	-	-	-	-
- Interest	97,025,753	-	-	97,025,753
* Reduction				
- Principal	800,000,000	-	120,000	800,120,000
- Interest	97,297,534	-	171,197	97,468,731
Net Change	(800,271,781)	-	291,197	(800,562,978)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	151,000	151,000
iii) Interest accrued but not due	-	-	90,304	90,304
Total (i+ii+iii)	-	-	241,304	241,304

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Managing Director	Whole-time Director	Total Amount
		Mr. N S Krishnan	Jyotsna Poddar	
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	286.42 2.92	61.00 -	347.42 2.92
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify…	- -	- -	- -
5.	Others, please specify (Contribution to Provident Fund, Superanuation Fund and Gratuity Premium under Group Gratuity Policy)	25.94	4.32	30.27
6.	Total(A)	315.28	65.32	380.60
	Ceiling as per the Act	10% of the Net Profit		

B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Name of Directors			
1	Independent Directors	Mr. Marco Wadia	Mr. K.K.Gupta	Mr. J.N.Godbole	Total Amount (₹)
	Fee for attending board committee meetings	6.43	5.92	4.08	16.43
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	6.43	5.92	4.08	16.43
2.	Other Non-Executive Directors	Mr. Saroj Kumar Poddar			Total
	Fee for attending board committee meetings	2.87			2.87
	Commission	-			-
	Others, please specify	-			-
	Total (2)	2.87			2.87
	Total (B)=(1+2)				19.30
	Total Managerial Remuneration				380.60
	Overall Ceiling as per the Act	10% of the Net Profit			

C. Remuneration to Key Managerial Personnel Other than MD /Manager /WTD

(₹ in lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Sachin Patil	Vijay Kathuria	
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	**Nil**	62.97	62.97
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as% of profit - others, specify…	-	-	-
5.	Others, please specify	-	2.69	2.69
6.	Total	NIL	65.66	65.66

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	None				
Punishment					
Compounding					
B. Directors					
Penalty	None				
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	None				
Punishment					
Compounding					

ANNEXURE- F TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

FORM MR- 3

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,

The Members,
Zuari Global Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa, 403726

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZUARI GLOBAL LIMITED,** (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **ZUARI GLOBAL LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 and according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

IV. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ………….***Not applicable***

V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; ………….***Not applicable***

VI. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ………….***Not applicable***

VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; ………….***Not applicable.***

(vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

The following other laws as may be applicable specifically to the Company are:-

1. Essential Commodities Act, 1955;
2. Fertiliser (Control) Order, 1985 and fertilizer (Movement Control) Order 1973;
3. Trademarks Act, 1999.

I further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Managing Director taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws and other legislations.

I further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, Service tax and others detailed under Tax Legislations, have not been reviewed and I have relied on the representations made by the Company, its Officers and Reports issued by the Statutory Auditors.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Sadashiv V Shet
Practicing Company Secretary
FCS No. 2477
C P No.: 2540

Date:19th May, 2017
Place : Panaji- Goa

ANNEXURE 'G' TO THE DIRECTORS' REPORT
Format of reporting of Corporate Social Responsibility(CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Driven by our passion to make a difference to society, Adventz Group Companies are committed to upholding the highest standards of corporate social responsibility and have continued its progress on community initiatives with renewed vigour and devotion.

With the commencement of the Companies Act, 2013, the CSR activities of the Company were re-visited and re-aligned as per the CSR provisions contained in Companies Act, 2013 and rules made there under. Company's CSR projects and initiatives are guided by our CSR Policy, and reviewed closely by the CSR Committee institutionalized and adopted by the Board of Directors as per the "Section 135 of the Companies Act, 2013".

As a responsible business corporation, our companies have built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal need gaps in the communities we operate in. We also believe that we have a larger responsibility towards making a difference within our industry and also society at large.

Weblink to CSR Policy: http://www.adventz.com/annualReports/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%20_2_.pdf

2. **The Composition of the CSR Committee:**

K.K. Gupta – Chairman
Marco Wadia – Member
N. Suresh Krishnan – Member

3. **Average net profit of the Company for last three financial years:**

Average of profit (in lacs) ₹ 3260.44

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

2% of Profit before tax (in lacs) ₹ 65.21

5. **Details of CSR spent during the financial year:**

a) Total amount to be spent for the financial year (in lacs) ₹ 65.21
b) Total amount spent during the financial year (in lac) nil
c) Amount unspent, (in lacs) ₹ 65.21

6. **Manner in which the amount spent during the financial year is detailed below:**

The two percent of the average net profit of the last three financial years for the Company is ₹ 65.21 Lacs.

Sl. No	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise ₹ in lacs	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through imple-menting agency
1	Promoting Education and Skills for youth (especially girls)	Skills Development, Women Empowerment (Item no. ii & iii)	Maharashtra, Goa, UP	30	-	-	-
2	School Infrastructure Development	Education (Item no. ii)	All India	16.12	-	-	-
3	Promoting Sanitation & Hygiene	Sanitation (Item no. i)	UP	15	-	-	-

During the financial year 2016-17 the company planned to comprehensively address skills development and sanitation among the marginalized communities, especially among the women and children in Maharashtra, Uttar Pradesh and Goa. The need assessment and implementing partner selection process was successfully completed in the targeted areas. These activities are slated to be implemented as part of the activities planned in the subsequent financial year.

ZGL was also associated with the Group's social initiatives at Adventz Foundation. During the year 2016-17, Adventz Foundation hosted the 2nd Edition of 'Youth for Tomorrow' event in December, 2016 in Goa. The event engaged with children from 14 schools across the state and a community outreach initiative to connect with the younger generation and usher a new dynamism in the mindsets of young people. The theme of the event was "Together We Can". In order to maximize our social impact, our businesses are making our best efforts to combine resources and business strengths of individual companies for achieving specific social objectives.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Gurgaon	**N. Suresh Krishnan**	**K. K. Gupta**
Date: 19th May, 2017	Managing Director	Chairman of CSR Committee
	DIN: 00021965	DIN: 00024221

ANNEXURE 'H' TO THE DIRECTORS' REPORT

Statement of particulars pursuant to the provisions of Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Sr. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	S.K. Poddar – Chairman *	NIL
2	N. Suresh Krishnan- Managing Director	1:10.3
3	Jyotsna Poddar – Whole time Director	1:2.
4	J N Godbole- (Independent Director)*	NIL
5	Marco Wadia -(Independent Director)*	NIL
6	K.K. Gupta -(Independent Director)*	NIL

* were paid sitting fees for attending the Meetings.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year;

Sr. No.	Name of the Director	Percentage increase in remuneration
1	S.K. Poddar – Chairman *	NIL
2	N. Suresh Krishnan- Managing Director	NIL
3	Jyotsna Poddar – Whole time Director	NIL
4	Marco Wadia -(Independent Director)*	NIL
6	K.K. Gupta -(Independent Director)*	NIL
7	J. N. Godbole -(Independent Director)*	NIL
8	Vijay Kathuria	NIL
9	Sachin Patil	NIL

* were paid sitting fees for attending the Meetings

(iii) The percentage increase in the median remuneration of employees in the financial year:

7.28 %

(iv) The number of permanent employees on the rolls of Company:

There are 6 permanent employees on the rolls of the Company

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase in remuneration to employees other than managerial personnel was 12%.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

On behalf of the Board of Directors

Place: Gurgaon
Date: 19th May, 2017

S. K. Poddar
Chairman

ANNEXURE 'I' TO THE DIRECTORS' REPORT

Statement containing salient features of the Financial Statement of Subsidiaries Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Form AOC-1(PART-"A")

₹ in lakhs

Sl. No.	Name of the subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit before Taxation	Provision for Taxa-tion	Profit after Taxation	Proposed Dividend	% of share-holding	Country
Indian Subsidiaries																
1	Zuari Infraworld India Limited	2016-17	INR	NA	4,655.00	7,953.40	31,589.26	18,980.86	6,886.53	1,876.55	240.38	58.72	181.66	-	100.00	India
2	Indian Furniture Products Limited	2016-17	INR	NA	7009.95	(173.87)	23,168.18	16,332.10	-	11,634.59	2,070.02	2.70	2,067.32	-	72.45	India
	a) Soundaryaa IFPL Interiors Limited (Subsidiary of Indian Furniture Products Ltd.)	2016-17	INR	NA	25.00	52.25	900.65	823.40	-	4,064.03	310.11	23.26	286.84	-	N.A	India
	b) Forte Furniture Products India Pvt. Ltd.	2016-17	INR	NA	2,801.00	(726.42)	2,800.57	725.99	-	2.01	(726.42)	-	(726.42)	-	N.A	India
3	Simon India Ltd	2016-17	INR	NA	500.00	10,262.91	17,369.83	6,606.92	2,705.73	9,566.82	(1,394.49)	(468.54)	(925.95)	-	100.00	India
4	Zuari Management Services Limited	2016-17	INR	NA	5.00	17,372.80	18,960.91	1,583.11	18,764.48	6.19	(333.44)	(15.95)	(349.39)	-	100.00	India
5	Zuari Investments Limited	2016-17	INR	NA	3,744.58	30,241.43	40,442.71	6,456.16	37,849.16	1,127.71	(1,556.29)	-	(1,556.29)	-	100.00	India
	a) Zuari Insurance Brokers limited (Subsidiary of Zuari Investments limited)	2016-17	INR	NA	275.00	79.88	368.64	13.76	31.27	287.74	85.53	-0.40	85.93	-	NA	India
	b) Zuari Commodity Traders Limited (Subsidiary of Zuari Investments limited)	2016-17	INR	NA	160.00	(44.10)	154.49	38.58	-	26.56	(8.02)	(14.33)	6.31	-	NA	India
	c) Gobind Sugar Mills limited (Subsidiary of Zuari Investments limited)	2016-17	INR	NA	320.00	2,208.17	71,368.55	68,840.38	14.82	42,092.99	1,946.92	110.14	1,836.78	-	NA	India
6	Zuari Finserv Private Limited(Formerly known as Horizon View Developers Pvt. Ltd.)	2016-17	INR	NA	1.00	(0.97)	0.60	0.57	-	-	(0.45)	-	(0.45)	-	100.00	India
7	Zuari Sugar & Power Limited(formerly known as Zuari Financial Services Limited)	2016-17	INR	NA	1,490.00	(122.80)	10,559.04	9,191.84	2,452.77	258.96	(129.57)	-	(129.57)	-	100.00	India
Foreign Subsidiaries																
1	Zuari Infra Middle East Limited (Subsidiary of Zuari Infraworld India Ltd.)	2016-17	AED	17.655	1.77	198.83	9,324.47	9,123.88	25.95	660.30	149.44	-	149.44	-	NA	UAE
2	Zuari Infra World SJM Propoerties L.L.C. (for-merly know as SJM Elysium Properties LLC (Subsidiary of Zuari Infra Middle East Ltd.)	2016-17	AED	17.655	52.97	(133.95)	9,430.69	9,511.68	-	-	(72.54)	-	(72.54)	-	NA	UAE

Note 1 : Subsidiary which are yet to commence operations - Stylespa Furniture Private Limited

Note 2 : Subsidiary which have been sold during the year- Nil

S. K. PODDAR
Chairman
DIN: 00008654

N. SURESH KRISHNAN
Managing Director
DIN : 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May 2017

PART - B

Statement containing salient features of the financial statement of Joint Ventures & Associates

(Pursuant to provisio to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

₹ in lakhs

		Joint Venture	Associate
	Name of the Company	**Zuari Indian Oiltanking Limited**	**Zuari Agro Chemicals Limited**
1.	Latest audited Balance Sheet	31st March, 2017	31st March, 2017
2.	Shares of Joint Ventures held by the Company on the year end		
	No. (No. of Shares)	1,00,20,040	1,34,90,510
	Amount of Investment in Joint Venture	1002.00	2145.92
	Extend of holding	50.00%	32.08%
3.	Description of how there is significant influence	Based on the percentage of Holding in the Joint Venture Company	Based on the percentage of Holding in the AssociateCompany
4.	Reason why the Joint venture is not consolidated	Not Applicable	Not Applicable
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	1,705.06	42,033.42
6.	Profit/(Loss) for the year [Profit/(Loss) after Tax]	4,70.21	(4,384.63)
	i. Considered in Consolidation	235.10	(1,406.61)
	ii. Not Considered in Consolidation	235.10	(2,978.02)

Note 1 : Associates or Joint Ventures which are yet to commence operations - Nil

Note 2 : Joint Ventures which have been sold during the year - Nil

S. K. PODDAR
Chairman
DIN: 00008654

N. SURESH KRISHNAN
Managing Director
DIN : 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Global Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Zuari Global Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

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

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, 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 2" to this report;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

      iv. The Company has provided requisite disclosures in Note 48 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: 19th May, 2017

Annexure 1 referred to in Paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Zuari Global Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year based on a phased programme of verifying all the assets over a period of two years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on physical verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company does not hold any immovable properties included in fixed assets and accordingly the clause is not applicable and hence not commented upon.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to four companies covered under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest.

(b) In respect of loans granted to companies covered in the register maintained under Section 189 of the Companies Act, 2013, repayment of the principal amount is as stipulated and payment of interest has been regular except for loans granted by the Company to one subsidiary, where payment of interest has not been paid as stipulated for the amount of ₹ 15.38 lakhs.

(c) There is no amounts of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 which are outstanding for more than ninety days

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) In respect of deposits accepted in earlier years, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) To the best of our knowledge and as explained, the Central government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products/services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, excise duty, value added tax, cess and other statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax,customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	**Nature of the Dues**	**Amount (₹ in lacs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act, 1961	Demand in respect of assessment proceedings	114.58	Assessment Year 1999-2000	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Demand in respect of assessment proceedings	64.53	Assessment Year 2002-03	Commissioner of Income Tax (Appeals)
Wealth Tax Act, 1957	Demand in respect of assessment proceedings	282.78	Assessment year 2006-07 to AY 2010-11	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution. The Company did not have any loan from bank and did not have any debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which those were raised. The Company has not raised any money by way of initial public offer/ further public offer (including debt instruments) during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or no fraud by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us and based on the legal opinion obtained by the management, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place: New Delhi
Date: 19th May, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZUARI GLOBAL LIMTED

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 Global Limited ("the Company") as of 31st March 2017 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. 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 the 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.

Auditor's 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 as specified under Section 143(10) of the Companies Act, 2013, to the extent 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.

An 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 judgement, 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 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 31st March 2017, 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.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date : 19th May, 2017

Balance Sheet as at 31st March 2017

(₹ in lakhs)

	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I	**ASSETS**				
	(1) Non-current assets				
	(a) Property, Plant and Equipment	3	**231.62**	211.52	224.20
	(b) Investment Property	4	**164.13**	1,153.12	1,162.05
	(c) Financial assets				
	(i) Investments	5A	**116,496.95**	78,569.79	91,362.51
	(ii) Loans	5B	**1,664.50**	692.55	2,138.43
	(iii) Others	5C	**0.97**	0.97	0.75
	(2) Current assets				
	(a) Inventories	7	**23,259.72**	21,522.18	20,507.48
	(b) Financial Assets				
	(i) Investments	5A	**-**	2,194.21	3,768.42
	(ii) Trade receivables	8	**-**	-	22.72
	(iii) Cash and cash equivalents	9	**388.14**	88.18	369.02
	(iv) Bank balances other than (iii) above	10	**27.27**	32.65	40.76
	(v) Loans	5B	**5,940.06**	14,857.54	16,161.17
	(c) Income tax assets	17A	**910.50**	2,795.92	2,331.97
	(d) Other current assets	6	**115.46**	6.54	36.53
	(e) Investment Property - Held for Sale	4	**979.83**	-	-
	Total Assets		**150,179.15**	**122,125.17**	**138,126.01**
II	**EQUITY AND LIABILITIES**				
	(1) Equity				
	(a) Equity share capital	11	**2,944.11**	2,944.11	2,944.11
	(b) Other equity		**141,904.82**	98,645.73	113,343.46
	LIABILITIES				
	(1) Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	12	**-**	-	7,957.85
	(ii) Other financial liabilities	14	**4.60**	23.27	42.71
	(b) Deferred tax liabilities(Net)	17	**9.63**	41.90	57.34
	(2) Current liabilities				
	(a) Financial Liabilities				
	(i) Trade Payables	13	**627.32**	131.72	94.33
	(ii) Other financial liabilities	14	**3,401.39**	20,002.31	13,506.76
	(b) Other Liabilities	15	**1,006.21**	108.30	68.43
	(c) Provisions	16	**281.07**	227.83	111.02
	Total Equity and Liabilities		**150,179.15**	**122,125.17**	**138,126.01**

Summary of significant accounting policies 2.1

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May, 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR
Chairman
DIN: 00008654

N SURESH KRISHNAN
Managing Director
DIN: 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May, 2017

Statement of Profit and Loss for the year ended 31st March 2017

(₹ in lakhs)

	Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
I	**Other Income**	18	**3,378.01**	4,137.12
	Total Income (I)		**3,378.01**	4,137.12
II	**EXPENSES**			
	Project Expenses	19	**1,696.27**	1,014.70
	Changes in inventories of finished goods, stock-in-trade and work in progress	20	**(1,696.27)**	(1,014.70)
	Employee Benefits Expense	21	**574.77**	508.00
	Finance Costs	22	**18.48**	(114.68)
	Depreciation and amortization expense	23	**21.90**	21.61
	Other Expenses	24	**384.19**	399.12
	Total Expenses (II)		**999.34**	814.05
III	**Profit before exceptional items and tax (I-II)**		**2,378.67**	3,323.07
IV	Exceptional Items (expense)/Income	25	**-**	82.48
V	Profit before tax (III+-IV)		**2,378.67**	3,405.55
VI	**Tax (Expense):**			
	(1) Current Tax		**(401.22)**	(689.69)
	(2) Income tax adjustment for earlier years		**41.37**	202.16
	(3) Deferred Tax		**30.45**	21.95
VII	**Profit for the year (V+-VI)**		**2,049.27**	2,939.97
VIII	Other Comprehensive Income/(Loss)		**41,564.16**	(17,283.36)
	A Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		**(5.21)**	18.82
	Income tax effect		**1.80**	(6.51)
	Net (loss)/ Gain on Equity Instruments		**41,567.57**	(17,295.67)
	Income tax effect		**-**	-
IX	Total Comprehensive Income / (loss) for the Year (VII + VIII)		**43,613.43**	(14,343.39)
X	Earnings per equity share (Nominal value of shares of ₹ 10/, 31st March 2016 : ₹ 10/-) :			
	(1) Basic (₹)	27	**₹ 6.96**	₹ 9.98
	(2) Diluted (₹)	27	**₹ 6.96**	₹ 9.98

Summary of significant accounting policies **2.1**

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

As per our report of even date

For and on behalf of the Board of Directors of Zuari Global Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

S. K. PODDAR
Chairman
DIN: 00008654

N SURESH KRISHNAN
Managing Director
DIN: 00021965

MARCO WADIA
Director
DIN: 00244357

per ANIL GUPTA
Partner
Membership No. 87921

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: New Delhi
Date: 19th May, 2017

Place: Gurgaon
Date: 19th May, 2017

Statement of Cash Flows for the year ended 31st March 2017

(₹ in lakhs)

Sl. No	Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
A	**Cash Flow from Operating Activities**			
	Profit / (loss) before tax		2,378.67	3,405.55
	Adjustment to reconcile profit before tax to net cash flows			
	Depreciation / amortisation	23	21.90	21.61
	Provision for doubtful debts and advances/(Excess provision written back)	18	(5.11)	51.20
	Profit on sale of investments		-	(82.48)
	(Gain) arising on financial assets as at fair value through profit and loss	18	(30.41)	(4.12)
	Interest expense		1,010.93	900.02
	Interest (income)	18	(1,546.73)	(2,515.96)
	Dividend (income)	18	(1,283.65)	(1,338.21)
	Income from financial guarantee	18	(18.40)	(8.17)
			(1,851.47)	**(2,976.11)**
	Operating Profit before Working Capital changes		527.20	429.44
	Movements in working capital :			
	Increase in trade payables		495.61	37.32
	Increase in provisions		48.03	135.64
	Increase in other current liabilities		899.17	30.40
	(Decrease) in Financial Liabilities - Other financial Liabilities		(19.23)	(20.20)
	Decrease in trade receivables		-	2.82
	(Increase) in Inventories		(1,736.90)	(1,014.70)
	Decrease / (increase) in loans and advances		(332.82)	16.72
	(Increase)/ Decrease in other current assets		(108.93)	29.99
	Total		**(755.07)**	**(782.01)**
	Cash Generated from / (used in) Operations		(227.87)	(352.57)
	Less : Direct Tax paid (net of refunds)		1,525.61	(951.56)
	Net Cash Flow from/ (used in) Operating Activities (A)		**1,297.74**	**(1,304.13)**
B	**Cash Flow from Investing Activities:**			
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	3	(33.48)	-
	Proceeds from Sale of Non Current Investment		2,000.42	-
	Purchase of non-current investments		(1,187.50)	(1,900.17)
	Repayment of Advance Received for Sale of Shares	14	(11,920.00)	-
	Advance for Sale of Land	14	3,209.13	-
	Purchase of current investments		(2,653.49)	(4,260.32)
	Proceeds from sale/ maturity of current investments		7,827.92	2,760.32
	Purchase of investments in subsidiaries and Joint ventures		(1.00)	(1,000.00)
	Receipt from unclaimed dividend bank account		3.17	4.42
	Receipt from interest warrants accounts		1.71	2.69
	Proceeds from Sale of investments in subsidiaries and joint ventures		-	95.88
	Fixed deposits matured		0.50	0.78
	Dividends received on investments	18	1,283.65	1,338.21

Statement of Cash Flows for the year ended 31st March 2017

(₹ in lakhs)

Sl. No	Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
	ICD / Loans given to bodies corporates		(1,339.45)	(1,750.00)
	ICD / Loans given to bodies corporates received back		9,477.52	4,365.80
	Interest received	18	1,692.05	2,601.66
	Net cash flow from investing activities (B)		**8,361.15**	**2,259.27**
C	**Net Cash Flow From Financing Activities:**			
	Repayment of long-term borrowings	14	(7,977.81)	19.97
	Repayment of Unclaimed Deposits	14	(1.21)	(3.94)
	Repayment of Preference Share Warrant	14	(5.79)	-
	Dividend paid on equity shares		(297.58)	(298.83)
	Tax on equity dividend paid		(59.93)	(59.93)
	Interest paid		(1,016.61)	(893.25)
	Net cash flow (used in) in financing activities (C)		**(9,358.93)**	**(1,235.98)**
D	**Net (decrease) / Increase in cash and cash equivalents (A + B + C)**		**299.96**	**(280.84)**
	Cash and cash equivalents (Opening)	9	88.18	369.02
	Cash and cash equivalents (Closing)	9	**388.14**	**88.18**

	Particulars		For the Year ended 31st March 2017	For the Year ended 31st March 2016
	CASH AND CASH EQUIVALENTS			
	Cash on hand		**0.31**	0.06
	Cheques/drafts on hand		-	0.87
	Balance with banks			
	- on current accounts		**237.83**	87.25
	- on deposit accounts		**150.00**	-
	Total cash and cash equivalents		**388.14**	**88.18**

Summary of significant accounting policies **2.1**

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

As per our report of even date

For and on behalf of the Board of Directors of Zuari Global Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

S. K. PODDAR
Chairman
DIN: 00008654

N SURESH KRISHNAN
Managing Director
DIN: 00021965

MARCO WADIA
Director
DIN: 00244357

per ANIL GUPTA
Partner
Membership No. 87921

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: New Delhi
Date: 19th May, 2017

Place: Gurgaon
Date: 19th May, 2017

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

(a) Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

	No. of Shares	Amount (₹ In lakhs)
At 1st April 2015	2,94,40,604	2,944.06
At 31st March 2016	2,94,40,604	2,944.06
At 31st March 2017	2,94,40,604	2,944.06

(b) Other equity

For the year ended 31st March 2017: (₹ in lakhs)

Particulars	Reserves and surplus		Items of OCI	Total
	General reserve	Surplus in the statement of profit and loss	Equity instruments through OCI	
As at 1st April 2016	3,650.00	60,719.99	34,275.74	98,645.73
Profit for the Year	-	2,049.27	-	2,049.27
Transfer from Surplus	50.00	-	-	50.00
Reclassification from OCI to Retained Earnings on disposal of Investment		436.68	(436.68)	-
Other comprehensive income	-	(3.41)	41,567.57	41,564.16
Total comprehensive income	**3,700.00**	**63,202.53**	**75,406.63**	**142,309.16**
Transfer from Surplus				
Appropriation towards general reserve	-	(50.00)	-	(50.00)
Cash dividends (Note 26)	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (Note 26)	-	(59.93)	-	(59.93)
At 31st March 2017	**3,700.00**	**62,798.19**	**75,406.63**	**141,904.82**

For the year ended 31st March 2016:

(₹ in lakhs)

Particulars	Reserves and surplus		Item of OCI	Total
	General reserve	Surplus in the statement of profit and loss	Equity instruments through OCI	
As at 1st April 2015	3,600.00	58,172.05	51,571.41	113,343.46
Profit for the Year	-	2,939.97	-	2,939.97
Transfer from Surplus	50.00	-	-	50.00
Other comprehensive income	-	12.31	(17,295.67)	(17,283.36)
Total comprehensive income	**3,650.00**	**61,124.33**	**34,275.74**	**99,050.07**
Transfer from Surplus				
Appropriation towards general reserve	-	(50.00)	-	(50.00)
Cash dividends (Note 26)	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (Note 26)	-	(59.93)	-	(59.93)
At 31st March 2016	**3,650.00**	**60,719.99**	**34,275.74**	**98,645.73**

Summary of significant accounting policies 2.1

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May, 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR
Chairman
DIN: 00008654

N SURESH KRISHNAN
Managing Director
DIN: 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May, 2017

Notes to the Financial Statements as at and for the year ended 31st March 2017

1. **Corporate Information**

The stand-alone financial statements of "Zuari Global Limited" ("the Company" or "ZGL") are for the year ended 31st March 2017. Zuari Global Limited ("the Company") is a Public Company domiciled in India. Its shares are listed on two recognized stock exchanges in India viz, NSE and BSE. The registered office of the Company is located at Jai Kisaan Bhawan, Zuari Nagar, Goa 403 726, India.

The Company's primary business activity is acquisition and development of land. The Company has acquired lands with the objective of developing the land.

The stand-alone financial statements were approved for issue in accordance with a resolution of the directors on 19th May, 2017

2. **Basis of Preparation**

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements of the Company for all periods up to and including the year ended 31st March 2016 were prepared in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 and Companies (Accounting Standard) Rules, 2006 (as amended), read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31st March 2017 are the first financial statements of the Company prepared in accordance with Ind AS. Refer note 32 for an explanation of how the transition from previous GAAP (Indian GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

The financial statements have been prepared on accrual basis and historical cost basis, except certain financial assets and financial liabilities measured at fair value amount:

- Defined benefit plans – plan assets measured at fair value,
- Investment in other debt instruments (i.e. preference shares)
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The stand-alone financial statements are presented in ₹ and all values are rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

2.1 **Summary of significant accounting policies**

a. **Property, Plant and Equipment :-**

On transition to Ind AS i.e. April 01, 2015, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation.and cumulative impairment. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met, that is:-

(a) it is probable that economic benefits associated with the item will flow to the entity in future; and
(b) the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Gains or losses arising from de–recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

b. Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the fixed assets as estimated by the management, which are equal to the rates prescribed under Schedule II of the Companies Act, 2013. Useful lives estimated by the management (years)

Types of Assets	Useful lives
Other buildings (RCC structures)	60 years
Porta Cabins (under building)	5 years
Other buildings (other than RCC structures)	30 years
Furniture and fixtures	10 years
Office equipments	3 to 5 years
Vehicles	8 years

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

c. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d. Leases (other than land leases):-

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

Operating Leases as a lessee:

Lease rentals are recognized as expense in the statement of profit and loss on a straight line basis with reference to lease terms and other considerations except where-

1. Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or
2. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Operating Leases as a lessor –

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss..

e. Impairment of Non financial assets

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

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

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

f. Borrowing Costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

g. Foreign currency Translation

Functional and presentation currency

The Company's financial statements are presented in Indian Rupee (₹), which is also it's functional currency.

Initial recognition

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount the spot rate between the functional currency and the foreign currency at the date the transaction first qualifies for recognition.

Conversion

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

Notes to the Financial Statements as at and for the year ended 31st March 2017

Exchange differences

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

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

h. Investments

Investment in subsidiaries and joint ventures are accounted for at cost in standalone financials statements. Investment in Associates are accounted for fair value through OCI.

Quoted investments of the Company are accounted for at fair value through OCI at the reporting date.

i. Inventories

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

Inventories are valued at the lower of Cost and Net Realizable Value.

The Cost is determined as follows:

Stock in trade including Land: Valued at lower of cost and net realizable value

Stock in Trade (others): The cost is determined on First in First out Method.

Net Realizable Value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

j. Provisions, Contingent Liabilities And Capital Commitments

Contingent Liabilities

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

<u>**Provisions**</u>

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

k. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements.

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

Dividend is recognized when the Company's right to receive payment is established by the balance sheet date.

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards or ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Revenue from sale of land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

l. Taxes on income

<u>**Current income tax**</u>

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

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

Notes to the Financial Statements as at and for the year ended 31st March 2017

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

m. Retirement and other Employee Benefits

Provident Fund and Family Pension Fund

Retirement benefits in the form of Provident Fund is defined benefit obligation and is provided for on the basis of actuarial valuation of projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952. Any excess of plan asset over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

Retirement benefit in the form of pension fund and National Pension Scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre–payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company operates one defined benefit plan for its employees viz. gratuity liability. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for each plan using the projected unit credit method. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Leave encashment

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. Remeasurements are not classified to the profit or loss in subsequent periods.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non–current liability.

Superannuation and Contributory Pension Fund

Retirement benefit in the form of Superannuation Fund and Contributory Pension Fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Company recognizes contribution payable to the Superannuation Fund and Contributory Pension Fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre–payment will lead to, for example, a reduction in future payment or a cash refund.

Payments made/to be made under the voluntary retirement scheme are charged to the Statement of Profit and Loss immediately.

Remeasurements

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

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

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

n. Current versus non-current classification

Assets and Liabilities in the balance sheet have been classified as either current or non–current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if
(a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
(b) it is expected to be realized within twelve months after the reporting date, except for land inventory which has been described under para.(i) above; or
(c) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non–current.

A liability has been classified as current when

(a) it is expected to be settled in the Company's normal operating cycle; or

(b) it is due to be settled within twelve months after the reporting date; or

(c) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non–current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has ascertained twelve months as its operating cycle.

o. Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Notes to the Financial Statements as at and for the year ended 31st March 2017

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

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

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

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

p. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

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

Subsequent measurement

Loans and borrowings

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

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

This category generally applies to borrowings.

Notes to the Financial Statements as at and for the year ended 31st March 2017

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

q. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash at bank and in hand and short term investments with an original maturity periods of three months or less.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Dividend to equity holders of the Company

The Company recognizes a liability to make dividend distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

s. Earnings per share

Basic Earnings per Share (EPS) is calculated by dividing the net profit or loss for the year 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.

t. Investment property

The Company has elected to continue with the carrying value for all of its investment property as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1st April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property as per Schedule II as mentioned in the policy of Depreciation.. and in certain cases based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

u. Fair value measurement of financial instruments

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

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

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

Notes to the Financial Statements as at and for the year ended 31st March 2017

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Notes to the Financial Statements as at and for the year ended 31st March 2017

v. Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision makers review the performance of the Company according to the nature of business of the company which includes development of real estate projects. The Company has two business segments which are fertilizers (up to FY 2015-16) and the real estate segment.

Segment accounting policies

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

w. Recent Accounting pronouncements

i) Standards issued but not yet effective -

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

ii) Amendment to Ind AS 7 -

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

Notes to the Financial Statements as at and for the year ended 31st March 2017

3. Property, plant and equipment

(₹ in Lakhs)

Particulars	Buildings	Furniture & fixtures	Office equipment	Vehicles	Total
Deemed Cost					
As at 01.04.2015	**153.69**	**0.62**	**3.90**	**65.99**	**224.20**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31.03.2016	**153.69**	**0.62**	**3.90**	**65.99**	**224.20**
Additions	28.08	0.80	3.96	0.64	33.48
Disposals	-	-	-	-	-
As at 31.03.2017	**181.77**	**1.42**	**7.86**	**66.63**	**257.68**
Depreciation					
As at 01.04.2015	-	-	-	-	-
Charge for the year	2.81	0.04	0.83	9.00	12.68
Disposals	-	-	-	-	-
As at 31.03.2016	**2.81**	**0.04**	**0.83**	**9.00**	**12.68**
Charge for the year	3.14	0.18	1.04	9.02	13.38
Disposals	-	-	-	-	-
As at 31.03.2017	**5.95**	**0.22**	**1.87**	**18.02**	**26.06**
Net block					
As at 31.03.2017	**175.82**	**1.20**	**5.99**	**48.61**	**231.62**
As at 31.03.2016	**150.88**	**0.58**	**3.07**	**56.99**	**211.52**

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Notes to the Financial Statements as at and for the year ended 31st March 2017

4. Investment property

(₹ in Lakhs)

Particulars	Total
Opening balance at 1st April 2015	1,162.05
Additions (subsequent expenditure)	-
Closing balance at 31st March 2016	**1,162.05**
Additions (subsequent expenditure)	-
Less: Transferred to investment property held for Sale	990.66
Closing balance at 31st March 2017	171.39
Depreciation and impairment	
Opening balance at 1st April 2015	-
Depreciation	8.93
Closing balance at 31st March 2016	**8.93**
Depreciation	9.16
Less: Investment property held for Sale	10.83
Closing balance at 31st March 2017	7.26
Net Block	
at 1st April 2015	1,162.05
at 31st March 2016	1,153.12
at 31st March 2017	**164.13**

(₹ in lakhs)

Information regarding income and expenditure of Investment property	At 31st March 2017	At 31st March 2016
Rental income derived from investment properties	265.95	222.94
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	265.95	222.94
Less – Depreciation	9.16	8.93
Profit arising from investment properties before indirect expenses	256.79	214.01

The Company's investment property consist of land & building owned by the Company let out to other group companies, outside party for business purpose and also to an educational institution.

(₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Investment Properties*	14,484.75	17,466.65	17,253.37

* ₹ 3214.92 lakhs fair valuation of investment property held for sale is not included in above figure for March 2017

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of sources including -

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All the resulting fair value estimates for investment properties are included in level 3

These valuations are based on valuations performed by S V Kushte, an accredited independent valuer. Mr. Kushte is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Company has entered into an agreement to sell land & building to a group company, Zuari Agro Chemicals Limited for a value of Rs 3209.13 lakhs (Carrying Value as on 31st March 2017 ₹ 979.83 Lakhs)

Fair value hierarchy disclosures for investment properties have been provided in Note 36

We have reclassified Assets as on 1st April, 2015 from Fixed Assets to Investment Property consisting of Land & building

Notes to the Financial Statements as at and for the year ended 31st March 2017

Financial assets

5A Investments (₹ in lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
I) Investment in equity instruments carried at cost						
Unquoted equity instruments						
Investment in subsidiaries						
5,07,85,794 (31st March 2016: 5,07,85,794, 1st April 2015: 5,07,85,794) Equity Shares of ₹10/- each fully paid up of Indian Furniture Products Limited	5,103.34	5,103.34	5,103.34	-	-	-
50,00,000 (31st March 2016: 50,00,000, 1st April 2015: 50,00,000) Equity Shares of ₹10/- each fully paid up of Simon India Limited	350.01	350.01	350.01	-	-	-
50,000 (31st March 2016: 50,000, 1st April 2015: 50,000) Equity Shares of ₹10/- each fully paid up of Zuari Management Services Limited	5.00	5.00	5.00	-	-	-
4,65,50,000 (31st March 2016: 4,65,50,000, 1st April 2015: 4,65,50,000) Equity Shares of ₹10/- each fully paid up of Zuari Infraworld India Limited	5,482.82	5,482.82	5,482.82	-	-	-
3,74,45,790 (31st March 2016: 3,74,45,790, 1st April 2015: 3,74,45,790) Equity Shares of ₹10/- each fully paid up of Zuari Investments Limited	5,057.83	5,057.83	5,057.83	-	-	-
Nil (31st March 2016: Nil, 1st April 2015: 100) Equity Shares of AED 1000/- each fully paid up of Globex Limited	-	-	13.40	-	-	-
1,49,00,000 (31st March 2016: 1,49,00,000, 1st April 2015: 1,49,00,000) Equity Shares of ₹10/- each fully paid up of Zuari Sugar and Power Limited	1,639.00	1,639.00	1,639.00	-	-	-
10000 (31st March, 2016 : Nil) Equity Shares of ₹ 10/- each fully paid up of Zuari Finserv Private Limited (formerly known as Horizon View Developers Private Limited)	1.00	-	-	-	-	-
Equity portion of Redeemable Convertible Non Cumulative Preference Shares : Investment in Subsidiary:						
- Indian Furniture Products Limited	771.69	771.69	-	-	-	-
Investment in equity instruments - Joint Venture						
Unquoted						
1,00,20,000 (31st March 2016: 1,00,20,000, 1st April 2015: 1,00,20,000) Equity shares of ₹10/- each fully paid up of Zuari Indian Oil tanking Private Limited	1,002.00	1,002.00	1,002.00	-	-	-

Continued ....

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Equity portion of corporate guarantees given which are carried at fair value through profit or loss						
- Gobind Sugar Mills Limited	85.21	9.76	6.08	-	-	-
- Simon India Limited	2.38	2.38	0.92	-	-	-
- Indian Furniture Products Limited	59.53	38.41	5.77	-	-	-
- Zuari Infraworld India Limited	17.04	-	-	-	-	-
- Zuari Sugar and Power Limited	7.72	-	-	-	-	-
(ii) Investment in equity instruments carried at Fair value through OCI						
Investment in equity instruments - Associate						
Quoted						
84,11,601 (31st March 2016: 84,11,601, 1st April 2015: 84,11,601) Equity Shares of ₹10/- each fully paid up of Zuari Agro Chemicals Limited	30,538.32	11,843.53	19,270.98	-	-	-
Investment in equity instruments - Others						
Unquoted						
Nil (31st March 2016: 72,000, 1st April 2015: 72,000) Equity shares of ₹10/- each fully paid up of Indian Potash Limited	-	1,111.68	938.16	-	-	-
1,00,000 (31st March 2016: 1,00,000, 1st April 2015: 1,00,000) Equity shares of ₹10/- each fully paid up of Biotech Consortium of India Limited	50.00	52.92	51.40	-	-	-
Nil (31st March 2016 :: 3,22,67,741) Equity Shares of ₹ 1/- each fully paid up of Nagarjuna Fertilisers and Chemicals Limited [Refer note 13 (a)]	-	-	-	-	2,194.21	2,323.28
2,58,250 (31st March 2016: 2,58,250, 1st April 2015: 2,58,250) Equity shares of ₹100/- each fully paid up of Lionel India Limited	-	-	-	-	-	-
Quoted						
5,90,15,360 (31st March 2016: 5,90,15,360, 1st April 2015: 5,90,15,360) Equity Shares of ₹10/- each fully paid up of Chambal Fertilisers and Chemicals Limited	51,077.81	32,369.97	39,835.34	-	-	-
2,41,57,712 (31st March 2016: 2,13,07,712, 1st April 2015: 1,53,07,712) Equity Shares of ₹1/- each fully paid up of Texmaco Infrastructure and Holdings limited	9,566.45	6,552.12	5,380.66	-	-	-
40,35,000 (31st March 2016: 40,35,000, 1st April 2015: 40,35,000) Equity Shares of ₹1/- each fully paid up of Texmaco Rail and Engineering Limited	3,732.38	4,210.52	6,014.16	-	-	-
98,21,310 (31st March 2016: 2,93,34,310, 1st April 2015: 2,93,34,310) Equity Shares of ₹1/- each fully paid up of Nagarjuna Oil Refinery Limited	459.64	1,085.37	1,205.64	-	-	
22,22,222 (31st March 2016: 22,22,222, 1st April 2015: 22,22,222) Equity Shares of USD 0.01/- each fully paid up of Synthesis Energy System Inc	1,224.94	1,649.01	-	-	-	1,445.14

Continued ....

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Non Current 31st March 2017	Non Current 31st March 2016	Non Current 1st April 2015	Current 31st March 2017	Current 31st March 2016	Current 1st April 2015
III) Investment in preference shares						
Investments at fair value through profit or loss						
Unquoted preference shares						
Investment in subsidiaries						
10,00,000 (31st March 2016: 10,00,000, 31st March 2015:: Nil) 7% Redeemable Convertible Non Cumulative Preference Shares of ₹100/- each fully paid up of Indian Furniture Products Limited	262.84	232.43	-	-	-	-
Total	**116,496.95**	**78,569.79**	**91,362.51**	**-**	**2,194.21**	**3,768.42**

Aggregate book value of quoted investments	96,599.54	57,710.52	71,706.78	-	-	1,445.14
Aggregate market value of quoted investments	96,599.54	57,710.52	71,706.78	-	-	1,445.14
Aggregate value of unquoted investments	19,897.41	20,859.27	19,655.73	-	2,194.21	2,323.28

(a) The Company has investment of ₹ 5,103.34 lakhs (31st March 2016: ₹ 5,103.34 lakhs) in the equity shares and ₹ 262.84 lakhs (31st March 2016: ₹ 232.43 lakhs) in redeemable convertible non-cumulative preference shares of one of its subsidiary company, Indian Furniture Products Limited. The Company has assured to provide continuous financial support. As per the latest audited financial statements of this subsidiary, it has accumulated losses which have resulted in erosion of substantial portion of its net worth.

5B **Loans** (₹ in lakhs)

Particulars	Non Current 31st March 2017	Non Current 31st March 2016	Non Current 1st April 2015	Current 31st March 2017	Current 31st March 2016	Current 1st April 2015
Security deposits						
Unsecured, considered good	0.24	0.24	0.23	2.45	-	-
Loans and advances to related parties						
Unsecured, considered good	1,650.45	673.00	2,136.00	5,656.32	14,690.83	15,905.55
Other Loans and Advances						
Secured, considered good						
Loans to -						
- Related parties (Note 39)	3.60	8.40	-	4.80	4.80	-
- Employees (secured)	1.38	2.05	2.19	0.68	0.17	0.17
Advances recoverable in cash or kind						
Unsecured, Considered Good	-	-	-	239.25	1.00	0.16
Unsecured, Considered Doubtful	-	-	-	26.19	31.30	-
	-	-	-	265.44	32.30	0.16
Less: Provision for doubtful advances	-	-	-	26.19	31.30	-
	-	-	-	239.25	1.00	0.16

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Interest accrued on loans to employees -						
- Related Parties (Note 39)	8.76	8.76	-	-	-	-
- Others	0.07	0.10	0.01	0.01	-	0.11
Balance with Statutory Authorities	-	-	-	21.12	-	-
Interest accrued and due -						
- Related Parties (Note 39)	-	-	-	15.38	160.74	255.18
- Others				0.05		
Total	**1,664.50**	**692.55**	**2,138.43**	**5,940.06**	**14,857.54**	**16,161.17**

- Loans to employees include amount due from officer of the Company (Managing Director) ₹ 8.40 lakhs as on 31st March 2017. (₹ 13.20 lakhs in March 2016).
- Interest accrued on employee's loan includes amount due from officers of the Company (Managing Director)` ₹ 8.76 lakhs as on 31st March 2017 (31st March, 2016 :: ₹ 8.76 lakhs)]

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

5C **Other** (₹ in lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Non-Current bank balances	0.97	0.97	0.75			
Total	0.97	0.97	0.75	-	-	-

Break up of financial assets carried at amortised cost

(₹ in lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Security Deposits	0.24	0.24	0.23	2.45	-	-
Loans	1,655.43	683.45	2,138.19	5,661.80	14,695.80	15,905.72
Advance receivable in cash or kind	-	-	-	239.25	1.00	0.16
Interest accrued on loans	8.83	8.86	0.01	15.44	160.74	255.29
Balance with Statutory Authorities	-	-	-	21.12	-	-
Non current Bank Balance	0.97	0.97	0.75	-	-	-
Total Financial Assets Carried At Amortized Cost	**1,665.47**	**693.52**	**2,139.18**	**5,940.06**	**14,857.54**	**16,161.17**

Notes to the Financial Statements as at and for the year ended 31st March 2017

6. Other assets

(₹ in lakhs)

Particulars	Current		
	31st March 2017	31st March 2016	1st April 2015
Prepaid expenses	4.68	2.57	36.53
Other Receivables - Related Party	110.78	3.97	-
Total	**115.46**	**6.54**	**36.53**

Other receivables - Related Party include ₹ 34.77 lakhs (31st March, 2016 - ₹ 3.97 lakhs) (1st April 2015 - Nil) receivable from Zuari Infra Middle East Limited for guarantee commission & ₹ 76.00 lakhs (31st March 2016 - Nil) (1st April 2015 - Nil) receivable from Gobind Sugar Mills Limited for management consultancy charges.

7. Inventories

(₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Stock in trade*	23,218.45	21,522.18	20,507.48
Stock in trade (Others)#	41.27	-	-
Total inventory (at cost or NRV whichever is lower)	**23,259.72**	**21,522.18**	**20,507.48**

* Stock in trade of ₹16,359.32 Lakhs (31st March 2016 ₹ 16,359.32 lakhs) is pending to be registered in the Company's name.

* Above stock In trade includes project expenses

Stock in trade (Others) include Stock of Steel and Cement

8. Trade receivables

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Trade receivables - related parties	-	-	-
Trade receivables - others	-	-	22.72
Total	**-**	**-**	**22.72**

Break-up for security details:

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
From Related Parties			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
	-	-	-
Unsecured, considered doubtful	-	-	-
From Others			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	22.72
Unsecured, considered doubtful	19.90	19.90	-
Total	**19.90**	**19.90**	**22.72**
Less : Provision for Doubtful Debts	19.90	19.90	-
Total	**-**	**-**	**22.72**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Notes to the Financial Statements as at and for the year ended 31st March 2017

9. Cash and Cash Equivalent

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Cash and cash equivalents			
a. Balances with banks			
- On Current accounts	237.83	87.25	364.73
- On Deposit accounts with original maturity of less than 3 months	150.00	-	-
b. Cheque on hand	0.31	0.06	2.57
c. Cash on hand	-	0.87	1.72
Total	**388.14**	**88.18**	**369.02**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day to 3 months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

10 Other Bank balances

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Balances with banks:			
Balance with banks - on interest warrants accounts	0.90	2.61	5.30
Balance with banks - on unclaimed dividend account	25.87	29.04	33.46
Balance with banks - on Fixed Deposit Account With remaining maturity period for more than 3 months but less than 12 months	-	1.00	2.00
Balance with banks - on Fixed Deposit Account With remaining maturity period for less than 3 months	0.50	-	-
Total	**27.27**	**32.65**	**40.76**

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Notes to the Financial Statements as at and for the year ended 31st March 2017

11. Share Capital (₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Authorised :			
11,50,00,000 (31st March 2016:: 11,50,00,000) (31st March 2015:: 11,50,00,000) Equity Shares of ` 10/- each	11,500.00	11,500.00	11,500.00
20,75,000 (31st March 2016:: 20,75,000) (31st March 2015:: 20,75,000) Redeemable Cumulative Preference shares of ` 100/- each	2,075.00	2,075.00	2,075.00
	13,575.00	**13,575.00**	**13,575.00**
Issued:			
2,94,48,655 (31st March 2016: 2,94,48,655) (31st March 2015: 2,94,48,655) Equity Shares of ₹10/- Each Fully paid	**2,944.87**	**2,944.87**	**2,944.87**
Subscribed and Paid-up			
2,94,40,604 (31st March 2016: 2,94,40,604) (31st March 2015: 2,94,40,604) Equity Shares of ₹10/- Each Fully paid	2,944.06	2,944.06	2,944.06
Add: 1100 (31st March 2016: 1100) (31st March 2015: 1100) Forfeited Shares (amount paid-up) fully paid-up	0.05	0.05	0.05
Total	**2,944.11**	**2,944.11**	**2,944.11**

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

Equity Shares	31st March 2017		31st March 2016		1st April 2015	
	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs
At the beginning of the year	29,440,604	2,944.06	29,440,604	2,944.06	29,440,604	2,944.06
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**29,440,604**	**2,944.06**	**29,440,604**	**2,944.06**	**29,440,604**	**2,944.06**

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having a par value of ₹10/- Share. Each share holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year 31st March 2017, the amount of per share dividend recognised for distribution to equity share holders was ₹ 1/- per share, subject to approval of shareholders (31st March 2016: ₹ 1/- per Share)

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

c. Details of Shareholders holding more than 5% of equity shares in the Company

Figures in No.

Name of Shareholder	31st March 2017		31st March 2016		1st April 2015	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Globalware Trading and Holdings Limited	7,491,750	25.45	7,012,000	23.82	7,012,000	23.82
SIL Investment Limited	2,790,000	9.48	3,208,000	10.90	3,208,000	10.90
Texmaco Infrastructure and Holdings Limited	2,757,941	9.37	2,757,941	9.37	2,757,941	9.37
Adventz Finance Private Limited	2,294,491	7.79	1,687,512	5.73	1,601,723	5.44
Reliance Capital Trustee Co Ltd A/c - Reliance Regular Savings Fund Equity Option	1,600,000	5.43	1,600,000	5.43	1,600,000	5.43

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

Notes to the Financial Statements as at and for the year ended 31st March 2017

12. Borrowings

(₹ in Lakhs)

Particulars	Non-Current		
	31st March 2017	31st March 2016	1st April 2015
From Others			
Secured			
12.40% loan from Rabo India Finance Limited (Repayable after 3 years from date of availment i.e. 25.03.2014)	-	7,977.81	7,957.85
Total		**7,977.81**	**7,957.85**
Amount disclosed under the head "other financial liabilities (Refer Note 14)		(7,977.81)	
Total		-	**7,957.85**

Notes:

(i) The loan was secured by the first exclusive charge on specific immovable property (included under inventories) of the Company.

(ii) The Company had undertaken that during the term of the loan, it shall continue to hold and it shall not enter into a transaction to encumber any of the following equity shares which are currently directly or indirectly held by it:

a) 100% equity shares in the total equity share capital of Zuari Investment Limited (ZIL).

b) 30% equity shares in the total equity share capital of Zuari Agro Chemicals Limited

c) 12% equity shares in the total equity share capital of Chambal Fertilisers and Chemicals Limited

d) 25% equity shares in the total equity share capital of Gobind Sugar Mills Ltd.

(iii) Promoter group shall continue to have management control of the Company and ZIL (Subsidiary company) and hold majority ownership (at least 51% of the total equity share capital without any encumbrance) in the Company including the ability to appoint majority Directors of the Board of the Company and Zuari Investment Limited.

13. Trade payables

(₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Trade payables			
- Related Parties	94.43	6.29	1.50
- Others	532.89	125.43	92.83
Total	**627.32**	**131.72**	**94.33**

Disclosure as per Section 22 of "The Micro and Small Enterprises Development Act, 2006".

(₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
The principal amount and the interest due thereon remaining unpaid to any supplier:			
- Principal amount	Nil	Nil	Nil
- Interest thereon	Nil	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	Nil	Nil	Nil

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms

Notes to the Financial Statements as at and for the year ended 31st March 2017

14. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Other financial liabilities at amortised cost						
Payable towards voluntary retirement scheme	4.60	23.27	42.71	18.67	18.68	**19.73**
Current maturities of long term borrowings	-			-	7,977.81	-
Advance towards sale of land/Investments - Related Parties (refer note 4 - Investment Property for ₹ 3209.13 Lakhs advance)	-	-	-	3,209.13	11,920.00	13,420.00
Employee benefits payable	-	-	-	-	0.57	0.28
Interest accrued but not due on borrowings	-	-	-	-	2.72	2.72
Statutory liabilities to be credited to 'Investor's Education and Protection Fund' as and when due						
- Unclaimed deposits	-	-	-	1.51	2.71	6.66
- Unclaimed dividends (Refer Note No. 10)	-	-	-	25.87	29.04	33.46
- Unclaimed Interest warrants	-	-	-	0.90	2.61	5.31
- Unclaimed preference warrants	-	-	-	-	5.79	5.82
Total	**4.60**	**23.27**	**42.71**	**3,256.08**	**19,959.93**	**13,493.98**
Financial guarantee contracts	-	-	-	145.31	42.38	12.78
Total	**4.60**	**23.27**	**42.71**	**3,401.39**	**20,002.31**	**13,506.76**

Break up of financial liabilities carried at amortised cost

(₹ in Lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Borrowings (current) (note 12)	-	-	-	-	-	7,957.85
Current maturities of long term borrowings (note 14)	-	-	-	-	7,977.81	-
Trade payables (note 13)	-	-	-	627.32	131.72	94.33
Other Financial Liabilities (Note 14)	4.60	23.27	42.71	3,256.08	11,982.12	13,493.98
Total	**4.60**	**23.27**	**42.71**	**3,883.40**	**20,091.65**	**21,546.16**

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Notes to the Financial Statements as at and for the year ended 31st March 2017

15. Other Current Liabilities (₹ in lakhs)

Particulars	Current		
	31st March 2017	31st March 2016	1st April 2015
Statutory liabilities	75.98	62.93	34.00
Advances received from customers and others			
- Related Parties*	59.92	-	-
- Others	862.10	35.90	34.43
Others (Interest on income Tax)	8.21	9.47	-
Total	**1,006.21**	**108.30**	**68.43**

* Include advance received against sale of flat from Mrs. Rekha Krishnan (wife of Mr. N. Suresh Krishnan ₹ 29.36 lakhs and Mr. K.K. Gupta for ₹ 30.56 lakhs).

For more details refer Note 39 Related Party

16. Provisions (₹ in lakhs)

Particulars	Current		
	31st March 2017	31st March 2016	1st April 2015
Provision for employee benefits			
Gratuity (funded) (Refer Note 38)	29.47	18.77	-
Compensated Absences	251.60	209.06	62.91
Total (A)	**281.07**	**227.83**	**62.91**
Others provisions			
Wealth tax	-	-	48.11
Total (B)	-	-	48.11
Total (A+B)	**281.07**	**227.83**	**111.02**

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Notes to the Financial Statements as at and for the year ended 31st March 2017

17. Deferred tax: (₹ in lakhs)

Particulars	As at 1st April 2015	Provided during the year	As at 31st March 2016	Provided during the year	As at 31st March 2017
Deferred tax liability:					
Fixed assets Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	72.74	2.70	75.44	(2.09)	73.35
Income considered in the books but not in the income tax	49.54	(11.31)	38.23	(38.23)	-
Fair valuation of investment in preference shares	-	1.43	1.43	10.52	11.95
Amortisation of financial guarantee liability	-	2.83	2.83	6.36	9.19
Total deferred tax liability (A)	**122.28**	**(4.35)**	**117.93**	**(23.44)**	**94.49**
Deferred tax assets:					
Provision for doubtful debts	-	-	-	-	-
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	64.94	11.09	76.03	8.83	84.86
Unabsorbed Depreciation	-	-	-	-	-
Others	-	-	-	-	-
Total deferred tax assets (B)	**64.94**	**11.09**	**76.03**	**8.83**	**84.86**
Deferred Tax Liability (Net) (A - B)	**57.34**	**(15.44)**	**41.90**	**(32.27)**	**9.63**

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

17 A Income Tax

Profit or loss section (₹ In lakhs)

Particulars	31st March 2017	31st March 2016
Profit before tax	**2,378.67**	**3,405.55**
Tax expense:		
Current Tax	(401.22)	(689.69)
Income tax adjustment for earlier years	41.37	202.16
Deferred Tax	30.45	21.95
Total Tax expense	**(329.40)**	**(465.58)**

OCI section

(₹ In lakhs)

Particulars	31st March 2017	31st March 2016
Re-measurement gains (losses) on defined benefit plans	(5.21)	18.82
Income tax effect	1.80	(6.51)

Notes to the Financial Statements as at and for the year ended 31st March 2017

(i) a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed

(₹ In lakhs)

Particulars	31st March 2017	31st March 2016
Accounting profit	2,378.67	3,405.55
Tax at the applicable tax rate of 34.61% (31.3.2016: 34.61%)	823.21	1,178.59
Tax effect of income that are not taxable in determining taxable profit		
Dividend income	(444.25)	(463.13)
Sale of Investment in subsidiary	-	(14.27)
Reversal of Wealth Tax	-	(6.22)
Forex Reinstatement	-	(1.74)
Deferred Tax Reversal of Interest under section 234C	-	(49.49)
Deferred Tax Reversal of interest under section 244A	(38.23)	(11.31)
Employee expenses decreased due to Ind-AS impact	(1.77)	-
Tax effect of expenses that are not deductible in determining taxable profit:		
Disallowance U/s 14A	4.13	4.56
CSR Expense	-	20.23
Interest on Delayed Payment of Taxes	6.40	9.80
Employee Expenses Increased due to Ind-AS impact	-	3.74
Interest on land compensation (taxable on receipt basis)	27.80	-
Other adjustments	(6.52)	(3.02)
Previous year tax adjustment	(41.37)	(202.16)
Tax expense	**329.40**	**465.58**

An explanation of changes in the applicable tax rate(s) compared to the previous accounting period

In 2015-16, the Government enacted a change in the national income tax rate from 33.99% to 34.61%.

In 2016-17, the Government enacted a Nil change in the national income tax rate.

In 2016-17, the Government enacted a Nil change in the national income tax rate.

Income Tax Assets (net) (₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Advance received - related parties (Refer Note. 39)	(2,533.85)	-	-
Income tax assets- others	3,444.35	2,795.92	2,331.97
Total	**910.50**	**2,795.92**	**2,331.97**

Notes to the Financial Statements as at and for the year ended 31st March 2017

18. Other income

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Interest income on: (Note A)		
Bank deposits	0.06	0.32
Intercorporate loans	1,209.35	2,140.72
Compensation towards land acquisition	-	14.90
Income tax refunds	337.17	359.86
Employee loans etc.	0.14	0.17
Dividend income from: (Note B)		
Current investments	7.49	13.84
Long-term investments	1,276.15	1,324.37
Provision written Back (Net)	5.11	25.72
Exchange fluctuation (Net)	-	5.03
Loss/(gain) arising on financial assets as at fair value through profit and loss	30.41	4.12
Income from financials guarantee	18.40	8.17
Rent received	265.95	222.94
Miscellaneous income	227.78	16.96
Total	**3,378.01**	**4,137.12**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
In relation to Financial assets classified at amortised cost	1,209.55	2,141.21
Total	**1,209.55**	**2,141.21**

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Notes to the Financial Statements as at and for the year ended 31st March 2017

19 Project Expenses (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Architect Fees	50.29	-
Consultancy expenses	111.91	-
Approval fees	0.59	-
Civil work	519.88	-
Erection - Electrical Supply	5.93	-
Depreciation expenses	0.64	-
Insurance Expense	0.54	-
Repair & Maintenance expense		
- Others	3.00	-
Legal and Professional Expenses	0.25	-
Security Expense	4.47	-
Interest expenses	992.44	1,014.70
Travelling and Conveyance	3.08	-
Miscellaneous expenses	3.25	-
Total	**1,696.27**	**1,014.70**

Project expenses above are in relation to Real estate development project which are currently undertaken by the Company

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
In relation to Financial liabilities classified at amortised cost	992.44	1,014.70
Total	**992.44**	**1,014.70**

20 Changes in inventories (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Closing stock		
Stock in trade	23,218.45	21,522.18
Total (A)	**23,218.45**	**21,522.18**
Less :		
Opening stock		
Stock in trade	21,522.18	20,507.48
Total (B)	**21,522.18**	**20,507.48**
(Increase) / decrease		
Stock in trade	(1,696.27)	(1,014.70)
Total (A-B)	**(1,696.27)**	**(1,014.70)**

Notes to the Financial Statements as at and for the year ended 31st March 2017

21. Employee Benefits Expense (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Salaries, wages and bonus	514.45	447.35
Contribution to provident and other funds	46.20	48.01
Gratuity (Refer Note 38)	5.50	3.89
Staff welfare expenses	8.62	8.75
Total	**574.77**	**508.00**

22. Finance Costs (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Interest expense:		
Interest On Income Tax	18.48	(114.68)
Total	**18.48**	**(114.68)**

23. Depreciation and amortization expense (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Depreciation of property, plant and equipment (refer Note 3)	13.38	12.68
Depreciation of investment property (refer Note 4)	9.16	8.93
Total	**22.54**	**21.61**
Less: Transferred to Project Expense (refer note 19)	0.64	-
Total	**21.90**	**21.61**

24. Other expenses (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Power, fuel and water	-	0.07
Outward freight and handling	-	5.21
Rent	3.13	3.12
Rates and taxes	7.54	4.84
Insurance	0.51	1.35
Repairs and maintenance		
Others	3.57	3.02
Payment to auditor (Refer details below)	48.80	36.81
Exchange fluctuation (net)	0.98	-
Consultancy charges	139.74	124.30
Advertising and sales promotion	30.05	-
CSR expenses	-	58.46
Provision for doubtful advances	-	31.30
Provision for doubtful debts	-	19.90
AGM Expenses	43.95	50.03
Brokerage and Commission	24.41	-
Directors Sitting Fees	19.31	16.09
Travelling & Conveyance	40.38	31.89
Miscellaneous expenses	21.82	12.73
Total	**384.19**	**399.12**

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Payments to statutory auditors as		
As auditors		
Audit fees	17.71	17.70
Tax audit fee	4.57	4.53
Limited review fees	5.69	5.65
In other capacity		
Certification fees, etc.	19.34	8.11
Reimbursement of expenses	1.49	0.82
Total	**48.80**	**36.81**

25. Exceptional Items (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Income		
Profit on disposal of non current investments	-	82.48
Total	**-**	**82.48**

26. Dividend distributions made and Proposed (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Cash dividends on Equity shares declared and paid:		
Final equity dividends:: ₹1/– per equity share (31st March, 2015:: ₹1/– Per Equity Share)	297.58	298.83
Dividend Distribution Tax on final dividend	59.93	59.93
Total	**357.51**	**358.76**
Proposed dividends on Equity shares:		
Proposed final equity dividends:: ₹1/– per equity share (31st March, 2016:: ₹1/– Per Equity Share)	294.41	294.41
Tax on proposed equity dividend	59.93	59.93
Total	**354.34**	**354.34**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31st March.

27. Earnings Per Share (EPS)

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

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit after taxation as per statement of Profit and Loss (₹ in lakhs)	2,049.27	2,939.97
Weighted average number of shares used in computing earnings per share -Basic and Diluted	29,440,604	29,440,604
Earnings per share – Basic and diluted (in ₹) (annualised)	6.96	9.98
Face value per share (in ₹)	10	10

Notes to the Financial Statements as at and for the year ended 31st March 2017

28. Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

Estimates And Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 38.

Fair Value Measurement Of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 33 for further disclosures.

Useful Life Of Property, Plant And Equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date

Notes to the Financial Statements as at and for the year ended 31st March 2017

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

1) Disclosure of Interest in the following categories of Joint Arrangements:

(a) Joint Ventures:

	Name	Method used to account for investments	Country of Incorporation /Principal place of business	Ownership Interest of ZGL (%)		
				As on 31.03.17	As on 31.03.16	As on 1.04.15
(i)	Zuari Indian Oiltanking Private Limited	Deemed cost	India	50.00%	50.00%	50.00%

2) Disclosure of Interest in the following subsidiaries:

	Name	Method used to account for investments	Country of Incorporation /Principal place of business	Ownership Interest of ZGL (%)		
				As on 31.03.17	As on 31.03.16	As on 1.04.15
1.	Indian Furniture Products Limited (IFPL)	Deemed cost	India	86.05%	86.05%	86.05%
2.	Simon India Limited	Deemed cost	India	100.00%	100.00%	100.00%
3.	Zuari Management Services Limited	Deemed cost	India	100.00%	100.00%	100.00%
4.	Zuari Infraworld India Limited (ZIIL)	Deemed cost	India	100.00%	100.00%	100.00%
5.	Zuari Investments Limited	Deemed cost	India	100.00%	100.00%	100.00%
6.	Globex Ltd	Deemed cost	UAE	0.00%	0.00%	100.00%
7.	Zuari Sugar and Power Limited	Deemed cost	India	100.00%	100.00%	100.00%
8.	Horizon view Developers Pvt Ltd	Deemed cost	India	100.00%	0.00%	0.00%

3) Disclosure of Interest in the following associates:

	Name	Method used to account for investments	Country of Incorporation /Principal place of business	Ownership Interest of ZGL (%)		
				As on 31.03.17	As on 31.03.16	As on 1.04.15
1.	Zuari Agro Chemicals Limited	Fair value through OCI	India	32.08%	32.08%	32.08%

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Notes to the Financial Statements as at and for the year ended 31st March 2017

30. Commitments and Contingencies

A. Leases

(a) Operating lease — as lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Lease rentals recognized during the year	3.13	3.12
Lease Obligations		
- Within one year		
- After one year but not more than five years	-	-
- More than five years	-	-

The lease has expired on 31st March, 2017 and the Company has not renewed it.

The Company has obtained Vehicles on operating leases for the period ranging from 0-2 years. In all the cases, the agreements are further renewable at the option of the Company. There is escalation clause in the respective lease agreements. All these leases are cancellable in nature.

(b) Operating lease — as lessor

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Lease rentals recognized during the Year	265.95	222.94

(₹ in Lakhs)

Investment Properties	31st March 2017	31st March 2016	1st April 2015
- Gross Carrying Amount	171.39	1,162.05	1,162.05
- Accumulated Depreciation	7.26	8.93	-
- Depreciation recognized in the Statement of Profit and Loss	9.16	8.93	-

The Company has given Land and buildings on operating lease for the period as per the agreement. In all the cases, the agreements are further renewable at the option of the Company. All these leases are cancellable in nature.

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Notes to the Financial Statements as at and for the year ended 31st March 2017

B. Contingent Liabilities

Contingent liabilities not provided for: (₹ in Lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Demand Notices received from Income Tax Authorities*			
a) Demand in respect of Assessment Year 1999-00, for which the Company filed petition in Hon'ble High Court	57.90	-	-
b) Demand in respect of Assessment Year 2002-03, for which the Company has filed an appeal with CIT (A).	43.36	-	-
c) Demand in respect of Assessment Year 2007-2008 for which the appeal is filed with CIT (A).	233.68	-	254.47
d) Demand in respect of assessment year 2011-12, for which the Company has got favourable order from ITAT However appeal effect order is pending from the assessing authority.	-	2,471.67	1,718.77
e) Demand in respect of Assessment year 2012-13, for which an appeal is pending with CIT(Appeals)	954.29	1,452.63	1,263.50
f) Demand in respect of Assessment Year 2013-14, for which the company has filed an appeal with CIT (Appeals)	23.34	-	-
g) Demand in respect of Assessment Year 2014-15, for which the Company has filed an appeal with CIT(Appeals)	76.60	-	-
h) Demand in respect of Wealth Tax for Assessment Years 2006-07 to 2010-11 for which the Company has filed appeals with Commissioner of Wealth Tax (Appeals). The Company has deposited ₹ 282.89 lakhs under protest.	565.78	565.78	565.78

* Based on discussion with the Solicitors/favourable decision in similar cases, the management believes that the Company has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary.

C. Corporate guarantees given in favour of banks / others on behalf of :

₹ in Lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Simon India Limited	5,000	5,000	5,000
Indian Furniture Products Limited	17,896	10,696	9,196
Gobind Sugar Mills Limited	24,208	23,421	27,000
Zuari Infraworld India Ltd	15,000	-	-
Zuari Infra Middel East Ltd	10,596	-	-
Zuari Sugar & Power Limited	10,000	-	-

D. The Company has given a letter of Comfort to Ratnagar Bank Limited for the purpose of Facilitating the loan of Nil (31st Mar'16 - 2000 lakhs) taken by Gobind Sugar Mills Limited

E. The Company has provided Corporate guarantee for ₹ 10,000 lakhs to Indusind Bank for extending loan to Zuari Sugar and power Limited (ZSPL), wholly owned subsidiary of the Company. As on 31st March 2017, loan disbursement amount is of ₹9483 lakhs and also provided following security:

a. Exclusive charge on immovable fixed assets owned by the Company

b. The land collateral should include at least 6.89 acre for phase I residential development and 16 acre for phase II residential project being executed by the Company in Goa.

c. Exclusive charge by way of hypothetication over all present and future current and movable property, plant & equipment of the Company excluding all land (Being carried as inventory) other than land to be mortgaged to Indusind bank Limited and excluding current investment of Nagarjuna Fertilizers and Chemicals Limited and Non Current Investment of Synthesis Energy System Inc

F. The Company has given a plot of land as security admeasuring an area about 1,26,549 Sq.mtrs. situated at Zuarinagar Sancoale, Goa within the limit of village panchayat of Sancoale, Taluka and Sub District of Mormugao, District of South Goa, in favour of State Bank of India, Mumbai to issue Standby Letter of Credit (SBLC) to the extent of AED 35 Million (₹ 6,181 lakhs at the closing rate of 1 AED = ₹ 17.66) to Zuari Infra Middle East Limited, stepdown wholly owned subsidiary of the Company .

Notes to the Financial Statements as at and for the year ended 31st March 2017

31. First Time Adoption of Ind AS

These financial statements, for the year ended 31st March 2017, are the first the Company has prepared in accordance with Ind-AS. For periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on or after 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The following exemptions are available to the Company:

Mandatory exemptions:

Classification and measurement of financial assets:

Financial Instruments: (Loan to employees and security deposits paid) :

Financial assets like loan to employees and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

Optional exemptions:

Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

Investment in subsidiaries and Joint ventures

The Company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries and joint ventures, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

Business combinations:

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1st April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

The Company has not applied Ind AS 21, The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments that occurred before the date of transition to Ind AS. Such fair value adjustments are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

32 First Time Adoption of Ind AS

Reconciliation of Equity (₹ in Lakhs)

Particulars	Notes	As at 31st March 2016 (end of last period presented under previous GAAP)	As at 01st April 2015 (Date of Transition)
Equity as reported under previous GAAP		66,365.62	64,361.81
<u>Ind AS: Adjustments increase (decrease):</u>			
Opening adjustment to retained earnings		51,925.76	
Reversal of provision created for proposed dividend	2 a)	294.41	294.41
Reversal of provision for tax created for proposed dividend	2 a)	59.93	59.93
Fair valuation of quoted investments through OCI	1 a)	(17,341.66)	50,387.57
Fair valuation of un-quoted investments through OCI	1 a)	45.97	1,183.85
Reclassification of impact of re-measurement in net defined benefit liability/ (asset) to OCI	3)	(18.82)	
Reclass of actuarial loss on gratuity from employee benefit expense to OCI	3)	18.82	
Liability created for proposed dividend	2 a)	(294.41)	
Liability for tax created for proposed dividend	2 a)	(59.93)	
Amortisation of liability recognised for financial guarantee	2 b)	8.17	
Fair valuation of investment in preference shares	1 b)	4.12	
EIR method for upfront fees paid on loan	2 c)	19.97	
EIR method for upfront fees paid on loan (Impact on inventories)	2 c)	(19.97)	
Reversal of provision for diminution in value of Quoted investment in Synthesis Energy System Inc.	1 a)	586.11	
Deferred tax impact recognised in statement of profit or loss	4)	(4.25)	
Equity as reported under IND AS		**101,589.84**	**116,287.57**

Notes to the Financial Statements as at and for the year ended 31st March 2017

PARTICULARS	Notes	Year ended 31st March 2016 (latest period presented under previous GAAP)
Previous GAAP		2,358.13
Ind AS: Adjustments increase (decrease):		
Reclassification of Impact of re-measurement in net defined benefit liability/ (asset) to OCI	3)	(18.82)
Amortisation of liability recognised for financial guarantee	2 b)	8.17
Fair valuation of investment in preference shares	1 b)	4.12
EIR method for upfront fees paid on loan	2 c)	19.97
EIR method for upfront fees paid on loan (Impact on Inventories)	2 c)	(19.97)
Reversal of provision for diminution in value of Quoted investment in Synthesis Energy System Inc.	1 a)	586.11
Incremental deferred tax impact recognised in statement of profit or loss	4)	(4.25)
Tax impact of reclass of actuarial gain / loss to OCI	3)	6.51
Total adjustment to profit or loss		**581.84**
Profit or loss under Ind AS		**2,939.97**
Other comprehensive income		(17,283.36)
Total comprehensive income under Ind ASs		**(14,343.39)**

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

Footnotes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016

1) Financial assets

a The Company has invested in quoted as well as un-quoted shares. Investments made in these equity shares are shown as both current and non-current investments and valued at cost under previuos GAAP. Such investments are not held for trading. As per the provisions of Ind-AS the management has elected to classify and measure these investments at fair value through Other Comprehensive Income (OCI). Quoted investment in Synthesis Energy System Inc. has been classified as FVTOCI and provision created in the year 2015-16 by debiting to statement of profit or loss, the same has been reversed in the year 2015-16

b The Company had invested in 10,00,000 7% Redeemable Preference Shares of its subsidiary IFPL at par value i.e. ₹ 100 per share. As per the requirements of Ind-AS 109, initial measurement of such investment in preference shares needs to be done at fair value. The difference between transaction price and fair value needs to be accounted for as deemed investment in stand-alone books of the Company

2) Financial liability

a As per the requirements of existing IGAAP, AS 4 the Company has made provision for the proposed dividends. As per Ind AS 10, if dividends to holders of equity instruments are proposed or declared after the balance sheet date, an entity should not recognise those dividends as a liability at the balance sheet date. Accordingly the Company has reversed the provision created under the existing GAAP for proposed dividend.

b The Company has issued Financial Guarantee (FG) to Banks for the purposes of facilitating loan to its subsidiaries namely Simon India Limited, Indian Furniture Products Limited and Gobind Sugar Mills Limited, Zuari Sugar and Power Limited, Zuari Infraworld India Limited & Zuari Infra Middle East Limited. No fee is charged from the subsidiaries for issuing such guarantees. Fair value of such guarantee has been treated as deemed capital contribution in the stand alone books of the Company as initial recognition with creation of corresponding liability towards financial guarantee. Subsequently, such liability has been amortised and income has been recognised against such liability.

c The Company had taken a loan of ₹ 800 million from Rabo India Finance Limited in March 2014 for the purpose of acquiring land. The Company had paid upfront processing charges on that loan which has been inventorised and added to land cost. . Under Ind AS, loan processing fee on all financial liabilities has been recognized in the carrying amount of the loan and considered in the effective interest rate on the borrowings.

3) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI. Due to this, for the year ended 31st March 2016, the employee benefit cost is enhanced and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI .

4) Deferred taxes

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the Company has recognised incremental deferred tax charge with a corresponding debit to retained earnings.

33. Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

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

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31st March 2017.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

Notes to the Financial Statements as at and for the year ended 31st March 2017

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2017 and 31st March 2016.
- The sensitivity of equity is calculated at 31st March 2017 and 31st March 2016 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Applicability - Financial liabilities
Primarily to long-term debt obligations with fixed interest rates.
Loans from others - In Rupees (loan from Rabo India Finance Ltd.)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
Interest Rate senstivity
The Company does not have interest rate risk since the rate of interest for the loan taken by the Company is fixed rate interest. Also, the Company has repaid its entire borrowings during the financial year and as on the reporting date, the borrowings of the Company are NIL.

Foreign currency risk
Applicability -
Company operating activities (when revenue or expense is denominated in foreign currencies)

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets.

(₹ in lakhs)

	Change in AED rate	Effect on profit before tax	Effect on pre-tax equity
31st March 2017	+5%	1.74	1.74
	-5%	(1.74)	(1.74)
31st March 2016	+5%	0.20	0.20
	-5%	(0.20)	(0.20)
01st April 2015	+5%	-	-
	-5%	-	-

(₹ in lakhs)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
31st March 2017	+5%	0	61.25
	-5%	0	(61.25)
31st March 2016	+5%	0	82.45
	-5%	0	(82.45)
01st April 2015	+5%	0	72.26
	-5%	0	(72.26)

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in USD & AED where the functional currency of the entity is a currency other than USD & AED.

Equity price risk

Applicability

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 50 lakhs. Sensitivity analyses of these investments have been provided in Note 35.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 96599.54 lakhs. A decrease of 5% on the BSE market price could have an impact of approximately ₹ 4829.98 lakhs on the OCI or equity attributable to the Company. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

Credit risk

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

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis.

Liquidity risk

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

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on **contractual undiscounted payments.**

(₹ in lakhs)

Particulars	Less than 1	1 to 5 years	> 5 years	Total
Year ended 31st March 2017				
Trade payables	627.32	-	-	627.32
Other financial liabilities	3,256.08	4.60	-	3,260.68
Financial guarantee contracts*	145.31	-	-	145.31
	4,028.71	**4.60**	-	**4,033.31**
Year ended 31st March 2016				
Borrowings	7,977.81	-	-	7,977.81
Trade payables	131.72	-	-	131.72
Other financial liabilities	11,982.12	23.27	-	12,005.39
Financial guarantee contracts*	42.38	-	-	42.38
	20,134.03	**23.27**	-	**20,157.30**

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Less than 1	1 to 5 years	> 5 years	Total
Year ended 01st April 2015				
Borrowings	-	7,957.85	-	7,957.85
Trade payables	94.33	-	-	94.33
Other financial liabilities	1,573.98	11,962.71	-	13,536.69
Financial guarantee contracts*	12.78	-	-	12.78
	1,681.09	**19,920.56**	-	**21,601.65**

* Based on the maximum amount that can be called for under the financial guarantee contract.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

34. Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Borrowings	-	7,977.81	7,957.85
Trade payables	627.32	131.72	94.33
Less: Cash and cash equivalents	388.14	88.18	369.02
Net debts	**239.18**	**8,021.35**	**7,683.16**
Total Capital	144,848.93	101,589.84	116,287.57
Capital and net debt	**145,088.11**	**109,611.19**	**123,970.73**
Gearing ratio (%)	0.16%	7.32%	6.20%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

Notes to the Financial Statements as at and for the year ended 31st March 2017

35. Fair Values

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

(₹ In lakhs)

Particulars	Carrying value			Fair value		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Financial assets						
A. FVTOCI Financial Instruments						
Quoted Equity Shares	96,599.54	57,710.52	73,151.92	96,599.54	57,710.52	73,151.92
Un-Quoted Equity Shares	50.00	3,358.81	3,312.84	50.00	3,358.81	3,312.84
B. FVPL financial Instruments						
Un-Quoted Preference Shares	262.84	232.43	-	262.84	232.43	-
C. Amortised Cost						
Loans and advances to related parties - Unsecured, considered good	7,306.77	15,363.83	18,041.55	7,306.77	15,363.83	18,041.55
Security deposits	2.69	0.24	0.23	2.69	0.24	0.23
Loans to employees						
- Related Parties	8.40	13.20	-	8.40	13.20	-
- Others (secured)	2.06	2.22	2.36	2.06	2.22	2.36
Advances recoverable in cash or kind	239.25	1.00	0.16	239.25	1.00	0.16
Balance With Statutory Authorities	21.12	-	-	21.12	-	-
Interest accrued on loan to employees						
- Related Parties	8.76	8.76	-	8.76	8.76	-
- Others	0.08	0.10	0.12	0.08	0.10	0.12
Interest accrued and due						
- Related Parties	15.38	160.74	255.18	15.38	160.74	255.18
- Others	0.05	-	-	0.05	-	-
Non Current Bank Balance	0.97	0.97	0.75	0.97	0.97	0.75
Deemed Investment - Corporate Guarantee	171.88	50.55	12.77	171.88	50.55	12.77
Deemed investment in equity shares	771.69	771.69	-	771.69	771.69	-
Un-Quoted Equity Shares	18,641.00	18,640.00	18,653.40	18,641.00	18,640.00	18,653.40
Total	**124,102.48**	**96,315.06**	**113,431.28**	**124,102.48**	**96,315.06**	**113,431.28**
Financial liabilities						
A. FVPL financial Instruments						
Borrowings						
12.40% loan from Rabo India Finance Ltd.	-	-	7,957.85	-	-	7,957.85
Other financials Liabilities						
Current maturities of long term borrowings	-	7,977.81	-	-	7,977.81	-
Financial guarantee liability	145.31	42.38	12.78	145.31	42.38	12.78
B. Amortised Cost						
Other financials Liabilities						
Advance towards sale of land/investments - Related Parties	3,209.13	11,920.00	13,420.00	3,209.13	11,920.00	13,420.00
Employee benefit payable	-	0.57	0.28	-	0.57	0.28
Interest accrued but not due on borrowings	-	2.72	2.72	-	2.72	2.72
Payable towards voluntary retirement scheme	23.27	41.95	62.44	23.27	41.95	62.44
Total	**3,377.71**	**19,985.43**	**21,456.07**	**3,377.71**	**19,985.43**	**21,456.07**

Notes to the Financial Statements as at and for the year ended 31st March 2017

The management assessed that cash and cash equivalents, other bank balances, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

- The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2016 was assessed to be insignificant.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2017, 31st March 2016 and 1st April 2015 are as shown below:

Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Biotech Consortium of India Limited	DCF Method	Long-term growth rate for cash flows for subsequent years	31st March 2017: 4.5% - 5.5% (5.0%) 31st March 2016: 4.5% - 5.5% (5.0%) 01st April 2015: 4.5% - 5.5% (5.0%)	0.5% (31st March 2016: 0.5%) (01st April 2015 : 0.5%) increase in the growth rate would result in increase in fair value by ₹ Nil (31st March 2016: ₹ 0.50 lakhs) (01st April 2015: 0.55 Lakhs) and 0.5% (31st March 2016: 0.5%) (01st April 2015 : 0.5%) decrease by ₹ 1 Lakhs (31st March 2016: 0.45 Lakhs) (01st April 2015: ₹ 0.49 Lakhs)
Indian Potash Limited	DCF Method	Weighted Average Cost of Capital (WACC) and Long Term Growth Rate (LTGR)	31st March 2016: WACC 10.85% - 11.85% (11.35%) LTGR 4% - 3% (3.50%) 01st April 2015: WACC 11.06% - 12.06% (11.56%) LTGR 3% - 4% (3.50%)	(31st March 2016: 0.5%)(01st April 2015 : 0.5%) decrease in the WACC and increase in LTGR would result in increase in fair value by (31st March 2016: ₹ 218.88 lakhs) (01st April 2015: ₹ 219.60 Lakhs) (31st March 2016: 0.5%) (01st April 2015 : 0.5%) increase in WACC and decrease in LTGR would result in decrease in fair value by (31st March 2016: ₹ 169.92 Lakhs) (01st April 2015: ₹ 172.80 Lakhs)

Notes to the Financial Statements as at and for the year ended 31st March 2017

Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Nagarujuna Fertilizers and Chemicals Limited	DCF Method	Long-term growth rate for cash flows for subsequent years	31st March 2016: 2.5% - 3.5% (3.0%) 01st April 2015: 2.5% - 3.5% (3.0%)	(31st March 2016: 0.5%)(01st April 2015 : 0.5%) increase in the growth rate would result in increase in fair value by (31st March 2016: ₹ 322.68 lakhs) (01st April 2015: ₹ 387.21 Lakhs) (31st March 2016: 0.5%)(01st April 2015 : 0.5%) decrease in the growth rate would result in decrease in fair value by (31st March 2016: ₹ 322.68 Lakhs) (01st April 2015: ₹ 354.95 Lakhs)
Investment In Preference Shares of Indian Furniture Products Limited	DCF Method	Cost of Equity Method	31st March 2017: 11.50% - 13.50% (12.50%) 31st March 2016: 11.50% - 13.50% (12.50%)	1.0% increase in the discount rate would increase the fair value of equity instrument by ₹ 25.05 Lakhs (₹ 25.05 lakhs as on 31st March, 2016) 1.0% decrease in the discount rate would decrease the fair value of equity instrument by ₹ 28.22 Lakhs (₹ 28.22 as on 31st March 2016).
Corporate Gurantee - Indian Furniture Products Limited	DCF Method	Long Term growth rate	31st March 2017: 4.50% - 5.50% (5.00%) 31st March 2016: 4.50% - 5.50% (5.00%) 01st April 2015 : 4.50% - 5.50% (5.00%)	0.50% increase (31st March 2016 : 0.50%)(01st April 2015: 0.50%) In the growth rate would result in decrease in fair value by ₹ 8.60 Lakhs. (31st March 2016:- ₹ 6.02 Lakhs)(01st April 2015 : ₹ 1.43 Lakhs) 0.50% decrease (31st March 2016 : 0.50%)(01st April 2015: 0.50%) in the growth rate would result in the increase in fair value by ₹ 9.40 Lakhs. (31st March 2016: ₹ 6.79 Lakhs)(01st April 2015 : ₹ 1.74 Lakhs)
Corporate Gurantee - Gobind Sugar Mills Limited	DCF Method	Long Term growth rate	31st March 2017: 1.50% - 3.50% (3.00%/2.50%) 31st March 2016: 1.50% - 3.50% (3.00%/2.50%) 01st April 2015 : 1.50% - 3.50% (3.00%/2.50%)	0.50% increase (31st March 2016 : 0.50%)(01st April 2015: 0.50%) in the growth rate would result in decrease in fair vailue by ₹ 15.51 Lakhs.(31st March 2016: ₹ 4.28 Lakhs) (01st April 2015: ₹ 2.57 Lakhs) 0.50% decrease in the growth rate would result in the increase in fair value by ₹ 21.08 Lacs. (31st March 2016: 6.84 Lakhs) (01st April 2015: ₹ 3.98 Lakhs)
Corporate Gurantee in case of : - Zuari Sugar and Power Limited - Zuari Infraworld India Limited - Simon India Limited				Sensitivity for long term growth rate not done as DCF cannot been used in valuation of Borrower

Notes to the Financial Statements as at and for the year ended 31st March 2017

36. Fair Hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2017:

(₹ in lakhs)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial instruments:					
Quoted equity shares	31st March 2017	96,599.54	96,599.54		
Unquoted equity shares	31st March 2017	50.00			50.00
B. FVPL financial instruments:					
Redeemable Preference shares of subsidiary company	31st March 2017	262.84			262.84
C. Amortised Cost:					
Loans and advances to related parties	31st March 2017	7,306.77		7,306.77	
Loans to employees	31st March 2017				
- Related Parties		8.40		8.40	
- Others (secured)		2.06		2.06	
Security Deposits	31st March 2017	2.69		2.69	
Advances recoverable in cash or kind	31st March 2017	239.25		239.25	
Balance With Statutory Authorities	31st March 2017	21.12		21.12	
Interest accrued on loan to employees	31st March 2017				
- Related Parties		8.76		8.76	
- Others (secured)		0.08		0.08	
Interest accrued and due	31st March 2017				
- Related Parties		15.38		15.38	
- Others (secured)		0.05		0.05	
Non Current Bank Balance	31st March 2017	0.97		0.97	
Deemed Investment - Corporate Guarantee	31st March 2017	171.88			171.88
Deemed investment in equity shares	31st March 2017	771.69			771.69
Un-Quoted Equity Shares	31st March 2017	18,641.00		18,641.00	

There have been no transfers between Level 1 and Level 2 during the period.

Continued...

Notes to the Financial Statements as at and for the year ended 31st March 2017

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2017:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
A. Other financials Liabilities					
Liability towards financial guarantees	31st March 2017	145.31			145.31
B. Amortised Cost					
Other financials Liabilities					
Advance towards sale of land/investments	31st March 2017	3,209.13		3,209.13	
Payable towards voluntary retirement scheme	31st March 2017	23.27		23.27	

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2016:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial instruments:					
Quoted equity shares	31st March 2016	57,710.52	57,710.52		
Unquoted equity shares	31st March 2016	3,358.81			3,358.81
B. FVPL financial instruments:					
Redeemable Preference shares of subsidiary company	31st March 2016	232.43			232.43
C. Amortised Cost:					
Loans and advances to related parties	31st March 2016	15,363.83		15,363.83	
Loans to employees	31st March 2016				
- Related Parties		13.20		13.20	
- Others (secured)		2.22		2.22	
Security Deposits	31st March 2016	0.24		0.24	
Advances recoverable in cash or kind	31st March 2016	1.00		1.00	
Interest accrued on loan to employees	31st March 2016				
- Related Parties		8.76		8.76	
- Others (secured)		0.10		0.10	
Interest accrued and due	31st March 2016				
- Related Parties		160.74		160.74	
Non Current Bank Balance	31st March 2016	0.97		0.97	
Deemed Investment - Corporate Guarantee	31st March 2016	50.55			50.55
Deemed investment in equity shares	31st March 2016	771.69			771.69
Un-Quoted Equity Shares	31st March 2016	18,640.00		18,640.00	

There have been no transfers between Level 1 and Level 2 during the year ended 31st March 2016.

Continued...

Notes to the Financial Statements as at and for the year ended 31st March 2017

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2016:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
A. FVPL financial investments					
Other financials Liabilities					
Current maturities of long term borrowings	31st March 2016	7,977.81		7,977.81	
Other financials Liabilities					
Liability towards financial guarantees	31st March 2016	42.38			42.38
B. Amortised Cost					
Advance towards sale of land/investments	31st March 2016	11,920.00		11,920.00	
Employee benefit payable	31st March 2016	0.57		0.57	
Interest accrued but not due on borrowings	31st March 2016	2.72		2.72	
Payable towards voluntary retirement scheme	31st March 2016	41.95		41.95	

There have been no transfers between Level 1 and Level 2 during year ended 31st March 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at 1st April 2015:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial instruments:					
Quoted equity shares	1st April 2015	73,151.92	73,151.92		
Unquoted equity shares	1st April 2015	3,312.84			3,312.84
B. FVPL financial instruments:					
Redeemable Preference shares of subsidiary company	1st April 2015	-			-

Continued...

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Fair value measurement using				
C. Amortised Cost:					
Loans and advances to related parties	1st April 2015	18,041.55		18,041.55	
Loans to employees	1st April 2015				
- Others (secured)		2.36		2.36	
Security Deposits	1st April 2015	0.23		0.23	
Advances recoverable in cash or kind	1st April 2015	0.16		0.16	
Interest accrued on loan to employees	1st April 2015				
- Others (secured)		0.12		0.12	
Interest accrued and due	1st April 2015				
- Related Parties		255.18		255.18	
Non Current Bank Balance	1st April 2015	0.75		0.75	
Deemed Investment - Corporate Guarantee	1st April 2015	12.77			12.77
Un-Quoted Equity Shares	1st April 2015	18,653.40		18,653.40	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1st April 2015:

(₹ in lakhs)

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Fair value measurement using				
Liabilities measured at fair value:					
A. Borrowings:					
(i) Amortised Cost:					
12.40% loan from Rabo India Finance Ltd.	1st April 2015	7,957.85		7,957.85	
B. Liability towards financial guarantees	1st April 2015	12.78			12.78
Advance towards sale of land/investments	1st April 2015	13,420.00		13,420.00	
Employee benefit payable	1st April 2015	0.28		0.28	
Interest accrued but not due on borrowings	1st April 2015	2.72		2.72	
Payable towards voluntary retirement scheme	1st April 2015	62.44		62.44	

Notes to the Financial Statements as at and for the year ended 31st March 2017

37. Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

The disclosure in respect of CSR expenditure for FY 2016-17 is as under:

In light of Section 135 of the Companies Act 2013, the Company has incurred Nil lakhs during the current year on Corporate Social Responsibility (CSR) against gross amount required to be spent ₹ 65.21 lakhs (previuos year ₹ 64.47 lakhs)

(₹ in Lakhs)

	Particulars	2016-17	2015-16
(i)	Gross amount required to be spent by the Company during the year	**65.21**	**64.47**
(ii)	Amount spent during the year on the following in cash		
	Furniture donation		
	Schools in flood affected areas and orphanages in J&K	-	15.06
	Old-age Homes in Maharashtra	-	16.43
	Old-age Homes in Karnataka	-	15.04
	Old-age Homes in Odisha	-	11.93

38. Gratuity and other post-employment benefit plans

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Plans			
- Gratuity (Funded)	(29.47)	(18.77)	2.51
Total	**(29.47)**	**(18.77)**	**2.51**

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with two insurance companies in the form of a qualifying insurance policies.

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

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Gratuity	
	2016-17	2015-16
Current Service Cost	4.07	2.73
Net Interest Cost	1.43	1.16
Total	**5.50**	**3.89**

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2017

(₹ in lakhs)

Particulars	Gratuity	
	2016-17	2015-16
Actuarial (gain)/ loss on obligations	6.52	(19.37)
Return on plan assets (excluding amounts included in net interest expense)	(1.31)	0.55
Total	**5.21**	**(18.82)**

Notes to the Financial Statements as at and for the year ended 31st March 2017

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2017 are as follows:

Gratuity: (₹ in Lakhs)

Particulars	2016-17	2015-16
Opening defined obligation	67.03	60.27
Current service cost	4.07	2.73
Interest cost	5.12	6.20
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in Demographic assumption	0.08	-
- change in financial assumptions	1.05	(1.06)
- experience variance (i.e. Actual experiences assumptions)	5.39	(18.30)
Benefits paid	(10.74)	(19.00)
Acquisition Adjustment	-	36.19
Actuarial (gain)/ loss on obligations		
Defined benefit obligation	**72.00**	**67.03**

Changes in the fair value of plan assets are as follows:

Gratuity: (₹ in Lakhs)

Particulars	2016-17	2015-16
Fair value of plan assets	48.27	62.78
Interest income	3.69	5.04
Return on plan assets (excluding amounts included in net interest expense) - OCI	1.31	(0.55)
Contribution by Employer	-	-
Benefits paid	(10.74)	(19.00)
Service cost (Transfer in)		
Closing fair value of plan assets	**42.53**	**48.27**

The Company expects to contribute ₹ 32,09,527/- (Previous year ₹ 21,18,323/-) towards gratuity during the year 2017-18.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity (₹ in Lakhs)

Particulars	2016-17	2015-16
Investment with insurer (Life Insurance Corporation of India)	42.53	48.27

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Gratuity	
	31st March 2017	31st March 2016
Discount rate (in %)	7.50%	7.65%
Salary Escalation (in %)	9% for first 2 years and 7.5% there-after	9% for first 2 years and 7.5% there-after
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	1% - 3%	0.50%

Notes to the Financial Statements as at and for the year ended 31st March 2017

A quantitative sensitivity analysis for significant assumption as at 31st March 2017 is as shown below:

Gratuity Plan

	31st March 2017		31st March 2017		31st March 2017		31st March 2017	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	₹ in lakhs	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**
Impact on defined benefit obligation	68.74	75.52	74.57	69.59	72.08	71.92	72.02	71.99
	31st March 2016		**31st March 2016**		**31st March 2016**		**31st March 2016**	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	₹ in lakhs	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**
Impact on defined benefit obligation	63.95	70.37	69.20	65.00	67.10	66.96	67.06	67.00

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

Maturity Profile of Defined Benefit Obligation

Expected cash value over the next 10 years (Valued on undiscounted basis)

Particulars	**Gratuity**		**Provident Fund**		**Post retirement Medical Benefit Plan**	
	31st March 2017	**31st March 2016**	**31st March 2017**	**31st March 2016**	**31st March 2017**	**31st March 2016**
	₹ in lakhs	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**	**₹ in lakhs**
Within the next 12 months (next annual reporting period)	17.44	11.02	-	-	-	-
Between 2 and 5 years	26.47	22.41	-	-	-	-
Between 5 and 10 years	48.66	54.22	-	-	-	-
Beyond 10 years	14.42	14.29	-	-	-	-

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (31st March 2016: 5 years).

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Notes to the Financial Statements as at and for the year ended 31st March 2017

39. Related Party disclosures

A. The list of related parties as identified by the management is as under:

i. Subsidiaries of the Company:

1) Indian Furniture Products Limited
2) Soundaryaa IFPL Interiors Limited (Joint Venture of Indian Furniture Products Limited)
3) Simon India Limited
4) Zuari Management Services Limited
5) Zuari Infraworld India Limited
6) Zuari Infra Middle East Limited (subsidiary of Zuari Infraworld India Limited)
7) Zuari Infraworld SJM Elysium Properties LLC (formerly known as SJM Elysium Properties LLC) (subsidiary of Zuari Infra Middle East Limited w.e.f. 21st December, 2015)
8) Globex Limited (upto 30/10/2015, following resolution passed for liquidation)
9) Zuari Sugar and Power Limited (formerly known as Zuari Financial Services Limited)
10) Zuari Investments Limited
11) Zuari Insurance Brokers Limited – Subsidiary of Zuari Investments Limited
12) Zuari Commodity Trading Limited – Subsidiary of Zuari Investments Limited
13) Gobind Sugar Mills Limited (subsidiary of Zuari Investments Limited
14) Horizon View Developers Pvt. Ltd. - (w.e.f 21st Oct'16, (Earlier subsidiary of Zuari Investment Limited w.e.f. 04th Oct'2016)
15) Style spa Furniture Pvt. Ltd (Indian Furniture Products Limited and Zuari Management Services Limited each holds 50% Shareholding (w.e.f 2nd January 2017)

ii. Joint Ventures of the Company:

1) Zuari Indian Oiltanking Private Limited
2) Brajbhumi Nirmaan Private Limited (Joint Venture of Zuari Infraworld India Limited
3) Rosewood Agencies Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
4) Neobeam Agents Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
5) Mayapur Commercial Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
6) Nexus Vintrade Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
7) Bahubali Tradecomm Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
8) Hopeful Sales Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
9) Divine Realdev Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
10) Kushal Infraproperty Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
11) Beatle Agencies Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
12) Suhana Properties Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
13) Saket Mansions Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
14) Murari Enclave Private Limited (100% subsidiary of Rosewood Agencies Private Limited) Ceased to be subsidiary w.e.f. 29th March, 2016
15) Damodar Enclave Private Limited (100% subsidiary of Neobeam Agents Private Limited) Ceased to be subsidiary w.e.f. 16th December, 2015
16) Natwar Enclave Private Limited (l00% subsidiary of Mayapur Commercial Private Limited) Ceased to be a subsidiary w.e.f. 29th March, 2016
17) Banibihari Enclave Private Limited (100% subsidiary of Nexus Vintrade Private Limited) Ceased to be a subsidiary w.e.f. 29th March, 2016
18) Pranati Niketan Private Limited (Joint Venture of Zuari Infraworld India Limited (w.e.f. 31st December, 2014)
19) Darshan Nirmaan Private Limited (Joint Venture of Zuari Infraworld India Limited (w.e.f 31st December, 2014)
20) Forte Furniture Products India Pvt Limited (Joint venture of Indian Furniture Products Limited (w.e.f 1st Feb'2017)

Notes to the Financial Statements as at and for the year ended 31st March 2017

iii. Associates of the Company:

1) Zuari Agro Chemicals Limited
2) Zuari Agri Science Limited – Subsidiary of Zuari Agro Chemicals Limited
3) Zuari Fertilisers and Chemicals Limited – Subsidiary of Zuari Agro Chemicals Limited
4) Zuari Speciality Fertiliser Limited – Joint Venture of Zuari Agro Chemicals Limited upto 08th December, 2015, thereafter as subsidiary of Zuari Agro Chemicals Limited
5) Zuari Maroc Phosphates Private Limited – Joint Venture of Zuari Agro Chemicals Limited
6) Paradeep Phosphates Limited - Subsidiary of Zuari Maroc Phosphates Private Limited
7) New Eros Tradecom Limited - Associate of Zuari Investments Limited
8) MCA Phosphates Pte. Limited (Joint Venture of Zuari Agro Chemicals Ltd)

iv. A. **Enterprises having significant influence:**

1. Globalware Trading and Holdings Limited

B. Enterprises where the Company is having significant influence:

1. Zuari Industries Limited Employees Provident Fund
2. Zuari Industries Limited Sr. Staff Superannuation Fund
3. Zuari Industries Limited Non Management Employees Pension Fund
4. Zuari Industries Limited Gratuity Fund

v. Key Management Personnel

1) Mr. S. K. Poddar, Chairman
2) Mr. N Suresh Krishnan, Managing Director
3) Mrs.Jyotsna Poddar, Executive Director
4) Mr. Marco Wadia - Independent - Non - Executive Director
5) Mr. Krishan Kumar Gupta - Independent - Non - Executive Director
6) Mr. Jayant N Godbole - Independent - Non - Executive Director
7) Mr. Vijay Kumar Kathuria - Chief Financial officer
8) Mr. Sachin Patil - Asst. Company Secretary

vi. Relative of Key Management Personnel

1) Mrs. Rekha Krishnan - wife of Mr. N. Suresh Krishnan.

B. Related Party Transaction For Zuari Global Limited

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2017.

(₹ in Lakhs)

S. no.	Transaction details	Year ended 31st March 2017							Year ended 31st March 2016						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
1	**Payment made on their behalf:**														
	– Zuari Agri Sciences Limited	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-
	– Paradeep Phosphates Limited	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-
	– Zuari Management Services Limited	-	-	-	-	-	-	-	7.58	-	-	-	-	-	-
	– Zuari Infraworld India Limited	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-
	– Zuari Agro Chemicals Limited	-	-	-	-	-	-	-	–	-	169.17	-	-	-	-
	– Gobind Sugar Mills Limited	-	-	-	-	-	-	-	0.04	-	-	-	-	-	-
	– Zuari Investment Limited	-	-	-	-	-	-	-	28.69	-	-	-	-	-	-
	– Indian Furniture Products Limited#	1.25	-	-	-	-	-	-	–	-	-	-	-	-	-
	– Simon India Limited	3.10	-	-	-		-	-	2.00	-	-	-	-	-	-
2	**Payment made on our behalf:**					-									
	– Zuari Agro Chemicals Limited	-	-	7.26	-	-	-	-	–	-	4.12	-	-	-	-
	– Zuari Investments Limited	2.29	-	-	-	-	-	-	0.24	-	-	-	-	-	-
	- Zuari Insurance brokers Ltd	0.02	-	-	-		-	-	-	-	-	-	-	-	-
3	**Sale of Investments**					-					-				
	- Zuari Agro Chemicals Limited	1,120.32	-	-	-		-	-		-	-	-	-	-	-
4	**Purchase of Investments**					-									
	– Zuari Investments Limited	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-
	– Indian Furniture Products Limited#	-	-	-	-		-	-	1,000.00	-	-	-	-	-	-
5	**Service charges / Brokerage paid**					-									
	– Zuari Investments Limited	53.96	-	-	-	-	-	-	6.01	-	-	-	-	-	-
	– Zuari Management Services Limited	-	-	-	-		-	-	24.09	-	-	-	-	-	-
6	**Inter-corporate Deposits /Loans/ Advances/Deposits given**														
	– Zuari Investments Limited	355.00	-	-	-	-	-	-	310.00	-	-	-	-	-	-
	– Zuari Sugar and Power Limited	195.00	-	-	-	-	-	-	1,160.00	-	-	-	-	-	-
	– Zuari Management Services Limited	389.45	-	-	-	-	-	-	280.00	-	-	-	-	-	-
	- Zuari Infraworld India Limited	400.00	-	-	-		-	-		-	-	-	-	-	-
7	**Purchase of goods**					-									
	– Indian Furniture Products Limited#	-	-	-	-		-	-	58.46	-	-	-	-	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

S. no.	Transaction details	Year ended 31st March 2017							Year ended 31st March 2016						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
8	**Receipt – repayment of ICDs / loans / advances / deposits**														
	– Zuari Infraworld India Limited	760.00	-	-	-	-	-	-	500.00	-	-	-	-	-	-
	– Zuari Sugar and Power Limited	3,313.20	-	-	-	-	-	-	661.80	-	-	-	-	-	-
	– Zuari Investments Limited	5,364.32	-	-	-	-	-	-	3,104.00	-	-	-	-	-	-
	– Zuari Management Services Limited	40.00	-	-	-	-	-	-	100.00	-	-	-	-	-	-
9	**Managerial Remuneration**														
	- N. Suresh Krishnan	-	-	-	-	-	315.28	-		-	-	-	-	240.35	-
	- Jyotsna Poddar	-	-	-	-	-	65.32	-		-	-	-	-	64.32	-
	- Vijay Kathuria	-	-	-	-	-	65.66	-		-	-	-	-	10.65	-
10	**Interest Income**														
	– Zuari Investments Limited	756.38	-	-	-	-	-	-	1,439.49	-	-	-	-	-	-
	– Zuari Sugar and Power Limited	253.10	-	-	-	-	-	-	356.05	-	-	-	-	-	-
	– Zuari Infraworld India Limited	97.44	-	-	-	-	-	-	226.63	-	-	-	-	-	-
	– Zuari Management Services Limited	102.43	-	-	-	-	-	-	118.55	-	-	-	-	-	-
11	**Dividend Received**														
	– Zuari Agro Chemicals Limited	-	-	-	-	-	-	-	-	-	168.23	-	-	-	-
	- Zuari Indian Oil tanking Private Limited	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-
12	**Lease Rentals Received**														
	– Zuari Indian Oiltanking Private Limited	-	156.21	-	-	-	-	-	-	145.99	–	-	-	-	-
	– Zuari Fertilisers and Chemicals Limited	-	-	4.74	-	-	-	-	-	-	4.48	-	-	-	-
	– Zuari Agro Chemicals Limited	-	-	84.27	-	-	-	-	-	-	48.08	-	-	-	-
13	**Corporate Guarantee issued**														
	– Gobind Sugar Mills Limited	7,787.00	-	-	-	-	-	-		-	-	-	-	-	-
									13,421.00						
	– Indian Furniture Products Limited#	7,200.00	-	-	-	-	-	-	1,500.00	-	-	-	-	-	-
	- Zuari Infraworld India Limited	15,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
	-Zuari Infra Middle East Limited	10,589.95	-	-	-	-	-	-	-	-	-	-	-	-	-
	-Zuari Sugar & Power Limited	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
14	**Sitting fees Paid**														
	– S. K. Poddar	-	-	-	-	-	2.87	-	-	-	-	-	-	2.27	-
	– Marco Wadia	-	-	-	-	-	6.43	-	-	-	-	-	-	4.95	-
	- D B Engineer	-	-	-	-	-	-	-	-	-	-	-	-	4.78	-
	– Krishan Kumar Gupta	-	-	-	-	-	5.92	-	-	-	-	-	-	4.09	-
	– Mr. Jayant N Godbole	-	-	-	-	-	4.08	-	-	-	-	-	-	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

S. no.	Transaction details	Year ended 31st March 2017							Year ended 31st March 2016						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
15	**Management Fees / service charges Received (including service tax)**														
	– Zuari Indian Oiltanking Private Limited	-	11.49	-	-	-	-	-	-	11.39	-	-	-	-	-
	- Simon India Limited	67.50	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Gobind Sugar Mills Limited	138.00	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**Corporate guarantee cancelled/ transferred**														
	– Simon India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	– Gobind Sugar mills Limited	7,000.00	-	-	-	-	-	-	17,000.00	-	-	-	-	-	-
	– Zuari Agri Sciences Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Dividend Paid**														
	– Globalware Trading and Holdings Limited	-	-	-	74.92		-	-	-	-	-	70.12	-	-	-
	– New Eros Tradecom Limited	-	-	11.97	-	-	-	-	-	-	11.97	-	-	-	-
	– S. K. Poddar	-	-	-	-	-	9.84	-	-	-	-	-	-	9.12	-
	– Akshay Poddar	-	-	-	-	-	-	1.37	-	-	-	-	-	-	1.37
	– Jyotsna Poddar	-	-	-	-	-	4.72	-	-	-	-	-	-	4.72	-
18	**Advance against sale of investments repaid**														
	– Simon India Limited	-	-	-	-	-	-	-	1,500.00	-	-	-	-	-	-
19	**Guarantee Commission received**														
	– Zuari Infra Middle East Limited	30.81	-	-	-	-	-	-	3.97	-	-	-	-	-	-
20	**Advance Against Purchase of Land**														
	– Zuari Agro Chemicals Limited	-	-	3,209.13	-	-	-	-	-	-	-	-	-	-	-
21	**Advance against Taxation**														
	– Zuari Agro Chemicals Limited	-	-	2,533.85	-	-	-	-	-	-	-	-	-	-	-
22	**Repayment of Advance against Sale of investment**														
	– Zuari Agro Chemicals Limited	-	-	11,920.00	-	-	-	-	-	-	-	-	-	-	-
23	**Sale of investment**														
	- Zuari Investment Limited	880.09	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Zuari Agro Chemicals Limited	-	-	5,174.24	-	-	-	-	-	-	-	-	-	-	-
24	**Purchase of investment**														
	- Zuari Investment Limited	1,187.50	-	-	-	-	-	-	1,900.17	-	-	-	-	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

S. no.	Transaction details	Year ended 31st March 2017							Year ended 31st March 2016						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
25	**Advance for sale of flat**														
	- Mrs. Rekha Krishnan	-	-	-	-	-	-	29.36	-	-	-	-	-	-	-
	- Mr. K K Gupta	-	-	-	-	-	30.56	-	-	-	-	-	-	-	-
26	**Income from financial gurantee**														
	– Gobind Sugar Mills Limited	5.02	-	-	-	-	-	-	2.92	-	-	-	-	-	-
	– Simon India Limited	1.10	-	-	-	-	-	-	1.28	-	-	-	-	-	-
	– Indian Furniture Products Limited	12.29	-	-	-	-	-	-	3.97	-	-	-	-	-	-
27	**Gain arising through financial asset**														
	– Indian Furniture Products Limited	30.41	-	-	-	-	-	-	4.12	-	-	-	-	-	-
28	**Deposit of Provident Fund**														
	-Zuari Industries Limited Employees Provident Fund	-	-	-	-	78.73	-	-	-	-	-	-	66.82	-	-
29	**Deposit of Superannuation Fund**														
	-Zuari Industries Limited Sr. Staff Superannuation Fund	-	-	-	-	7.20	-	-	-	-	-	-	13.61	-	-
30	**Deposit of Non Management Employees Pension Fund**						-	-	-						
	-Zuari Industries Limited Non Management Employees Pension Fund	-	-	-	-	2.61	-	-	-	-	-	-	5.28	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

Balance Outstanding For The Period Ended 31st March 2017

(₹ in Lakhs)

S. no.	Transaction details	As at 31st March 2017							As at 31st March 2016							As at 31st March 2015						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
1	**Loan/ ICD Given**																					
	– Zuari Infraworld India Limited	1,248.00	-	-	-	-	-	-	1,608.00	-	-	-	-	-	-	2,108.00	-	-	-	-	-	-
	– Zuari Investment Limited	4,371.68	-	-	-	-	-	-	9,381.00	-	-	-	-	-	-	12,175.00	-	-	-	-	-	-
	– Zuari Management Services Limited	1,540.45	-	-	-	-	-	-	1,191.00	-	-	-	-	-	-	1,011.00	-	-	-	-	-	-
	– Zuari Sugar and Power Limited	30.00	-	-	-	-	-	-	3,148.20	-	-	-	-	-	-	2,650.00	-	-	-	-	-	-
	– N Suresh Krishnan	-	-	-			8.40	-	-	-	-			13.20	-	-	-	-	-	-	-	-
2	**As Trade Payables**																					
	– Zuari Management Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.50	-	-	-	-	-	-
	– Zuari Seeds Limited	-	-	1.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Zuari Agro Chemicals Limited	-	-	16.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Zuari Investment Limited	17.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	**Managerial Remuneration Payable**																					
	- N. Suresh Krishnan	-	-	-	-	-	49.94	-	-	-	-	-	-	6.29	-	-	-	-	-	-	-	-
	- Jyotsna Poddar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Vijay Kathuria	-	-	-	-	-	9.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	**As Advances or deposits Recoverable / as Debtor**																					
	- Simon India Limited	3.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	– Paradeep Phosphates Limited	-	-	-	-	-	-	-	-	-	0.08	-	-	-	-	-	-	0.08	-	-	-	-
	– Zuari Agri Sciences Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	94.31	-	-	-	-
	– Zuari Investment Limited	-	-	-	-	-	-	-	28.46	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

S. no.	Transaction details	As at 31st March 2017							As at 31st March 2016							As at 31st March 2015						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
	– Indian Furniture Products Ltd	2.25	-	-	-	-	-	-	1.00	-	-	-	-	-	-	1.00	-	-	-	-	-	-
	– Zuari Management Services Limited	-	-	-	-	-	-	-	5.58	-	-	-	-	-	-	-	-	-	-	-	-	-
	– Zuari Fertilisers and Chemicals Limited	-	-	-	-	-	-	-	-	-	0.34	-	-	-	-	-	-	-	-	-	-	-
	– Zuari Rotem Speciality Fertilisers Limited	-	-	0.16	-	-	-	-	-	-	0.16	-	-	-	-	-	-	0.16	-	-	-	-
	– Zuari Infraworld India Limited	111.13	-	-	-	-	-	-	0.01	-	-	-	-	-	-	2.00	-	-	-	-	-	-
	– Zuari Infra Middle East Limited	34.78	-	-	-	-	-	-	3.97	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Gobind Sugar Mills Limited	76.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Corporate Guarantee**																					
	– Indian Furniture Products Limited#	17,896.00	-	-	-	-	-	-	10,696.00	-	-	-	-	-	-	9,196.00	-	-	-	-	-	-
	– Simon India Limited	5,000.00	-	-	-	-	-	-	5,000.00	-	-	-	-	-	-	5,000.00	-	-	-	-	-	-
	– Gobind Sugar Mills Limited	24,208.00	-	-	-	-	-	-	23,421.00	-	-	-	-	-	-	27,000.00	-	-	-	-	-	-
	- Zuari Infraworld India Limited	15,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	– Zuari Infra Middle East Limited	10,596.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-Zuari Sugar & Power Limited	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	**Interest on ICD/Loan**																					
	– Zuari Management Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109.27	-	-	-	-	-	-
	– N Suresh Krishnan	-	-	-	-	-	8.76	-	-	-	-	-	-	8.76	-	-	-	-	-	-	-	-
	- Zuari Infraworld India Limited	15.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

S. no.	Transaction details	As at 31st March 2017							As at 31st March 2016							As at 31st March 2015						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
7	**Advance against Purchase of Land/ Investments**																					
	– Simon India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500.00	-	-		-		
	– Zuari Agro Chemicals Limited	-	-	3,209.13	-	-	-	-	-	-	11,920.00	-	-	-	-	-	-	11,920.00		-		
8	**Advance against Taxation**																					
	– Zuari Agro Chemicals Limited	-	-	2,533.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Advance received against sale of flat**																					
	- Rekha Krishnan	-	-	-	-	-	-	29.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	– Krishan Kumar Gupta	-	-	-	-	-	30.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	**Deposit of Provident Fund**																					
	-Zuari Industries Limited Employees Provident Fund	-	-	-	-	6.47	-	-	-	-	-	-	5.46	-	-	-	-	-	-	0.17	-	-
11	**Deposit of Superannuation Fund**																					
	-Zuari Industries Limited Sr. Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-	1.05	-	-	-	-	-	-	-	-	-
12	**Deposit of Non Management Employees Pension Fund**																					
	-Zuari Industries Limited Non Management Employees Pension Fund	-	-	-	-	0.04	-	-	-	-	-	-	0.38	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

S. no.	Transaction details	As at 31st March 2017							As at 31st March 2016							As at 31st March 2015						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
13	Receivable - Gratuity Fund -Zuari Industries Limited Gratuity Fund	-	-	-	-	5.07	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-

Notes:

1. Zuari Investment Limited had undertaken that for the term loan of the Company of Nil (31st Mar 2016 ₹ 7,977.81 Lakhs; 31st March 2015 ₹ 7957.85 lakhs) obtained by the Company from Rabo India Finance Ltd.
   It shall continue to hold 25% equity shares in the total equity share capital of Gobind Sugar Mills Limited during the term of loan.
2. Zuari Management Services Limited has undertaken that for the term loan of the Company of Nil lakhs (31st Mar 2016 ₹ 7977.81 Lakhs; 31st March 2015 ₹ 7957.85 lakhs) obtained by the Company from Rabo India Finance Ltd.
   It shall continue to hold 10% equity shares in the total equity share capital of Zuari Agro Chemicals Limited during the term of loan.
3. The Company had given a letter of Comfort to Ratnakar Bank Limited for the purpose of facilitating the loans of Nil (31st March 2016 :: 2000 Lakhs) taken by Gobind Sugar Mills Limited.
4. The Company has provided Corporate guarantee of USD 16.34 Million (₹10,596 lakhs closing rate of USD 1 = ₹ 64.85) to State Bank of India, for extending credit facility/Loan to Zuari Infra Middle East Limited (ZIMEL) Step Down wholly owned subsidiary of the Company. However, the Bank has not disbursed loan amount as on 31st March 2017.
5. **Sale of flat to following KMP (or relative of KMP)-**
   a. Rekha Krishnan -wife of Mr. N. Suresh Krishnan - Sale of flat for the amount of ₹ 83.54 lakhs against which net advance received is for ₹29.36 lakhs after adjustment of taxes deposited on customer's behalf
   b. Krishan Kumar Gupta - Sale of flat for the amount of ₹ 83.54 lakhs against which net advance received is for ₹30.56 lakhs after adjustment of taxes deposited on customer's behalf
6. **The Company has provided Corporate guarantee for ₹ 10,000 lakhs to Indusind Bank for extending loan to Zuari Sugar and power Limited (ZSPL), wholly owned subsidiary of the Company. As on 31st March 2017, loan disbursement amount is of ₹9483 lakhs and also provided following security:**
   a. Exclusive charge on immovable fixed assets owned by the Company
   b. The land collateral should include at least 6.89 acre for phase I residential development and 16 acre for phase II residential project being executed by the Company in Goa.
   c. Exclusive charge by way of hypothetication over all present and future current and movable property, plant & equipment of the Company excluding all land (Being carried as inventory) other than land to be mortgaged to Indusind bank Limited and excluding current investment of Nagarjuna Fertilizers and Chemicals Limited and Non Current Investment of Synthesis Energy System Inc
7. The Company has given a plot of land as security admeasuring an area about 1,26,549 Sq.mtrs. situated at Zuarinagar Sancoale, Goa within the limit of village panchayat of Sancoale, Taluka and Sub District of Mormugao, District of South Goa, in favour of State Bank of India, Mumbai to issue Standby Letter of Credit (SBLC) to the extent of AED 35 Million (₹ 6,181 lakhs at the closing rate of 1 AED = ₹ 17.66) to Zuari Infra Middle East Limited, stepdown wholly owned subsidiary of the Company .

Notes to the Financial Statements as at and for the year ended 31st March 2017

40. Segment Information

Information regarding Primary Segment Reporting as per Ind AS-108

General Disclosure

The Company has disclosed business segment as primary segment. The segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure and the internal reporting system.

The Company is presently focussing on its real estate segment and is not focussing on one of its segment i.e. fertilizer segment.

Secondary Segment - Geographical Segment

The Company operates in India and therefore caters to the needs of the domestic market. Therefore, there are no reportable geographical segments.

Unallocated Items

All common incomes, expenses, assets and liabilities, which cannot be allocated to different segments are treated as unallocated items.

Primary Segments:

(₹ in lakhs)

For the Year ended 31st March 2017	Fertilisers	Real Estate	Total Segments	Adjustment and Eliminations	Total
Revenue					
Sales (net)	-	-	-	-	-
Other income	-	-	-	-	-
Total Revenue	-	-	-	-	-
Results					
Segment results	-	-	-	-	-
Unallocated Corporate Income (net)	-	-	2,397.15	-	2,397.15
Less : Finance cost	-	-	(18.48)	-	(18.48)
Profit before tax	**-**	**-**	**2,378.67**	**-**	**2,378.67**
Tax expenses	-	-	(329.40)	-	(329.40)
Profit after tax	**-**	**-**	**2,049.27**	**-**	**2,049.27**
Segment assets	-	23,654.60	23,654.60	-	23,654.60
Unallocated corporate assets	-	-	126,524.55	-	126,524.55
Total Assets	**-**	**23,654.60**	**150,179.15**	**-**	**150,179.15**
Segment liabilities	-	1,359.86	1,359.86	-	1,359.86
Unallocated corporate liabilities	-	-	3,970.36	-	3,970.36
Total liabilities	**-**	**1,359.86**	**5,330.22**	**-**	**5,330.22**
Other segment information					
Capital expenditure:					
Tangible assets	-	32.68	32.68	-	32.68
Depreciation	-	0.64	-	-	21.90
Other non-cash expenses:					
Provision for doubtful debts and advances	-	-	-	-	-

Notes to the Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

For the Year ended 31st March 2016	Fertilisers	Real Estate	Total Segments	Adjustment and Eliminations	Total
Revenue					
Sales (net)	-	-	-	-	-
Other income	270.65	-	270.65	-	270.65
Total Revenue	**270.65**	**-**	**270.65**	**-**	**270.65**
Results					
Segment results	(658.08)	-	(658.08)	-	(658.08)
Unallocated Corporate Income (net)	-	-	3,948.95	-	3,948.95
Less : Finance cost	-	-	114.68	-	114.68
Profit before tax	**(658.08)**	**-**	**3,405.55**	**-**	**3,405.55**
Tax expenses	-	-	(465.58)	-	(465.58)
Profit after tax	**(658.08)**	**-**	**2,939.97**	**-**	**2,939.97**
Segment assets	290.12	21,522.18	21,812.30	-	21,812.30
Unallocated corporate assets	-	-	100,312.87	-	100,312.87
Total Assets	**290.12**	**21,522.18**	**122,125.17**	**-**	**122,125.17**
Segment liabilities	500.87	-	500.87	-	500.87
Unallocated corporate liabilities	-	-	20,034.46	-	20,034.46
Total liabilities	**500.87**	**-**	**20,535.33**	**-**	**20,535.33**
Other segment information					
Capital expenditure:					
Tangible assets	-	-	-	-	-
Depreciation	21.61	-	21.61	-	21.61
Other non-cash expenses:					-
Provision for doubtful debts and advances	51.20	-	51.20	-	51.20

(₹ in lakhs)

For the Year ended 31st March 2015	Fertilisers	Real Estate	Total Segments	Adjustment and Eliminations	Total
Segment assets	385.61	20,507.48	20,893.09	-	20,893.09
Unallocated corporate assets	-	-	117,232.92	-	117,232.92
Total Assets	**385.61**	**20,507.48**	**138,126.01**	**-**	**138,126.01**
Segment liabilities	288.31	-	288.31	-	288.31
Unallocated corporate liabilities	-	-	21,550.13	-	21,550.13
Total liabilities	**288.31**	**-**	**21,838.44**	**-**	**21,838.44**

Notes to the Financial Statements as at and for the year ended 31st March 2017

41. Disclosure Required Under Sec 186(4) of Companies Act 2013

(a) Particulars of Loans given: (₹ in lakhs)

Sr. No	Name of Loanee	Opening Balance	Loan Given	Loan Repaid	Outstanding Balance	Purpose
1	Zuari InfraWorld India Limited	1,608.00	400.00	760.00	1,248.00	General Business Purpose
2	Zuari Investment Limited	9,381.00	355.00	5,364.32	4,371.68	General Business Purpose
3	Zuari Management Services Limited	1,191.00	389.45	40.00	1,540.45	General Business Purpose
4	Zuari Sugar & Power Limited	3,148.20	195.00	3,313.20	30.00	General Business Purpose
	Total	**15,328.20**	**1,339.45**	**9,477.52**	**7,190.13**	

(b) Particulars of Guarantee given: (₹ in lakhs)

Sr. No	Name of the Entity	Opening Balance	Guarantee Given	Guarantee Discharged	Outstanding Balance	Purpose
1	Indian Furniture Products Limited	10,696.00	7,200.00	-	17,896.00	General Business Purpose
2	Gobind Sugar Mills Ltd	23,421.00	7,787.00	7,000.00	24,208.00	General Business Purpose
3	Simon India Ltd	5,000.00	-	-	5,000.00	General Business Purpose
4	Zuari InfraWorld India Limited	-	15,000.00	-	15,000.00	General Business Purpose
5	Zuari Infra Middle East Ltd	-	10,596.49	-	10,596.49	General Business Purpose
6	Zuari Sugar & power Ltd	-	10,000.00	-	10,000.00	General Business Purpose
	Total	**39,117.00**	**50,583.49**	**7,000.00**	**82,700.49**	

(c) Particulars of Investments made during the year: (₹ in lakhs)

Sr. No.	Name of the Investee	Investment Made	Purpose
1.	Horizon View Developers Pvt Ltd	1.00	Strategic Investment
2.	Texmaco Infrastructure and Holdings Limited	1,187.50	Strategic Investment
	Total	**1,188.50**	

42. Detail of Specified bank notes (SBN) held and transacted during the period from 8th Nov'2016 to 30th Dec'2016

(₹ in lakhs)

Particulars	Specified bank Notes	Other Denomination Notes	Total
Closing Cash In Hand as on 08.11.2016	0.32	0.40	0.72
(+) Permitted receipts	-	0.34	0.34
(-) Permitted Payments	-	0.25	0.25
(-) Amount deposited in banks	0.32	-	0.32
Closing Cash in hand as on 30.12.2016	-	0.49	0.49

Notes to the Financial Statements as at and for the year ended 31st March 2017

43. Under Section 133A of the Income Tax Act, 1961, the income tax department carried out a survey at the Company's premises in February, 2014. Pursuant to the discussion during the survey, the Company had deposited a sum of ₹ 5,500 lakhs towards income tax demand mainly towards disallowance under Section 14A of the Income Tax Act, 1961, disallowance for diminution in value of fertilizer bonds and disallowance under Section 36(1)(iii) of the Income Tax Act, 1961.

The Company is carrying the same amount of income tax provision including interest thereon provided in an earlier year for various assessment years aggregating to ₹ 3,916.13 lakhs.

Income Tax Appellate Tribunal has, during the current year issued favourable decisions for Assessment years 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12. Appeal effect orders are not yet received from the department. Pending receipt of such orders, interest on income tax refund and provision towards additional income tax has not been recognised as the amount is presently not reasonably determinable.

44. The Company had demerged its fertilizer undertaking to Zuari Agro Chemicals Limited (ZACL) with effect from 1st July'2011.

The Company has, during the year, based on High Court Order on demerger of fertilizer undertaking, identified the amount of income tax paid under protest pertaining to fertilizer undertaking demerged into ZACL.

The Company has exchanged letter of mutual understanding with ZACL wherein ZACL has paid such amount of tax paid under protest by the Company. During the year, the Company has received ₹ 2533.85 lakhs from ZACL on this account and adjusted the same from income tax assets pending completion of final assessment/litigation in respect of such financial years.

45. Under instructions from Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of deposits, mistakes, discrepancy in holdings etc., 8051 (previous year 8,051) Right's Equity Shares entitlement have been kept in abeyance pursuant to Section 126 of the Companies Act, 2013.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May, 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR	**N SURESH KRISHNAN**	**MARCO WADIA**
Chairman	Managing Director	Director
DIN: 00008654	DIN: 00021965	DIN: 00244357
VIJAY KATHURIA	**SACHIN PATIL**	
Chief Financial Officer	Asst. Company Secretary	
	ACS: 31286	

Place: Gurgaon
Date: 19th May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Global Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Zuari Global Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint venture entities, comprising of the consolidated Balance Sheet as at 31st March 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture entities in accordance with 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 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint venture entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint venture entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture entities, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture entities as at 31st March 2017, of their consolidated profit including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture entities, as noted in the 'other matters' paragraph, to the extent applicable, we report that:

(a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

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

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associates, and joint venture entities incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associates and joint venture entities incorporated in India, refer to our separate report in "Annexure 1" to this report;

(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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture entities , as noted in the 'Other matters' paragraph:

  i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint venture entities – Refer Note 37, 38 & 43 to the consolidated Ind AS financial statements;

  ii. The Group, its associates and joint venture entities did not have any material foreseeable losses on long-term contracts including derivative contracts;

  iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint venture entities incorporated in India;

iv. The Holding Company, subsidiaries, its associates andjoint venture entities incorporated in India, have provided requisite disclosures in Note 53 to these consolidated Ind AS financial statements as to the holdings of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, except in respect of one of the subsidiary company where we are unable to obtain sufficient and appropriate audit evidence, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its joint venture and as produced to us by the Management.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 10 subsidiaries, whose Ind AS financial statements include total assets of ₹182,714.30 lakhs and net assets of ₹ 68,209.08 lakhs as at 31st March 2017 and total revenues of ₹43,407.61 lakhs and net cash outflows of ₹1,626.36 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹1,278.16 lakhs for the year ended 31st March 2017, as considered in the consolidated financial statements, in respect of 1 associate and 4 joint venture entities, whose financial statements, and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture entities and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture entities is based solely on the reports of such other auditors.

(b) The consolidated Ind AS financial statements include the Group's share of net loss of ₹363.21 lakhs for the year ended 31st March 2017, as considered in the consolidated financial statements, in respect of 1 joint venture entity whose financial statements, other financial information has not been audited and whose unaudited financial statements, and other unaudited financial information has been furnished to us by the Management. Our opinion, in so far as it relates to amounts and disclosures included in respect of this joint venture entity and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture entity is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921
Place of Signature: New Delhi
Date: May 19, 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ZUARI GLOBAL LIMTED

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

To the Members of Zuari Global Limited

In conjunction with our audit report of the consolidated Ind AS financial statements of Zuari Global Limited as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Zuari Global Limited (hereinafter referred to as the "Holding Company"), its subsidiary companies, associates and joint venture entities which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company its subsidiary companies, associates and joint venture entities which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's 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 as specified 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 judgement, 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 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 Holding Company, subsidiary companies, associates and joint venture entities except in respect of one of the subsidiary company where we were not provided with relevant documents to support adequacy of internal financial control over financial reporting and whether such internal financial controls were operating effectively as at and March 31, 2017 and in the absence of sufficient and appropriate audit evidence in this regard, we were unable and did not express an opinion on Internal Financial Controls over Financial Reporting, 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Holding 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.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the consolidated financial statements of the holding company, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of consolidated Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 19, 2017 expressed unqualified opinion. We have considered the disclaimer reported above in respect of one of the subsidiary company in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the saidsubsidiary company and the disclaimer in respect of one of the subsidiary company does not affect our opinion on the consolidated financial statements of the Holding Company and we have issued unqualified opinion on the consolidated financial statements.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to 8 subsidiary companies, 1 associate and 4 joint venture entities which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies, associate and the joint venture entities incorporated in India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921
Place: New Delhi
Date: May 19, 2017

Consolidated Balance Sheet as at 31st March 2017

(₹ in Lakhs)

				Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
I	ASSETS							
	(1)	Non-current assets						
		(a)	Property, Plant and Equipment		3A	39,067.97	22,324.42	6,182.22
		(b)	Capital work-in-progress		3A	1,207.55	14,213.29	16,764.00
		(c)	Investment Property		4	164.13	1,153.12	1,162.05
		(d)	Goodwill on Consolidation		39	14,565.67	14,565.67	14,506.92
		(e)	Other Intangible Assets		3B	56.50	68.72	93.15
		(f)	Investment in associates and joint ventures		37,38	50,843.26	49,412.12	47,870.11
		(g)	Financial Assets					
				(i) Investments	5A	107,223.86	88,367.94	107,603.06
				(ii) Loans	5B	1,644.76	1,473.92	1,611.98
				(iii) Others	5C	119.67	122.61	236.16
		(h)	Deferred tax assets(net)		17A	9,416.08	8,998.41	6,357.32
		(i)	Other assets		6	1,007.91	1,163.84	1,765.97
	(2)	Current assets						
		(a)	Inventories		7	64,713.13	55,738.20	54,164.99
		(b)	Financial Assets					
				(i) Investments	5A	-	4,407.45	5,689.20
				(ii) Trade Receivables	8	9,287.83	9,373.81	9,889.03
				(iii) Cash and cash equivalents	9	4,013.95	3,478.69	2,613.27
				(iv) Bank balances other than (iii) above	10	804.75	3,477.88	6,334.67
				(v) Loans	5B	1,589.51	3,102.09	5,252.98
				(vi) Others	5C	4,920.55	4,945.90	7,622.05
		(c)	Current Tax Assets (Net)		17B	2,651.75	4,546.62	3,801.78
		(d)	Other assets		6	10,691.32	8,176.71	8,720.18
	(3)	Non-current assets classified as held for sale			11	979.83	-	34.47
			Total Assets			324,969.98	299,111.41	308,275.56
II	EQUITY AND LIABILITIES							
		Equity						
		(a)	Equity Share capital		12	2,944.11	2,944.11	2,944.11
		(b)	Other Equity			196,212.78	175,959.68	197,039.89
			Equity attributable to equity holders of the Parent			199,156.89	178,903.79	199,984.00
			Non Controlling Interest			2,377.10	1,853.60	1,290.54
			Total equity			201,533.99	180,757.39	201,274.54
		LIABILITIES						
	(1)	Non-current liabilities						
		(a)	Financial Liabilities					
				(i) Borrowings	13A	36,566.79	27,270.77	31,586.93
				(ii) Trade Payables	14	397.14	369.10	309.35
				(iii) Other financial liabilities	15	4.60	23.27	42.70
		(b)	Provisions		16	125.76	193.67	241.28
		(c)	Deferred tax liabilities(Net)		17A	-	30.87	49.12
		(d)	Other liabilities		18	2,042.88	511.41	-
	(2)	Current liabilities						
		(a)	Financial Liabilities					
				(i) Borrowings	13B	34,048.64	35,150.12	25,814.36
				(ii) Trade Payables	14	27,309.08	18,327.61	22,312.86
				(iii) Other financial liabilities	15	12,891.49	30,161.07	18,366.24
		(b)	Provisions		16	1,552.84	662.39	853.10
		(c)	Other liabilities		18	8,496.77	5,653.74	7,425.08
			Total Equity and Liabilities			324,969.98	299,111.41	308,275.56

Summary of significant accounting policies 2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR
Chairman
DIN: 00008654

N. SURESH KRISHNAN
Managing Director
DIN : 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May 2017

Consolidated Statement of Profit and Loss for the year ended 31st March 2017

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I	**REVENUE**			
	Revenue From Operations	19	63,114.68	57,682.83
	Other Income	20	4,688.65	4,338.38
	Total Revenue (I)		**67,803.33**	**62,021.21**
II	**EXPENSES**			
	Cost of Material Consumed	21	32,704.63	21,551.03
	Purchases of Stock in trade	22	2,268.62	2,777.50
	Project Cost	23	14,676.79	16,825.35
	Changes in inventories	24	(9,038.23)	(1,620.96)
	Excise duty on goods	25	2,853.64	2,405.50
	Employee Benefits Expense	26	7,463.51	7,184.88
	Finance Costs	27	5,800.23	3,913.94
	Depreciation and amortization expense	28	1,482.46	805.06
	Other Expenses	29	8,800.70	10,190.14
	Total expenses (II)		**67,012.35**	**64,032.44**
III	**Profit/(loss) before share of profit/(loss) of associates and joint ventures, exceptional items and tax (I-II)**		**790.98**	**(2,011.23)**
	Share of (loss) of associates and joint ventures (net of tax)	37,38	(1,500.62)	(3,964.42)
IV	**Profit/(loss) before exceptional items and tax (III-IV)**		**(709.64)**	**(5,975.65)**
V	Exceptional Items	30	(1,500.38)	-
VI	**Profit/(loss) before tax (IV-V)**		**(2,210.02)**	**(5,975.65)**
VII	**Tax expense:**	17		
	(1) Current Tax		(456.36)	(717.60)
	(2) MAT Credit entitlement		42.63	22.90
	(3) Income tax adjustment for earlier years		20.72	202.16
	(4) Deferred Tax		367.40	2,638.39
VIII	**Profit/(loss) for the year (VI-VII)**		**(2,235.63)**	**(3,829.80)**
IX	**Other Comprehensive Income (A+B)**	**31**	**23,361.28**	**(25,153.55)**
	A Items that will be reclassified to profit or loss		**(154.75)**	**368.33**
	Share of (Loss)/profit in Associates (net of tax)	37,38	(69.18)	235.86
	Foreign currency translation reserve		(85.57)	132.47
	B Items that will not be reclassified to profit or loss		**23,516.03**	**(25,521.88)**
	Share of (Loss)/Profit in Associates and joint ventures (net of tax)	37,38	1,709.43	(1,619.01)
	Re-measurement gains (losses) on defined benefit plans		(125.68)	30.62
	Income tax effect		1.36	(12.66)
	Net (loss)/gain on FVTOCI equity securities		21,893.77	(23,931.54)
	Income tax effect		37.15	10.71
X	**Total Comprehensive Income for the year (VIII + IX)**		**21,125.65**	**(28,983.35)**
	Profit/(loss) for the year			
	Attributed to:			
	Equity holders of the Parent		(2,797.02)	(4,397.32)
	Non Controlling Interest		561.39	567.52
	Other Comprehensive Income			
	A Items that will be reclassified to profit or loss			
	Attributed to:			
	Equity holders of the Parent		(154.75)	368.33
	Non Controlling Interest		-	-
	B Items that will not be reclassified to profit or loss			
	Attributed to:			
	Equity holders of the Parent		23,553.92	(25,517.42)
	Non Controlling Interest		(37.89)	(4.46)
	Total Comprehensive income for the year			
	Attributed to:			
	Equity holders of the Parent		20,602.15	(29,546.41)
	Non Controlling Interest		523.50	563.06
XI	Earnings per equity share: (nominal value of share of ₹10/- (31st March 2016 :: ₹10/-)	32		
	(1) Basic		(9.50)	(14.94)
	(2) Diluted		(9.50)	(14.94)

Summary of significant accounting policies 2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR
Chairman
DIN: 00008654

N. SURESH KRISHNAN
Managing Director
DIN : 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May 2017

Consolidated Statement of Cash Flows for the year ended 31st March 2017

(₹ in lakhs)

	Particulars	31st March 2017	31st March 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Loss before tax	**(2,210.02)**	**(5,975.65)**
	Share of Loss of associates and joint ventures (net of tax)	1,500.62	3,964.42
	Loss before share of Loss of associates and joint ventures and tax	**(709.40)**	**(2,011.23)**
	Adjustment to reconcile profit before tax to net cash flows:-		
	Depreciation / amortisation	1,515.96	834.85
	Foreign Currency Translation Reserve	(85.57)	132.47
	Molasses & Alcohol Storage and Maintenance Reserve	5.29	5.00
	Excess provision / liabilities written back	(114.09)	(743.89)
	Loss on disposal of property, plant and equipment sold / discarded (net)	6.28	105.45
	Provision for doubtful debts, claims and advances	477.73	166.80
	Sundry balances written off	-	27.58
	Profit on sale of current Investments	(17.82)	(31.69)
	Gain on fair valuation of investment through P&L	(367.41)	(121.81)
	Unrealised gain on joint ventures	9.00	15.86
	Interest expense on loans	7,794.05	6,603.63
	Interest expense on preference shares	79.55	65.93
	Interest income on financial assets valued at amortized cost	(104.82)	(49.33)
	Other Interest (income)	(1,365.82)	(1,486.48)
	Dividend (income)	(1,415.55)	(1,420.78)
		6,416.78	**4,103.59**
	Operating Profit before Working Capital Changes	**5,707.38**	**2,092.36**
	Movement in working capital :		
	Decrease / (increase) in inventories	(8,974.93)	2,453.50
	(Increase) / Decrease in Trade Receivables	(391.75)	320.84
	Decrease / (Increase) in other assets	(2,461.45)	2,901.75
	Decrease / (Increase) in loans and advances	1,243.59	1,098.69
	Increase/(Decrease) in trade payables and other liabilities	13,585.65	(8,843.46)
	Increase in provisions	696.86	94.20
		3,697.97	**(1,974.48)**
	Cash generated from in Operations	**9,405.35**	**117.88**
	Direct taxes (paid) / refund	1,459.23	(1,308.39)
	Net Cash flow from /(used in) Operating Activities (A)	**10,864.58**	**(1,190.51)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, including intangible assets, CWIP and capital advances	(4,157.69)	(8,690.55)
	Advance for sale of land	3,209.13	-
	Proceeds from sale of property, plant and equipment	36.23	40.48
	Repayment of Advance Received towards Sale of Shares	(11,920.00)	-
	Purchases of non current investments	(1,400.50)	(4,425.37)
	Proceeds from sale of non current investments	1,120.32	2,446.31
	Purchases of current investments	-	(1,258.94)
	Proceeds from sale of current investments	6,815.00	0.32
	Receipt of Unclaimed dividend account	3.17	4.42

Consolidated Statement of Cash Flows for the year ended 31st March 2017

(₹ in lakhs)

	Particulars	31st March 2017	31st March 2016
	Receipt of interest warrant account	1.71	2.69
	Investment of bank deposits (having original maturity of more than 3 months)	2,674.33	2,964.65
	Interest received	1,468.57	1,277.81
	Dividends received on investments	1,515.55	1,690.59
	Loans received back from bodies corporate	90.00	1,390.00
	Net Cash flow (used in) Investing Activities (B)	**(544.18)**	**(4,557.59)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Preference share capital (including deemed equity)	-	399.99
	Receipt of security premium	-	1,350.00
	(Repayment) of long-term borrowings	(20,997.22)	(5,261.19)
	Proceeds of long-term borrowings	22,213.47	10,178.61
	Proceeds from Buyers Credit	1,580.31	1,102.83
	Repayment of Buyers Credit	(1,578.02)	(910.27)
	Proceeds of short-term borrowings	3,896.24	4,143.21
	(Repayment) of short-term borrowings repayable after three months	(5,000.00)	-
	Proceeds of short-term borrowings repayable after three months	-	5,000.00
	Interest paid	(9,542.40)	(9,067.15)
	Dividend paid on equity shares	(297.59)	(298.83)
	Tax on equity dividend paid	(59.93)	(59.93)
	Net cash flow from/(used in) in financing activities (C)	**(9,785.14)**	**6,577.27**
	Net increase in cash and cash equivalents (A + B + C)	**535.26**	**829.17**
	Cash and cash equivalents at the beginning of the year	3,478.69	2,613.27
	Add : Net Cash of subsidiary company on acquisition	-	36.25
	Cash and cash equivalents at the end of the year	**4,013.95**	**3,478.69**

(₹ in lakhs)

Components of cash and cash equivalents	31st March 2017	31st March 2016
Cash on hand	38.57	54.11
Cheques/ drafts on hand	165.71	32.71
With banks- on current account	1,809.64	3,363.35
With banks- on saving account	0.03	0.02
On Deposits Account	2,000.00	28.50
Total cash and cash equivalents (note 16)	**4,013.95**	**3,478.69**

Summary of significant accounting policies 2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR
Chairman
DIN: 00008654

N. SURESH KRISHNAN
Managing Director
DIN : 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May 2017

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

a Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	**Nos.**	**₹ in lakhs**
As at 1st April 2015	**29,440,604**	**2,944.06**
Issue of share Capital (Note 12)	-	-
As at 31st March 2016	29,440,604	2,944.06
Issue of share Capital (Note 12)	-	-
As at 31st March 2017	**29,440,604**	**2,944.06**

b Other equity

₹ In Lakhs

Particulars	Attributable to the equity holders of the parent										
	Equity Component of convertible preference shares	Reserves and surplus					Items of OCI		Equity attributable to equity holders	Non Controlling Interest	Total Equity
		Share Premium	General reserve	Capital Reserve	Molasses & Alcohol Storage and Maintenance Reserve	Retained Earnings	FVTOCI Reserve	Foreign currency translation reserve			
As at 1st April 2016	**708.17**	**7,650.00**	**3,861.60**	**7,175.25**	**8.14**	**97,988.33**	**58,542.45**	**25.74**	**175,959.68**	**1,853.60**	**177,913.28**
Profit/(Loss) for the year	-	-	-		-	(2,797.02)	-	-	(2,797.02)	561.39	(2,235.63)
Other comprehensive income (Note 31)	-	-	-		-	(40.57)	23,612.41	(172.67)	23,399.17	(37.89)	23,361.28
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(2,837.59)**	**23,612.41**	**(172.67)**	**20,602.15**	**523.50**	**21,125.65**
Provided during the year (Note 29)	-	-	-	-	5.29	-	-	-	5.29	-	5.29
Appropriation towards general reserve	-	-	50.00	-	-	(50.00)	-	-	-	-	-
Cash dividends (Note 33)	-	-	-	-	-	(294.41)	-	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (Note 33)	-	-	-	-	-	(59.93)	-	-	(59.93)	-	(59.93)
At 31st March 2017	**708.17**	**7,650.00**	**3,911.60**	**7,175.25**	**13.43**	**94,746.40**	**82,154.86**	**(146.93)**	**196,212.78**	**2,377.10**	**198,589.88**

₹ In Lakhs

Particulars	Attributable to the equity holders of the parent										
	Equity Component of convertible preference shares	Reserves and surplus					Items of OCI		Equity attributable to equity holders	Non Controlling Interest	Total Equity
		Share Premium	General reserve	Capital Reserve	Molasses & Alcohol Storage and Maintenance Reserve	Retained Earnings	FVTOCI Reserve	Foreign currency translation reserve			
As at 1st April 2015	**417.88**	**6,300.00**	**3,811.60**	**-**	**3.14**	**102,400.29**	**84,106.98**	**-**	**197,039.89**	**1,290.54**	**198,330.43**
Profit/(Loss) for the year	-	-	-	-	-	(4,397.32)	-	-	(4,397.32)	567.52	(3,829.80)
Other comprehensive income (Note 31)	-	-	-	-	-	80.41	(25,564.53)	335.03	(25,149.09)	(4.46)	(25,153.55)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(4,316.91)**	**(25,564.53)**	**335.03**	**(29,546.41)**	**563.06**	**(28,983.35)**
Equity component of preference shares issued during the year	290.29	-	-	-	-	-	-	-	290.29	-	290.29
Appropriation towards general reserve	-	-	50.00	-	-	(50.00)	-	-	-	-	-
Received on shares issued during the year	-	1,350.00	-	-	-	-	-	-	1,350.00	-	1,350.00
Provided during the year	-	-	-	-	5.00	-	-	-	5.00	-	5.00
Cash dividends (Note 33)	-	-	-	-	-	(294.41)	-	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (Note 33)	-	-	-	-	-	(59.93)	-	-	(59.93)	-	(59.93)
Share of Group in Associate in respect of Bargain Purchase	-	-	-	7,175.25	-	-	-	-	7,175.25	-	7,175.25
Transfer on account of divestment of stake	-	-	-	-	-	309.29	-	(309.29)	-	-	-
At 31st March 2016	**708.17**	**7,650.00**	**3,861.60**	**7,175.25**	**8.14**	**97,988.33**	**58,542.45**	**25.74**	**175,959.68**	**1,853.60**	**177,813.28**

Summary of significant accounting policies

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR
Chairman
DIN: 00008654

N. SURESH KRISHNAN
Managing Director
DIN : 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May 2017

Notes to Consolidated Financial Statements of the group as at and for the year ended 31st March 2017

1. **Corporate information**

The consolidated financial statements of "Zuari Global Limited" ("the Company" or "ZGL") and its subsidiaries (collectively, the Group) are for the year ended 31st March 2017.

The Parent Company is a Public Company domiciled in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Parent Company is located at Jai Kisaan Bhawan, Zuari Nagar, Goa 403 726, India

The Group's primary business activity is real estate, investment services, engineering services, manufacturing and trading of furniture, manufacturing and sale of sugar and its by products, generation of power and others.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on 19th May, 2017.

2. **Significant Accounting Policies**

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements of the Group for all periods upto and including the year ended 31st March 2016 were prepared in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 and Companies (Accounting Standard) Rules, 2006 (as amended), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31st March 2017 are the first financial statements of the Group prepared in accordance with Ind AS. Refer note 50 for an explanation of how the transition from previous GAAP (Indian GAAP) to Ind AS has affected the Group's financial position, financial performance and cash flows.

The consolidated financial statements have been prepared on accrual basis and historical cost basis, except for following assets and liabilities which have been measured at fair value amount:

- Defined benefit plans – plan assets measured at fair value,
- Investment in other debt instruments (i.e. preference shares)
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Derivative financial instruments

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest Lakhs (₹ 00,000.00), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries, associates and joint ventures as at 31st March 2017. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains about the accounting of goodwill (Refer note 2.39 below).

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of significant accounting policies

a. Business Combination and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1st April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

c. Property, Plant and Equipment :-

On transition to Ind AS i.e. 1st April 2015, the Group has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation and cumulative impairment losses, if any. The cost comprises purchase price, including import duties and non- refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met, that is:-

(a) it is probable that economic benefits associated with the item will flow to the entity in future; and

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

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from de–recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

d. Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the property, plant & equipment (other than specific assets referred under para (b) to (d) below) as estimated by the management, which are equal to the rates prescribed under Schedule II of the Companies Act, 2013. Useful lives estimated by the management (years)

Other buildings (RCC structures)	60 years
Porta Cabins (under building)	5 years
Other buildings (other than RCC structures)	30 years
Plant and equipment	5 to 25 years
Furniture and fixtures	10 years
Office equipment	3 to 5 years
Vehicles	8 years
Temporary structure (included under building)	1 year

a) Leasehold improvement are depreciated over the primary lease period.

b) In case of a subsidiary, the company based on technical assessment made by technical experts and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

c) Insurance/ capital/ critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/ critical spares, whichever is lower.

d) Property, plant & equipment whose value is less than ₹ 5000/- are depreciated fully in the year of purchase.

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

e. Intangible Assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Software

Acquired computer software is accounted for using the cost model whereby capitalized costs are amortized on a straight line basis over their estimated useful lives which is estimated as five years, as these assets are considered finite.

Subsequent expenditures on the maintenance of computer software are expensed as incurred, as it is not probable that future economic benefits will accrue to the Company through these activities.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

f. Leases (other than land leases):-

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

Operating Leases as a lessee:

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

1. Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or
2. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Operating Leases as a lessor –

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

g. Impairment of Non-financial assets

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

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

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

h. Borrowing Costs

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the year they occur.

i. Foreign currency Translation

Functional and presentation currency

The Group's financial statements are presented in Indian Rupee (₹), which is also its functional currency.

Initial recognition

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount the spot rate between the functional currency and the foreign currency at the date of transaction first qualifies for recognition.

Conversion

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

Exchange differences

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

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

Translation Foreign Operation:

The results and financial position of a foreign operation (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented (i.e. including comparatives) are translated at the closing rate at the date of that balance sheet;

(ii) Income and expenses for each statement of profit and loss presented (i.e. including comparatives) are translated at average exchange rates; and

all resulting exchange differences have been recognised in other comprehensive income.

On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1st April 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1st April 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Parent and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1st April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

j. Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes expenses, net of taxes recoverable, specifically attributable to construction and development of property intended for sale.

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and traded goods, are valued at lower of cost and net realizable value.

Finished goods and Work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on a weighted average basis.

By products and saleable scraps, whose cost is not identifiable, are valued by management at estimated net realizable value.

Cost of inventories is computed on a weighted average basis except in case of the Parent Company, the Cost is determined as follows:

Stock in trade including Land: Valued at lower of cost and net realizable value

Stock in Trade (others): The cost is determined on First in First out Method.

Net Realizable Value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

k. Provisions, Contingent Liabilities, Contingent Assets And Capital Commitments

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

l. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements.

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the customers. , recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value (floor price) on confirmation of RECs by the concerned Government authorities.

Income from power banked units is recognised when the right to set off power banked units is established against the power to be purchased by the Group.

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards or ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Revenue from sale of land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

Revenue is recognized in relation to the residential units sold, to the extent it is probable that the economic benefits will flow to the Group demonstrated either by way of an Agreement for Sale (AFS) and when the buyer's investment is adequate enough to demonstrate a commitment to pay. In accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom IND AS is applicable) (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") the Revenue from sale of residential properties is recognised on the "percentage of completion method". Percentage of completion is determined on the basis of entire project costs incurred including the land costs, 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 and 10% of the contract consideration as per the agreements are realised as at the reporting date. 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.

Revenue from fixed price construction contracts is recognized by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed up to the balance sheet date bear to the estimated total contract cost. The cost incurred is measured by the jointly certified progress of work done by the Group and its sub-contractors as at the end of the financial year, if the sub-contractor/supplier has not raised bills on the Group for the work completed by the sub-contractor/supplier.

Income from engineering and other service contracts is recognized on accrual basis to the extent the services have been rendered and invoices are raised in accordance with the contractual terms with the customers and recoveries are reasonably certain. Contract revenue earned in excess of billing has been reflected under other current assets and billing in excess of contract revenue has been reflected under current liabilities in the balance sheet.

In respect of income from engineering and other services contracts, in case total contract cost exceeds total contract revenue, the expected loss is recongised as an expense immediately.

Liquidated damages / penalties are provided for, based on management's assessment of the estimated liability, as per contractual terms and / or acceptances. Possible liquidated damages which can be levied by customers for delay in execution of project are accounted for on an estimate basis and are netted off against the revenue on estimate basis.

m. Taxes on income

<u>Current income tax</u>

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

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

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

<u>Deferred tax</u>

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

n. Retirement and other Employee Benefits

Provident Fund and Family Pension Fund

Retirement benefits in the form of Provident Fund is defined benefit obligation in respect of the Parent Company and is provided for on the basis of actuarial valuation of projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952. Any excess of plan asset over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

In case of other companies in the Group, Provident fund is a define contribution scheme. The companies do not have any other obligation other than contribution made to the fund. The companies recognize contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of pension fund and National Pension Scheme are defined contribution scheme. The Group has no obligation, other than the contribution payable to the pension fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre–payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Group operates one defined benefit plan for its employees viz. gratuity liability. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for each plan using the projected unit credit method. The Group has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Leave encashment

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. Remeasurements are not classified to the profit or loss in subsequent periods.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non–current liability.

Superannuation and Contributory Pension Fund

The Parent Company and some of subsidiaries within the Group have approved superannuation fund and contributory pension fund which are defined contribution schemes and the contributions paid to Life Insurance Corporation of India (LIC) against the insurance policy taken with them are charged to the Statement of Profit and Loss each year. These companies do not have any other obligation other than contributions paid to LIC. These companies recognize contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Payments made/to be made under the voluntary retirement scheme are charged to the Statement of Profit and Loss immediately.

Remeasurements

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

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

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

o. Current versus non-current classification

Assets and Liabilities in the balance sheet have been classified as either current or non–current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

(a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or

(b) it is expected to be realized within twelve months after the reporting date, except for land inventory which has been described under para.(j) above; or

(c) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non–current.

A liability has been classified as current when

(a) it is expected to be settled in the Group's normal operating cycle; or

(b) it is due to be settled within twelve months after the reporting date; or

(c) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non–current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

p. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value (based upon the level of inputs available) and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

q. Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

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

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

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

r. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

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

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

Subsequent measurement

Loans and borrowings

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

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

This category generally applies to borrowings.

Notes to Consolidated Financial Statements of the group as at and for the year ended 31st March 2017

Financial guarantee contracts

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

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Derecognition

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

Offsetting of financial instruments

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

s. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash at bank and in hand and short term investments with an original maturity periods of three months or less.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t. Dividend to equity holders of the Parent Company

The Group recognizes a liability to make dividend distributions to equity holders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

u. Earnings per share

Basic Earnings per Share (EPS) is calculated by dividing the net profit or loss for the year 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.

v. Investment property

The Parent Company has elected to continue with the carrying value for all of its investment property as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1st April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Parent Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Parent Company depreciates building component of investment property as per Schedule II as mentioned in the policy of Depreciation and in certain cases based on technical assessment made by technical expert and management, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Parent Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

w. Fair value measurement of financial instruments

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

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

x. Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision makers review the performance of the Group according to the nature of business of the Group which includes development of real estate projects.

Inter Segment Transfers:

The Group generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment

Segment accounting policies

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

y. Recent Accounting pronouncements

i) Standards issued but not yet effective -

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Group from 1st April 2017.

ii) Amendment to Ind AS 7 –

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

3A Tangible assets

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Improve-ments	Buildings	Plant and equip-ment	Furniture and fixtures	Office equip-ment	Vehicles	Total	Capital Work in Progress	Total
Gross Block										
Deemed cost as at 01.04.2015	**485.85**	**205.54**	**1,333.02**	**3,436.64**	**320.08**	**275.39**	**125.70**	**6,182.22**	**16,764.00**	**22,946.22**
Additions	2.42	4.93	2,914.63	11,690.94	45.58	62.79	0.03	14,721.32	-	14,721.32
Borrowings cost	-	-	451.40	1,809.68	3.42	3.96	-	2,268.46	-	2,268.46
Deductions	1.41	11.35	-	82.86	5.13	1.84	12.52	115.11	2,550.71	2,665.82
As at 31.03.2016	**486.86**	**199.12**	**4,699.05**	**16,854.40**	**363.95**	**340.30**	**113.21**	**23,056.89**	**14,213.29**	**37,270.18**
Additions	-	-	3,606.95	12,411.10	9.99	106.08	159.81	16,293.93	-	16,293.93
Borrowings cost	-	-	442.37	1,495.06	-	-	-	1,937.43	-	1,937.43
Deductions	-	89.97	-	57.42	44.78	9.69	-	201.86	13,005.74	13,207.60
As at 31.03.2017	**486.86**	**109.15**	**8,748.37**	**30,703.14**	**329.16**	**436.69**	**273.02**	**41,086.39**	**1,207.55**	**42,293.94**
Accumulated Depreciation										
As at 01.04.2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	58.18	112.10	396.93	38.97	113.36	18.65	738.19	-	738.19
Deductions during the year	-	-	-	1.63	2.67	0.66	0.76	5.72	-	5.72
As at 31.03.2016	**-**	**58.18**	**112.10**	**395.30**	**36.30**	**112.70**	**17.89**	**732.47**	**-**	**732.47**
Charge for the year	-	50.73	259.22	967.32	42.80	99.04	26.19	1,445.30	-	1,445.30
Deductions during the year	-	84.40	-	52.86	14.31	7.78	-	159.35	-	159.35
As at 31.03.2017	**-**	**24.51**	**371.32**	**1,309.76**	**64.79**	**203.96**	**44.08**	**2,018.42**	**-**	**2,018.42**
Net block										-
As at 31.03.2016	**486.86**	**140.94**	**4,586.95**	**16,459.10**	**327.65**	**227.60**	**95.32**	**22,324.42**	**14,213.29**	**36,537.71**
As at 31.03.2017	**486.86**	**84.64**	**8,377.05**	**29,393.38**	**264.37**	**232.73**	**228.94**	**39,067.97**	**1,207.55**	**40,275.52**

For Property, Plant and Equipment existing on 1st April 2015, i.e. its date of transition to Ind AS, the group has used Indian GAAP carrying value as deemed costs.

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Pre-operative (pending allocation) (included under Capital Work in Progress) (₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Salaries, wages and bonus	73.92	92.77	28.85
Contribution to provident and other funds	2.06	2.06	2.06
Staff welfare expenses	16.27	8.21	0.15
Power, fuel and water	426.06	526.89	100.83
Rates and taxes	34.03	17.63	11.23
Insurance	85.88	64.96	44.05
Transmission line expenses *	-	812.85	812.85
Interest	1,969.00	3,100.25	1,179.83
Other borrowing costs	223.94	499.29	328.35
Scrap Sales	-	(34.45)	(34.45)
Miscellaneous expenses	439.40	453.86	120.53
	3,270.56	5,544.32	2,594.27
Less: Allocated to Fixed Assets	(3,098.37)	(3,680.26)	-
Closing Balance carried forward	**172.19**	**1,864.06**	**2,594.28**

* Considered as pre-operative expenses being part of overall expansion project cost.

3B Intangible assets

(₹ in Lakhs)

Particulars	Software	Total
Gross block		
Deemed cost as at 01.04.2015	**93.15**	**93.15**
Purchase	65.35	65.35
Deductions	2.06	2.06
Transfer on account of Dilution in stake		-
As at 31.03.2016	**156.44**	**156.44**
Purchase	49.28	49.28
Deductions	-	-
Transfer on account of Dilution in stake		
As at 31.03.2017	**205.72**	**205.72**
Amortization		
As at 01.04.2015	**-**	**-**
Charge for the year	87.72	87.72
Deductions		-
Transfer on account of Dilution in stake		-
As at 31.03.2016	**87.72**	**87.72**
Charge for the year	61.50	61.50
Deductions	-	-
Transfer on account of Dilution in stake		
As at 31.03.2017	**149.22**	**149.22**
Net block		
As at 31.03.2016	**68.72**	**68.72**
As at 31.03.2017	**56.50**	**56.50**

For Other Intangible Assets existing on 1st April 2015, i.e. its date of transition to Ind AS, the group has used Indian GAAP carrying value as deemed costs.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

4. Investment property **₹ in lakhs**

Particulars	Amount
Opening balance at 1st April 2015	**1,162.05**
Additions (subsequent expenditure)	-
Closing balance at 31st March 2016	**1,162.05**
Additions (subsequent expenditure)	-
Transferred to Investment Property held for sale	**990.66**
Closing balance at 31st March 2017	**171.39**
Depreciation and impairment	
Opening balance at 1st April 2015	-
Depreciation (Note 28)	**8.93**
Closing balance at 31st March 2016	**8.93**
Depreciation (Note 28)	**9.16**
Transferred to Investment Property held for sale	**10.83**
Closing balance at 31st March 2017	**7.26**
Net Block	
at 1st April 2015	**1,162.05**
at 31st March 2016	**1,153.12**
at 31st March 2017	**164.13**

For investment property existing on 1st April 2015, i.e. its date of transition to Ind AS, the group has used Indian GAAP carrying value as deemed costs.

(₹ in lakhs)

Information regarding income and expenditure of Investment property	As at 31st March 2017	As at 31st March 2016
Rental income derived from investment properties	265.95	222.94
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	265.95	222.94
Less – Depreciation	9.16	8.93
Profit arising from investment properties before indirect expenses	256.79	214.01

Group's investment property consist of building & land owned by the Group let out to other group companies, outside party for business purpose and also to an educational institution.

(₹ in lakhs)

Fair Valuation of Investment Property

Particulars	31st March 2017	31st March 2016	1st April 2015
Investment Properties	14,484.75	17,466.65	17,253.37

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including -

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All the resulting fair value estimates for investment properties are included in level 3

These valuations are based on valuations performed by S V Kushte, an accredited independent value. Mr. Kushte is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group has entered into an agreement to sell land & building to an associate, Zuari Agro Chemicals Limited for a value of ₹ 3209.13 lakhs (Carrying Value as on 31st March 2017 ₹ 979.83 Lakhs)

The management has reclassified Assets as on 1st April, 2015 from Fixed Assets to Investment Property consisting of Land & building

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

5. Financial assets

(₹ in lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
A. Investments						
Investment in equity instruments						
Investment in Joint Venture						
10,45,000 (31 March 2016:10,45,000, 1 April 2015: 10,45,000) Equity Shares of Omani Riyal 1/- each fully paid-up in Simon Engineering and Partners LLC , Sultanate of OMAN)	-	-	-	-	-	-
Investment in equity instruments - Others						
Investments at fair value through OCI (fully paid)						
Unquoted						
NIL (31st March 2016: 72,000, 1st April 2015: 72,000) Equity shares of ₹ 10/- each fully paid up of Indian Potash Limited	-	1,111.68	938.16	-	-	-
1,00,000 (31st March 2016: 1,00,000, 1st April 2015: 1,00,000) Equity shares of ₹ 10/- each fully paid up of Biotech Consortium of India Limited	50.00	52.92	51.40	-	-	-
2,58,250 (31st March 2016: 2,58,250, 1st April 2015: 2,58,250) Equity shares of ₹ 100/- each fully paid up of Lionel India Limited	-	-	-	-	-	-
NIL (31st March 2016: 3,22,67,741, 1st April 2015: 3,22,67,741) Equity Shares of ₹ 1/- each fully paid up of Nagarjuna Fertilisers and Chemicals Limited	-	-	-	-	2,194.21	2,323.28
19,092 (31st March 2016: 19,092, 1st April 2015: 19,092) equity shares of ₹ 100/- each fully paid up of Lionel Edward Limited	43.34	43.34	42.82	-	-	-
Investment in equity instruments - Others						
Investments at fair value through OCI (fully paid)						
Quoted						
6,16,20,147 (31st March 2016: 6,16,20,147, 1st April 2015: 6,06,20,147) Equity Shares of ₹ 10/- each fully paid up of Chambal Fertilisers and Chemicals Limited	53,333.04	33,798.85	40,918.89	-	-	-
3,75,71,612 (31st March 2016: 3,75,71,612, 1st April 2015: 3,75,71,612) Equity Shares of ₹ 1/- each fully paid up of Texmaco Infrastructure and Holdings limited	15,019.20	11,545.14	13,184.16	-	-	-
3,29,98,000 (31st March 2016: 3,29,98,900, 1st April 2015: 3,29,98,900) Equity Shares of ₹ 1/- each fully paid up of Texmaco Rail and Engineering Limited	30,610.87	34,535.73	49,286.23	-	-	-
14,000 (31st March 2016: 14,000, 1st April 2015: 14,000) Equity Shares of ₹10/- each fully paid up of Ess Dee Aluminum Limited	6.10	14.63	17.17	-	-	-
1,80,240 (31st March 2016: 1,80,240, 1st April 2015: 1,80,240) Equity Shares of ₹ 10/- each fully paid up of Premium Exchange and finance Limited	5.59	5.59	5.59	-	-	-
1,88,469 (31st March 2016: 1,88,469, 1st April 2015: 1,88,469) Equity Shares of ₹ 10/- each fully paid up of Master Exchange & Finance Limited	5.90	5.90	5.90	-	-	-

Continued...

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

	Particulars	Non Current			Current		
		31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
	24,700 (31st March 2016: 24,700, 1st April 2015: 24,700) Equity Shares of ₹ 10/- each fully paid up of Duke Commerce Limited	0.64	0.64	0.64	-	-	-
	2,93,34,310 (31st March 2016: 2,93,34,310, 1st April 2015: 2,93,34,310) Equity Shares of ₹ 1/- each fully paid up of Nagarjuna Oil Refinery Limited	1,316.87	1,085.37	1,205.64	-	-	-
	22,22,222 (31st March 2016: 22,22,222, 1st April 2015: 22,22,222) Equity Shares of USD 0.01/- each fully paid up of Synthesis Energy System Inc.	1,224.94	1,649.01	1,445.14	-	-	-
	Investment in joint venture carried at demeed cost						
	Equity portion of compound financial instrument (Preference shares)						
	5,00,000 (31st March 2016 2016: 5,00,000, 1st April 2015: 5,00,000) 1% Redeemable Non Cumulative optionally convertible Preference Shares of ₹ 100/- each fully paid up of Brajbhumi Nirmaan Private Limited	394.62	394.62	394.62	-	-	-
II)	**Investment in Preference Shares**						
	Investment in joint venture						
	5,00,000 (31st March 2016 2016: 5,00,000, 1st April 2015: 5,00,000) 1% Redeemable Non Cumulative optionally convertible Preference Shares of ₹ 100/- each fully paid up of Brajbhumi Nirmaan Private Limited	259.53	154.71	105.38	-	-	-
	Investment in Others						
	Investments at fair value through Profit and loss (fully paid)						
	6,60,000 (31st March 2016: 6,60,000, 1st April 2015: 6,60,000) 6% Redeemable Non Cumulative non convertible Preference Shares of ₹ 100/- each fully paid up of Adventz Investment Company Private Limited	616.00	-	-	-	616.00	613.00
III)	**Investment in Mutual Funds**						
	Investments at fair value through Profit and Loss						
	Quoted						
	NIL (31st March 2016: NIL, 1st April 2015: 1,42,53,222.092 units) of face value of ₹ 10/- each in Kotak Mutual Fund-Daily Dividend Option	-	-	-	-	-	1,446.31
	NIL (31st March 2016: NIL, 1st April 2015: 45,50,294.404 units) of face value of ₹ 10/- each in IDFC-Money Manager Fund -Treasury Plan-Daily Dividend Option	-	-	-	-	-	1,000.00

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
50,00,000 (31st March 2016: 50,00,000, 1st April 2015 : NIL) units in ICICI Prudential Fixed Maturity plan Series (77-1473 Days Plan C) of ₹ 10/- each under lien for the SBLC facility from SBI	594.33	541.70	-	-	-	-
1,00,00,000 (31st March 2016: 1,00,00,000, 1st April 2015: NIL) units in ICICI Prudential Fixed Maturity plan of ₹ 10/- each	1,096.28	1,002.61	-	-	-	-
50,00,000 (31st March 2016: 50,00,000, 1st April 2015 : NIL) units in ICICI Prudential Fixed Maturity plan Series (78-1156 Days Plan T) of ₹ 10/- each	545.13	500.63	-	-	-	-
1,00,00,000 (31st March 2016: 1,00,00,000, 1st April 2015: NIL) units in SBI Debt Fund Series B-17(1100 Days) of ₹ 10/- each under lien for the SBLC facility from SBI	1,171.47	1,073.87	-	-	-	-
85,00,000 (31st March 2016: 85,00,000, 1st April 2015: NIL) units in SBI Debt Fund Series B-36(1131 Days) of ₹ 10/- each	929.01	850.00	-	-	-	-
NIL (31st March 2016: 50,650.416 units, 1st April 2015: 20,056.33) of the Face Value of ₹ 1000/- each in Reliance Liquid Fund- Treasury Plan-Institutional Option-Daily Dividend Option	-	-	-	-	774.31	306.61
NIL (31st March 2016: 300,377.029 units, 1st April 2015: NIL)of the Face Value of ₹ 100/- ICICI Prudential Liquid Fund Regular - Daily Dividend Re-investment	-	-	-	-	300.57	-
NIL (31st March 2016: 51,666.027 units, 1st April 2015: NIL) of the Face Value of ₹ 1000/- Tata Money Market Fund Regular Plan - Daily Dividend Option	-	-	-	-	517.44	-
NIL (31st March 2016: 491.444 units, 1st April 2015: NIL) of the Face Value of ₹ 1000/- Tata Money Market Fund Direct Plan - Daily Dividend Option	-	-	-	-	4.92	-
Investment in Government Securities						
20 Years U.P.State Development Loan, 2008	-	-	0.20	-	-	-
6 Years National Saving Certificates	-	-	0.12	-	-	-
5 Years National Saving Certificates	1.00	1.00	1.00	-	-	-
Total	107,223.86	88,367.94	107,603.06	-	**4,407.45**	**5,689.20**
Aggregate book value of quoted investments	101,523.15	82,640.86	106,069.36	-	-	-
Aggregate Market Value of quoted investments	101,523.15	82,640.86	106,069.36	-	-	-
Aggregate book value of quoted investments in mutual funds	4,336.22	3,968.81	-	-	1,597.24	2,752.92
Aggregate Net Asset Value of Mutual funds	4,336.22	3,968.81	-	-	1,597.24	2,752.92
Aggregate value of unquoted investments	1,364.49	1,758.27	1,533.70	-	2,810.21	2,936.28

Continued...

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

B Loans (at amortised cost) ₹ In lakhs

Particulars	Non Current 31st March 2017	Non Current 31st March 2016	Non Current 1st April 2015	Current 31st March 2017	Current 31st March 2016	Current 1st April 2015
Security deposits						
Unsecured, considered good	1,627.21	1,450.54	1,595.36	95.48	75.28	126.81
	1,627.21	**1,450.54**	**1,595.36**	**95.48**	**75.28**	**126.81**
Loans and advances to related parties (Refer note 47)						
Unsecured, considered good	-	-	-	0.16	0.59	164.55
	-	**-**	**-**	**0.16**	**0.59**	**164.55**
Inter corporate deposit						
Unsecured, considered good	-	-	-	1,120.00	1,210.00	2,600.00
Unsecured, considered doubtful	-	-	-	1,125.00	1,125.00	1,125.00
	-	-	-	2,245.00	2,335.00	3,725.00
Less: Provision for doubtful deposits	-	-	-	(1,125.00)	(1,125.00)	(1,125.00)
	-	**-**	**-**	**1,120.00**	**1,210.00**	**2,600.00**
Other Loans and Advances						
Secured						
Loans to employees considered good						
Related Party (Refer Note 47)	3.60	8.40	-	4.80	4.80	-
Employees	5.12	2.05	0.35	7.30	5.90	8.30
Loans to employees considered doubtful	0.35	0.35	0.35	-	-	-
	9.07	10.80	0.70	12.10	10.70	8.30
Less: Provision for doubtful advances	(0.35)	(0.35)	(0.35)	-	-	-
	8.72	**10.45**	**0.35**	**12.10**	**10.70**	**8.30**
Unsecured, considered good except where other wise stated						
Cane Subsidy Receivable					1,435.64	2,172.95
Loans to employees	-	4.07	13.43	1.43	1.47	12.36
Interest accrued on loans to employees						
Related Party (Refer Note 47)	8.76	8.76	-	-	-	-
Employees (secured)	0.07	0.10	2.84	0.01	-	0.11
Interest accrued and due	-	-	-	0.05	-	-
Interest accrued but not due	-	-	-	360.28	368.41	167.90
	8.83	**12.93**	**16.27**	**361.77**	**1,805.52**	**2,353.32**
Total	**1,644.76**	**1,473.92**	**1,611.98**	**1,589.51**	**3,102.09**	**5,252.98**

- Loans to employees include amount due from officer of the Parent Company (Managing Director) ₹ 8.40 lakhs as on 31st March 2017 (31st March 2016 ::₹ 13.20 lakhs, 1st April 2015::NIL).

- Interest accrued on employee's loan includes amount due from officers of the Parent Company (Managing Director) ₹ 8.76 lakhs as on 31st March 2017 (31st March, 2016 :: ₹ 8.76 lakhs 1st April 2015:: NIL)

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

C Other Financial assets (at amortised cost)

₹ In lakhs

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Non Current Bank Balance*	108.01	114.09	229.06	-	-	-
Advances recoverable in cash or kind						
Unsecured, considered good	-	-	-	118.86	40.48	134.86
Unsecured, considered good to related parties (Refer Note 47)	-	-	-	-	-	1,566.57
Unsecured, considered doubtful	10.78	10.78	10.85	-	31.30	-
	10.78	10.78	10.85	118.86	71.78	1,701.43
Less: Provision for doubtful	(10.78)	(10.78)	(10.85)	-	(31.30)	-
	-	-	-	118.86	40.48	1,701.43
Unbilled revenue	-	-	-	4,717.18	4,722.54	5,749.22
Marked to market receivable on forward contract	-	-	-	1.74	2.37	0.48
Interest accrued but not due	11.66	8.52	7.10	82.77	180.51	170.92
Total	**119.67**	**122.61**	**236.16**	**4,920.55**	**4,945.90**	**7,622.05**

*Includes ₹ 61.00 lakhs (31st March 2016 ₹ 51.00 lakhs, 01st April 2015::51.00 lakhs) pledged to Bombay Stock Exchange, National Stock Exchange and IL&FS Securities Services Limited as deposits which are maturing within 12 months of reporting date. However, considering the compulsion to renew the same, they have been treated as non current.

₹ In lakhs

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Break up of financial assets carried at amortised cost						
Investments	107,222.87	88,366.94	107,601.74	-	4,407.45	5,689.20
Trade receivables	-	-	-	9,287.83	9,373.81	9,889.03
Cash and cash equivalents	-	-	-	4,013.95	3,478.69	2,613.27
Bank balances other than (iii) above	-	-	-	804.75	3,477.88	6,334.67
Loans	1,644.76	1,473.92	1,611.98	1,589.51	3,102.09	5,252.98
Other Financial Assets	119.67	122.61	236.16	4,920.55	4,945.90	7,622.05
Total financial assets carried at amortised cost	**108,987.30**	**89,963.47**	**109,449.88**	**20,616.59**	**28,785.82**	**37,401.20**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

6 Other assets (₹ in lakhs)

Particulars	Non Current 31st March 2017	Non Current 31st March 2016	Non Current 1st April 2015	Current 31st March 2017	Current 31st March 2016	Current 1st April 2015
Capital Advances						
Unsecured considered good	49.76	80.14	1,009.73	-	-	-
Advances recoverable in cash or kind						
Unsecured, Considered Good						
Related Party	-	-	-	86.75	80.99	86.70
Others	917.74	1,003.26	639.61	6,848.21	5,433.41	7,070.18
Unsecured, Considered Doubtful	-	-	-	26.19	31.30	-
	917.74	1,003.26	639.61	6,961.15	5,545.70	7,156.88
Less: Provision for doubtful advances	-	-	-	(26.19)	(31.30)	-
	917.74	1,003.26	639.61	6,934.96	5,514.40	7,156.88
Balances with customs, port trust and excise authorities	28.36	8.59	-	1,406.78	1,604.70	1,384.97
Interest reimbursement from government of Uttar Pradesh under Sugar Industry, Co-generation and Distillery Promotion Policy, 2013	-	-	-	1,761.80	654.20	-
Prepaid expenses	2.64	0.05	8.75	211.95	315.26	141.85
Prepaid lease	9.41	71.80	107.88	7.03	31.54	36.48
Power bank	-	-	-	48.79	41.88	-
Renewable energy certificate receivable	-	-	-	320.01	14.73	-
Claim receivable (considered doubtful)	0.59	0.59	0.59	-	-	-
Less: Provision for doubtful advances	(0.59)	(0.59)	(0.59)	-	-	-
	-	-	-	-	-	-
Total other assets	**1,007.91**	**1,163.84**	**1,765.97**	**10,691.32**	**8,176.71**	**8,720.18**

For explanations on the Group's credit risk management processes, refer to Note 48

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

7. Inventories

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015*
Raw materials	630.42	787.30	902.26
Work in Progress	307.48	389.87	348.80
Project in Progress	20,070.17	15,860.87	7,891.01
Finished goods	18,256.33	13,719.28	20,682.86
Stock in trade	904.61	2,001.23	2,310.59
Stock in trade (Land)*	23,218.45	21,522.18	20,507.49
Stock in trade (Others)#	41.27	-	-
Stores and spares	621.34	574.07	501.31
Packing materials	12.48	7.45	10.08
Valued at Estimated Realisable Value			
Molasses	436.31	808.48	990.09
Scrap	189.71	40.00	20.50
Pressmud	24.56	27.47	-
Total Inventories	**64,713.13**	**55,738.20**	**54,164.99**

* Stock in trade (Land) of ₹ 16,359.32 Lakhs (31st March 2016 ₹ 16,359.32 lakhs) is pending to be registered in the Parent Company's name.

* Above stock In trade includes project expenses

Stock in trade (Others) include stock of steel and cement

8. Trade receivables

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Trade receivables - related parties (Refer Note 47)	1,225.43	655.88	720.20
Trade receivables - others	8,062.40	8,717.93	9,168.83
Total Trade Receivables	**9,287.83**	**9,373.81**	**9,889.03**

Break-up for security details:

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
From Related Parties			
Secured, considered good	-	-	-
Unsecured, considered good	1,225.43	655.88	720.20
Unsecured, considered doubtful	20.09	20.53	19.39

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
From Others			
Secured, considered good	1,439.27	1,685.46	1,236.97
Unsecured, considered good	6,623.13	7,032.47	7,931.86
Unsecured, considered doubtful	423.56	186.01	56.72
Total	**9,731.48**	**9,580.35**	**9,965.14**
Less : Provision for Doubtful Debts	(443.65)	(206.54)	(76.11)
Total	**9,287.83**	**9,373.81**	**9,889.03**

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

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

9 Cash and Cash Equivalents

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Cash and cash equivalents			
a Balances with banks			
On Current accounts	1,809.64	3,363.35	2,369.14
On Saving accounts	0.03	0.02	-
On Deposit accounts	2,000.00	28.50	100.00
b. Cash on hand	38.57	54.11	48.26
c. Cheque on hand	165.71	32.71	95.87
Total Cash and Cash Equivalent	**4,013.95**	**3,478.69**	**2,613.27**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day to 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

10 Other Bank balances

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Balances with banks:			
Balance with banks - on Fixed Deposit Account With remaining maturity period for more than 3 months but less than 12 months*	635.46	3,304.21	6,199.50
Balance with banks - on Fixed Deposit Account With remaining maturity period for less than 3 months	0.50	-	-
Balance with banks - on interest warrants accounts	0.90	2.61	5.30
Balance with banks - on unpaid dividend account	25.87	29.04	33.46
Margin Money Deposits**	142.02	142.02	96.41
Total Other bank balances	**804.75**	**3,477.88**	**6,334.67**

'*Including fixed deposit receipts pledged with banks and sales tax authorities for ₹ 145.36 Lakhs (31st March 2016: ₹ 25.80 Lakhs, 1st April 2015: Nil) as margin money

'**Margin money deposit with carrying amount of ₹142.02 lakhs (31st March 2016 ₹ 142.02 lakhs) (1st April 2015 ₹ 96.41 lakhs) are subject to first charge to secure the joint venture's bank guarantee

11 Non Current Asset held for sale

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Investment Property held for sale (Refer Note 4)	979.83	-	-
Discarded fixed assets	-	-	34.47
Total	979.83	-	34.47

12 Share Capital

(₹ in lakhs)

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Authorised :			
11,50,00,000 (31st March 2016: 11,50,00,000, 1st April 2015: 11,50,00,000) Equity Shares of ₹ 10/- each	11,500.00	11,500.00	11,500.00
20,75,000 (31st March 2016: 20,75,000, 1st April 2015: 20,75,000) Redeemable Cumulative Preference shares of ₹ 100/- each	2,075.00	2,075.00	2,075.00
	13,575.00	**13,575.00**	**13,575.00**
Issued :			
*2,94,48,655 (31st March 2016: 2,94,48,655, 1st April 2015: 2,94,48,655) Equity Shares of ₹10/- each Fully paid	2,944.87	2,944.87	2,944.87
Subscribed and Paid-up *			
2,94,48,655 (31st March 2016: 2,94,40,604, 1st April 2015: 2,94,40,604) Equity Shares of ₹ 10/- each fully paid	2,944.06	2,944.06	2,944.06
Add: 1,100 (31st March 2016: 1,100, 1st April 2015: 1,100) Forfeited Shares (amount paid up) fully paid up	0.05	0.05	0.05
Total Share Capital	2,944.11	2,944.11	2,944.11

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

a. **Reconciliation of Shares Outstanding at the beginning and end of the reporting year**

Equity Shares	31st March 2017		31st March 2016		1st April 2015	
	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs	In Numbers	₹ in lakhs
At the beginning of the year	29,440,604	2,944.06	29,440,604	2,944.06	29,440,604	2,944.06
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**29,440,604**	**2,944.06**	**29,440,604**	**2,944.06**	**29,440,604**	**2,944.06**

b. **Terms/Rights Attached to equity Shares**

The Parent Company has only one class of equity shares having a par value of ₹10/- per share. Each share holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year 31st March 2017, the amount of per share dividend proposed for distribution to equity share holders was ₹ 1/- per share, subject to approval of shareholders (31st March 2016: ₹ 1/- per Share 1st April 2015:: ₹ 1/-)

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

c. **Details of Shareholders holding more than 5% of equity shares in the Company**

Name of Shareholder	31st March 2017		31st March 2016		1st April 2015	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Globalware Trading and Holdings Limited	7,491,750	25.45	7,012,000	23.82	7,012,000	23.82
SIL Investment Limited	2,790,000	9.48	3,208,000	10.90	3,208,000	10.90
Texmaco Infrastructure and Holdings Limited	2,757,941	9.37	2,757,941	9.37	2,757,941	9.37
Adventz Finance Private Limited	2,294,491	7.79	1,687,512	5.73	1,687,512	5.73
Reliance Capital Trustee Co Ltd A/c - Reliance Regular Savings Fund Equity Option	1,600,000	5.43	1,600,000	5.43	1,600,000	5.43

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

*Under instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc., 8,051 (previous year 8,051) Rights' Equity Shares entitlements have been kept in abeyance pursuant to Section 126 of the Companies Act, 2013.

13 A. Non Current Borrowings

(₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
TERM LOAN			
Secured			
Indian rupee term loans from banks	28,772.42	20,411.19	12,480.57
Term Loan from Financial Institution	8,121.20	15,195.90	17,977.95
Term loan under financial assistance scheme to Sugar units under SEFASU 2014 from Banks (Excise duty loan)	1,423.40	2,260.21	2,253.98
Sugar Development Fund Loan	940.66	-	-
Working capital term loan from a bank	218.53	343.24	467.85

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(₹ in lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Liability Component of Compound Financial Instrument			
Convertible Preference Shares (unsecured)	635.81	556.27	380.64
Unsecured			
Deferred payments liabilities (Sales tax deferral scheme)	-	49.42	162.19
Loan from others	2,000.00	2,000.00	2,000.00
Gross Amount	**42,112.02**	**40,816.23**	**35,723.18**
Amount disclosed under the head "other current financial liabilities" (Refer Note 15)	5,545.23	13,545.46	4,136.25
Net Amount	**36,566.79**	**27,270.77**	**31,586.93**

1 Indian rupee term loans from banks

a. In respect of subsidiary company, Indian rupee loan of NIL (31st March 2016: ₹ 10,059.49 lakhs, 1st April 2015: 7,780.67 lakhs) (including current maturities ₹ NIL (31st March 2016: 2925.00 lakhs, 1st April 2015: 1,550.00 lakhs)) carried interest @ NIL (31st March 2016: 13.25%, 1st April 2015: 13.25%). The loan was taken from ICICI Bank Limited and was repayable in 48 monthly instalments commencing from October 2014 but the same has been preclosed during the year . The loan was secured by equitable mortgage of building constructed /to be constructed thereon in phase I & II, excluding sold out space and its proportionate share in land and hypothecation of receivables, pertaining to the phase I & II, both present and future of the subsidiary company

b. In respect of a subsidiary company, Indian rupee term loan of ₹ 16.60 lakhs (31st March 2016: ₹ 53.17 lakhs, 1st April 2015: ₹ 89.51 lakhs) [(including current maturities ₹ 16.60 lakhs (31st March 2016: ₹ 35.93 lakhs, 1st April 2015: ₹ 35.87 lakhs)] is repayable in 48 equal instalments starting from April 2014 onwards. Term loan carries an interest @ 15.25% p.a. (31st March 2016: 15.25% p.a., 1st April 2015: 15.25% p.a.). The term loan from Axis Bank is secured against first charge on the movable fixed assets (Present) and to be purchased out of the term loan (other than funded by other bankers/institutions). The loan is also secured by hypothecation of entire current assets of the subsidiary company both present and future.

c. In respect of a subsidiary company, Indian rupee term loan of ₹ 1401.01 lakhs (31st March 2016: ₹ 1,492.14 lakhs, 1st April 2015:NIL) [(including current maturities ₹ 372.69 lakhs (31st March 2016: ₹ 91.12 lakhs, 1st April 2015: NIL)] is repayable in 48 equal instalments of ₹ 31.25 lakhs first instalment is due from January 2017 (13 months from the drawdown date). Term loan carries interest @ 12.10% (31st March 2016: 12.10%, 1st April 2015: NIL).The term loan from ICICI Bank Limited is secured against first, paripassu, charge on the immovable and movable fixed asset purchased. The said loan is secured by second pari passu charge by way of hypothecation of entire current assets (both present and future) of the subsidiary company.

d. In respect of a subsidiary company, Indian rupee loan of ₹ 5,914.10 lakhs (31st March 2016 : ₹7,154.19 lakhs)(1st April 2015 : ₹ 4,610.39 lakhs) [(including current maturities ₹ 1252.00 lakhs 31st March 2016: ₹1252.00 lakhs, 1st April 2015: ₹ 313.00 lakhs)] carries interest @ 3% plus base rate (31st March 2016: 3% plus base rate, 1st April 2015: 3%plus base rate) (the effective rate being 12.65%). The loan taken from State Bank of India, is secured by first mortgage / charge, pari passu, on entire fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new peice of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machinery and other fixed and current assets, present and future of the subsidiary company, on pari pasu basis, with other term lenders. The aforesaid loan is repayable in 24 quarterly instalments commencing from 31st March 2016. The 1 to 23rd quarterly instalments will be of ₹ 313 lakhs each and the 24th instalment will be of ₹ 301 lakhs.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

e. In respect of a subsidiary company, Indian rupee loan of ₹ 1652.85 lakhs (31st March 2016: ₹ 1,652.21 lakhs, 1st April 2015: ₹ NIL) [(including current maturities ₹ 208.00 lakhs (31st March 2016: NIL, 1st April 2015: NIL)] carries interest @ 2.3% plus base rate (31st March 2016: 2.3% plus base rate, 1st April 2015:NIL). The loan taken from State Bank of India is secured by first mortgage / charge on entire fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new peice of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machiney and other fixed and current assets, present and future of the subsidiary company, on pari pasu basis with other term lenders. The aforesaid loan is repayable in 16 quarterly instalments commencing from 1 October 2017.

f. In respect of subsidiary company, Indian rupee loan of ₹10,648.63 lakhs (31st March 2016: NIL, 1st April 2015: NIL) (including current maturities NIL (31st March 2016: NIL, 1st April 2015: NIL)) carries interest being MCLR for 12 months tenor at 8.95% plus 3.05% spread (i.e., effective rate of 12% p.a.) subject to yearly MCLR review with monthly compounding (31st March 2016: NIL, 1st April 2015: NIL). The loan is taken from Federal Bank Limited and is repayable in 36 monthly instalment of ₹ 416 lakhs each, commencing from 31.03.2019 with a moratorium period of 24 months. . The loan is secured by equitable mortgage on the Land and Building to be constructed under project name "Zuari Garden City " in area admeasuring to 50 Acres and 35 Guntas located in Mysore District . It is covered by first charge on the Escrow account into which all project receipt will be deposited, DSRA equivalent to 3 months interest during the moratorium.

g. In respect of subsidiary company, Indian rupee loan of ₹9139.23 lakhs (31st March 2016: NIL, 1st April 2015: NIL) (including current maturities NIL (31st March 2016: NIL, 1st April 2015: NIL)) carries interest @10.35% (31st March 2016: NIL, 1st April 2015: NIL). The loan is taken from Indusind Bank Limited (IBL) and is repayable in 16 structured quarterly instalment commencing from end of 1 year from date of disbursement. The loan is secured by

   i) pledge of Non convertible redeemable preference shares of Gobind Sugar Mills Limited held / to be acquired by the subsidiary company from proceeds of this facility;

   ii) exclusive charge by way of hypothecation over all present and future current and moveable fixed assets of the subsidiary company;

   iii) exclusive charge on immovable fixed assets owned by Parent Company maintaining fixed assets coverage of 1.50x basis market value;

   iv) land collateral should include at least 6.89 acres for Phase I residential development and 16 acres of Phase II residential project being executed by Parent Company in Goa;

   v) exclusive charge byway of hypothecation over all present and future current and moveable fixed assets of Parent Company excluding all land (being carried as inventory) other than land to be mortgaged to IBL and excluding non-current investments of Synthesis Energy Ltd.

2 Term Loan from Financial Institution

a. In respect of a subsidiary company, Indian rupee term Loan of ₹ 6,636.20 lakhs (31st March 2016: ₹7,218.09 lakhs) (1st April 2015: ₹5,540.02.00 lakhs) [(including current maturities ₹ 787.68 (31st March 2016: ₹ 393.84 lakhs, 1st April 2015: NIL)] from Indian Renewal Energy Development Agency Limited (IREDA) is secured by first mortgage / charge, pari passu, on entire fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new peice of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machinery and other fixed assets, present and future of the subsidiary company, on pari pasu basis with other term lenders. Further, the loan is secured by second pari-passu charge on current assets of the subsidiary company (excluding receivables from the power project on which there is a first pari-passu charge) along with other lenders.

   The said loan is repayable in 40 quarterly installments starting from expiry of 1 year from the date of commissioning of co-generation project and carries effective rate of interest @ 12.65%/13.25% p.a.

b. (i) In respect of Parent Company, Indian rupee term loan of NIL (31st March 2016: ₹ 7,977.81 lakhs, 1st April 2015: ₹7,957.85 lakhs) [(including current maturities NIL (31st March 2016: ₹ 7,977.81 lakhs, 1st April 2015: ₹ Nil)] from Rabo India Finance Ltd. carries a effective rate of interest of 12.70% was secured by the first exclusive charge on specific immovable property (shown as inventories) of the Parent Company and has been repaid during the year

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(ii) The Parent Company had undertaken that during the term of the loan, it shall continue to hold and it shall not enter into a transaction to encumber any of the following equity shares which are currently directly or indirectly held by it:

a) 100% equity shares in the total equity share capital of Zuari Investment Limited.

b) 30% equity shares in the total equity share capital of Zuari Agro Chemicals Limited

c) 12% equity shares in the total equity share capital of Chambal Fertilisers and Chemicals Limited

d) 25% equity shares in the total equity share capital of Gobind Sugar Mills Ltd.

(iii) Promoter group shall continue to have management control of the Parent Company and Zuari Investment Ltd. (ZIL) (subsidiary company) and hold majority ownership (atleast 51% of the total equity share capital without any encumbrance) in the Parent Company including the ability to appoint majority directors of the board of the Parent Company and ZIL.

c. In respect of a subsidiary company, indian rupee term loan from a body corporate of NIL (31st March 2016: ₹ NIL, 1st April 2015: ₹ 4,480.08 lakhs) (including current maturities of NIL (31st March 2016: ₹ Nil, 1st April 2015 : ₹ Nil) from Aditya Birla Finance Limited carries a effective rate of interest of 14.40% was secured by first mortgage / charge on all movable and immovable fixed assets including but not limited to land, buildings, plant and machinery, assignments of all project contracts, agreements etc present and future on first pari-passu basis. This loan was further secured by first pari-passu charge on all present and future current assets including book debts, operating cash flows and receivables of the subsidiary company. The said loan is fully repaid during the previous year.

d. In respect of a subsidiary company, indian rupee term Loan of ₹ 1,485.00 lakhs (31st March 2016: NIL, 1st April 2015: NIL) [(including current maturities ₹ 100.00 lakhs (31st March 2016: NIL, 1st April 2015: NIL)] from Infrastructure Leasing and Financial Servcies (IL&FS) is secured by first charge on the immovable and movable fixed asset purchased. The second charge, pari passu, is by hypothecation of entire current assets (both present and future) of the subsidiary company The said loan is repayable in 15 equal instalments of ₹100 lakhs starting from 31st March 2018 and it carries rate of interest @12.50%

3. Term Loan under financial assistance scheme to Sugar units under SEFASU 2014 from Banks (Excise duty loan)

In respect of a subsidiary company, Indian rupee term loans under Financial Assistance Scheme to Sugar Units under SEFASU 2014 from banks (Excise Duty Loan) of ₹ 1423.40 lakhs (31st March 2016: ₹ 2,260.21 lakhs, 1st April 2015 : ₹ 2253.98 lakhs) [(including current maturities ₹ 683.43 lakhs (31st March 2016: ₹ 695.62 lakhs, 1st April 2015: NIL)].

a. Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of ₹ 793.70 lakhs (31st March 2016: ₹ 1,099.00 lakhs, 1st April 2015 : ₹ 1,099.00 lakhs) [(including current maturities ₹ 366.36 lakhs (31st March 2016: ₹ 305.30 lakhs, 1st April 2015: NIL)] from District Co-operative Bank is repayable in 5 years with 2 years of moratorium period and carry interest of 12% p.a. As per the scheme, the interest is payable by the Government of India/National Bank for Agriculture and Rural Development (NABARD). As per the terms of the sanction letter, the loan is secured by charge on residual assets of the subsidiary company. This charge is yet to be created. The term loan carries a effective rate of interest of 0.73%

b. Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of ₹ 629.70 (31st March 2016: ₹ 1,161.21 lakhs, 1st April 2015: ₹ 1,154.98 lakhs) [(including current maturities ₹ 317.07 lakhs (31st March 2016: ₹ 390.32 Lakhs, 1st April 2015: NIL)] from State Bank of India is secured by first charge,pari passu, basis on the hypothecated current assets, both present and future and second charge, pari passu basis , on the moveable fixed assets of the subsidiary company with other Working Capital Lenders. The said loan is repayable in 12 quartely installments starting from 30th June, 2016 and carry interest of 12.50% p.a. As per the scheme, the interest to the extent of 12% p.a. is payable directly by the Government of India/National Bank for Agriculture and Rural Development (NABARD) to State Bank of India.

The loan received under financial assistance scheme to Sugar Units under SEFASU 2014 are received at rate of interest below than market rate. Therefore, the said loans have been fair valued using discounted cash flow technique for initial recognition and subsequently carried at amortised cost. The discount rate which has been used for initial recognition i.e. 12.5% p.a. is bench marked to other secured financial liabilities of the subsidiary company.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

4. Sugar Development Fund Loan

In respect of a subsidiary company, Indian rupee term Loans under Sugar Development Fund of ₹ 940.66 lakhs (31st March 2016: NIL, 1st April 2015 : NIL) [(including current maturities NIL (31st March 2016: NIL, 1st April 2015: NIL)] carries a fixed rate of interest @4.75% p.a. and for a time period of 9.5 year including 5 years moratorium period.

It is secured by first charge on, pari passu basis, all moveable and immoveable fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh.

The repayment of principal and payment of interest thereon shall commence after expiry of 1 year of repayment of term loans of banks and uterest thereon or on expiry of a period of 5 years reckoned from the date of disbursement whichever is earlier. the entire loan shall be repayable in half yearly installments.

The loan received from Sugar Development Fund is received at rate of interest below than market rate. Therefore, the said loan has been fair valued using discounted cash flow technique for initial recognition and subsequently carried at amortised cost. The discount rate which has been used for initial recognition i.e. 12.5% p.a. is bench marked to other secured financial liabilities of the subsidiary company.

5. Working Capital Term Loan

In respect of a subsidiary company, Indian rupee working capital term loan (WCTL) of ₹ 218.53 lakhs (31st March 2016: ₹ 343.24 lakhs, 1st April 2015: ₹ 467.85 lakhs) [(including current maturities ₹ 124.83 (31st March 2016: ₹ 124.71 lakhs, 1st April 2015: ₹ 124.61 lakhs)] is taken from Axis Bank and is repayable in 48 equal monthly installments of ₹ 10.40 lakhs starting from January 2015 onwards. The term loan carries interest @ 13.5% - 14% (31st March 2016: 13.50% - 14%, 1st April 2015: 13.50% - 14%). The WCLT is secured against first charge, pari passu, with Ratnakar Bank over the entire Current Assets of the subsidiary company, both present and future, first charge, pari passuu, over the movable fixed assets of the company (except which are specfically funded out of Axis Bank) and second charge, pari passu, over movable fixed assets of the subsidiary company funded out of the term loan).

6. Convertible Prefernce Shares

a. In respect of a subsidiary company, the Non Convertible Redeemable Preference Shares (NCRPS) of ₹ 74.27 lakhs (31st March 2016: ₹ 63.52 lakhs, 1st April 2015: ₹ 16.84 lakhs) carry dividend @ 7.00% per annum. These shares are redeemable at par in one single lot after the expiry of 12th year from the date of allotment of shares with a right vested in the board of directors to redeem earlier subject to the consent of subscribers. The Board reserves the right to pay the dividend earlier with the consent of the subscribers but subject to the availability of profit. In case of loss or inadequacy of profit, the right of holders of NCRPS to receive the dividend shall expire.

   NCRPS have been initially recorded at fair value by discounting the cash flow at maturity of instruments with discount rate of 16% p.a. (interest rate applicable to similar other borrowings of the subsidairy company).

b. In respect of a subsidiary company, the Non Convertible Redeemable Preference Shares (NCRPS) of ₹ 561.54 lakhs (31st March 2016: ₹ 492.75 lakhs, 1st April 2015: ₹ 363.80 lakhs) carry dividend @ 8.50% per annum which are cumulative in nature and redeemable on 31st March 2020. These shares are redeemable at a price band of ₹ 125- ₹ 150 per preference share. Each holder of preference shares is entitled to one vote per share on resolutions placed before the subsidiary company, which directly affect the rights attached to the preference share.

   NCRPS have been initially recorded at fair value by discounting the cash flow at maturity of instruments with discount rate of 14% p.a. (interest rate applicable to similar other borrowings of the subsidairy company).

7. Deferred payments liabilities

In respect of a subsidiary company, Deferred sales tax scheme was interest free and payable in 96 installments. Amount varies from month to month based on the actual liability, starting from May 2008.

8. Loan from Others (Unsecured)

a. In respect of a subsidiary company, unsecured loan of ₹ 2,000 lakhs (31st March 2016: ₹ 2,000.00 lakhs, 1st April 2015: ₹ 2,000.00 lakhs) [including current maturities of ₹ 2,000.00 lakhs (31st March 2016: ₹ NIL, 1st April 2015 : ₹ 2,000.00 lakhs)] from Adventz Finance Private Limited carries interest of 14% (31st March 2016: 14%, 1st April 2015: 14%) repayable in June 2017.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

13 B Current Borrowings

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Secured			
Cash credit from banks	19,356.05	15,521.12	13,359.10
Buyers credit from banks	311.16	308.87	116.32
Term loan from banks	7,120.07	7,164.50	3,574.58
Loan from financial institutions	2,976.29	2,972.56	-
Unsecured			
Short term loan from bank	-	4,983.07	4,500.00
Term loans from others			
- Inter corporate Deposits	4,285.07	4,200.00	4,264.36
Total	34,048.64	35,150.12	25,814.36

1 **Cash Credit from Banks**

a In respect of a subsidiary, cash credit from bank of ₹ 2,211.39 lakhs (31st March 2016:: ₹ 2,073.54 lakhs, 1st April 2015:: ₹ 2,129.66 lakhs) from Axis Bank is secured against pari passu first charge over the entire current assets both present and future and paripassu second charge over movable fixed assets of the subsidiary company funded out of Axis Bank term loan. The cash credit is repayable on demand and carries interest @ 13.75% p.a. (31st March 2016:: 13.75% p.a. , 31st March 2015:: 13.75% p.a.)

b In respect of a subsidiary, cash credit from bank of ₹ 1,671.44 lakhs (31st March 2016:: ₹ 1,503.76 lakhs, 1st April 2015:: ₹ 1,656.74 lakhs) from Ratnakar Bank is secured against pari passu first charge over entire current and fixed assets (except vehicle) both present and future. The cash credit is repayable on demand and carries interest @ 14% p.a. (31st March 2016:: 14% p.a. , 31st March 2015:: 14% p.a.)

c In respect of a subsidiary company, cash credit of ₹1,480.43 lakhs (31st March 2016: ₹ 1,962.51 lakhs , 1st April 2015: ₹ 1,954.03 lakhs from State Bank of India is secured by hypothecation of entire current assets including book debts both present and future on pari passu basis and also by first charge on pari passu basis with other lenders on the fixed assets of the subsidiary company. This loan carries interest at the base rate of the bank plus 5.00% p.a.

d In respect of a subsidiary company, cash credit of ₹ 5,132.20 lakhs (31st March 2016: ₹ 4,119.29 lakhs , 1st April 2015: ₹ 4,046.24 lakhs) from District Cooperative Bank Ltd., Lakhimpur Kheri. As per the sanction letter, the said limit is secured by pledge of some stock of finished goods and also by immovable fixed assets on pari-passu basis and carries interest @ 10.05% p.a.(31st March 2016:: 11.75% p.a. , 1st April 2015:: 11.75% p.a.) The said charge is yet to be created.

e In respect of a subsidiary company, cash credit of ₹ 1,757.11 lakhs (31st March 2016: ₹ 1,522.56 lakhs , 1st April 2015: ₹ 1,572.43 lakhs) from District Cooperative Bank Ltd., Barabanki, as per the sanction letter is secured by pledge of some stock of finished goods and carries interest 11.25% p.a.(31st March 2016:: 11.25% p.a. , 1st April 2015:: 11.75% p.a.) The said charge is yet to be created.

f In respect of a subsidiary company, cash credit of ₹ 3,997.08 lakhs (31st March 2016: ₹ 1,079.00 lakhs , 1st April 2015: ₹ 2,000.00 lakhs) from Ratnakar Bank Ltd. is secured by first mortgage / charge of entire current assets, immovable and movable fixed assets ranking pari pasu with other lenders of the subsidiary company. The loan carries interest @ 11.25% p.a (31st March 2015:: 13.75% p.a. , 1st April 2015:: 13.75% p.a.).

g In respect of a subsidiary company, cash credit of ₹ 1,499.94 lakhs (31st March 2016: ₹ 2,000.00 lakhs, 1st April 2015: NIL) from District Cooperative Bank Ltd., Pilibhit, as per the sanction letter is secured by pledge of some stock of finished goods and carries interest 11.20% p.a.(31st March 2016:: 11.25 % p.a. , 1st April 2015:: NIL) The said charge is yet to be created.

h. In respect of a subsidiary company, cash credit of ₹ 1,606.46 lakhs (31st March 2016: ₹ 1,260.47 lakhs , 1st April 2015: NIL) from District Cooperative Bank Ltd., Shahjahanpur, as per the sanction letter is secured by pledge of some stock of finished goods and carries interest 11.25% p.a.(331st March 2016:: 11.25 % p.a. , 1st April 2015:: NIL) The said charge is yet to be created.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

2. Buyers Credit from banks

A subsidiary company has taken buyers credit of ₹ 311.16 lakhs (31st March 2016:: 308.87 lakhs , 1st April 2015:: 116.32 lakhs) for the import LC payment. Each BC will be payable to the buyers credit party with different agreed date along with interest. Buyers credit is secured against first paripasu charges on all current assets of the subsidiary company, both present and future. First paripasu charge on all movable fixed assets (except vehicles & movable fixed assets funded out of term Loan from Axis bank) of the subsidiary company , both present and future. First pari passu charge on land and factory building of the subsidiary company located at G-106, SIDCO Industrial estte, Kakkalur, Tiruvallur, Tamilnadu. Second paripasu charge on movable fixed assets funded out of term loan from Axis Bank Ltd.

The Buyers credit carries a rate of interest between 1.73 %(31st March 2016:: 1.00% to 2.13% p.a. ,1st April 2015:: 0.943% to 2.456% p.a.) and is repayable over a tenure of 60-90 days(31st March 2016:: 90 days, 1st April 2015:: 66-120 days)

3. Term Loan from banks (Secured)

a In respect of short term loan of NIL (31st March 2016:: NIL , 1st April 2015:: ₹ 2,127.73 lakhs) availed by a subsidiary company, carried an interest rate of NIL (31st March 2016::NIL, 1st April 2015:: 13.25% p.a.). It was secured by SBLC provided by Bank of Bharain & Kuwait, India. The same had been repaid during the previous year.

b In respect of short term loan of NIL(31st March 2016 :: NIL, 1st April 2015 :: ₹ 1446.85 lakhs) availed by the subsidiary company, carried an Interest rate of NIL (31st March 2016 :: NIL, 1st April :: 4.2346% per annum) was repaid during the year and it was availed in USD against the security of fixed deposit in INR. The same has been repaid during the previous year.

c In respect of Short term loan of ₹ 7012.57 lakhs (31st March 2016:: ₹ 7164.49 lakhs, 1st April 2015:: NIL) availed by a subsidiary company, carries an interest rate of 4.235% p.a. (31st March 2016:: 4.235%, 1st April 2015:: 4.235%). It is secured by SBLC provided by State Bank of India. This is further secured by pledge of units of mutual fund of ₹1500 lakhs by a subsidiary company and first and paramount charge on specific land provided by the Parent Company.

d In respect of Short term loan of ₹ 107.50 lakhs (31st March 2016:: NIL , 1st April 2015:: NIL) availed by a subsidiary company, carries an interest rate of 6.58 % p.a and 7.47%. (31st March 2016:: NIL, 1st April 2015:: NIL). It is secured by hypothecation of vehicle purchased out of loan

4. Loan from financial institution

In respect of short term loan of ₹ 2,976.29 lakhs (31st March 2016:₹2,972.56 lakhs, 1st April 2015:: NIL) from Indian Renewable Energy Development Agency Limited is availed by a subsidiary company, carries an interest rate of 12.70% (31st March 2016:: 12.70%, 1st April 2015:: NIL.)repayable on or before end of two years from the date of 1st disbursement or upon release of SDF Loan, whichever is earlier. It is secured by first equitable mortgage/charge on, pari passu basis, all moveable and immoveable fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh, and second pari-passu charge on Current Assets of the subsidiary company (excluding receivables from the power project on which IREDA and SBI will have exclusive first pari-passu charge), on pari passu basis with other lenders.

5. Short Term Loan from bank (Unsecured)

a In respect of short term loan of ₹ NIL (31st March 2016:: ₹ 4,983.07 lakhs , 1st April 2015:: ₹ NIL) from Federal Bank Limited was availed by a subsidiary company, carried an interest rate of NIL (31st March 2016:: 12% p.a. 1st April 2015:: NIL.) and was repayable in three equal instalments i.e. ₹ 1,666.67 lakhs each to be repaid on 21st April, 2016, 21st July, 2016 and 21st October, 2016. The same had been repaid during the year.

b In respect of short term loan of ₹ NIL (31st March 2016:: NIL, 1st April 2015:: 4,500.00 lakhs) availed by the subsidiary company, carried an interest rate of NIL (31st March 2016:: NIL , 1st April 2015:: 11.75% p.a.) and was repayable on 15th April 2015 ₹ 1500.00 lakhs and balance ₹ 3000.00 lakhs on or before 30th April 2015. The same was repaid during the previous year.

6 Term Loans from Others (unsecured)

a In respect of deposit from body corporate of ₹ 1,300.00 lakhs (31st March 2016:: ₹1,300.00 lakhs, 1st April 2015:: ₹1,300.00 lakhs) availed by a subsidiary company from Taxmaco Infrastructure & Holdings Limited, carries an interest rate of 16% p.a. (31st March 2016:: 16% p.a., 1st April 2015:: 16% p.a.) and repayable on demand.

b In respect of deposit from body corporate of ₹ 2,500.00 lakhs (31st March 2016:: ₹ 2,500.00 lakhs, 1st April 2015:: ₹ 2,500.00 lakhs) availed by a subsidiary company from Adventz Investment & Holdings Limited, carries an interest rate of 16% p.a. (31st March 2016:: 16% p.a., 1st April 2015:: 16% p.a.) and repayable on demand.

c Deposits of ₹ 485.07 lakhs (31st March 2015:: ₹ 400.00 lakhs, 1st April 2015:: ₹ 464.36 lakhs) availed by subsidiary companies, carries an interest rate of 13% p.a. -17% p.a.(31st March 2016:: 13% p.a.- 17% p.a. ,1st April 2015:: 13% p.a.- 17% p.a.) and are repayable on demand.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

14. Trade payables

₹ In lakhs

Particulars	NON CURRENT			CURRENT		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Trade payables (Including acceptance)						
Due to related Party (Refer Note 47)	-	-	-	845.08	748.73	157.03
Due to others	397.14	369.10	309.35	26,464.00	17,578.88	22,155.83
(refer below for details of dues to Micro and Small Enterprises)						
TOTAL	**397.14**	**369.10**	**309.35**	**27,309.08**	**18,327.61**	**22,312.86**

Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
The principal amount and the interest due thereon remaining unpaid to any supplier:						
- Principal amount	-	-	-	154.48	218.29	320.63
- Interest thereon	-	-	-	0.13	0.65	0.17
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-	-	119.24	7.20	6.92
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-	0.92	0.54	0.27
The amount of interest accrued and remaining unpaid	-	-	-	1.05	0.65	0.40
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-	-	-	0.40	1.96

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-60 day terms

For explanation on the Group's credit risk management processes, refer to note 48

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

15 Other Financial Liabilities

₹ in lakhs

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Other financial liabilities at amortised cost						
Current maturities of long term borrowings (Refer Note 13A)	-	-	-	5,545.23	13,545.46	4,136.25
Payable for voluntary retirement scheme	4.60	23.27	42.70	18.67	18.67	19.72
Advance towards sale of land/Investments - Related Parties (refer note 4 - Investment Property for ₹ 3209.13 Lakhs advance)	-	-	-	3,209.13	11,920.00	11,920.00
Employee benefits payable	-	-	-	666.86	485.09	449.07
Interest accrued but not due on borrowings	-	-	-	24.81	61.44	59.66
Interest accrued and due on borrowings	-	-	-	391.97	219.30	422.91
Security deposits received	-	-	-	583.96	597.80	650.02
Payable towards purchase of capital goods	-	-	-	2,422.58	3,273.16	657.36
Statutory liabilities to be credited to 'Investor's Education and Protection Fund' as and when due						
Unclaimed deposits	-	-	-	-	2.71	6.66
Unclaimed dividends	-	-	-	25.87	29.04	33.46
Unclaimed Interest warrants	-	-	-	0.90	2.61	5.31
Unclaimed preference warrants	-	-	-	1.51	5.79	5.82
Total other financial liabilities	**4.60**	**23.27**	**42.70**	**12,891.49**	**30,161.07**	**18,366.24**

Break up of financial liabilities carried at amortised cost

₹ in lakhs

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Borrowings (note 13)	36,566.79	27,270.77	31,586.93	34,048.64	35,150.12	25,814.36
Trade payables (note 14)	397.14	369.10	309.35	27,309.08	18,327.61	22,312.86
Other Financial Liabilities (Note 15)	4.60	23.27	42.70	12,891.49	30,161.07	18,366.24
Total financial liabilities carried at amortised cost	**36,968.53**	**27,663.14**	**31,938.98**	**74,249.21**	**83,638.80**	**66,493.46**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

16 Provisions (Current and Non-Current)

₹ in lakhs

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Provision for employee benefits						
Provision for Leave Encashment	-	-	-	671.98	580.18	496.56
Gratuity [Refer note 40]	125.76	193.67	241.28	311.98	36.38	25.92
	125.76	193.67	241.28	983.96	616.56	522.48
Others provisions						
Provision for wealth tax	-	-	-	-	-	48.11
Provision for Warranty*	-	-	-	104.30	45.83	282.51
Provision for Contingencies**	-	-	-	464.58	-	-
	-	-	-	568.88	45.83	330.62
Total	**125.76**	**193.67**	**241.28**	**1,552.84**	**662.39**	**853.10**

Provision for warranty (Period upto one year)*

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Opening balance	45.83	282.51
Additions during the year	58.47	29.82
Amount used during the year	-	12.71
Unused amount reversed during the year	-	253.79
Closing balance	**104.30**	**45.83**

* In respect of a subsidiary of the Group engaged in the business of manufacturing and trading and sale of ready to assemble furniture, provisions for warranty related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually. The company gives warranty to products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future cash outflows and computed on total sales made during the year based on past experience. No reimbursements are expected. In case of another subsidiary company, it has assessed the year end provision for expected claims/expenditure on construction contracts on the basis of the best estimate.

Provision for Contingencies**

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Opening balance	-	-
Addition during the year	464.58	-
Amount used during the year	-	-
Unused amount reversed during the year	-	-
Closing balance	**464.58**	-

Provision for contingencies is in relation to expected loss on completion of the projects other than warranty claims mentioned above. The subsidiary company expects that a significant portion of the cost will have to be incurred / utilised in the next financial year and has accordingly classified the entire amount as current provision.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

17A Income Tax

The major components of income tax expense for the years ended 31st March 2017 and 31st March 2016 are:

Profit or loss section ₹ In Lakhs

Particulars	31st March 2017	31st March 2016
Current income tax:		
Current income tax (charge)/credit	(456.36)	(717.60)
MAT Credit entitlement	42.63	22.90
Adjustments in respect of current income tax of previous year	20.72	202.16
Deferred tax:		
Relating to origination and reversal of temporary differences	367.40	2,638.39
Income tax (expense)/charge reported in the statement of profit or loss	**(25.61)**	**2,145.85**

OCI section

Deferred tax related to items recognised in OCI during in the year:

₹ In Lakhs

Particulars	31st March 2017	31st March 2016
Net loss/(gain) on remeasurements of defined benefit plans	(125.68)	30.62
Deferred tax charged/(credit) to OCI	1.36	(12.66)
Net (loss)/gain on FVTOCI equity securities	21,893.77	(23,931.54)
Deferred tax charged/(credit) to OCI	37.15	10.71

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2017 and 31st March 2016

₹ In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Accounting profit/(loss) before Income tax	(2,210.02)	(5,975.65)
Tax at the applicable tax rate of 34.61% (31.3.2016: 34.61%)	764.84	2,068.05
Losses of subsidiary on which no tax liability was created (net of consolidation adjustments)	(1,368.20)	(1,521.66)
Adjustments in respect of current income tax of previous year	20.72	202.16
Adjustments in respect of loss of associate and joint ventures	(519.33)	(1,372.01)
Tax effect of income that are not taxable in determining taxable profit		
Dividend income	450.91	507.12
Sale of Investment in subsidiary	-	14.27
Reversal of Wealth Tax	-	6.22
Forex Reinstatement	-	1.74
Deferred Tax reversal of interest under section 234C	-	49.49
Deferred Tax reversal of interest under section 244A	38.23	11.31
Employee expenses decreased due to Ind-AS impact	1.77	-
Interest on land compensation (taxable on receipt basis)	(27.80)	-
Disallowances considered under Section 14A now considered as allowable	-	(4.56)
Other adjustments	16.36	2.56

Continued...

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

₹ In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Tax effect of expenses that are not deductible in determining taxable profit:		
Disallowance U/s 14A	(4.13)	-
Disallowance U/s 40A(3)	(0.11)	(0.51)
Donation and CSR Expense	(2.50)	(33.61)
Interest on Delayed Payment of Taxes	(6.49)	(9.90)
Employee Expenses Increased due to Ind-AS impact	-	(3.74)
Others	-	(1.71)
Tax effect of expenses that are deductible in determining taxable profit:		
Tax impact on non convertible redeemable preference shares	(129.29)	(117.33)
Impact of others items:		
Change in tax rate	37.37	160.20
Losses on which deferred tax assets were not created earlier	-	11.79
Utilisation of previously unrecognised tax eligible expenses		
Additional deduction on investment allowance	722.00	665.63
Tax effects of amounts which are not used in deferred tax calculation as they would be reversed in tax holiday periods	-	1,499.72
Tax empact of lower tax rate in subsidiary	(48.99)	1.26
Other Adjustments	11.81	9.36
	-	-
MAT credit related to earlier period	17.22	-
Tax Expenses	**(25.61)**	**2,145.85**

Deferred tax: ₹ In Lakhs

Particulars	As at 1st April 2015	Provided during the year	As at 31st March 2016	Provided during the year	As at 31st March 2017
Deferred tax liability:					
Property, plant and equipment impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	757.10	723.81	1,480.91	3,678.77	5,159.68
Income considered in the books but not in the income tax	49.54	(11.31)	38.23	(38.23)	-
Fair valuation of investment	2.12	25.64	27.76	91.86	119.62
Others	83.83	(45.89)	37.94	(13.35)	24.59
Total deferred tax liability (A)	**892.59**	**692.25**	**1,584.84**	**3,719.05**	**5,303.89**

Continued...

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

₹ In Lakhs

Particulars	As at 1st April 2015	Provided during the year	As at 31st March 2016	Provided during the year	As at 31st March 2017
Deferred tax assets:					
Provision for doubtful debts	6.59	0.20	6.79	(0.59)	6.20
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	642.79	(117.13)	525.66	132.80	658.46
Unabsorbed Depreciation	1,827.80	2,676.41	4,504.21	3,271.07	7,775.28
Carry forward of unused tax losses and unused tax credits	4,010.88	378.96	4,389.84	595.15	4,984.99
Deferred government grants		184.46	184.46	(12.55)	171.91
Provision for expected loss	-	-	-	143.56	143.56
Interest accrued on preference shares	3.44	18.94	22.38	22.75	45.13
MAT Credit Entitlement	27.65	22.90	50.55	42.63	93.18
Others	681.64	186.85	868.49	(27.23)	841.26
Total deferred tax assets (B)	**7,200.79**	**3,351.59**	**10,552.38**	**4,167.59**	**14,719.97**
Deferred Tax Liability (Net) (A - B)	**(6,308.20)**	**(2,659.34)**	**(8,967.54)**	**(448.54)**	**(9,416.08)**

Reconciliation of deferred tax liabilities (net): ₹ In Lakhs

Particulars	31st March 2017	31st March 2016
Opening Balance	**(8,967.54)**	**(6,308.20)**
Tax (credit)/expense during the year recognised in statement of profit or loss	(367.40)	(2,638.39)
Tax (credit)/expense during the year recognised in OCI	(38.51)	1.95
MAT Credit Entitlement	(42.63)	(22.90)
Closing balance	**(9,416.08)**	**(8,967.54)**

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

The Group has till date recognised ₹93.18 lakhs (31st March 2016 ₹50.55 lakhs:: 1st April 2015: ₹ 27.65 lakhs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement

17B Current Tax Asset

₹ In Lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Income tax assets- others	5,185.60	4,546.62	3,801.78
Advance received - related parties (Refer Note. 47)	(2,533.85)	-	-
Total	**2,651.75**	**4,546.62**	**3,801.78**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

18. Other Liabilities

₹ in lakhs

Particulars	Non Current			Current		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Statutory liabilities	-	-	-	1,987.31	1,876.04	1,529.57
Advances received for sale of land						
Related Parties (Refer Note 47)	-	-	-	700.00	700.00	700.00
Advances received from customers and others						
Related Parties (Refer Note 47)	-	-	-	59.92	-	-
Others	-	-	-	5,549.82	2,914.85	5,195.51
Deferred Revenue	-	-	-	28.73	131.81	-
Deferred gain on Preference shares issued to others	-	-	-	-	-	-
Deferred government grant 5% - Sugar refinery	497.23	-	-	21.05	-	-
Deferred government grant 5% - Power Plant	489.84	511.41	-	21.57	21.57	-
Deferred government grant SDF	1,055.81	-	-	64.15	-	-
Others (Interest on Income Tax)	-	-	-	64.22	9.47	-
Total	**2,042.88**	**511.41**	**-**	**8,496.77**	**5,653.74**	**7,425.08**

19. Revenue From Operations

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Sale of products		
Finished goods	40,981.29	36,621.41
Traded goods	3,500.65	4,391.75
Power	3,959.24	1,890.50
By products	2,265.86	1,722.34
Sale of Engineering Supplies and Other Services	11,074.17	10,070.52
Real Estate	1,257.80	2,585.32
Other Operating Income		
Scrap sales	31.30	398.98
Pressmud sales	44.37	2.01
Total	**63,114.68**	**57,682.83**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

20. Other income

₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Finance Income		
Interest on: (Note A)		
Bank deposits	185.87	601.78
Intercorporate loans	152.59	205.75
Subvention from U.P Government	581.23	114.92
Interest income on financial assets valued at amortized cost	104.82	49.33
Overdue debtors, employee loans and others	87.51	135.94
Compensation towards land acquisition	-	14.90
Income tax refunds	358.62	413.19
Other income		
Dividend from: (Note B)		
Current investments	84.96	118.15
Long-term investments	1,330.59	1,302.63
Provision Written Back (Net)	114.09	490.10
Exchange Fluctuations (Net)	0.53	-
Income from fair valuation of Mutual Funds	367.41	121.81
Rent received	266.45	223.40
Profit on sale of Investments (Net)	17.82	31.69
Export Subsidy	181.50	65.10
Renewable energy certificate Income	307.58	14.73
Recognition of deferred Government grant - SDF Loan	15.22	-
Recognition of deferred Government grant - 5% - Power plant	21.57	6.38
Recognition of deferred Government grant - 5% - Sugar Refinery	8.08	-
Government grant (excise term loans and camesfot loans)	308.70	366.99
Miscellaneous income	193.51	61.59
Total	**4,688.65**	**4,338.38**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss

₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
In relation to Financial assets classified at amortised cost	1,112.02	1,107.72
Total	**1,112.02**	**1,107.72**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

21. Cost of Raw Materials Consumed ₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Opening Stock	787.30	902.26
Purchases and procurement expenses	32,647.65	21,795.64
	33,434.95	22,697.90
Less: Closing Stock	630.42	787.30
	32,804.53	21,910.60
Less: Internal generated bagasse transferred to pre-operative expense (pending allocation) under power and fuel	99.90	359.57
Total	**32,704.63**	**21,551.03**

22. Purchase of Stock in Trade ₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Fertilizers	-	610.89
Furniture and accessories	2,268.62	2,166.61
Total	**2,268.62**	**2,777.50**

23. Project Expenses ₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Project supplies	3,934.97	1,947.74
Architect Fees	50.29	299.52
Consultancy Fee	121.54	1,768.08
Project Approval cost	0.59	64.34
Land Development	6.70	97.80
Civil Work	1,664.17	2,430.72
Landscape expenses	44.15	26.22
Travelling and conveyance	231.75	187.14
Sub-contracting fee	2,217.79	3,380.63
Legal and professional fees	152.06	69.48
Insurance	7.39	4.36
Bank charges	34.90	39.86
Site office expenses	109.18	109.04
Site Security Expenses	65.41	26.26
Project Staff Costs	461.26	487.31
Gratuity (Refer Note 40)	4.37	-
Contribution to Provident & Other funds	19.36	17.27
Interest paid on loan	2,392.43	3,142.17
Infrastructure Expenses	294.38	590.11
Rates & Taxes	49.20	173.32
Project Development Expenses	2,100.92	2,096.39
Provision for expected loss	464.58	-
Provision for Warranties (Refer note no. 16)	58.46	15.51
Depreciation on assets - Projects	33.50	29.79
Miscellaneous expenses	157.44	76.08
	14,676.79	17,079.14
Less : Warranty provision of earlier years reversed	-	(253.79)
Total	**14,676.79**	**16,825.35**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

24 Change in Inventories

₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Closing stock		
Finished products	18,256.33	13,719.28
Project in Progress	20,070.17	15,860.87
Work in Progress	307.48	389.87
By Products	436.30	808.48
Pressmud	24.56	27.47
Traded products	904.61	2,001.23
Scrap	189.71	40.00
Stock in trade	23,218.45	21,522.18
	63,407.61	**54,369.38**
Less :		
Opening stock		
Finished products	13,719.28	20,682.86
Project in Progress	15,860.87	7,891.01
Work in Progress	389.87	348.80
By Products	808.48	990.09
Pressmud	27.47	-
Traded products	2,001.23	2,310.59
Scrap	40.00	20.50
Stock in trade	21,522.18	20,507.49
	54,369.38	**52,751.34**
Less: Transferred to Other Current Asset		(2.92)
(Increase) / decrease		
Finished products	(4,537.05)	6,963.58
Project in Progress	(4,209.30)	(7,969.86)
Work in Progress	82.39	(41.07)
By Products	372.18	181.61
Pressmud	2.91	(27.47)
Traded products	1,096.62	309.36
Scrap	(149.71)	(19.50)
Stock in trade (land)	(1,696.27)	(1,014.69)
Total	**(9,038.23)**	**(1,620.96)**

25. Excise Duty on goods

₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Excise duty on sale of goods	2,881.04	2,253.64
(Increase)/decrease of excise duty and cess on inventories	(27.40)	151.86
Total	**2,853.64**	**2,405.50**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

26. Employee Benefits Expense

₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Salaries, wages and bonus	6,736.03	6,481.27
Contribution to provident and other funds	387.52	378.20
Gratuity (Refer Note 40)	135.02	101.62
Staff welfare expenses	204.94	223.79
Total	**7,463.51**	**7,184.88**

27. Finance Costs

₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Interest expense:		
Interest On Loan	5,401.63	3,461.47
Preference Shares	79.55	65.93
Other Borrowing Costs	319.05	386.54
Total	**5,800.23**	**3,913.94**

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

₹ in lakhs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
In relation to Financial liabilities classified at amortised cost	5,401.63	3,461.47
Total	**5,401.63**	**3,461.47**

28. Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Depreciation of property, plant and equipment	1,445.30	738.20
Amortisation of intangible assets	61.50	87.72
Depreciation on investment property	9.16	8.93
	1,515.96	834.85
Less: Transferred to project	(33.50)	(29.79)
Total	**1,482.46**	**805.06**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

29. Other expenses

₹ in lakhs

Particulars	**Year Ended 31st March 2017**	**Year Ended 31st March 2016**
Consumption of stores and spares	544.17	418.91
Consumption of packing materials	499.11	553.99
Power, fuel and water	480.82	523.18
Outward freight and handling	1,169.10	1,246.53
Lease Rent	5.66	8.58
Rent	1,648.67	1,802.15
Rates and taxes	276.85	166.14
Insurance	146.25	123.84
Repairs and maintenance		
Building	42.49	49.04
Machinery	418.76	516.58
Others	375.64	415.92
Payment to auditor (Refer details below)	118.40	107.19
Consultancy charges	529.31	1,947.21
Sundry balances written off	-	27.58
Provision for Doubtful Debts, Claims and Advances	477.73	166.80
Loss on foreign exchange (net)	-	19.67
Loss on sale of property, plant and equipment (net)	6.28	105.45
Commission on sales	61.40	141.83
Advertisement	394.01	427.92
Provision for Warranties (Refer note no. 16)	-	14.31
Liquidation expenses	-	3.19
Molasses Storage & Maintenance Reserve	5.29	5.00
Donation	8.29	1.22
Miscellaneous expenses	1,592.48	1,397.91
Total	**8,800.70**	**10,190.14**

Payments to statutory auditors as

As statutory auditors

₹ in lakhs

Particulars	**Year Ended 31st March 2017**	**Year Ended 31st March 2016**
Audit fees	65.89	69.97
Tax audit fee	13.04	12.24
Limited review fees	10.94	9.65
In other capacity		
Certification fees, etc.	21.81	10.11
Reimbursement of expenses	6.72	5.22
Total	**118.40**	**107.19**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

30. Exceptional Items:

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Income	-	-
Expenses		
Cane Subsidy written off by the subsidiary*	1,500.38	-
	1,500.38	-
Total	**1,500.38**	-

The Government of Uttar Pradesh issued press release for grant of subsidy for Sugar industry for the crushing season 2015-2016 linked to average selling price of sugar and by-products during the period 1 October 2015 to 31 May 2016. Total subsidy recognized for the said crushing season amounted to ₹ 1,500.38 lakhs, based on estimated average selling prices of the period mentioned above.

Considering the substantial delay in receiving the same and changes in expectations of the subsidiary company regarding its realization, the subsidiary company decided to derecognize the whole amount of subsidy as an exceptional item.

31. Components of Other Comprehensive Income attributable to equity shareholders

The disaggregation of changes to OCI be each type of reserve in equity is shown below

For the year ended 31st March 2016

₹ in Lakhs

Particulars	FVTOCI Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
A Items that will be reclassified to profit or loss				
Share of (Loss)/profit in Associates (net of tax)	33.30	202.56	-	235.86
Foreign currency translation reserve	-	132.47	-	132.47
B Items that will not be reclassified to profit or loss				
Share of (Loss)/Profit in Associates(net of tax)	(1,677.00)	-	57.99	(1,619.01)
Re-measurement gains (losses) on defined benefit plans	-	-	30.62	30.62
Income tax effect	-	-	(12.66)	(12.66)
Net (loss)/gain on FVTOCI equity securities	(23,931.54)	-	-	(23,931.54)
Income tax effect	10.71	-	-	10.71
Non controlling interest	-	-	4.46	4.46
Total	**(25,564.53)**	**335.03**	**80.41**	**(25,149.09)**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

For the year ended 31st March 2017 ₹ in Lakhs

Particulars	FVTOCI Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
A Items that will be reclassified to profit or loss				
Share of (Loss)/profit in Associates (net of tax)	17.92	(87.10)	-	(69.18)
Foreign currency translation reserve	-	(85.57)	-	(85.57)
B Items that will not be reclassified to profit or loss				
Share of (Loss)/Profit in Associates(net of tax)	1,663.57	-	45.86	1,709.43
Re-measurement gains (losses) on defined benefit plans	-	-	(125.68)	(125.68)
Income tax effect	-	-	1.36	1.36
Net (loss)/gain on FVTOCI equity securities	21,893.77	-	-	21,893.77
Income tax effect	37.15		-	37.15
Non controlling interest	-	-	37.89	37.89
Total	**23,612.41**	**(172.67)**	**(40.57)**	**23,399.17**

32. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Parent Company by the weighted average number of Equity shares outstanding during the year.

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

(₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Profit/(loss) after taxation as per statement of Profit and Loss (₹ in lakhs)	(2,797.02)	(4,397.32)
Weighted average number of shares used in computing earnings per share -Basic and Diluted	29,440,604	29,440,604
Earnings per share – Basic and diluted (in ₹) (annualised)	(9.50)	(14.94)
Face value per share (in ₹)	10	10

33. Distributions made and Proposed (₹ in lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Cash dividends on Equity shares declared and paid:		
Final equity dividends:: ₹ 1/– per equity share (31st March, 2015:: ₹ 1/– Per Equity Share)	297.59	298.83
DDT on final dividend	59.93	59.93
	357.52	**358.76**
Proposed dividends on Equity shares:		
Proposed final equity dividends:: Re 1/– per equity share (31st March, 2016:: ₹ 1/– Per Equity Share)	294.41	294.41
Tax on proposed equity dividend	59.93	59.93
	354.34	**354.34**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at the respective year end.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

34. Significant accounting judgements, estimates and assumptions

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

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 40.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 33 for further disclosures.

Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date

Useful life of Intangible Assets

The management estimates the useful life of Intangible Assets based on technical evaluation. These assumptions are reviewed at each reporting date

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

1. Disclosure of Interest in the following categories of Joint Arrangements:

(a) Joint Ventures:

	Name	Country of Incorporation /Principal place of business	Proportion of Ownership Interest (%)		
			As on 31st March 2017	As on 31st March 2016	As on 1st April 2015
(i)	Zuari Indian Oiltanking Private Limited	India	50.00%	50.00%	50.00%

2. Disclosure of Interest in the following subsidiaries:

	Name	Country of Incorporation /Principal place of business	Proportion of Ownership Interest (%)		
			As on 31st March 2017	As on 31st March 2016	As on 1st April 2015
1	Indian Furniture Products Limited (IFPL) consolidated including its joint ventures (Refer Note (i) below)	India	86.05%	86.05%	86.05%
2	Simon India Limited (Refer note (ii) below)	India	100.00%	100.00%	100.00%
3	Zuari Management Services Limited	India	100.00%	100.00%	100.00%
4	Zuari Infraworld India Limited (ZIIL) consolidated including its subsidiaries and joint ventures(Refer note (iii) below)	India	100.00%	100.00%	100.00%
5	Zuari Investments Limited consolidated including its subsidiaries and associates. (Refer Note (iv) below)	India	100.00%	100.00%	100.00%
6	Globex Ltd (Refer Note (v) below)	UAE	0.00%	0.00%	100.00%
7	Zuari Sugar and Power Limited	India	100.00%	100.00%	100.00%
8	Zuari Finserv Private Limited (Formerly known as Horizon view Developers Private Limited)	India	100.00%	0.00%	0.00%

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

3. **Disclosure of Interest in the following associates:**

	Name	Country of Incorporation /Principal place of business	Proportion of Ownership Interest (%)		
			As on 31st March 2017	As on 31st March 2016	As on 1st April 2015
1	Zuari Agro Chemicals Limited (including subsidiaries and Joint Ventures) (Refer note (vi) below)	India	32.08%	32.08%	32.08%

i. Consolidated including its joint ventures –Soundarya IFPL Interiors Limited 50% and Forte Furniture Products India Private Ltd 50% (w.e.f. 1st February 2017)

ii. The subsidiary company had 49% interest in the assets, liabilities, expenses and output of Simon Engineering & Partners LLC, incorporated in Sultanate of Oman (JV Company) which is involved in Engineering, Construction & Procurement Services. The subsidiary company is of the opinion that they have no control on the said JV Company and hence JV Company has not been consolidated as required under Ind AS 28- Investment in Joint Venture and Associate as specified under Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015, as amended. However, the subsidiary company had created a provision for diminution in the value of investment in the share capital of the JV company of ₹ 10.45 lakhs and provision against amount receivable of ₹ 20.09 lakhs (31st March 2016 ₹ 20.53 Lakhs, 31st March 2015 ₹ 19.39 Lakhs) from JV company against the invoices raised by the subsidiary company in the financial statements.

iii. Consolidated including its subsidiary and joint ventures –

a. Following subsidiary has been consolidated on line by line basis:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31st March 2017	Proportion of Ownership Interest as at 31st March 2016	Proportion of Ownership Interest as at 31st March 2015
Zuari Infra Middle East Limited (based on consolidated financial statement of its subsidiary) (Refer note (b) below)	UAE	100.00%	100.00%	100.00%

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31st March 2017	Proportion of Ownership Interest as at 31st March 2016	Proportion of Ownership Interest as at 31st March 2015
Zuari Infraworld SJM Elysium Properties LLC (formerly known as SJM Elysium Properties LLC)	UAE	100.00%	100.00%	100.00%

Note: Shareholding includes 51% held by a nominee shareholder as per the Shareholders Agreement dated 18/08/2014 effective from 21/12/2015 (on finalization of project structuring). As per this agreement, the Group has complete management. Hence, this company has been considered as a subsidiary with 100% interest and accordingly consolidated. The paid up share capital corresponding to the 51% interest has been included under other current liabilities.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

c. Following Joint Ventures have been consolidated on proportionate basis:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31st March 2017	Proportion of Ownership Interest as at 31st March 2016	Proportion of Ownership Interest as at 31st March 2015
Braj bhumi Nirmaan Private Limited (based on consolidated financial statement of its subsidiaries)	India	25%	25%	25%
Pranati Niketan Private Limited	India	25%	25%	25%
Darshan Nirmaan Private Limited	India	25%	25%	25%

d. The information relating to the subsidiaries of Braj bhumi Nirmaan Private Limited are given below:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31st March 2017	Proportion of Ownership Interest as at 31st March 2016	Proportion of Ownership Interest as at 31st March 2015
Rosewood Agencies Private Limited	India	100.00%	100.00%	100.00%
Neobeam Agents Private Limited	India	100.00%	100.00%	100.00%
Mayapur Commercial Private Limited	India	100.00%	100.00%	100.00%
Nexus Vintrade Private Limited	India	100.00%	100.00%	100.00%
Bahubali Tradecomm Private Limited	India	100.00%	100.00%	100.00%
Hopeful Sales Private Limited	India	100.00%	100.00%	100.00%
Divine Realdev Private Limited	India	100.00%	100.00%	100.00%
Kushal Infraproperty Private Limited	India	100.00%	100.00%	100.00%
Beatle Agencies Private Limited	India	100.00%	100.00%	100.00%
Suhana Properties Private Limited	India	100.00%	100.00%	100.00%
Saket Mansions Private Limited	India	100.00%	100.00%	100.00%
Murari Enclave Private Limited (100% subsidiary of Rosewood Agencies Private Limited) Ceased to be subsidiary w.e.f 29/03/16	India	Nil	Nil	100.00%
Damodar Enclave Private Limited (100% subsidiary of Neobeam Agents Private Limited) Ceased to be subsidiary w.e.f 16/12/15	India	Nil	Nil	100.00%
Natwar Enclave Private Limited (100% subsidiary of Mayapur Commercial Private Limited) Ceased to be a subsidiary w.e.f 29/03/16	India	Nil	Nil	100.00%
Banibihari Enclave Private Limited (100% subsidiary of Nexus Vintrade Private Limited) Ceased to be a subsidiary w.e.f 29/3/16	India	Nil	Nil	100.00%

iv) Consolidated including its subsidiaries – Zuari Insurance Brokers Limited (100%), - Zuari Commodity Trading Limited (100%) Gobind Sugar Mills Limited (51.27%) and Associates- Equity Method being adopted for New Eros Tradecom Limited (45.05%).

v) The subsidiary company has been liquidated during the previous year ended 31st March 2016.

vi) Consolidated including its subsidiaries – Zuari Agri Sciences Limited, Zuari Fertilizers and Chemicals Limited (including its 52% subsidiary Mangalore Chemicals & fertilizers ltd w.e.f. 18th May 2015); Zuari Specialty Fertilizers Limited (100%) became 100% subsidiary w.e.f. 9th Dec 2015 , earlier the entity was a 50% joint venture) Joint Ventures – Zuari Maroc Phosphates Private Limited) (50%) including its 80.45% subsidiary Paradeep Phosphates Limited, MCA Phosphates Pte Limited (30%) including its associate Fosfatos del Pacifico S.A.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

36. Material Partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below

Proportion of equity interest held by non-controlling interests

Name	Country of Incorporation and operation	31st March 2017	31st March 2016	1st April 2015
Indian Furniture Products Limited (IFPL)	India	13.95%	13.95%	13.95%
Gobind Sugar Mills Limited (GSML)	India	48.73%	48.73%	48.73%

Information regarding non-controlling interest

₹ In lakhs

Name	31st March 2017	31st March 2016	1st April 2015
Accumulated balances of material non-controlling interest	**2,377.10**	**1,853.60**	**1,290.54**
Indian Furniture Products Limited (IFPL)	798.97	1,136.08	1,290.54
Gobind Sugar Mills Limited (GSML)**	1,578.13	717.52	-
Profit/(Loss) allocated to material non-controlling interest	**523.50**	**563.06**	
Indian Furniture Products Limited (IFPL)	(337.11)	(154.46)	
Gobind Sugar Mills Limited (GSML)	860.61	717.52	

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter company eliminations.

(A) Summarised statement of profit and loss of Indian Furnitures Product Limited

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Revenue	11,422.71	11,941.09
Other Income	211.84	118.49
	11,634.55	**12,059.58**
Cost of Materials Consumed	(2,310.09)	(2,889.73)
Purchases of Stock in trade	(2,268.62)	(2,166.61)
Changes in inventories of finished goods, stock-in-trade and work in progress	(1,213.46)	(5.28)
Excise duty on sale of goods	(673.81)	(848.82)
Employee Benefits Expense	(1,705.46)	(1,772.68)
Finance Costs	(1,052.13)	(949.59)
Depreciation and amortization expense	(230.20)	(260.74)
Other Expenses	(4,250.83)	(4,315.79)
	(13,704.61)	**(13,209.24)**
Profit/(loss) before share of profit/(loss) of joint ventures and tax	**(2,070.05)**	**(1,149.66)**
Share of profit/(loss) of joint ventures	(324.58)	-
Profit/(loss) before tax	**(2,394.63)**	**(1,149.66)**
Income tax (expense)/credit	2.70	3.51
Profit/(loss) for the year	**(2,391.93)**	**(1,146.15)**
Other Comprehensive Income	**(24.65)**	**38.90**
Total comprehensive income	**(2,416.58)**	**(1,107.25)**
	13.95%	**13.95%**
Attributable to non-controlling interests	**(337.11)**	**(154.46)**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(B) Summarised balance sheet of Indian Furnitures Product Limited

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Non-current assets	14,916.13	13,919.38	14,282.25
Current assets	7,914.98	9,115.13	8,341.45
Non-current financial liabilities	(5,081.07)	(4,307.28)	(2,933.10)
Current financial liabilities	(11,251.05)	(9,811.63)	(10,439.46)
	6,498.99	**8,915.60**	**9,251.14**
Less: Deemed Equity Share Capital	(771.69)	(771.69)	-
Total Equity	**5,727.30**	**8,143.91**	**9,251.14**
Attributable to			
Equity holders of parent	4,928.33	7,007.83	7,960.61
Non controlling interest	798.97	1,136.08	1,290.53

(C) **Summarised statement of profit and loss of Gobind Sugar Mills Limited**

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Revenue	40,489.27	33,372.08
Other Income	1,603.72	1,115.31
	42,092.99	**34,487.39**
Cost of Materials Consumed	(30,394.54)	(18,661.29)
Purchases of Stock in trade	-	(610.89)
Changes in inventories of finished goods, stock-in-trade and work in progress	4,268.21	(7,457.29)
Excise duty on sale of goods	(2,101.91)	(1,460.64)
Employee Benefits Expense	(2,039.93)	(1,387.36)
Finance Costs	(4,759.32)	(3,419.57)
Depreciation and amortization expense	(1,146.60)	(397.37)
Other Expenses	(2,471.60)	(2,095.94)
	(38,645.69)	**(35,490.35)**
Profit/(loss) before exceptional items and tax	**3,447.30**	**(1,002.96)**
Exceptional Item	(1,500.38)	-
Profit/(loss) before tax	**1,946.92**	**(1,002.96)**
Income tax (expense)/credit	(110.14)	2,495.70
Profit for the year	**1,836.78**	**1,492.74**
Other Comprehensive Income	(70.71)	(20.29)
Total comprehensive income	**1,766.07**	**1,472.45**
	48.73%	48.73%
Attributable to non-controlling interests	**860.61**	**717.52**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(D) Summarised balance sheet of Gobind Sugar Mills Limited

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Non-current assets	47,569.44	43,788.09	28,331.45
Current assets	23,799.06	20,142.84	25,195.98
Non-current liabilities (including financial liabilities ₹ 17262.57 lakhs (31st March 2016:: 1887.44 lakhs, 31st March 2015::₹ 18783.36 lakhs)	(21,903.23)	(22,033.40)	(19,877.22)
Current liabilities (including financial liabilities ₹ 45089.04 lakhs (31st March 2016:: 39652.17 lakhs, 31st March 2015::₹ 33446.50 lakhs)	(46,937.15)	(41,140.71)	(34,413.23)
	2,528.12	**756.82**	**(763.02)**
Less: Deemed Equity Share Capital	(7,821.00)	(7,821.00)	(7,778.61)
Total Equity	**(5,292.88)**	**(7,064.18)**	**(8,541.63)**
Attributable to			
Equity holders of parent	(2,713.66)	(3,621.81)	(4,379.29)
Non controlling interest	(2,579.22)	(3,442.38)	(4,162.33)

**Profit or loss and each component of other comprehensive income (OCI) are attributable to the equity holders of the Parent company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having deficit balance.

However, using the exemption provided by Ind As 101, the minority has been restricted to zero on the transition date i.e. 1st April 2015 and the accumulated losses attributable to minorities in excess of their equity on the transition date, in the absence of the contractual obligation on the minorities, the same has been accounted for by the Parent Company.

37. Interest in Joint Venture

The Group's interest in joint venture is accounted for using the equity method in the consolidated financial statements. Financial information of joint ventures is provided below:

Proportion of equity interest held in joint venture:

Name	Country of Incorporation and operation	31st March 2017	31st March 2016	1st April 2015
Zuari Indian Oiltanking Limited	India	50.00%	50.00%	50.00%
Soundarya IFPL Interiors Limited	India	50.00%	50.00%	50.00%
Forte Furniture Products India Private Limited	India	50.00%	-	-
Darshan Nirmaan Private Limited	India	25.00%	25.00%	25.00%
Pranati Nirmaan Private Limited	India	25.00%	25.00%	25.00%
Brajbhumi Nirmaan Private Limited	India	25.00%	25.00%	25.00%

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Information regarding Joint Ventures

₹ In lakhs

Name	31st March 2017	31st March 2016	1st April 2015
Carrying amount of investment			
Zuari Indian Oiltanking Limited	1,705.06	1,591.41	1,601.01
Soundarya IFPL Interiors Limited	38.63	-	-
Forte Furniture Products India Private Limited	1,037.29	-	-
Darshan Nirmaan Private Limited	0.07	0.12	0.20
Pranati Nirmaan Private Limited	0.07	0.12	0.20
Brajbhumi Nirmaan Private Limited****	2,311.99	2,311.00	2,333.71
Total	**5,093.11**	**3,902.65**	**3,935.12**
Share of Profit/(loss) of joint ventures			
Zuari Indian Oiltanking Limited*	214.75	(9.97)	-
Soundarya IFPL Interiors Limited	38.63	-	-
Forte Furniture Products India Private Limited	(363.20)	-	-
Darshan Nirmaan Private Limited	(0.05)	(0.08)	-
Pranati Nirmaan Private Limited	(0.05)	(0.08)	-
Brajbhumi Nirmaan Private Limited	10.00	(6.84)	-
Total	**(99.92)**	**(16.97)**	**-**
Share of Other Comprehensive Income of joint ventures			
Zuari Indian Oiltanking Limited*	(1.10)	0.37	-
Soundarya IFPL Interiors Limited	-	-	-
Forte Furniture Products India Private Limited	-	-	-
Darshan Nirmaan Private Limited	-	-	-
Pranati Nirmaan Private Limited	-	-	-
Brajbhumi Nirmaan Private Limited	-	-	-
Total	**(1.10)**	**0.37**	**-**

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

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

A. ZUARI INDIAN OILTANKING LIMITED

Summarised balance sheet :

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 172.00 lakhs (31st March 2016: ₹ 76.70 lakhs, 1st April 2015: ₹ 150.25 lakhs)	1,912.00	1,553.78	1,655.97
Non-current assets	3,317.01	3,429.80	3,497.15
Current liabilities including financial liability ₹1,345.70 lakhs (31st March 2016: ₹ 1151.94 lakhs, 1st April 2015: ₹ 1120.93 lakhs)	(1,388.52)	(1,166.24)	(1,138.59)
Non-current liabilities, including deferred tax ₹ 430.37 lakhs (31st March 2016: ₹ 453.88 lakhs, 1st April 2015: ₹ 465.69 lakhs) including financial liability NIL (31st March 2016: ₹ 180.64 lakhs, 1st April 2015: ₹ 346.83 lakhs)	(430.37)	(634.52)	(812.52)
Equity	**3,410.12**	**3,182.82**	**3,202.01**
Proportion of the Group's ownership	50%	50%	50%
Carrying amount of the investment	1,705.06	1,591.41	1,601.01

Summarised statement of profit and loss

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Revenue	1,508.45	1,339.89
Other Income (including interest income ₹ 109.84 lakhs (31st March 2016:: ₹ 74.48 lakhs)	118.62	84.23
	1,627.07	**1,424.12**
Employee Benefits Expense	(189.03)	(173.77)
Finance Costs	(48.56)	(37.85)
Depreciation and amortization expense	(269.91)	(268.70)
Other Expenses	(951.13)	(975.58)
	(1,458.63)	**(1,455.90)**
Profit/(loss) before Exceptional items & tax	**168.44**	**(31.78)**
Exceptional Items	391.84	
Profit/(loss) before tax	**560.28**	**(31.78)**
Income tax (expense)/credit	(90.07)	11.83
Profit/(loss) for the year	**470.21**	**(19.95)**
Other Comprehensive Income	(2.19)	0.74
Total comprehensive income	**468.02**	**(19.21)**
	50%	50%
Group's share of profit/(loss) for the year	**235.10**	**(9.97)**
Group's share of other comprehensive income for the year	**(1.10)**	**0.37**

*Before adjustment of dividend distribution tax of ₹ 20.36 lakhs (being proportionate share of Zuari Group)

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

B. SOUNDARYA IFPL INTERIORS LIMITED**

Summarised balance sheet as at 31st March 2017:

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 1.30 lakhs (31st March 2016: ₹ 292.26 lakhs, 1st April 2015: ₹ 754.02 lakhs)	897.41	966.39	875.09
Non-current assets	3.24	11.43	13.69
Current liabilities including financial liability ₹576.66 (31st March 2016: ₹ 373.30 lakhs, 1st April 2015: ₹ 70.24 lakhs)	(823.25)	(1,187.06)	(956.14)
Non-current liabilities, including deferred tax ₹ 0.15 lakhs (31st March 2016: ₹ 0.35 lakhs, 1st April 2015: ₹ 0.27 lakhs)	(0.15)	(0.35)	(0.27)
Equity	**77.25**	**(209.59)**	**(67.63)**
Proportion of the Group's ownership	50%	50%	50%
Carrying amount of the investment	38.63	(104.79)	(33.81)

Summarised statement of profit and loss

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Revenue	4,063.60	708.66
Other Income	0.42	26.39
	4,064.02	**735.05**
Cost of materials Consumed	(1,677.83)	(504.12)
Change in Inventories of Finished Goods, Stock In Trade & Work In Progress	313.98	142.19
Direct Operating Expenses	(660.46)	(130.58)
Employee Benefit Expenses	(105.24)	(90.78)
Financial Costs	(3.03)	(10.00)
Depreciation and Amortization Expenses	(2.30)	(2.31)
Other Expenses	(1,619.04)	(281.32)
	(3,753.92)	**(876.92)**
Profit/(Loss) before Exceptional items & tax	**310.10**	**(141.87)**
Exceptional Items		
Profit/(loss) before tax	**310.10**	**(141.87)**
Income tax (expense)/credit	(23.26)	(0.08)
Profit/(loss) for the year	**286.84**	**(141.95)**
Other Comprehensive Income	-	-
Total comprehensive income	**286.84**	**(141.95)**
	50%	50%
Group's share of profit/(loss) for the year	**143.42**	**(70.97)**

****As per Para 38 of Ind AS 28 Investment in Associate and Joint Ventures:**

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

In line with the aforesaid, the loss has been booked on the date of transition till the amount of investment amounting to ₹ 12.5 lakhs and in case of further losses in the year ended 31st March 2016, further losses were not recognised.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

C. FORTE FURNITURE PRODUCTS INDIA PRIVATE LIMITED***

Summarised balance sheet as at 31st March 2017:

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 2698.04 lakhs (31st March 2016: NIL, 01st April 2015: ₹ NIL)	2,800.57	-	-
Non-current assets	-	-	-
Current financial liabilities	(725.99)	-	-
Non-current liabilities	-	-	-
Equity	**2,074.58**	**-**	**-**
Proportion of the Group's ownership	50%	-	-
Carrying amount of the investment	1,037.29	-	-

Summarised statement of profit and loss

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Revenue	2.01	
Other Expenses	(728.42)	
Profit/(loss) before tax	**(726.41)**	**-**
Income tax (expense)/credit		
Profit/(loss) for the year	**(726.41)**	**-**
Other Comprehensive Income	-	-
Total comprehensive income	**(726.41)**	**-**
	50%	-
Group's share of profit/(loss) for the year	**(363.20)**	**-**

*** Based on Management certified unaudited financial statements for the period from 01st February 2017 to 31st March 2017.

D. DARSHAN NIRMAAN PRIVATE LIMITED

Summarised balance sheet as at 31st March 2017:

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 0.86 lakhs (31st March 2016: ₹ 0.54 lakhs, 01st April 2015: ₹ 0.56 lakhs)	276.61	276.28	276.36
Non-current assets	-	-	-
Current liabilities	-	-	-
Non-current financial liabilities	(277.77)	(277.25)	(277.00)
Equity	**(1.16)**	**(0.97)**	**(0.64)**
Proportion of the Group's ownership	25%	25%	25%
Group's Share in Net Assets	(0.29)	(0.24)	(0.16)
Goodwill	0.36	0.36	0.36
Carrying amount of the investment	0.07	0.12	0.20

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Summarised statement of profit and loss

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Other Expenses	(0.18)	(0.32)
Profit/(loss) before tax	**(0.18)**	**(0.32)**
Income tax (expense)/credit	-	-
Profit/(loss) for the year	**(0.18)**	**(0.32)**
Other Comprehensive Income	-	-
Total comprehensive income	**(0.18)**	**(0.32)**
	25%	**25%**
Group's share of profit/(loss) for the year	**(0.05)**	**(0.08)**

E. PRANATI NIRMAAN PRIVATE LIMITED

Summarised balance sheet as at 31st March 2017:

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 0.86 lakhs (31st March 2016: ₹ 0.54 lakhs, 01st April 2015: ₹ 0.56 lakhs)	216.97	216.76	216.81
Non-current assets	-	-	-
Current liabilities	-	-	-
Non-current financial liabilities	(218.11)	(217.71)	(217.46)
Equity	**(1.14)**	**(0.95)**	**(0.65)**
Proportion of the Group's ownership	25%	25%	25%
Group's Share in Net Assets	(0.29)	(0.24)	(0.16)
Goodwill	0.36	0.36	0.36
Carrying amount of the investment	0.07	0.12	0.20

Summarised statement of profit and loss

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Other Expenses	(0.19)	(0.33)
Profit/(loss) before tax	**(0.19)**	**(0.33)**
Income tax (expense)/credit	-	-
Profit/(loss) for the year	**(0.19)**	**(0.33)**
Other Comprehensive Income	-	-
Total comprehensive income	**(0.19)**	**(0.33)**
	25%	**25%**
Group's share of profit/(loss) for the year	**(0.05)**	**(0.08)**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

F. BRAJBHUMI NIRMAAN PRIVATE LIMITED

Summarised balance sheet: ₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 21.75 lakhs (March 31 2016: ₹ 64.94 lakhs, 01 April 2015: ₹ 167.63 lakhs)	14,328.56	12,924.39	10,239.99
Non-current assets including deferred tax ₹ 3.32 lakhs (31 March 2016: ₹ 3.71 lakhs, 01 April 2015: ₹ 3.15 lakhs)	57.72	53.88	61.43
Current liabilities including financial liabilities ₹ 8370.73 lakhs (31 March 2016: ₹ 4088.36 lakhs, 01 April 2015: ₹ 5344.37 lakhs)		(4,088.36)	(5,344.37)
Non current financial liabilities	(2,608.43)	(5,547.93)	(1,587.68)
Less: Deemed Equity	(421.54)	(421.54)	(421.54)
Equity	**2,960.39**	**2,920.45**	**2,947.83**
Proportion of the Group's ownership	25%	25%	25%
Proportion of the Group's ownership	740.10	730.11	736.96
Goodwill	1,599.01	1,599.01	1,599.01
Carrying amount of the investment****	2,339.11	2,329.12	2,335.97

****The carrying amount of investment is adjusted with the unrealised profit i.e. ₹ 27.11 lakhs (31st March 2016 :: ₹ 18.11 lakhs, 1st April 2015:: ₹ 2.25 lakhs)

Summarised statement of profit and loss

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Revenue	232.50	
Other Income (including interest income ₹ 109.84 lakhs (31st March 2016:: ₹ 74.48 lakhs)	1.70	5.00
	234.20	**5.00**
Purchase of Stock in trade	(1,707.29)	(2,544.55)
Change in inventories of finished goods, work in progress and stock in trade)	1,472.85	2,544.55
Employee Benefits Expense	(0.28)	(0.13)
Depreciation and amortization expense	(2.08)	(8.38)
Other Expenses	(15.22)	(24.42)
	(252.02)	(32.93)
Profit/(loss) before tax	**(17.82)**	**(27.93)**
Income tax (expense)/credit	(47.98)	0.56
Profit for the year	**(65.80)**	**(27.37)**
Other Comprehensive Income	-	-
Total comprehensive income	**(65.80)**	**(27.37)**
	25%	**25%**
Group's share of profit/(loss) for the year*****	**(16.45)**	**(6.84)**

*****Before adjustment of ICDS of ₹ 26.44 lakhs (31st March 2016 ::NIL) (being proportionate share of Zuari Group)

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Contingent Liabilities and Commitment of Joint Ventures*

₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Contingent liabilities not provided for:			
a) Bank guarantee given by the companies**	417.44	857.62	907.62
b) Income tax demand for the Assessment year 2006-07, raised by income tax authority but disputed by the company. The company has deposited said amount to the income tax authority***	-	2.04	2.04
c) Claim against the company not acknowledged as debts as the company has filed counter claim of ₹ 74.02 lakhs (being the proportionate share of Zuari Group) against the supplier	33.52	33.52	33.52
d) Demand/Audit objections raised by central excise department but disputed by Company	13.06	70.31	-
e) Estimated amount of contracts remaining to be executed on capital account not provided for	16.06	4.37	41.89

*Being share of Zuari Group in the joint venture companies.

** Bank Guarantee of ₹7.62 lakhs (31st March 2016:: ₹ 7.62 lakhs, 1st April 2015:: ₹7.62 lakhs) are secured by pledge of fixed deposits receipts of ₹ 7.00 lakhs (31st March 2016: ₹ 7.00 lakhs), (1st April 2015: ₹ 7.00 lakhs) with the bank as security

*** Based on the discussion with the solicitors/favourable decision in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in above mentioned case and hence no provision there against was considered necessary

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

38. Interest in Associates

The Group's interest in associate is accounted for using the equity method in the consolidated financial statements.

Financial information of associates is provided below:

Proportion of equity interest held in associates

Name	Country of Incorporation and operation	31st March 2017	31st March 2016	1st April 2015
Zuari Agro Chemicals Limited	India	32.08%	32.08%	32.08%
New Eros Tradecom Limited	India	45.05%	45.05%	45.05%

Information regarding associates ₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Carrying amount of investment			
Zuari Agro Chemicals Limited	42,033.42	43,048.84	40,870.27
New Eros Tradecom Limited	3,716.73	2,460.63	3,064.72
	45,750.15	**45,509.47**	**43,934.99**
Share of Profit/(loss) of an associate			
Zuari Agro Chemicals Limited	(1,406.61)	(3,947.83)	-
New Eros Tradecom Limited	5.91	0.38	-
	(1,400.70)	**(3,947.44)**	-
Share of Other Comprehensive Income of an associate			
Zuari Agro Chemicals Limited	389.16	(779.60)	
New Eros Tradecom Limited	1,250.19	(604.46)	
	1,641.35	**(1,383.52)**	-

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

Summarised balance sheet ₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 6564.80 lakhs (31st March 2016: ₹ 1174.47 lakhs, 01st April 2015: ₹ 659.95 lakhs)	452,999.35	507,565.90	337,979.32
Non-current assets, including deferred tax ₹ 897.18 lakhs (31st March 2016: ₹ 1,405.55 lakhs, 01st April 2015: NIL)	300,903.45	294,687.10	158,526.11
Current liabilities, including financial liabilities ₹ 5,13,495.49 lakhs (31st March 2016: ₹ 5,59,509.53 lakhs, 01st April 2015: ₹ 3,49,240.71 lakhs)	(532,492.77)	(573,715.75)	(365,688.21)
Non-current liabilities, including deferred tax ₹ 1,494.93 lakhs (31st March 2016: ₹ 1,130.02 lakhs, 1st April 2015: ₹ 1,256.05 lakhs), including financial liabilities ₹ 51,046.70 lakhs (31st March 2016: ₹ 55,413.54 lakhs, 1st April 2015: ₹ 2,160.06 lakhs)	(54,317.78)	(58,279.71)	(3,416.12)
Non Controlling Interest	(36,442.91)	(35,525.92)	-
Equity	**130,649.34**	**134,731.62**	**127,401.10**
Carrying amount of the investment	42,033.42	43,048.84	40,870.27

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Summarised statement of profit and loss ₹ In lakhs

Particulars	31st March 2017	31st March 2016
Revenue	641,542.81	764,062.68
Other Income (including interest income ₹ 4868.47 lakhs (31st March 2016:: ₹ 4323.88 lakhs)	7,608.04	6,213.37
	649,150.85	**770,276.05**
Cost of Materials Consumed	(291,050.26)	(349,092.54)
Purchases of Stock in trade	(159,066.28)	(231,165.33)
Changes in inventories of finished goods, stock-in-trade and work in progress	(1,226.99)	(7,226.11)
Excise duty on sale of goods	(2,997.25)	(2,920.97)
Employee Benefits Expense	(16,051.26)	(15,152.68)
Finance Costs	(45,414.98)	(41,902.60)
Depreciation and amortization expense	(7,761.11)	(6,551.45)
Other Expenses	(124,581.34)	(131,182.13)
	(648,149.47)	**(785,193.82)**
Profit/(loss) before share of profit/(loss) of a joint venture, exceptional items and tax	**1,001.38**	**(14,917.77)**
Share of profit/(loss) of joint ventures	3,251.78	1,827.00
Profit/(loss) before exceptional items and tax	**4,253.16**	**(13,090.77)**
Exceptional Items	(6,433.05)	(2,609.31)
Profit/(loss) before tax	**(2,179.89)**	**(15,700.08)**
Income tax (expense)/credit	(2,204.74)	3,394.07
Profit/(loss) for the year	**(4,384.63)**	**(12,306.01)**
Other Comprehensive Income	**1,219.34**	**(2,428.50)**
Total comprehensive income	**(3,165.29)**	**(14,734.51)**
	32.08%	32.08%
Group's share of profit/(loss) for the year	**(1,406.61)**	**(3,947.83)**
Group's share of other comprehensive income for the year	**391.16**	**(779.06)**

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

NEW EROS TRADECOM LIMITED

Summarised balance sheet ₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Current assets, including cash and cash equivalents ₹ 77.18 lakhs (31st March 2016: ₹ 64.53 lakhs, 1st April 2015: ₹ 176.43 lakhs)	86.11	72.20	312.22
Non-current assets	7,464.30	4,232.09	5,402.58
Current liabilities	(1.96)	(2.42)	(0.92)
Deferred tax liabilities	(3.64)	(3.64)	(3.72)
Equity	**7,544.81**	**4,298.23**	**5,710.16**
Proportion of the Group's ownership	45.05%	45.05%	45.05%
	3,398.94	**1,936.35**	**2,572.52**
Goodwill	661.40	661.40	661.40
Carrying amount of the investment	**4,060.34**	**2,597.75**	**3,233.92**
Less: fair valuation of shares of Parent company reversed.	**(343.61)**	**(137.12)**	**(169.20)**
	3,716.73	**2,460.63**	**3,064.72**

Summarised statement of profit and loss ₹ In lakhs

Particulars	31st March 2017	31st March 2016
Other Income(including interest income NIL (31st March 2016:: ₹ 2.37 lakhs)	21.07	47.10
	21.07	**47.10**
Other Expenses	(7.70)	(8.18)
	(7.70)	(8.18)
Profit before tax	**13.37**	**38.92**
Income tax expense	(0.26)	(1.54)
Profit/(loss) for the year	**13.11**	**37.38**
Other Comprehensive Income	**3,233.47**	**(1,412.96)**
Total comprehensive income	**3,246.58**	**(1,375.58)**
	45.05%	45.05%
Group's share of profit/(loss) for the year*	**5.91**	**16.84**
Group's share of other comprehensive income for the year	**1,456.68**	**(636.54)**
Adjustment for fair valuation of shares of Parent company reversed	**(206.49)**	**32.08**
Net Group's share of other comprehensive income for the year	**1,250.19**	**(604.46)**

* The group's share of profit is adjusted with the appropriations i.e. NIL (31st March 2016 :: ₹ 16.46 lakhs)

Contingent Liabilities and Commitment of Associate* ₹ In lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015
Contingent liabilities not provided for:			
Demand/claims from Government authorities	7,566.83	6,801.96	5,655.36
Other claims against the Company not acknowledge as debts	770.13	770.90	342.06
Aggregate amount of guarantees issued by the banks to various Government Authorities and Others	4,758.87	5,200.81	5,831.98
Commitments			
Estimated amount of contracts remaining to be executed on capital account (not provided for)	3,554.79	3,951.00	5,460.99

* Being share of Zuari Group in the associate companies.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

39. Goodwill

Goodwill appearing in the financial statements denotes the goodwill in respect of subsidiaries acquired by the parent company as per details given below. Such goodwill has been tested for impairment using the cash flow projections, which are based on most recent financial budgets/ forecasts approved by the management.

₹ In lakhs

Company	2016-17	2015-16	2014-15
Zuari Investments Ltd.	970.93	970.93	970.93
Zuari Infraworld India Ltd.	829.36	829.36	829.36
SJM Elysium Properties LLC	58.75	58.75	-
Gobind Sugar Mills Limited	12,368.62	12,368.62	12,368.62
Indian Furniture products Limited	338.01	338.01	338.01
Total	**14,565.67**	**14,565.67**	**14,506.92**

40. Gratuity and other post-employment benefit plans

₹ in lakhs

Particulars	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
	Funded			Unfunded		
- Gratuity Plan- Asset/ (Liability)*	(187.27)	(17.13)	46.81	(250.45)	(211.29)	(263.67) **
Total	**(187.27)**	**(17.13)**	**46.81**	**(250.45)**	**(211.29)**	**(263.67)**

* Plan assets of ₹ Nil (31st March 2016: ₹ 1.63 lakhs, 31st March 2015: ₹ 49.52 lakhs) have been recognised in financial assets.

** In case of two subsidiaries, ₹ 0.82 lakh as on 31st March 2015 was directly considered in gratuity provision amount.

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

In respect of the Parent Company and two of the subsidiary companies, scheme is funded with two insurance companies in the form of qualifying insurance policies.

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

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2017

₹ in Lakhs

Particulars	2016-17	2015-16	2016-17	2015-16
	Funded		Unfunded	
Current Service Cost	67.83	49.70	52.11	34.78
Net Interest Cost	1.29	(2.38)	17.35	19.52
Total	**69.12**	**47.31**	**69.46**	**54.30**

* In case of a subsidiary company, ₹ 0.81 lakh has been directly paid to employees not included above, however included in Gratuity expense disclosed in Note no. 26.

* In case of a subsidiary company, ₹ 4.37 lakhs has been debited to project costs disclosed in Note no. 23.

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2017

₹ in Lakhs

Particulars	2016-17	2015-16	2016-17	2015-16
	Funded		Unfunded	
Actuarial (gain)/ loss on obligations	93.60	(0.69)	5.24	(30.43)
Return on plan assets (excluding amounts included in net interest expense)	26.84	0.50	-	-
Total	**120.44**	**(0.19)**	**5.24**	**(30.43)**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2017 are as follows:

₹ in Lakhs

Particulars	2016-17	2015-16	2016-17	2015-16
	Funded			Unfunded
Opening defined obligation	494.96	491.55	211.29	263.67
Current service cost	67.83	49.70	52.11	34.78
Interest cost	39.36	40.70	17.35	19.52
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in Demographic assumption	8.45	-	0.84	(1.79)
- change in financial assumptions	48.34	(1.06)	31.58	5.48
- experience variance (i.e. Actual experiences assumptions)	36.80	0.38	(27.19)	(34.11)
Benefits paid	(54.71)	(122.50)	(35.53)	(51.37)
Acquisition Adjustment	-	36.19	-	(24.89)
Defined benefit obligation	**641.03**	**494.96**	**250.45**	**211.29**

Changes in the fair value of plan assets are as follows: ₹ in Lakhs

Particulars	2016-17	2015-16
Fair value of plan assets	477.83	538.36
Interest income	38.05	43.09
Return on plan assets (excluding amounts included in net interest expense) - OCI	(26.84)	(0.50)
Contribution by Employer	19.42	19.38
Benefits paid	(54.71)	(122.50)
Closing fair value of plan assets	**453.75**	**477.83**

The Group expects to contribute ₹ 166.21 lakhs (31st March, 2016 : ₹ 140.76 lakhs) towards gratuity during the year 2017-18.

₹ in Lakhs

Particulars	2016-17	2015-16
Investment with insurer	453.75	477.83

The principal assumptions used in determining benefit obligation for the Company's plans are shown below:

Particulars	31st March 2017	31st March 2016
Discount rate (in %)	6.69%-8.00%	7.46%-8.00%
Salary Escalation (in %)	9.00% for first 2 years and 7.50% thereafter; in case of a subsidiary 9.00%	9.00% for first 2 years and 7.50% thereafter, In case two subsidiaries 8.00% to 9.00%
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	Varying between Nil to 15.00% per annum depending upon the duration and age of the employees	Varying between Nil to 8.00% per annum depending upon the duration and age of the employees

In case of Parent Company, a quantitative sensitivity analysis for significant assumption as at 31st March 2017 is as shown below:

₹ in Lakhs

Particulars	31st March 2017		31st March 2017		31st March 2017		31st March 2017	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	68.74	75.52	74.57	69.59	72.08	71.92	72.02	71.99

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Particulars	31st March 2016		31st March 2016		31st March 2016		31st March 2016	
Assumptions	**Discount rate**		**Future salary increases**		**Attrition rate**		**Mortality rate (in %)**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	63.95	70.37	69.20	65.00	67.10	66.96	67.06	67.00

In case of three subsidiary companies, a quantitative sensitivity analysis for significant assumption as at 31st March 2017 is as shown below:

₹ in lakhs

Particulars	31st March 2017		31st March 2017	
SIL, ZIIL, ZMSL				
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	35.79	41.46	40.73	35.97

₹ in lakhs

Particulars	31st March 2016		31st March 2016	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	31.51	36.80	36.62	31.60

Sensitivities due to Mortality and withdrawal are not material, hence impact of change not calculated.

In case of five subsidiary Companies, a quantitative sensitivity analysis for significant assumption as at 31st March 2017 is as shown below:

₹ in lakhs

Particulars	31st March 2017		31st March 2017	
GSML, IFPL, ZIBL, Commodity, ZIL				
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	20.50	21.89	21.76	20.57

₹ in lakhs

Particulars	31st March 2016		31st March 2016	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	15.62	16.56	16.75	15.95

Sensitivities due to Mortality and withdrawal are not material, hence impact of change not calculated.

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

Maturity Profile of Defined Benefit Obligation

Expected cash value over the next 5 years ₹ in lakhs

Particulars	31st March 2017	31st March 2016
Within the next 12 months (next annual reporting period)	153.68	100.87
Between 2 and 5 years	207.86	306.11
Beyond 5 years	591.02	387.25

The average duration of the defined benefit plan obligation at the end of the reporting period is 4- 23.52 years (31st March 2016: 5-22.38 years).

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

41. Segment Information

Identification of Segment

***Primary Segment -** The Zuari Group has disclosed Business Segment as the Primary Segment. Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure and the internal reporting system. The identified reportable segments for the year under review are Fertilizer, Engineering services, Furniture, Real Estate, Investment services, Sugar, Power and others. Fertilizer Segment includes manufacturing of and trading in fertilizers, seeds and pesticides. Engineering services segment includes technology, basic engineering, detailed engineering, Project Management, Procurement and Construction services in the Engineering and Contracting sector. Furniture segment includes manufacturing, sale and trading of furniture products. Real Estate segment includes development of real estates. Investment services is for providing capital market related services. Others Segment include provision of Terminalling services and other immaterial.

The Group is presently not focussing on fertilisers.

*Secondary Segment – Geographical Segment. The Zuari Group mainly caters to the needs of the domestic market. The export turnover is not significant in the context of total turnover. Hence there are no reportable geographical segments.

i) **Unallocated items**

All common incomes, expenses, assets and liabilities, which cannot be allocated to different segments, are treated as unallocated items.

ii) Financial information about business segments for the year ended 31st March, 2017 is presented below:

₹ In lakhs

Particulars	Engineering	Furniture	Real Estate	Sugar	Power	Investment Services	Other Operations	Total
	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
External Sales/ Income	9,010.69	11,603.52	1,732.99	39,823.12	6,430.64	1,561.27	-	70,162.23
Inter-Segment Sales/Income	-	-	180.30	3,293.10	2,471.40	-	-	5,944.80
Segment Revenue	9,010.69	11,603.52	1,552.69	36,530.02	3,959.24	1,561.27	-	64,217.43
Segment Results	(1,740.90)	(1,042.05)	(419.21)	4,251.85	2,471.62	183.07	(17.50)	3,686.88
Segment Assets	7,583.52	7,857.41	52,959.89	41,692.00	20,409.84	501.64	68.11	131,072.41
Segment Liabilities	6,588.12	5,366.78	6,293.93	22,511.90	-	1,545.65	40.68	42,347.06
Capital Expenditure (Net of transfer on account of dilution in stake)	27.09	15.18	188.74	4,978.36	26.14	9.01	-	5,244.52
Depreciation and Amortization	49.52	230.20	72.33	512.97	633.63	14.12	3.18	1,515.95
Provision for Doubtful Debts & Advances	-	475.96	-			1.77		477.73

Reconcilation of Repotable Segments with the Financial statements

Particulars	Revenues	Results - Net profit	Assets	Liabilities
	2016-17	2016-17	2016-17	2016-17
Total of reportable segments	64,217.43	3,686.88	131,072.41	42,347.06
Add/(Less) Corporate unallocated	3,585.90	1,433.69	181,829.71	81,088.93
Minority Interest (share of Loss)				2,377.10
Share in loss of Associates and joint ventures		(1,500.62)		
Finance Cost		(5,800.23)		
Exceptional Items		(1,500.38)		
Interest Income		1,470.64		
Taxes		(393.01)	2,651.75	
Deferred Taxes		367.40	9,416.11	-
AS PER SEGMENT	67,803.33	(2,235.63)	324,969.98	125,813.09
AS PER FINANCIAL STATEMENTS	67,803.33	(2,235.63)	324,969.98	125,813.09

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Financial information about business segments for the year ended 31st March 2016

Particulars	Fertilizer	Engineering	Furniture	Real Estate	Sugar	Power	Investment Services	Other Operations	Total
	2015-16	2015-16	2015-16	2015-16	2015-16	2015-16	2015-16	2015-16	2015-16
External sales	265.62	8,805.99	11,971.37	2,585.32	34,542.66	3,429.25	1,016.53	271.04	62,887.78
Inter-Segment Sales/Income	3.97	-	82.96	-	2,288.24	1,538.75	41.96	35.50	3,991.38
Segment Revenue	261.65	8,805.99	11,888.41	2,585.32	32,254.42	1,890.50	974.57	235.54	58,896.40
Segment Results	(2,333.27)	(404.10)	(371.24)	(51.36)	268.94	2,065.78	(171.77)	(56.99)	(1,054.01)
Segment Assets	220.03	6,814.62	8,864.84	46,461.08	33,981.18	19,114.41	614.53	60.73	116,131.42
Segment Liabilities	474.99	4,762.45	4,771.82	3,461.10	11,237.42	-	4,253.61	29.73	28,991.12
Capital Expenditure (Net of transfer on account of dilution in stake)	-	60.58	15.47	53.45	10,638.80	2,799.59	5.99	0.94	13,574.82
Depreciation and Amortization	21.61	88.62	260.74	37.01	212.08	185.29	25.26	4.25	834.86
Provision for Doubtful Debts & Advances	51.20	1.14	108.25	-	0.45		5.76		166.80

Reconciliation of Reportable Segments with the Financial statements

Particulars	Revenues	Results - Net profit	Assets	Liabilities
	2015-16	2015-16	2015-16	2015-16
Total of reportable segments	58,896.40	(1,054.01)	116,131.42	28,991.12
Add/(Less) Corporate unallocated	3,124.81	1,420.90	169,434.96	89,332.03
Minority Interest (share of Loss)				1,853.60
Share in loss of Associates and joint ventures		(3,964.42)		
Inter segment elimination				
Finance Cost		(3,913.93)		
Exceptional Items				
Interest Income		1,535.81		
Taxes		(492.54)	4,546.62	
Deferred Taxes		2,638.39	8,998.41	30.87
AS PER SEGMENT	62,021.21	(3,829.80)	299,111.41	120,207.62
AS PER FINANCIAL STATEMENTS	62,021.21	(3,829.80)	299,111.41	120,207.62

Financial information about business segments for the year ended 1st April 2015

Particulars	Fertilizer	Engineering	Furniture	Real Estate	Sugar	Investment Services	Other Operations	Total
	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15
Segment Assets	2,879.09	11,651.23	7,666.39	37,663.75	40591.43	5952.88	1205.9	107,610.67
Segment Liabilities	292.08	7,405.08	4,366.59	3,414.30	14817.49	802.71	43.44	31,141.69

Reconciliation of Repotable Segments with the Financial statements

Particulars	Assets	Liabilities
	1 April 2015	1 April 2015
Total of reportable segments	107,610.67	31,141.69
Add/(Less) Corporate unallocated	190,505.77	75,810.21
Minority Interest (share of loss)	-	1,290.54
Taxes	3,801.78	-
Deferred Taxes	6,357.34	49.12
AS PER SEGMENT	308,275.56	108,291.56
AS PER FINANCIAL STATEMENTS	308,275.56	108,291.56

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

42. Lease commitments

(a) Operating Lease: as lessee

i) The Parent Company has obtained office premises, apartments and warehouses on operating leases for the period ranging from 0-2 years. In all the cases, the agreements are further renewable at the option of the Parent Company. There is escalation clause in the respective lease agreements. All these leases are cancellable in nature. The total lease payments in respect of such leases recognized in the statement of profit and loss for the year are ₹ 3.13 Lakhs (31st March 2016: ₹ 3.12 Lakhs).

ii) A subsidiary company has entered into lease for certain office premises. These leases have an average life of between 3 and 9 years. Lease Rentals charged to the Statement of profit and loss during the current year are ₹ 1,115.80 Lakhs (31st March 2016: ₹ 1,214.50 Lakhs).

iii) Subsidiary companies have entered into cancellable lease on certain office premises. Lease Rentals charged to the Statement of profit and loss during the current year are ₹ 28.56 Lakhs (31st March 2016: ₹ 25.33 Lakhs).

iv) Two subsidiary companies have taken office premise and branches on operating leases for an initial period of 3-9 years. In all the cases, the agreements are further renewable at the option of the companies. There is escalation clause in the respective lease agreements. All these leases are cancellable in nature. Lease Rentals charged to the Statement of profit and loss during the current year are ₹ 92.77 Lakhs (31st March 2016: ₹ 104.92 Lakhs).

v) In case of a step down subsidiary company, certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The lease term is ranging upto 3 years and are further renewable by mutual consent on mutually agreed terms . There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable. Lease Rentals charged to the Statement of profit and loss during the current year are ₹ 64.00 Lakhs (31st March 2016: ₹ 97.83 Lakhs).

vi) In case of subsidiary companies, future minimum rental payable under non cancellable operating lease as at 31 March are as follows:

₹ In lakhs

	Particulars	31st March 2017	31st March 2016	1st April 2015
i)	Lease payments for the year	350.02	365.01	
ii)	Payable for a period not later than one year	435.89	396.16	368.89
iii)	Payable for a period later than one year and not later than 5 years	1,188.35	1,399.80	1,734.47
iv)	Payable for the period later than 5 years	470.28	613.83	569.27

(b) Operating Lease: as lessor

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

₹ In lakhs

Particulars	31st March 2017	31st March 2016
Lease rentals recognized during the Year	266.45	223.40

₹ In lakhs

	Investment Properties	31st March 2017	31st March 2016	1st April 2015
i)	Gross Carrying Amount	171.39	1,162.05	1,162.05
ii)	Accumulated Depreciation	7.26	8.93	-
iii)	Depreciation recognized in the Statement of Profit and Loss	9.16	8.93	-

The Group has given buildings and Land on operating lease for the period as per the agreement. In all the cases, the agreements are further renewable at the option of the Company. All these leases are cancellable in nature. There is no escalation clause in the respective lease agreements.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

43 Commitments and Contingent Liabilities:

₹ In Lakhs

Particulars	TOTAL 31st March 2017	31st March 2016	1st April 2015
I. Demands / Claims from Government Authorities *			
(A) Demands from Excise/ Service Tax Authorities			
i) Pending case before the Customs Excise and Service Tax Appellate Tribunal relating to the period 2005-07 towards service tax under the Finance Act, 1994 (Amount includes deposits made under protest ₹ 21.20 lakhs)	90.00	90.00	90.00
ii) Pending case before the Commissioner Appeals relating to the period 2004-11 towards service tax under the Finance Act, 1994	7.01	-	-
iii) Pending case before the Customs Excise and Service Tax Appellate Tribunal relating to the period 2007-08 towards service tax under the Finance Act, 1994	29.10	29.10	29.10
iv) Service Tax Demand for Financial year 2008-09, 2009-10, 2010-11, 2011-12 in respect of subsidiary company	86.02	86.02	86.02
v) Demand/ Audit Objections raised by Central Excise department but disputed by Company	34.08	-	-
(B) Demands from Sales Tax Authorities			
i) Pending case before the Joint Commissioner (Appeals) relating to the period 2004-05 under the West Bengal Sales tax Act, 1941	58.40	59.03	59.03
ii) Pending case before the Deputy Commissioner (Appeals) relating to the period 2001-02 under the West Bengal Sales tax Act, 1941	3.56	3.56	3.56
iii) Pending case before the Revision Board relating to the period 2003-04 under the West Bengal Sales tax Act, 1941	7.63	7.63	7.63
iv) Pending case before the Commercial Tax Appellate Authority relating to the period 2009-10 under the West Bengal Sales tax Act, 1941	3.94	3.94	-
v) Pending case before the Additional Commissioner (Appeals) relating to the period 2012-13 under the Uttar Pradesh Sales tax Act, 1948 (Amount deposited under protest ₹ 2.74 lakhs)	-	-	2.74
vi) Pending case before the West Bangal Appellate and Revision Board relating to the period 2003-04 under the West Bengal Sales tax Act, 1941	19.77	19.77	-
vii) Pending case before the Joint Commissioner (Appeals) relating to the period 2006-07 under the West Bengal Sales tax Act, 1941 (includes deposits made under protest ₹ 7.40 lakhs)	-	-	7.48
viii) Pending case before Deputy Commissioner (Appeals) relating to the period 2009-11 under the Kerala VAT Act, 2003 (Includes amount paid under protest ₹ 3.92 lakhs)	13.07	13.70	13.70
ix) Pending case before Deputy Commissioner (Appeals) relating to the period 2010-11 under the Kerala VAT Act, 2003 (Includes amount paid under protest ₹ 0.81 lakhs)	3.24	3.24	-
x) Orissa Value Added Tax, 2004 for Financial Year 2009 to 2014 in respect of subsidiary company	101.98	101.98	-
II. Taxation matters**	-	-	-
i) Demand in respect of Assessment Year 1999-00, for which the Parent Company filed petition in Hon'ble High Court	57.90	-	-
ii) Demand in respect of Assessment Year 2002-03, for which the Parent Company has filed an appeal with CIT (Appeals).	43.36	-	-
iii) Demand in respect of Assessment Year 2007-2008 for which an appeal is pending with CIT (Appeals) in respect of Parent Company.	233.68	-	254.47
iv) Demand in respect of Assessment Year 2012-2013 for which an appeal is pending with CIT (Appeals) in respect of Parent Company	954.29	1,452.63	1,263.50
v) Demand in respect of assessment year 2011-12, for which the Parent Company has got favourable order from ITAT However, appeal effect order is pending from the assessing authority.	-	2,471.67	1,718.77

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

₹ In Lakhs

Particulars	TOTAL		
	31st March 2017	31st March 2016	1st April 2015
vi) Demand in respect of Assessment Year 2013-14, for which the Parent Company has filed an appeal with CIT (Appeals)	23.34	-	-
vii) Demand in respect of Assessment Year 2014-15, for which the Parent Company has filed an appeal with CIT(Appeals)	76.60	-	-
viii) Income tax demand for Assessment year 2014-15 in respect of subsidiary company	18.35	-	-
ix) Income tax demand for Assessment year 2013-14 in respect of subsidiary company	29.93	29.93	-
x) Income tax demand for Assessment year 2012-13 in respect of subsidiary company	27.18	27.18	27.18
xi) Income tax demand for Assessment year 2011-12 in respect of subsidiary company	422.66	422.66	422.66
xii) Income tax demand for Assessment year 2010-11 in respect of subsidiary company	17.38	17.38	17.38
xiii) Income tax demand for Assessment year 2009-10 in respect of subsidiary company	2.99	2.99	2.99
xiv) Demand in respect of Wealth Tax for Assessment Years 2006-07 to 2010-11 for which the Parent Company has filed appeals with Commissioner of Wealth Tax(Appeals). The Parent Company has deposited ₹ 282.89 lakhs under protest.	565.78	565.78	565.78
xv) Income tax demand for Assessment year 2008-09,2009-10,2010-11 and 2014-15 in respect of subsidiary company	122.58	107.16	-
III. Other claims against the Group not acknowledged as debts	**191.01**	**226.34**	**399.55**
IV. Estimated amount of contracts remaining to be executed on capital account not provided for	**500.61**	**5,424.70**	**8,783.83**

* Based on discussion with the Solicitors/favourable decision in similar cases, the management believes that the Company has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary

One of the subsidiary company, has sold molasses to certain parties without charging sales tax on the basis of stay order by Hon'ble Supreme Court. In case the order is decided against the parties by the Hon'ble Supreme Court, the subsidiary company would be liable to collect and pay VAT/Sales tax to the department along with interest and penalty. Amount involved is considered indeterminate by the subsidiary company.

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

44 Fair Values

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

(₹ In lakhs)

Particulars	Carrying value			Fair value		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial assets						
A. FVOCI financial Instruments						
Investment in quoted equity shares	1,01,523.15	82,640.86	1,06,069.36	1,01,523.15	82,640.86	1,06,069.36
Investment in unquoted equity shares	50.00	3,358.81	3,312.84	50.00	3,358.81	3,312.84
B. FVPL financial Instruments						
Investment						
Investment in deemed equity share of joint venture	394.62	394.62	394.62	394.62	394.62	394.62
Investment in preference share of joint venture	259.53	154.71	105.38	259.53	154.71	105.38
Investment in quoted mutual funds	4,336.22	5,566.05	2,752.92	4,336.22	5,566.05	2,752.92
Un-Quoted Preference Shares	616.00	616.00	613.00	616.00	616.00	613.00
Loans and Other Financial Assets						
Security deposits	1,722.69	1,525.82	1,722.17	1,722.69	1,525.82	1,722.17
Forward Covers	1.74	2.37	0.48	1.74	2.37	0.48
C. Amortised Cost						
Investment						
Investment in unquoted equity share	43.34	43.34	42.82	43.34	43.34	42.82
Loans and Other Financial Assets						
Loans and advances to related parties - Unsecured, considered good	0.16	0.59	164.55	0.16	0.59	164.55
Inter corporate deposit - Unsecured, considered good	1,120.00	1,210.00	2,600.00	1,120.00	1,210.00	2,600.00
Loans to employees (secured , considered good)						
- Related Parties	8.40	13.20	-	8.40	13.20	-
- Others	12.42	7.95	8.65	12.42	7.95	8.65
Loans to employees (unsecured , considered good)	1.43	5.54	25.79	1.43	5.54	25.79
Interest accrued on loan to employees						
- Related Parties	8.76	8.76	-	8.76	8.76	-
- Others	0.08	0.10	2.95	0.08	0.10	2.95
Interest accrued and due						
- Others	0.05	-	-	0.05	-	-
Interest accrued but not due	454.71	557.44	345.92	454.71	557.44	345.92
Advances recoverable in cash or kind						
- Related Parties	-	-	1,566.57	-	-	1,566.57
- Others	118.86	40.48	134.86	118.86	40.48	134.86
Total financial assets	**1,10,672.16**	**96,146.64**	**1,19,862.88**	**1,10,672.16**	**96,146.64**	**1,19,862.88**

Particulars	Carrying value			Fair value		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial Liabilities						
A. Amortised Cost						
Borrowings						
Long Term Borrowings	36,566.79	27,270.77	31,586.93	36,566.79	27,270.77	31,586.93
Short Term Borrowings	34,048.64	35,150.12	25,814.36	34,048.64	35,150.12	25,814.36
Other Financial Liabilities						
Current maturities of long term borrowings	5,545.23	13,545.46	4,136.25	5,545.23	13,545.46	4,136.25
Payable for voluntary retirement scheme	23.27	41.94	62.42	23.27	41.94	62.42
Advance towards sale of land/Investments						
- Related Parties	3,209.13	11,920.00	11,920.00	3,209.13	11,920.00	11,920.00
Interest accrued but not due on borrowings	24.81	61.44	59.66	24.81	61.44	59.66
Interest accrued and due on borrowings	391.97	219.30	422.91	391.97	219.30	422.91
Security deposits received	583.96	597.80	650.02	583.96	597.80	650.02
Total financial liabilities	**80,393.80**	**88,806.83**	**74,652.55**	**80,393.80**	**88,806.83**	**74,652.55**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

The management assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, investment in government securities, payable towards capital goods, cane subsidy receivable, unbilled revenue, non current bank balance, employee benefits payable and statutory liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the Group based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the quoted equity shares are based on price quotations at the reporting date. The fair value of unquoted preference shares is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- Derivative financial instruments - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date.
- Mutual Funds - The fair value of Mutual Funds is determined using the NAV at the balance sheet date.
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2017 was assessed to be insignificant.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2017, 31st March 2016 and 1st April 2015 are as shown below:

Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Biotech Consortium of India Limited	DCF method	Long-term growth rate for cash flows for subsequent years	31st March 2017: 4.5% - 5.5% (5.0%) 31st March 2016: 4.5% - 5.5% (5.0%) 01st April 2015: 4.5% - 5.5% (5.0%)	0.5% (31st March 2016: 0.5%)(31st March 2015 : 0.5%) increase in the growth rate would result in increase in fair value by ₹ Nil (31st March 2016: ₹ 0.50 lakhs) (1st April 2015: 0.55 Lakhs) and 0.5% (31st March 2016: 0.5%)(31st March 2015 : 0.5%) decrease by ₹ 1 Lakhs (31st March 2016: 0.45 Lakhs)(1st April 2015: ₹ 0.49 Lakhs)

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Indian Potash Limited	DCF method	Weighted Average Cost of Capital (WACC) and Long Term Growth Rate (LTGR)	31st March 2016: WACC 10.85% - 11.85% (11.35%) LTGR 4% - 3% (3.50%) 01st April 2015: WACC 11.06% - 12.06% (11.56%) LTGR 3% - 4% (3.50%)	(31st March 2016: 0.5%)(31st March 2015 : 0.5%) decrease in the WACC and increase in LTGR would result in increase in fair value by (31st March 2016: ₹ 218.88 lakhs) (1st April: ₹ 219.60 Lakhs) (31st March 2016: 0.5%)(1st April : 0.5%) increase in WACC and decrease in LTGR would result in decrease in fair value by (31st March 2016: ₹ 169.92 Lakhs) (1st April 2015: ₹ 172.80 Lakhs)
Nagarujuna Fertilizers and Chemicals Limited	DCF method	Long-term growth rate for cash flows for subsequent years	31st March 2016: 2.5% - 3.5% (3.0%) 01st April 2015: 2.5% - 3.5% (3.0%)	NIL (31st March 2016: 0.5%) (1st April 2015 : 0.5%) increase in the growth rate would result in increase in fair value by NIL (31st March 2016: ₹ 322.68 lakhs) (1st April 2015: ₹ 387.21 Lakhs) NIL (31st March 2016: 0.5%)(1st April 2015 : 0.5%) decrease in the growth rate would result in decrease in fair value by NIL (31st March 2016: ₹ 322.68 Lakhs) (1st April 2015: ₹ 354.95 Lakhs)

45 Fair Hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2017:

₹ in lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial Instruments					
Investment in quoted equity shares	31st March 2017	1,01,523.15	1,01,523.15	-	-
Investment in unquoted equity shares	31st March 2017	50.00	-	-	50.00
B. FVPL financial Instruments					
Investment					
Investment in deemed equity share of joint venture	31st March 2017	394.62	-	394.62	-
Investment in preference share of joint venture	31st March 2017	259.53	-	-	259.53
Investment in quoted mutual funds	31st March 2017	4,336.22	4,336.22	-	-
Un-Quoted Preference Shares	31st March 2017	616.00	-	616.00	-
Other Financial Assets					
Security deposits	31st March 2017	1,722.69	-	1,722.69	-
Forward Covers	31st March 2017	1.74	-	1.74	-
C. Amortised Cost					
Investment					
Investment in unquoted equity shares	31st March 2017	43.34	-	43.34	-
Loans and Other Financial Assets					
Loans and advances to related parties - Unsecured, considered good	31st March 2017	0.16	-	0.16	-
Inter corporate deposit - Unsecured, considered good	31st March 2017	1,120.00	-	1,120.00	-
Loans to employees (secured , considered good)					
- Related Parties	31st March 2017	8.40	-	8.40	-
- Others	31st March 2017	12.42	-	12.42	-
Loans to employees (unsecured , considered good)	31st March 2017	1.43	-	1.43	-

Continued...

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Interest accrued on loan to employees					
- Related Parties	31st March 2017	8.76	-	8.76	-
- Others	31st March 2017	0.08	-	0.08	-
Interest accrued and due					
- Others	31st March 2017	0.05		0.05	
Interest accrued but not due	31st March 2017	454.71	-	454.71	-
Advances recoverable in cash or kind					
- Related Parties	31st March 2017	-	-	-	-
- Others	31st March 2017	118.86	-	118.86	
Total		**1,10,672.16**	**1,05,859.37**	**4,503.26**	**309.53**

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2017: ₹ in lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Financial liabilities					
A. Amortised Cost					
Borrowings					
Long Term Borrowings	31st March 2017	36,566.79	-	36,566.79	-
Short Term Borrowings	31st March 2017	34,048.64	-	34,048.64	-
Other Financial Liabilities					
Current maturities of long term borrowings	31st March 2017	5,545.23	-	5,545.23	-
Payable for voluntary retirement scheme	31st March 2017	23.27	-	23.27	-
Advance towards sale of land/Investments					
- Related Parties	31st March 2017	3,209.13	-	3,209.13	-
Interest accrued but not due on borrowings	31st March 2017	24.81	-	24.81	-
Interest accrued and due on borrowings	31st March 2017	391.97	-	391.97	-
Security deposits received	31st March 2017	583.96	-	583.96	-
Total		**80,393.80**	**-**	**80,393.80**	**-**

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2016: ₹ in lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial Instruments					
Investment in quoted equity shares	31st March 2016	82,640.86	82,640.86	-	-
Investment in unquoted equity shares	31st March 2016	3,358.81	-	-	3,358.81

Continued...

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
B. FVPL financial Instruments					
Investment					
Investment in deemed equity share of joint venture	31st March 2016	394.62	-	394.62	-
Investment in preference share of joint venture	31st March 2016	154.71	-	-	154.71
Investment in quoted mutual funds	31st March 2016	5,566.05	5,566.05	-	-
Un-Quoted Preference Shares	31st March 2016	616.00	-	616.00	-
Other Financial Assets					
Security deposits	31st March 2016	1,525.82	-	1,525.82	-
Forward Covers	31st March 2016	2.37	-	2.37	-
C. Amortised Cost					
Investment					
Investment in unquoted equity share	31st March 2016	43.34	-	43.34	-
Loans and Other Financial Assets					
Loans and advances to related parties - Unsecured, considered good	31st March 2016	0.59	-	0.59	-
Inter corporate deposit - Unsecured, considered good	31st March 2016	1,210.00	-	1,210.00	-
Loans to employees (secured , considered good)					
- Related Parties	31st March 2016	13.20	-	13.20	-
- Others	31st March 2016	7.95	-	7.95	-
Loans to employees (unsecured , considered good)	31st March 2016	5.54	-	5.54	-
Interest accrued on loan to employees					
- Related Parties	31st March 2016	8.76	-	8.76	-
- Others	31st March 2016	0.10	-	0.10	-
Interest accrued but not due	31st March 2016	557.44	-	557.44	-
Advances recoverable in cash or kind					
- Related Parties	31st March 2016	-	-	-	-
- Others	31st March 2016	40.48	-	40.48	-
Total		**96,146.64**	**88,206.91**	**4,426.21**	**3,513.52**

There have been no transfers between Level 1 and Level 2 during the year ended 31st March 2016.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2016: ₹ in lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Financial liabilities					
A. Amortised Cost					
Borrowings					
Long Term Borrowings	31st March 2016	27,270.77	-	27,270.77	-
Short Term Borrowings	31st March 2016	35,150.12	-	35,150.12	-
Other Financial Liabilities					
Current maturities of long term borrowings	31st March 2016	13,545.46	-	13,545.46	-
Payable for voluntary retirement scheme	31st March 2016	41.94	-	41.94	-
Advance towards sale of land/Investments					
- Related Parties	31st March 2016	11,920.00	-	11,920.00	-
Interest accrued but not due on borrowings	31st March 2016	61.44	-	61.44	-
Interest accrued and due on borrowings	31st March 2016	219.30	-	219.30	-
Security deposits received	31st March 2016	597.80	-	597.80	-
Total		**88,806.83**	**-**	**88,806.83**	**-**

There have been no transfers between Level 1 and Level 2 during year ended 31st March 2016.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Quantitative disclosures fair value measurement hierarchy for assets as at 1st April 2015: ₹ in lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
A. FVOCI financial Instruments					
Investment in quoted equity shares	1st April 2015	1,06,069.36	1,06,069.36	-	-
Investment in unquoted equity shares	1st April 2015	3,312.84	-	-	3,312.84
B. FVPL financial Instruments					
Investment					
Investment in deemed equity share of joint venture	1st April 2015	394.62	-	394.62	-
Investment in preference share of joint venture	1st April 2015	105.38	-	-	105.38
Investment in quoted mutual funds	1st April 2015	2,752.92	2,752.92	-	-
Un-Quoted Preference Shares	1st April 2015	613.00	-	613.00	-
Other Financial Assets					
Security deposits	1st April 2015	1,722.17	-	1,722.17	-
Forward Covers	1st April 2015	0.48	-	0.48	-
C. Amortised Cost					
Investment					
Investment in unquoted equity share	1st April 2015	42.82	-	42.82	-
Loans and Other Financial Assets					
Loans and advances to related parties - Unsecured, considered good	1st April 2015	164.55	-	164.55	-
Inter corporate deposit - Unsecured, considered good	1st April 2015	2,600.00	-	2,600.00	-
Loans to employees (secured , considered good)					
- Others	1st April 2015	8.65	-	8.65	-
Loans to employees (unsecured , considered good)	1st April 2015	25.79	-	25.79	-
Interest accrued on loan to employees					
- Others	1st April 2015	2.95	-	2.95	-
Interest accrued but not due	1st April 2015	345.92	-	345.92	-
Advances recoverable in cash or kind					
- Related Parties	1st April 2015	1,566.57	-	1,566.57	-
- Others	1st April 2015	134.86	-	134.86	-
Total		**1,19,862.88**	**1,08,822.28**	**7,622.38**	**3,418.22**

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1st April 2015: ₹ in lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities					
A. Amortised Cost					
Borrowings					
Long Term Borrowings	1st April 2015	31,586.93	-	31,586.93	-
Short Term Borrowings	1st April 2015	25,814.36	-	25,814.36	-
Other Financial Liabilities					
Current maturities of long term borrowings	1st April 2015	4,136.25	-	4,136.25	-
Provision for voluntary retirement scheme	1st April 2015	62.42	-	62.42	-
Advance towards sale of land/Investments					
- Related Parties	1st April 2015	11,920.00	-	11,920.00	-
Interest accrued but not due on borrowings	1st April 2015	59.66	-	59.66	-
Interest accrued and due on borrowings	1st April 2015	422.91	-	422.91	-
Security deposits received	1st April 2015	650.02	-	650.02	-
Total		**74,652.55**	**-**	**74,652.55**	**-**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

46. The Parent Company and a subsidiary company hold more than 20% of the voting power of bodies corporate. These Companies have been legally advised that they do not have any "Significant Influence" in the said bodies corporate as defined in Accounting Standard '18' "Related Party Disclosures" and accordingly, have not considered the above investees as related parties under Accounting Standard 18 "Related Party Disclosures" and has not consolidated the accounts of the above as "Associate" under Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements".

47. Related Party disclosures

A. **The list of related parties as identified by the management is as under:**

i) Joint Ventures of the Company:

1. Zuari Indian Oiltanking Private Limited
2. Brajbhumi Nirmaan Private Limited (Joint Venture of Zuari Infraworld India Limited
3. Rosewood Agencies Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
4. Neobeam Agents Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
5. Mayapur Commercial Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
6. Nexus Vintrade Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
7. Bahubali Tradecomm Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
8. Hopeful Sales Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
9. Divine Realdev Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
10. Kushal Infraproperty Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
11. Beatle Agencies Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
12. Suhana Properties Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
13. Saket Mansions Private Limited (Subsidiary of Braj bhumi Nirmaan Private Limited)
14. Murari Enclave Private Limited (100% subsidiary of Rosewood Agencies Private Limited) Ceased to be subsidiary w.e.f. 29th March, 2016
15. Damodar Enclave Private Limited (100% subsidiary of Neobeam Agents Private Limited) Ceased to be subsidiary w.e.f. 16th December, 2015
16. Natwar Enclave Private Limited (lOO% subsidiary of Mayapur Commercial Private Limited) Ceased to be a subsidiary w.e.f. 29th March, 2016
17. Banibihari Enclave Private Limited (100% subsidiary of Nexus Vintrade Private Limited) Ceased to be a subsidiary w.e.f. 29th March, 2016
18. Pranati Niketan Private Limited (Joint Venture of Zuari Infraworld India Limited (w.e.f. 31st December, 2014)
19. Darshan Nirmaan Private Limited (Joint Venture of Zuari Infraworld India Limited (w.e.f 31st December, 2014)
20. Forte Furniture Products India Pvt Limited (Joint venture of Indian Furniture Products Limited (w.e.f 1st Feb'2017)
21. Simon Engineering and Partners, LLC (Joint venture of Simon India Limited)

ii) Associates of the Company:

1. Zuari Agro Chemicals Limited
2. Zuari Agri Science Limited – Subsidiary of Zuari Agro Chemicals Limited
3. Zuari Fertilisers and Chemicals Limited – Subsidiary of Zuari Agro Chemicals Limited
4. Zuari Speciality Fertiliser Limited – Joint Venture of Zuari Agro Chemicals Limited upto 08th December, 2015, thereafter as subsidiary of Zuari Agro Chemicals Limited
5. Zuari Maroc Phosphates Private Limited – Joint Venture of Zuari Agro Chemicals Limited
6. Paradeep Phosphates Limited - Subsidiary of Zuari Maroc Phosphates Private Limited
7. New Eros Tradecom Limited - Associate of Zuari Investments Limited
8. MCA Phosphates Pte. Limited (Joint Venture of Zuari Agro Chemicals Ltd)

iii) Enterprises having significant influence:

1. Globalware Trading and Holdings Limited

iv) Key Management Personnel

1. Mr. S. K. Poddar, Chairman
2. Mr. N Suresh Krishnan, Managing Director

3. Mrs. Jyotsna Poddar, Executive Director
4. Mr. Marco Wadia - Independent - Non - Executive Director
5. Mr. Krishan Kumar Gupta - Independent - Non - Executive Director
6. Mr. Jayant N Godbole - Independent - Non - Executive Director
7. Mr Vijay Kumar Kathuria - Chief Financial officer
8. Mr Sachin Patil - Asst. Company Secretary

v) Relative of Key Management Personnel

1. Mrs. Rekha Krishnan - wife of Mr. N. Suresh Krishnan.

vi) Post-employment benefit plan

1. Zuari Industries Limited Employees Provident Fund
2. Zuari Industries Limited Employees Pensions Fund
3. Zuari Industries Limited Sr. Staff Superannuation Fund
4. Zuari Industries Limited Non Management Employees Pension Fund
5. Zuari Industries Limited Gratuity Fund
6. Simon India Ltd. Staff Superannuation Fund
7. Simon India Ltd Gratuity Fund

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

B. Related Party Transaction For Zuari Global Limited

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2017.

₹ In lakhs

S. no.	Transaction details	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Post-employment benefit plan	Relatives of KMP
1	**Payment made on their behalf:**												
	– Zuari Agri Sciences Limited	-	-	-	-	-	-	–	0.05	-	–	-	–
	– Paradeep Phosphates Limited	-	-	-	-	-	-	–	0.04	-	–	-	–
	– Zuari Agro Chemicals Limited	-	21.83	-	-	-	-	–	173.29	-	–	-	–
	Payment made on our behalf:	-		-	-	-	-	–		-	–	-	–
	– Zuari Agro Chemicals Limited	-	0.56	-	-	-	-	–	1.59	-	–	-	–
2	**Sale of Investments**			-									
	- Zuari Agro Chemicals Limited	-	1,120.32	-	-	-	-	–	–	–	–	-	–
3	**Managerial Remuneration**												
	- N. Suresh Krishnan	-	-	-	315.28	-	-	–	–	–	240.35	-	–
	- Jyotsna Poddar	-	-	-	65.32	-	-	–	–	–	64.32	-	–
	- Vijay Kathuria	-	-	-	65.66	-	-	–	–	–	10.65	-	–
4	**Dividend Received**												
	– Zuari Agro Chemicals Limited	-	-	-	-	-	-	–	269.81	-	–	-	–
5	**Lease Rentals Received**												
	– Zuari Indian Oiltanking Private Limited	156.21	-	-	-	-	-	145.99	–	-	–	-	–
	– Zuari Fertilisers and Chemicals Limited	-	4.74	-	-	-	-	–	4.48	-	–	-	–
	– Zuari Agro Chemicals Limited	-	84.27	-	-	-	-	–	48.08	-	–	-	–
6	**Sitting fees Paid**												
	– S. K. Poddar	-	-	-	2.87	-	-	-	–		2.27	-	–
	– Marco Wadia	-	-	-	10.53	-	-	-	–		4.95	-	–
	- D B Engineer	-	-	-	-	-		-	–		4.78	-	–
	– Krishan Kumar Gupta	-	-	-	5.92	-	-	-	–		4.09	-	–
	– Mr. Jayant N Godbole	-	-	-	4.08	-	-	-	–	-	–	-	–
7	**Management Fees / service charges Received (including service tax)**												
	– Zuari Indian Oiltanking Private Limited	11.49	-	-	-	-	-	11.39		-	–	-	–
	-Brajbhumi Nirmaan Private Limited	56.25	-	-	-	-	-	56.25		-	–	-	–
8	**Dividend Paid**												
	– Globalware Trading and Holdings Limited	-	-	74.92	-	-	-	–	–	70.12	–	-	–
	– New Eros Tradecom Limited	-	11.97	-	-	-	-	–	11.97	–	–	-	–
	– S. K. Poddar	-	-	-	9.84	-	-	–	–	–	9.12	-	-
	– Akshay Poddar	-	-	-	-	-	1.37	–	–	–	–	-	1.37
	– Jyotsna Poddar	-	-	-	4.72	-	-	–	–	–	4.72	-	–
9	**Advance Against Sale of Investment Property**												
	– Zuari Agro Chemicals Limited	-	3,209.13	-	-	-	-	-	-	-	-	-	-
10	**Advance against Taxation**												
	– Zuari Agro Chemicals Limited	-	2,533.85	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

₹ In lakhs

S. no.	Transaction details	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Post-employment benefit plan	Relatives of KMP
11	**Repayment of Advance against Sale of investment**												
	– Zuari Agro Chemicals Limited	-	11,920.00	-	-	-	-	-	-	-	-	-	-
12	**Sale of investment**												
	- Zuari Agro Chemicals Limited	-	5,174.24	-	-	-	-	-	-	-	-	-	-
	Sale of engineering services/supplies/ projects (Amount billed)	-	-	-	-	-	-	-	-	-	-	-	-
	- Zuari Fertilisers & Chemicals Ltd.	-	-	-	-	-	-	-	592.11	-	-	-	-
13	**Advance for sale of flat**												
	- Mrs. Rekha Krishnan	-	-	-	-	-	29.36	-	-	-	-	-	-
	- Mr. K K Gupta	-	-	-	30.56	-	-	-	-	-	-	-	-
14	**Reimbursement of Employee Compensation received/receivable**												
	-Brajbhumi Nirmaan Private Limited	20.00	-	-	-	-	-	47.86	-	-	-	-	-
15	**Preference Share capital issued (₹ 10 per share at a premium of ₹ 90)**												
	Mr. Saroj Kumar Poddar	-	-	-	-	-	-	-	-	-	-	-	1,500
16	**ICD converted to equity**												
	Brajbhumi Nirmaan Private Limited	150.00	-	-	-	-	-	-	-	-	-	-	-
17	**Provision for expenses written off**												
	– Zuari Fertilisers and Chemicals Limited	-	-	-	-	-	-	-	1,566.57	-	-	-	-
18	**Transactions with Post Employment Benefit Trust**												
	-Zuari Industries Limited Employees Provident Fund	-	-	-	-	78.73	-	-	-	-	-	66.82	-
	-Zuari Industries Limited Sr. Staff Superannuation Fund	-	-	-	-	7.20	-	-	-	-	-	13.61	-
	-Zuari Industries Limited Non Management Employees Pension Fund	-	-	-	-	2.61	-	-	-	-	-	5.28	-
	Simon India Ltd Gratuity Fund	-	-	-	-	11.60	-	-	-	-	-	10.86	-
	Simon India Ltd. Staff Superannuation Fund	-	-	-	-	7.29	-	-	-	-	-	10.94	-

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Balance Outstanding For The Period Ended 31st March 2017

₹ In lakhs

		As at 31st March 2017						As at 31st March 2016						As at 31st March 2015					
S. No.	Transaction details	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Post-employment benefit plan	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Relatives of KMP
1	**Loan/ ICD Given**																		
	– N Suresh Krishnan	-	-	-	8.40	-	-	–	–	-	13.20	-	–	–	–	–	-	-	-
2	**As Trade Payables**																		
	– Zuari Seeds Limited	-	1.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Zuari Agro Chemicals Limited	-	784.09	-	-	-	-	-	742.44	-	-	-	-	-	-	157.03	-	-	-
3	**As Other Payables**																		
	- Zuari Agro Chemicals Limited	-	700.00	-	-	-	-	-	700.00	-	-	-	-	-	-	700.00	-	-	-
4	**Managerial Remuneration Payable**																		
	- N. Suresh Krishnan	-	-	-	49.94	-	-	–	–	-	6.29	-	–	–	–	–	-	-	-
	- Jyotsna Poddar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Vijay Kathuria	-	-	-	9.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**As Debtor**																		
	-Brajbhumi Nirmaan Private Limited	404.02	-	-	-	-	-	325.24	-	-	-	-	-	-	153.54	-	-	-	-
	- Simon Engineering and Partners, LLC	20.09	-	-	-	-	-	20.53	-	-	-	-	-	-	19.39	-	-	-	-
	– Soundarya IFPL Interiors Limited	177.09	-	-	-	-	-	301.48	-	-	-	-	-	-	70.00	-	-	-	-
	– Forte Furnitures India Product Private Limited	642.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	– Zuari Agro Chemicals Limited	-	2.32	-	-	-	-	-	29.16	-	-	-	-	-	-	-	-	-	-
	– Zuari Fertilisers and Chemicals Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	**As 'Provision for Doubtful debts**																		
	- Simon Engineering and Partners, LLC	20.09	-	-	-	-	-	20.53	-	-	-	-	-	-	19.39	-	-	-	-
7	**As Advances or deposits Recoverable/debtors**																		
	– Paradeep Phosphates Limited	-	-	-	-	-	-	–	0.09	-	-	-	-	–	–	0.08	-	-	-
	– Zuari Agri Sciences Limited	-	-	-	-	-	-	–	–	-	-	-	-	–	–	94.31	-	-	-
	– Soundarya IFPL Interiors Limited													70.00			-	-	-
	– Zuari Speciality Fertilisers Limited	-	0.16	-	-	-	-	–	0.16	-	-	-	-	–	–	0.16	-	-	-
	– Zuari Fertilisers and Chemicals Limited	-	-	-	-	-	-	–	0.34	-	-	-	-	–	–	1,566.57	-	-	-
8	**Other Recoverable**																		
	-Brajbhumi Nirmaan Private Limited	86.75	-	-	-	-	-	80.99	-	-	-	-	-	-	86.70	-	-	-	-
9	**Interest on ICD/Loan**																		
	– N Suresh Krishnan	-	-	-	8.76	-	-	–	–	-	8.76	-	–	–	–	–	-	-	-
10	**Advance against Purchase of Land/Investments**																		
	– Zuari Agro Chemicals Limited	-	3,209.13	-	-	-	-	-	11,920.00	-	–	-	–	–	-	11,920.00	-	-	-
11	**Advance against Taxation**																		
	– Zuari Agro Chemicals Limited	-	2,533.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**Advance received against sale of flat**																		
	- Rekha Krishnan	-	-	-		-	29.36	-	-	-	-	-	-	-	-	-	-	-	-
	– Krishan Kumar Gupta	-	-	-	30.56	-		-	-	-	-	-	-	-	-	-	-	-	-

S. No.	Balance outstanding for Post Employment Benefit Trust	2016-17	2015-16	2014-15
1	- Receivable from Trust			
	-Zuari Industries Limited Gratuity Fund	5.07	-	-
	-Zuari Industries Limited Non Management Employees Pension Fund	0.04	0.38	

48 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables, advances from customers, deferred revenue security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds FVTOCI investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at 31st March 2017 and 31st March 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31st March 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2017 and 31st March 2016.
- The sensitivity of equity is calculated at 31st March 2017 and 31st March 2016 for the effects of the assumed changes of the underlying risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on profit before tax
		₹ lakhs
31st March 2017		
INR Borrowings	+50	373.75
INR Borrowings	-50	(373.75)
31st March 2016		
INR Borrowings	+50	389.65
INR Borrowings	-50	(389.65)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
		₹ lakhs	₹ lakhs
31st March 2017	+5%	(3.20)	61.25
	-5%	3.20	(61.25)
31st March 2016	+5%	(10.03)	82.45
	-5%	10.03	(82.45)

Particulars	Change in SAR rate	Effect on profit before tax
		₹ lakhs
31st March 2017	+5%	1.55
	-5%	(1.55)
31st March 2016	+5%	3.04
	-5%	(3.04)

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in USD and SAR, where the functional currency of the entity is a currency other than USD and SAR.

Equity price risk

Applicability

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Parent Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 50 lakhs. Sensitivity analyses of these investments have been provided in Note 49.

At the reporting date on 31st March 2017, the exposure to listed equity securities at fair value was ₹ 1,01,523.16 lakhs. A decrease of 5% on the NSE/ BSE market price could have an impact of approximately ₹ 5,076.16 lakhs on the OCI or equity attributable to the Group. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

Credit risk

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

(a) Trade Receivable

For receivables the customers, the Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the guidelines framed by the board of directors of the Parent Company. Guidelines broadly covers the selection criterion and over all exposure which the Group can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Group can make with a particular bank or financial institution. The Group does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk

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

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended				
31st March 2017				
Borrowings	39,593.87	33,036.85	3,529.96	76,160.68
Trade payables	27,309.09	397.14	-	27,706.23
Other financial liabilities	7,346.26	4.60	-	7,350.86
	74,249.22	**33,438.59**	**3,529.96**	**111,217.77**
Year ended				
31st March 2016				
Borrowings	48,695.58	22,516.57	4,754.21	75,966.36
Trade payables	18,327.61	369.10	-	18,696.71
Other financial liabilities	16,615.61	23.27	-	16,638.88
	83,638.80	**22,908.94**	**4,754.21**	**111,301.95**
As at 1st April 2015				
Borrowings	29,950.60	27,005.12	4,581.81	61,537.53
Trade payables	22,312.88	309.35	-	22,622.23
Other financial liabilities	14,229.99	42.70	-	14,272.69
	66,493.47	27,357.17	4,581.81	98,432.45

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

49. Capital management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

₹in lakhs

Particulars	At 31st March 2017	At 31st March 2016	At 1st April 2015
Borrowings other than convertible preference shares	75,524.85	75,410.08	61,156.90
Trade payables	27,706.22	18,696.71	22,622.21
Less: Cash and cash equivalents	4,013.95	3,478.69	2,613.27
Net debts	**99,217.12**	**90,628.10**	**81,165.84**
Convertible Preference Shares	635.81	556.27	380.64
Equity	199,156.89	178,903.79	199,984.00
Total Capital	**199,792.70**	**179,460.06**	**200,364.64**
Capital and net debt	**299,009.82**	**270,088.16**	**281,530.48**
Gearing ratio (%)	**33.18%**	**33.56%**	**28.83%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

50. First Time Adoption of Ind AS

These financial statements, for the year ended 31st March 2017, are the first the Group has prepared in accordance with Ind-AS. For periods up to and including the year ended 31st March 2016, the Group prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Group has prepared financial statements which comply with Ind-AS applicable for periods ending on or after 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1st April 2015, the Group's date of transition to Ind-AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The following exemptions are available to the Group:

Mandatory exemptions:

Classification and measurement of financial assets:

Financial Instruments: (Loan to employees and security deposits paid) :

Financial assets like loan to employees and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Group to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Group has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

Optional exemptions:

Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

Investment in subsidiaries and Joint ventures :

The Group has elected this exemption and opted to continue with the carrying value of investment in subsidiaries and joint ventures, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

Business combinations:

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1st April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquire. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

The Group has not applied Ind AS 21, The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments that occurred before the date of transition to Ind AS. Such fair value adjustments are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquire. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

50. First Time Adoption of Ind AS

Reconciliation of Equity ₹ in lakhs

Particulars	Notes	As at 31st March 2016 (end of last period presented under previous GAAP)	As at 01st April 2015 (Date of Transition)
Equity as reported under previous GAAP		70,094.82	67,830.81
Ind AS: Adjustments increase/ (decrease):			
Opening adjustment to retained earnings		132,153.19	-
Impact of Ind AS in case of Joint venture (net of tax)	1)	(10.27)	
Impact of Ind AS in case of Joint venture (net of tax) through OCI	1)	0.37	13.39
Impact of Ind AS in case of entity treated as subsidiary in previous GAAP is now treated as joint venture	1)	141.96	67.63
Deferred Tax booked pertaining to Consolidation Adjustments	3(a)	112.64	686.20
Share of Capital Reserves pertaining to bargain purchase in Associate (net of tax)	13)	7,175.25	
Share of Profit in Associate	13)	(1,044.73)	33,726.75
Share of Reserves in Associate (net of tax) in OCI	13)	(1,383.52)	
Securities Premium on Preference shares	15)	(6,748.50)	6,748.50
Reversal of provision created for proposed dividend	2)	294.41	294.41
Reversal of provision for tax created for proposed dividend	2)	59.93	59.93
Deemed Equity	11)	290.29	417.87
Fair valuation of quoted investments through OCI	7)	(24,106.58)	84,747.88
Fair valuation of un-quoted investments through OCI	7)	175.04	806.76
Deferred Tax recognised in IND AS in respect of subsidiary which was not recognised in previous GAAP)	3(b)	212.32	5,655.53
Non Controlling Interest	10)	(563.06)	(1,284.46)
Liability created for proposed dividend	2)	(294.41)	
Liability for tax created for proposed dividend	2)	(59.93)	
Reversal of Rent Equalisation	6)	(44.87)	132.26
Security Deposits- Income	9)	34.89	
Fair valuation of investment in preference shares	7)	3.00	(47.00)
Fair valuation of investment in mutual funds	8)	109.19	9.61
EIR method for upfront fees paid on loan	5)	7.34	149.63
Interest accrued on preference shares	11)	(16.60)	(14.45)
MTM impact	4)	2.37	(1.25)
Deferred tax credit in respect of subsidiary now recognised	3(b)	2,307.49	-
Deferred tax impact recognised in statement of profit or loss	3(a)	7.79	(89.24)
Others		(6.03)	73.24
Equity as reported under IND AS		**178,903.79**	**199,984.00**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Reconciliation of Profit ₹in lakhs

Particulars	Notes	Year ended 31st March 2016 (latest period presented under previous GAAP)
Previous GAAP		(5,308.32)
Ind AS: Adjustments increase (decrease):		
Impact of Ind AS in case of Joint venture (net of tax) through OCI	1)	(10.27)
Impact of Ind AS in case of entity treated as subsidiary in previous GAAP is now treated as joint venture	1)	141.96
Deferred Tax booked pertaining to Consolidation Adjustments	3(a)	112.64
Share of Profit in Associate	13)	(1,044.73)
Deferred Tax recognised in IND AS in respect of subsidiary which was not recognised in previous GAAP)	3(b)	212.32
Reversal of Rent Equalisation	6)	(44.87)
Security Deposits- Income	9)	34.89
Fair valuation of investment in preference shares	7)	3.00
Fair valuation of investment in mutual funds	8)	109.19
EIR method for upfront fees paid on loan	5)	7.34
Interest accrued on preference shares	11)	(16.60)
MTM impact	4)	2.37
Deferred tax credit in respect of subsidiary now recognised	3(b)	2,307.49
Re-measurement gains (losses) on defined benefit plans transferred to OCI	12)	(30.62)
Foreign currency translation reserve divestment of stake in a subsidiary (booked as exceptional item in IGAAP)	14)	(309.29)
Deferred tax impact recognised in statement of profit or loss	3(a)	9.75
Others		(6.03)
Total adjustment to profit or loss		**1,478.54**
Profit/(loss) for the year		**(3,829.78)**
Share of (Loss)/profit in Associates (net of tax)	13)	(1,383.52)
Share of (Loss)/profit in Joint ventures (net of tax)	1)	0.37
Foreign currency translation reserve	14)	132.45
Re-measurement gains (losses) on defined benefit plans	12)	30.62
Net (loss)/gain on FVTOCI equity securities		
Fair valuation of quoted investments through OCI	7)	(24,106.58)
Fair valuation of un-quoted investments through OCI	7)	175.04
Deferred tax impact recognised in statement of profit or loss through OCI	3(a)	(1.95)
Non Controlling Interest	10)	(563.06)
Total comprehensive income under Ind AS		**(29,546.41)**

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

Footnotes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016

1) Adjustment on account of joint ventures and consolidation as equity accounting under Ind AS

Under previous GAAP, Group has proportionately consolidated its interest in joint venture in the Consolidated Financial Statement. As per Ind AS 28 "Investments in Associates and Joint Ventures" required consolidation using equity method. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the Group had previously proportionately consolidated.

2) Financial liability

As per the requirements of previous GAAP, AS 4, the Parent Company has made provision for the proposed dividends. As per Ind AS 10, if dividends to holders of equity instruments are proposed or declared after the balance sheet date, an entity should not recognise those dividends as a liability at the balance sheet date. Accordingly, the Parent Company has reversed the provision created under the previous GAAP for proposed dividend.

3) Deferred taxes

(a) Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the Group has recognised incremental deferred tax with a corresponding credit to retained earnings.

(b) Under Previous GAAP, deferred tax asset on carry forward of unabsorbed depreciation and tax losses are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be recognised. Under Ind AS against future taxable profits. In respect of one of the subsidiary company, deferred tax assets on tax losses and unabsorbed depreciation has been recognised, under Ind AS, which was not recognised earlier.

4) Financial assets

The Group has taken forward covers to hedge its underlying trade receivables in books. Under previous GAAP, the Group has not early adopted AS 30 and the existing forward contracts were in scope of AS 11. The difference between forward rate and spot rate at inception of forward exchange contract (i.e. Premium) is amortised over the life of the forward exchange contract. The same adjustment has been reversed under Ind-AS. The Group has done marked to market valuation for all outstating derivative contracts at balance sheet date and recorded the impact (gain/loss) in the statement of profit or loss.

5) Amortisation of loan processing fee

As per the requirement of Ind AS, loan processing fee should be amortised over the period of repayment of loan as per Effective Interest Rate (EIR) method. In previous GAAP, processing fee were capitalised (depreciated over the life of specific fixed assets) / charged to statement of Profit or Loss on straight line basis. The same has been reversed and now amortised over the period of loan according to Effective Interest Rate (EIR) method.

6) Rent straigntlining

Rent straight lining was mandatory under previous GAAP. However, Ind-AS 17 requires the Group to avoid straight-lining of rentals in case escalation reflects expected inflationary cost increases. The same has been reversed by the group.

7) Financial assets

The Group has invested in quoted as well as un-quoted shares. Investments made in these equity shares are shown as both current and non-current investments and valued at cost under previous GAAP. Such investments are not held for trading. As per the provisions of Ind-AS, the management has elected to classify and measure these investments at fair value through Other Comprehensive Income (OCI). Only the preferce share in one of the entity (outside the group) has been fair valued by the subsidiary through Statement of Profit and Loss.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

8) **Investments in Mutual funds:**

The group has invested in mutual funds which are valued at cost earlier. The investment of funds in mutual funds will not meet the contractual cash flow test (i.e. SPPI test) as the contractual cash flows (i.e. dividends or redemption amount represented by the NAV) will not just be solely interest and principal. Therefore, the same has been classified as Fair Value through Profit and Loss (FVTPL)

9) **Security Deposits:**

Financial assets such as interest free security deposits were being carried at cost under previous IGAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest.

10) **Non Controlling Interest**

The following requirements of Ind AS 110 are applied prospectively from the date of transition to Ind AS (provided that Ind AS 103 is not applied retrospectively to past business combinations):

To attribute total comprehensive income to non- controlling interests irrespective of whether this results in a deficit balance.

To treat changes in a parent ownership interest as equity transactions.

To apply Ind AS 110 to loss of control of a subsidiary.

11) **Convertible Preference Shares**

The Group has non convertible redeemable Preference shares (NCRPS). The shares carry fixed cumulative dividend which is non-discretionary. Under previous IGAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, NCRPS are separated into liability and equity components based on the terms of contract.

12) **Defined benefit liabilities**

Both under previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI. Due to this, for the year ended 31st March 2016, the employee benefit cost is enhanced and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI .

13) **Investment in Associate**

The Group has taken the impact of Ind AS adjustments in the accounts of associates. Also, the impact of Bargain purchase in the associate has been taken into accounts.

14) **Foreign Currency Translation Differences**

On the date of transition, the amount pertaining to foreign currency translation differences has been transferred to reserves. Further to comply with the requirements of Ind AS, the Group has recognised translation differences in other comprehensive income and accumulate these in a separate component of equity and on disposal of a foreign operation, to reclassify the cumulative translation difference for that foreign operation from equity to profit or loss as part of the gain or loss on disposal, whereas in previous GAAP, the whole amount till date has been considered as an exceptional item and transferred to profit and loss account.

15) **Regrouping of Securities Premium**

In previous GAAP, securities premium pertaining to preference shares was clubbed in Preference shares held outside group in 2015 that was later regrouped in 2016 and in Ind AS it has been considered in Securities premium in 2015 as well.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

51. Disclosures relating to Projects*:

In respect of a subsidiary company engaged in engineering and contracting sector, disclosures relating to Project revenue recognized as per Ind AS - 11 on Construction Contracts* are as under:

₹ in lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Contract revenue recognized as revenue in (para 39(a))	8,170.29	8,735.53
Aggregate Amount of cost incurred and recognized profits up to the reporting date on contract under progress (para 40(a))	47,567.60	39,397.31
Amount of advance received on contract under progress and outstanding at year end. (para 40(b))	1,986.30	1,053.75
Amount of retention on contract under progress (para 40(c))	1,702.08	3,034.77
Gross amount due from customers for contract work as an asset (para 42(a))	1,728.21	1,527.59
Gross amount due to customers for contract work as a liability (para 42(b))	-	-
Method used to determine contract revenue recognised during the year (para 39(b))	Refer accounting policy for revenue recognition	Refer accounting policy for revenue recognition
Method used to determine the stage of completion of contracts in progress (para 39(c))	Refer accounting policy for revenue recognition	Refer accounting policy for revenue recognition

* Excluding engineering and other monthly service contracts.

52. Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

The disclosure in respect of CSR expenditure for the year ended 31st March 2017 is as under:

In light of Section 135 of the Companies Act 2013, the Parent Company has incurred Nil (31st March 2016: 58.46 lakhs) during the current year on Corporate Social Responsibility (CSR) against gross amount required to be spent ₹ 65.21 lakhs (31st March 2016: ₹ 64.47 lakhs)

₹ in lakhs

	Particulars	2016-17	2015-16
(i)	Gross amount required to be spent by the Parent Company during the year	65.21	64.47
(ii)	Amount spent during the year on the following in cash		
	Furniture donation		
	Schools in flood affected areas and orphanages in J&K	-	15.06
	Old-age Homes in Maharashtra	-	16.43
	Old-age Homes in Karnataka	-	15.04
	Old-age Homes in Odisha	-	11.93

53. Detail of Specified bank notes (SBN) held and transacted during the period from 8th Nov'2016 to 30th Dec'2016

₹ in lakhs

Particulars	Specified bank Notes	Other denomination notes	Total
Closing Cash In Hand as on 08.11.2016	25.81	24.87	50.68
(+) Permitted receipts	-	144.66	144.66
(-) Permitted Payments	-	(80.98)	(80.98)
(-) Amount deposited in banks	(25.81)	0.60	(25.21)
Closing Cash in hand as on 30.12.2016	-	89.15	89.15

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

54. Disclosure Required Under Sec 186(4) of Companies Act 2013

Particulars of Investment Made During the Year

₹ In lakhs

Sl. No	Name of the Investee	Investment Made			Purpose
		31st March 2017	31st March 2016	1st April 2015	
1	Forte Furniture Products India Private Limited	1,400.50	-	-	Strategic Investment
2	Zuari Infraworld SJM Elysium Properties LLC (formely known as SJM Elysium Properties LLC)	-	26.52	-	Strategic Investment
Total		**1,400.50**	**26.52**	-	

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Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

55 Statutory Group Information

₹ In lakhs

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities as at 31st March 2017		Share in Profit or Loss for the year ended 31st March 2017		Share in Other comprehensive Income for the year ended 31st March 2017		Share in Total comprehensive Income for the year ended 31st March 2017	
		As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)
1	**Parent**								
	Zuari Global Limited	72.73	144,848.93	(73.27)	2,049.27	177.63	41,564.16	211.69	43,613.43
2	**Indian Subsidiaries**								
	Indian Furniture Products Limited	3.43	6,836.08	73.91	(2,067.35)	(0.11)	(24.65)	(10.15)	(2,092.00)
	Simon India Limited	5.40	10,762.91	33.10	(925.95)	2.96	692.50	(1.13)	(233.45)
	Zuari Finserv Limited (Formely known as Horizon View Develpors Private Limited)	0.00	0.06	0.03	(0.94)		-		(0.94)
	Zuari Management Services Limited	8.73	17,377.79	12.49	(349.40)	48.24	11,287.91	53.09	10,938.51
	Zuari Infraworld India Limited	6.33	12,608.40	(6.49)	181.66	(0.34)	(80.20)	0.49	101.46
	Zuari Sugar and Power Limited	0.69	1,367.20	4.63	(129.57)	-	-	(0.63)	(129.57)
	Zuari Investments Limited	17.06	33,986.01	55.64	(1,556.29)	(7.12)	(1,666.15)	(15.64)	(3,222.44)
	Zuari Insurance Brokers Limited	0.18	354.88	(3.07)	85.93	(0.00)	(0.02)	0.42	85.91
	Zuari Commodity Trading Limited	0.06	115.90	(0.23)	6.31	0.00	0.83	0.03	7.14
	Gobind Sugar Mills Limited	1.27	2,528.17	(65.67)	1,836.78	(0.30)	(70.71)	8.57	1,766.07
2	**Foreign Subsidiaries**								
	Zuari Infra Middle East Limited	0.10	200.59	(5.52)	154.45	-	-	0.75	154.45
	Zuari Infraworld SJM Elysium Properties LLC (formely known as SJM Elysium Properties LLC)	(0.04)	(80.99)	(2.68)	74.98	-	-	0.36	74.98
3	**Minority Interests in subsidiaries**								
	Indian Furniture Products Limited	(0.40)	(798.97)	(11.93)	333.66	0.01	3.44	1.64	337.10
	Gobind Sugar Mills Limited	(0.79)	(1,578.13)	32.00	(895.07)	0.15	34.46	(4.18)	(860.61)
4	**Indian Joint Venture**								-
	Zuari Indian Oil Tanking Private Limited	-	-	(7.68)	214.75	(-)	(1.10)	1.04	213.65
	Braj bhumi Nirmaan Private Limited	-	-	(0.36)	10.00	-	-	0.05	10.00
	Pranati Niketan Private Limited	-	-	0.00	(0.05)	-	-	(0.00)	(0.05)
	Darshan Nirmaan Private Limited	-	-	0.00	(0.05)	-	-	(0.00)	(0.05)
	Soundaryaa IFPL Interiors Limited	-	-	(1.38)	38.63	-	-	0.19	38.63
	Forte Furnitures Private Limited	-	-	12.99	(363.20)	-	-	(1.76)	(363.20)
5	**Associates**								
	Zuari Agro Chemicals Limited	-	-	50.29	(1,406.61)	1.67	391.16	(4.93)	(1,015.45)
	New Eros Tradecom Ltd	-	-	(0.21)	5.91	5.34	1,250.19	6.10	1,256.10
6	**Eliminations and adjustments due to consolidation**	**(14.75)**	**(29,371.94)**	**3.39**	**(94.87)**	**(128.14)**	**(29,982.65)**	**(145.99)**	**(30,077.52)**
	Total	**100.00**	**199,156.89**	**100.00**	**(2,797.02)**	**100.00**	**23,399.17**	**100.00**	**20,602.15**

55. Statutory Group Information

₹ In lakhs

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities as at 31st March 2016		Share in Profit or Loss for the year ended 31st March 2016		Share in Other comprehensive Income for the year ended 31st March 2016		Share in Total comprehensive Income for the year ended 31st March 2016	
		As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)
1	**Parent**								
	Zuari Global Limited	56.78	101,589.84	(66.86)	2,939.97	68.72	(17,283.36)	48.55	(14,343.39)
2	**Indian Subsidiaries**								
	Indian Furniture Products Limited	4.99	8,928.08	26.06	(1,146.15)	(0.15)	38.90	3.75	(1,107.25)
	Simon India Limited	6.15	10,996.36	(1.83)	80.58	0.54	(137.06)	0.19	(56.48)
	Zuari Management Services Limited	3.60	6,439.28	3.19	(140.17)	17.88	(4,495.42)	15.69	(4,635.59)
	Zuari Infraworld India Limited	6.94	12,421.86	(4.68)	205.76	(0.38)	95.06	(1.02)	300.82
	Zuari Sugar and Power Limited	0.84	1,496.77	3.06	(134.54)	-	-	0.46	(134.54)
	Zuari Investments Limited	20.80	37,208.45	38.77	(1,705.04)	55.37	(13,925.50)	52.90	(15,630.54)
	Zuari Insurance Brokers Limited	0.15	268.97	(0.15)	6.73	0.00	(0.07)	(0.02)	6.66
	Zuari Commodity Trading Limited	0.06	108.76	0.12	(5.48)	0.00	(0.16)	0.02	(5.64)
	Gobind Sugar Mills Limited	0.42	756.80	(33.95)	1,492.74	0.08	(20.29)	(4.98)	1,472.45
2	**Foreign Subsidiaries**								
	Globex Limited	-	-	36.27	(1,594.98)	0.07	(18.35)	5.46	(1,613.33)
	Zuari Infra Middle East Limited	0.03	52.29	(1.05)	46.02	-	-	(0.16)	46.02
	Zuari Infraworld SJM Elysium Properties LLC (formely known as SJM Elysium Properties LLC)	(0.00)	(8.66)	0.09	(3.98)	-	-	0.01	(3.98)
3	**Minority Interests in subsidiaries**								
	Indian Furniture Products Limited	(0.64)	(1,136.07)	(3.64)	159.89	0.02	(5.44)	(0.52)	154.45
	Gobind Sugar Mills Limited	(0.40)	(717.52)	16.54	(727.41)	(0.04)	9.89	2.43	(717.52)
4	**Indian Joint Venture**								
	Zuari Indian Oil Tanking Private Limited	-	-	0.23	(9.97)	(-)	0.37	0.03	(9.60)
	Soundaryaa IFPL Interiors Limited	-	-	-	-	-	-	-	-
	Forte Furnitures India Private Limited	-	-	-	-	-	-	-	-
	Braj bhumi Nirmaan Private Limited	-	-	0.16	(6.84)	-	-	0.02	(6.84)
	Pranati Niketan Private Limited	-	-	0.00	(0.08)	-	-	-	(0.08)
	Darshan Nirmaan Private Limited	-	-	0.00	(0.08)	-	-	-	(0.08)
5	**Associates**								
	Zuari Agro Chemicals Limited	4.01	7,175.25	89.78	(3,947.83)	3.10	(779.06)	16.00	(4,726.89)
	New Eros Tradecom Ltd	-		(0.01)	0.38	2.40	(604.46)	2.04	(604.08)
6	**Eliminations and adjustments due to consolidation**	(3.73)	(6,676.67)	(2.12)	93.16	(47.62)	11,975.86	(40.85)	12,069.02
	Total	**100.00**	**178,903.79**	**100.00**	**(4,397.32)**	**100.00**	**(25,149.09)**	**100.00**	**(29,546.41)**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

55. Statutory Group Information

₹ In lakhs

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities as at 01st April 2015	
		As % of consolidated net assets	Amount (₹ in lakhs)
1	**Parent**		
	Zuari Global Limited	58.15	116,287.57
2	**Indian Subsidiaries**		
	Indian Furniture Products Limited	4.63	9,263.66
	Simon India Limited	5.53	11,052.83
	Zuari Management Services Limited	5.54	11,074.87
	Zuari Infraworld India Limited	5.39	10,782.34
	Zuari Sugar and Power Limited	0.82	1,631.31
	Zuari Investments Limited	26.42	52,839.02
	Zuari Insurance Brokers Limited	0.13	262.31
	Zuari Commodity Trading Limited	0.05	104.40
	Gobind Sugar Mills Limited	(0.38)	(763.04)
2	**Foreign Subsidiaries**		
	Globex Limited	0.82	1,644.25
	Zuari Infra Middle East Limited	0.00	5.88
3	**Minority Interests in subsidiaries**		
	Indian Furniture Products Limited	(0.65)	(1,290.54)
	Gobind Sugar Mills Limited	-	
4	**Indian Joint Venture**		
	Zuari Indian Oil Tanking Private Limited	-	-
	Soundaryaa IFPL Interiors Limited	-	-
	Forte Furnitures India Private Limited	-	-
	Braj bhumi Nirmaan Private Limited	-	-
	Pranati Niketan Private Limited	-	-
	Darshan Nirmaan Private Limited	-	-
5	**Associates**		
	Zuari Agro Chemicals Limited	-	-
	New Eros Tradecom Ltd	-	-
6	**Eliminations and adjustments due to consolidation**	**(6.46)**	**(12,910.86)**
	Total	**100.00**	**199,984.00**

56. Under Section 133A of the Income Tax Act, 1961, the income tax department carried out a survey at the Parent Company's premises in February, 2014. Pursuant to the discussion during the survey, the Parent Company had deposited a sum of ₹ 5,500 lakhs towards income tax demand mainly towards disallowance under Section 14A of the Income Tax Act, 1961, disallowance for diminution in value of fertilizer bonds and disallowance under Section 36(1)(iii) of the Income Tax Act, 1961. The Parent Company is carrying the same amount of income tax provision including interest thereon provided in an earlier year for various assessment years aggregating to ₹ 3,916.13 lakhs.

Income Tax Appellate Tribunal has, during the current year issued favourable decisions for Assessment years 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12. Appeal effect orders are not yet received from the department. Pending receipt of such orders, interest on income tax refund and provision towards additional income tax has not been recognised as the amount is presently not reasonably determinable.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2017

57. The Parent Company had demerged its fertilizer undertaking to Zuari Agro Chemicals Limited (ZACL) with effect from 1st July 2011.

The Parent Company has, during the year, based on High Court Order on demerger of fertilizer undertaking, identified the amount of income tax paid under protest pertaining to fertilizer undertaking demerged into ZACL.

The Parent Company has exchanged letter of mutual understanding with ZACL wherein ZACL has paid such amount of tax paid under protest by the Company. During the year, the Company has received ₹ 2533.85 lakhs from ZACL on this account and adjusted the same from income tax assets pending completion of final assessment/litigation in respect of such financial years.

58. Change in Estimated Cost & Revenue on Projects

In respect of subsidiary company ,during the year, in respect of some of the contracts, consequent to the change in the estimation of the projects, forecasted cost of the project has increased by ₹ 357.40 Lakhs (31st March 2016 : ₹ 98.95 Lakhs) and contract revenue has gone up by ₹ 1270.09 Lakhs. (31st March 2016 : ₹ 863.46 Lakhs).

59. Zuari Investment Limited (ZIL), a subsidiary company, together with Zuari Finserv Private Limited (ZFPL) (earlier known as Horizonview Developers Private Limited), a subsidiary company have filed a scheme of arrangement on 31st March 2017 with the National Company Law Tribunal, Mumbai Bench whereby ZIL will demerge its undertaking relating to the business of depository participant services ,agency services relating to share transfer , share broking , real estate , mutual fund and mortgage, along with entire investments held by it in its two wholly owned subsidiaries of ZIL in ZFPL. The appointed date under the scheme will be 1st April 2016.

60. In case of a subsidiary, Advances recoverable in cash or kind :

(a) Includes ₹ 94.56 lakhs (31st March 2016: ₹ 118.43 lakhs , 1st April 2015- ₹ 195.94 lakhs) on account of brokerage and 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 and 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 subsidiary has made advance payments aggregating to ₹ 639.61 lakhs till 31st March 2017 (31st March 2016- ₹ 639.61 lakhs : 1st April 2015- ₹ 639.61 lakhs). 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.

(c) Includes recoverable advances paid to a sub-contractor aggregating to ₹ 2246.47 lakhs (31st March 2016: ₹ 2237.86, 1st April 2015: ₹ 1927.07 lakhs). The Management is in negotiation with party for its recovery and is confident that this advance will be recovered at its full value, hence no provision is considered necessary.

(d) Includes recoverable Advances to a Sub-contractor aggregating to ₹ 278.13 lakhs (31st March 2016: ₹ 363.66 lakhs, 1st April, 2015 : NIL) in respect of which the sub-contractor vendor has furnished bank guarantee to the extent of ₹ 237.13 lakhs and the Guarantee is valid upto 28 May, 2017.

61. Figures pertaining to the subsidiaries, joint ventures and associate companies have been reclassified wherever considered necessary to bring them in line with the Parent Company's financial statements. Figures reported with respect to the joint ventures represent the Group's proportionate share only.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.301003E/E300005

per ANIL GUPTA
Partner
Membership No. 87921

Place: New Delhi
Date: 19th May 2017

For and on behalf of the Board of Directors of Zuari Global Limited

S. K. PODDAR
Chairman
DIN: 00008654

N. SURESH KRISHNAN
Managing Director
DIN : 00021965

MARCO WADIA
Director
DIN: 00244357

VIJAY KATHURIA
Chief Financial Officer

SACHIN PATIL
Asst. Company Secretary
ACS: 31286

Place: Gurgaon
Date: 19th May 2017

Zuari Global Limited
Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726