

ZUARI MANAGEMENT SERVICES LIMITED
Balance Sheet as at 31 Mar 2022

(Amount in Lakhs)

Particulars		Notes	As at 31-Mar-22	As at 31-Mar-21
I. ASSETS				
(1)	Non-current assets			
(a)	Property, Plant and Equipment	3	1.16	2.51
(b)	Other Intangible Assets	4	-	0.25
(c)	Financial Assets			
(i)	Investments	5	6,812.41	4,656.45
(ii)	Loans	6	4,550.00	12,950.00
(iii)	Others	7	0.15	0.15
(d)	Non Current Tax Assets		382.66	150.91
	TOTAL		11,746.38	17,760.27
(2)	Current assets			
(a)	Financial Assets			
(i)	Trade receivables	8	189.87	181.75
(ii)	Cash and cash equivalents	9	126.93	169.45
(iii)	Loans	10	8,400.00	-
(iv)	Others	11	625.92	548.74
(b)	Other current assets	12	1.12	0.57
	TOTAL		9,343.84	900.51
	GRAND TOTAL		21,090.22	18,660.78
II. EQUITY AND LIABILITIES				
	Equity			
(a)	Equity Share capital	13	5.00	5.00
(b)	Other Equity	14	4,198.36	2,189.62
	TOTAL		4,203.36	2,194.62
	LIABILITIES			
(1)	Non-current liabilities			
(a)	Financial Liabilities			
	Borrowings	15	8,434.00	12,881.11
(b)	Provisions	16	107.00	100.10
	TOTAL		8,541.00	12,981.21
(2)	Current liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	17	6,499.71	1,978.96
(ii)	Trade payables	18		
	Due to micro and small enterprises			
	Due to other than micro and small enterprises		194.60	145.77
(iii)	Other financial liabilities	19	1,389.50	1,092.69
(b)	Other current liabilities	20	201.02	201.50
(c)	Provisions	21	61.03	66.03
	TOTAL		8,345.86	3,484.95
	GRAND TOTAL		21,090.22	18,660.78

Significant accounting policies 1-2

Other notes forming part of the financial statements 31-47

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

Karthik Srinivasan

Karthik Srinivasan
Partner
M No.514998

Place: New Delhi
Date:

For and on behalf of the Board

Nitin Kantak

(Nitin Kantak)
Director
DIN: 08029847

Naveen Kapoor

(Naveen Kapoor)
Director
DIN: 01680157

Date: 12/05/2022
Place: Gurgaon



ZUARI MANAGEMENT SERVICES LIMITED
Statement of Profit and Loss for the period ended 31 Mar 2022

(Amount in Lakhs)

Particulars	Notes	For the period	
		ended 31 March 2022	For the year ended 31 March 2021
I REVENUE			
Revenue From Operations	22	2,221.72	1,912.10
Other Income	23	1,889.07	1,582.37
Total		4,110.79	3,494.47
II EXPENSES			
Employee Benefits Expense	24	2,114.79	1,798.59
Finance Costs	25	2,000.99	1,820.34
Depreciation and amortization expense	26	1.69	1.98
Other Expenses	27	153.59	113.93
Total		4,271.06	3,734.83
III Profit/(Loss) before tax and exceptional items (I-II)		(160.27)	(240.36)
IV Exceptional items	28	(30.51)	(285.78)
V Profit/(Loss) before tax (III-IV)		(190.78)	(526.15)
VI Tax expense:	29		
Current Tax		-	-
Previous Year Tax		-	-
Deferred Tax		-	-
VII Profit (Loss) for the period (V-VI)		(190.78)	(526.15)
VIII Other Comprehensive Income		2,199.50	1,501.18
A Items that will be reclassified to profit or loss			
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		13.03	20.67
Net (loss)/gain on FVTOCI equity securities		2,186.47	1,480.50
IX Total Comprehensive Income for the year (VII+VIII)		2,008.72	975.03
X Earnings per equity share:	30		
(1) Basic			
(2) Diluted			

Significant accounting policies 1-2
Other notes forming part of the financial statements 31-47

As per our report of even date

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

Karthik Srinivasan

Karthik Srinivasan
Partner
M No.514998

Place: New Delhi
Date:

For and on behalf of the Board

Nitin Kantak

(Nitin Kantak)
Director
DIN: 08029847

Navneet Kapoor

(Navneet Kapoor)
Director
DIN: 01680157

Date: 12/05/2022
Place: Gurgaon



ZUARI MANAGEMENT SERVICES LIMITED
Statement of Cash Flows for the period ended 31 Mar 2022

(Amount in Lakhs)

Particulars	For the period ended 31 March 2022	For the year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax & exceptional items.	(160.26)	(240.37)
<u>Adjustment for :</u>		
Depreciation	1.69	1.98
Interest Income	(1,888.50)	(1,576.79)
Interest Expense	2,000.99	1,820.34
Gain on sale of Mutual Fund	(0.57)	-
Actuarial Gain/ Loss through OCI	13.03	20.67
Operating Profit/(Loss) before working Capital Changes	(33.63)	25.83
<u>Adjustment for changes in :</u>		
(Decrease)/Increase in Provisions	1.91	(25.59)
(Decrease)/Increase in Trade payables	48.83	(246.98)
(Decrease)/Increase in Other Current Liabilities	12.39	98.34
(Increase)/ Decrease in Other current Assets	(0.55)	0.10
(Increase)/Decrease in Trade Receivables	(8.11)	(118.59)
Net Cash from Operating Activities before Income Tax	20.83	(266.89)
Direct taxes paid (net of refund)	(231.74)	13.27
Net cash from operating activities	(210.92)	(253.63)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (including intangible assets)	(0.09)	(1.08)
Purchase of Investment	(243.00)	
Proceeds from Sale of Investment	243.57	
Loan Given during the year	-	(8,230.00)
Loan Given received back	-	1,130.00
Interest Income	1,811.33	1,171.51
Net cash used in Investing activities	1,811.80	(5,929.57)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loans taken during the year	2,684.00	16,064.75
Repayment of Long-term Borrowings	(2,610.36)	(9,031.57)
Interest Expense	(1,717.04)	(925.39)
Net cash used in financing activities	(1,643.40)	6,108
Net Changes in Cash and Cash equivalents during the year	(42.52)	(75.41)
Cash and Cash equivalents at the beginning of the year	169.45	244.85
Cash and Cash equivalents at the end of the year	126.93	169.45
Net Increase/(Decrease)	(42.52)	(75.41)

(a) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Particulars	As at 31st March, 2021	Proceeds	Repayment	As at 31st March 2022
Long Term Borrowings (including current portion)	14,860.07	2,684.00	(2,610.36)	14,933.71

As per our report of even date

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

Karthik Srinivasan

Karthik Srinivasan
Partner
M No.514998

Place: New Delhi
Date:

For and on behalf of the Board

Nitin Kantak

(Nitin Kantak)
Director
DIN: 08029847

Naveen Kapoor

(Naveen Kapoor)
Director
DIN: 01680157

Date: 12/05/2022
Place: Gurgaon



ZUARI MANAGEMENT SERVICES LIMITED
Statement Of Changes In Equity for the year ended 31 Mar 2022

a. Equity share capital

(Amount in Lakhs)

Particulars	Amount
Balance at March 31, 2020	5.00
Changes in equity share capital during the year	-
Balance at March 31, 2021	5.00
Changes in equity share capital during the year	-
Balance at March 31, 2022	5.00

b. Other equity

Particulars	Reserves and Surplus	OCI*	Total
	Retained earnings	Equity instruments through OCI	
Balance at the end of the reporting period March 31, 2020	(616.86)	1,831.46	1,214.60
Total comprehensive income for the FY 2020-21	(526.15)	1,480.50	954.35
Remeasurement of post employment benefits obligation, net of tax	20.67	-	20.67
Balance at the end of the reporting period March 31, 2021	(1,122.33)	3,311.96	2,189.63
Total comprehensive income for the period 31 March 22	(190.78)	2,186.47	1,995.69
Remeasurement of post employment benefits obligation, net of tax	13.03	-	13.03
Balance at the end of the reporting period 31 March 2022	(1,299.08)	5,498.43	4,198.35

*Other Comprehensive Income-Items not be reclassified to profit and loss

Note: As per the requirements of Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014, the company is required to create a debenture redemption reserve out of the profits of the company available for payment of dividend. In the absence of profit, no debenture redemption reserve has been created.

As per our report of even date
 For V. Sankar Aiyar & Co.
 Chartered Accountants
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Karthik Srinivasan

Karthik Srinivasan
 Partner
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 Director
 DIN: 01680157

Date: 12/05/2022
 Place: Gurugram



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

1. Corporate information

The stand-alone financial statements of "Zuari Management Services Limited" ("the Company" or "ZMSL") are for the year ended 31st March 2022. The Company is a public company domiciled in India and is incorporated on December 6, 2006 under the provisions of the Companies Act 1956. Address of registered office of the Company is Jai Kissan Bhawan, Goa - 403726. The Company is engaged in the business of management consultancy, manpower outsourcing and related services. The stand-alone financial statements were approved for issue in accordance with a resolution of the Board of directors on 12th May 2022.

2. Significant Accounting Policies

2.1 Basis of Preparation of Accounts

The financial statements of the Company have been prepared in accordance with and to comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules made thereunder. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

These are separate financial statement of the Company and the company has availed exemption from preparing consolidated financial statements (CFS) in accordance with section 129(3) of the Companies Act 2013 read with paragraph 4(a) of IND AS 110 i.e. Consolidated Financial Statement. Zuari Global Limited (ZGL) which is 100% holding company has prepared its CFS as per IND AS and is available for public use.

The stand-alone financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Company's financial statements are presented in Indian Rupees, which is also its functional currency. All amounts in financial statements and accompanying notes forming part of the financial statements are presented in Lakhs Indian Rupees and have been rounded off to two decimal place in accordance with the provisions of Schedule III, unless otherwise stated.

2.2 Basis of classification of Current and Non-Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realized within twelve months after the reporting date; or
- 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

- it is expected to be settled in the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within twelve months after the reporting date; or
- 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.

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



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

2.3 Fair Value Measurement

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.4 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are not recognized for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities

In those cases, where the possible outflow of economic resources as a result of present obligations is considered not probable or where the amount of the obligation cannot be determined reliably, no liability is recognized.

Contingent assets

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

2.5 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 related disclosures.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



ZUARI MANAGEMENT SERVICES LIMITED
Notes forming part of the financial statements as at 31 March 2022

2.6 Property, plant and equipment

All the items of the property, plant and equipment are stated as per cost model i.e. cost of acquisition less accumulated depreciation and impairment. All significant costs incidental to the acquisition of assets are capitalized.

Recognition:

The costs including subsequent costs of an item of property, plant and equipment is recognized as an asset if, and only if:

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

All other expenses including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period when such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

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

2.7 Depreciation, estimated useful life and residual life

The company is providing depreciation in line with the requirements of part C of schedule II of Companies Act 2013. The company follows straight line method of depreciation. In respect of additions to property, plant and equipment, depreciation is calculated on pro-rata basis from the date on which asset is put to use. Useful life used for different asset classes is as follows:

Sr. No.	Assets Class	Useful Life
1	Furniture and fixture	10 Years
2	Computers and software	3 Years
3	Office Equipments	5 Years

2.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangibles representing computer software are amortized using the straight-line method over their estimated useful lives of three years.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised 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 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.

Gains or losses arising from de-recognition 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.



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

2.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

2.10 Revenue Recognition

Income from services rendered is recognised when completed or based on agreements with parties. 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 recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is accounted for, when right to receive the payment is established.

2.11 Staff Benefits

Regular contributions towards government provident fund, family pension are charged to revenue. Provisions for gratuity and leave encashment are made on basis of actuarial valuation of projected unit credit method made at the year end of each financial year.

Re-measurements

Re-measurements gains and losses arising from experience adjustment and changes in actuarial assumptions 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.12 Income Tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

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.

Deferred tax is provided using the balance sheet 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 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, the carry forward of unused tax credits and unused tax losses can be utilised.

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 income tax levied by the same taxation authority.

2.13 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.14 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 are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs include interest and other costs incurred in connection with the arrangement of borrowing.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the 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 of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

2.16 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.

A. Financial Assets

i) Initial Recognition and Measurements

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.

ii) Subsequent Measurement

Debt Instruments

a) Debt instruments at amortised cost

A 'financial asset' is measured at the amortised cost using the Effective Interest Rate (EIR) method 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



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

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.

b) Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss.

c) Debt instrument at FVTPL

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

Equity Instruments

Investment in subsidiary is accounted for at cost in standalone financial statements. Investment in associates is accounted for at fair value through OCI. All equity investments are measured at fair value. 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. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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 statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

iii) Derecognition

The Company derecognizes a financial asset when the contractual right to the cash flow from the financial asset end or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

B. Financial Liabilities

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and fees of recurring nature are directly recognized in profit or loss as finance cost. The Company's financial liabilities include trade and other payables.

ii) Subsequent measurement

Financial Liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired or it transfers the financial liability and the transfer qualifies for derecognition under Ind AS 109.

C. Offsetting of financial instruments

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



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

2.17 Recent accounting pronouncement

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

(i) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

(ii) Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

(iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

(iv) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

2.18 Rounding of amounts

All amount disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of schedule III, unless otherwise stated.



ZUARI MANAGEMENT SERVICES LIMITED
Notes forming part of the financial statements as at 31 Mar 2022

(Amount in Lakhs)

3 Property, Plant and Equipment

Particulars	Computers	Office Equipment	Total
Cost			
At 31 March 2020	5.98	5.85	11.83
Additions	1.08	-	1.08
At 31 March 2021	7.06	5.85	12.91
Additions	0.09	-	0.09
At 31 March 2022	7.15	5.85	13.00
Accumulated Depreciation			
At 31 March 2020	4.14	4.95	9.09
Charge for the year	1.08	0.23	1.31
At 31 March 2021	5.22	5.18	10.40
Charge for the year	1.21	0.23	1.43
At 31 March 2022	6.43	5.41	11.83
Net Block			
At 31 March 2021	1.84	0.67	2.51
At 31 March 2022	0.72	0.44	1.16

4 Intangible assets

Particulars	Software	Total
Cost		
At 31 March 2020	2.86	2.86
Additions	-	-
At 31 March 2021	2.86	2.86
Additions	-	-
At 31 March 2022	2.86	2.86
Accumulated Depreciation		
At 31 March 2020	1.93	1.93
Charge for the year	0.67	0.67
At 31 March 2021	2.60	2.60
Charge for the year	0.25	0.25
At 31 March 2022	2.85	2.85
Net Block		
At 31 March 2021	0.26	0.26
At 31 March 2022	-	-

1. No assets have been revalued during the year.
2. No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
3. The company does not hold any immovable property so the question of title deed does not arises.



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

(Amount in Lakhs)

Particulars	31-03-2022	31-03-2021				
5 Financial assets						
Investment in fellow subsidiary						
Unquoted: Indian Furniture Products Limited # 24,91,071 (31 March 2022 - 24,91,071) Equity Shares of Rs.10/- each, fully paid up	9.21	39.72				
	<u>9.21</u>	<u>39.72</u>				
Investment - Associate						
Investments at fair value through OCI:						
Quoted: Zuari Agro Chemicals Limited 50,78,909 (31 March 2022 - 50,78,909) Equity shares of Rs.10/- each fully paid up*	6,803.20	4,616.73				
	<u>6,803.20</u>	<u>4,616.73</u>				
Total	<u>6,812.41</u>	<u>4,656.45</u>				
Aggregate book value of quoted investments	6,803.20	4,616.73				
Aggregate market value of quoted investments	6,803.20	4,616.73				
Aggregate value of unquoted investments	9.21	39.72				
#Cost of investment made in Indian Furniture Products Limited is written down By Rs.30.51 Lakhs (Rs. 285.78 Lakhs), based on the internal assessment of diminution in value of investment by the Company's Management.						
6 Loans (Non- Current)						
<i>(Unsecured and considered good)</i>						
Loans to Bodies Corporates						
Texmaco Rail & Engineering Limited #	-	3,600.00				
Zuari Agro Chemicals Limited -Related Party # (Carry rate of interest of 15% p.a. and is due for receipt between 29th Sept 2023 and 14th Oct 2023)	4,550.00	9,350.00				
	<u>4,550.00</u>	<u>12,950.00</u>				
# The Inter Corporate deposits are pledged with the debenture holders of the Company to fulfill the collateral requirements.Refer Note 15						
7 Other Financial assets (Non-Current)						
<i>(Unsecured and considered good)</i>						
Security Deposits	0.15	0.15				
	<u>0.15</u>	<u>0.15</u>				
8 Trade receivables						
<i>(Unsecured and considered good)</i>						
Trade receivables - others	189.87	181.75				
	<u>189.87</u>	<u>181.75</u>				
Trade receivables ageing						
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 yrs	Total
(i) Undisputed trade receivables - considered good as on 31-03-2022	189.87	-	-	-	-	189.87
(i) Undisputed trade receivables - considered good as on 31-03-2021	181.75	-	-	-	-	181.75
9 Cash and Cash Equivalent						
Bank Balances:						
-in Current Accounts	126.93					169.45
	<u>126.93</u>					<u>169.45</u>



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

(Amount in Lakhs)

Particulars	31-03-2022	31-03-2021			
10 Loans (Current)					
<i>(Unsecured and considered good)</i>					
Loans to Bodies Corporates					
Texmaco Rail & Engineering Limited #					
(Carry rate of interest of 13.5% p.a. and is due for receipt on 29th April 2022 and 5th & 11th May 2022.)	3,600.00	-			
Zuari Agro Chemicals Limited -Related Party #					
(Carry rate of interest of 15% p.a. and is due for receipt on 14th Jan 2023)	4,800.00	-			
	8,400.00	-			
11 Other Financial assets					
<i>(Unsecured and considered good)</i>					
Interest Accrued on Loans	625.63	548.45			
Others	0.29	0.29			
	625.92	548.74			
12 Other current assets					
Prepaid/Unamortized Exp	0.55	-			
<i>(Unsecured and considered good)</i>					
GST credit receivable	0.57	0.57			
	1.12	0.57			
13 Share Capital					
Authorized:					
50000 (31 March 2021 - 50,000) Equity Shares of Rs. 10/- each	5.00	5.00			
Issued shares :					
50000 (31 March 2021 - 50,000) Equity Shares of Rs. 10/- each	5.00	5.00			
Subscribed and fully paid-up shares :					
50000 (31 March 2021 - 50,000) Equity Shares of Rs. 10/- each	5.00	5.00			
	5.00	5.00			
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Equity Shares					
At the beginning of the year					
-In Numbers	50,000	50,000			
- in Rupees	5	5			
Outstanding at the end of the year					
-In Numbers	50,000	50,000			
- in Rupees	5	5			
(b) Terms / rights attached to Equity Shares					
The Company has issued only one class of shares referred to as equity share having a par value of Rs 10/- per share ranking pari-passu.					
(c) Shares held by holding company					
Zuari Global Limited					
-In Numbers	50,000	50,000			
- In % of holding	100	100			
(d) Details of shareholders holding more than 5% shares in the Company					
Equity shares of Rs. 10 each fully paid					
Zuari Global Limited					
-In Numbers	50,000	50,000			
- In % of holding	100	100			
(e) The entire paid up capital is held by Zuari Global Limited, the Holding Company & its nominees.					
(f) Details of share held by the promoters at the end of the year:					
Shares held by promoters at the end of the year	31st March 2022	31st March 2021			
Name of Promoters	No of shares	% of shares	No of shares	% of shares	% change during the year
Zuari Global Limited	50,000	100%	50,000	100%	-



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

(Amount in Lakhs)

Particulars	31-03-2022	31-03-2021
14 Other Equity		
Retained Earnings		
Balance as per last financial statements	(1,122.34)	(616.86)
Net profit/(Loss) for the year	(190.78)	(526.15)
Add: Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post employment benefits obligation, net of tax	13.03	20.67
Net surplus in the statement of profit and loss	<u>(1,300.09)</u>	<u>(1,122.34)</u>
FVTOCI Reserve		
Balance Bought Forward from Last Year's Account	3,311.97	1,831.46
Add/ Less: Movement during the year	2,186.47	1,480.50
Balance carried forward to next year	<u>5,498.44</u>	<u>3,311.96</u>
Total	<u>4,198.36</u>	<u>2,189.62</u>
Note: As per the requirements of Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014, the company is required to create a debenture redemption reserve out of the profits of the company available for payment of dividend. In the absence of profit, no debenture redemption reserve has been created.		
15 Borrowings (Non Current)		
Secured		
12% Redeemable Non- Convertible Debentures (Refer Note No-17)		
- 65 Nos. @ Rs.100,00,000 each #	-	6,495.89
Unsecured		
Other Loans		
From Bodies Corporate		
Zuari Global Limited		
(Carry rate of interest of 15% p.a. and is due for repayment on Oct 2023)	8,434.00	6,385.22
	<u>8,434.00</u>	<u>12,881.11</u>
#Secured, unratd and unlisted Redeemable Non-Convertible Debentures ('NCDs') aggregating to Rs.6,500.00 Lakhs, comprising of 65 debentures of Rs. 100.00 Lakhs each, bearing interest rate of 12.00% p.a. were issued by the Company during the year and is redeemable on 29 April 2022. The carrying value of the NCDs after adjustment of processing fees (Rs. 0.29 Lakhs) is Rs.6,495.89 Lakhs (31 March 2020: 4.11 Lakhs)		
The NCDs are secured by way of hypothecation of on all present and future rights, title, interests, claims and demands of the company over following loans & advances of the company:		
1. Loan amount of Rs.4,800.00 Lakhs given to Zuari Agro Chemicals Limited bearing coupon rate of 15% and due to be received on 14 January 2023.		
2. Loan amount of Rs.1,000.00 Lakhs given to Texmaco Rail & Engineering Limited bearing coupon rate of 13.5% and due to be received on 30 April 2022.		
3. Loan amount of Rs.Rs.1,000.00 Lakhs given to Texmaco Rail & Engineering Limited bearing coupon rate of 13.5% and due to be received on 06 May 2022.		
4. Loan amount of Rs.1,600.00 Lakhs given to Texmaco Rail & Engineering Limited bearing coupon rate of 13.5% and due to		
16 Provisions (Non-Current)		
-Gratuity	81.34	62.06
-Sick Leave	3.27	6.74
-Privilege Leave	22.39	31.30
	<u>107.00</u>	<u>100.10</u>
17 Borrowings (Current)		
Secured		
12% Redeemable Non- Convertible Debentures	6,499.71	-
Unsecured		
Other Loans		
From Bodies Corporate		
Cuprum Bagrodia Limited *	-	1,978.96
	<u>6,499.71</u>	<u>1,978.96</u>



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

(Amount in Lakhs)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
22 Revenue From Operations		
Manpower Services Income	2,203.72	1,870.62
Management Consulting Services/Payroll processing charges/Hiring service	18.00	41.48
	2,221.72	1,912.10
23 Other income		
Interest income on IT Refund	-	4.75
Gain on Sale of Mutual Fund	0.57	0.83
Gain on Valuation of Mutual Fund(FVTPL)		
Interest Income	1,888.50	1,576.79
	1,889.07	1,582.37
24 Employee Benefits Expense		
Salaries, wages and bonus	1,855.66	1,584.60
Contribution to provident & other funds	223.73	181.65
Gratuity	34.19	31.57
Staff welfare	1.21	0.77
	2,114.79	1,798.59
25 Finance Costs		
Interest on inter corporate deposit	1,013.77	785.53
Interest on Loan	203.40	311.12
Interest on Non-Convertible Debenture	783.82	723.69
	2,000.99	1,820.34
26 Depreciation and amortization expense		
Depreciation of property, plant and equipment	1.43	1.31
Amortisation of intangible assets	0.25	0.67
	1.68	1.98
27 Other expenses		
Consultancy	132.75	96.50
Rent	-	-
Legal & Professional Charges	5.20	8.46
ROC Charges & Filing Fees	0.10	0.03
Payment to Auditors (Refer detail below)	3.00	4.55
Travelling & conveyance	1.19	0.61
Vehicle Maintenance	6.07	1.60
Communication	0.22	0.16
Subscription & Renewal Expenses	2.00	-
Interest on delayed payments of statutory dues	-	0.81
Miscellaneous expenses	3.06	1.21
	153.59	113.93
Payments to the Auditors as		
Audit Fees	2.60	2.60
Quarterly Review Fees	-	0.75
Tax Audit Fees	0.40	0.80
Certification & Other matters	-	0.40
	3.00	4.55
28 Exceptional items		
Pertains to write down of cost of investment made in Indian Furniture Products Limited By Rs.30.51 Lakhs (31 March 2021 Rs 285.78 Lakhs), based on the internal assessment of diminution in value of investment by the		



ZUARI MANAGEMENT SERVICES LIMITED
Notes forming part of the financial statements as at 31 Mar 2022

(Amount in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
29 Income tax expense		
Accounting loss	(190.77)	(526.16)
Applicable tax rate	26%	26%
Expected tax expense	(49.60)	(136.80)
Deferred taxes not recognized on unused tax losses (refer note (ii) below)	(49.60)	(136.80)
Actual tax expense	-	-

Note:Deferred tax

The Company has not recognized deferred tax asset on deductible temporary differences and unused tax losses in absence of reasonable certainty and availability of sufficient future taxable profits against which such difference and losses shall be utilized.

The amounts of deductible temporary differences and unused tax losses on which no deferred tax assets are recognised amounted to:

	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect
Deductible temporary differences				
Book/ Tax WDV difference	3.48	0.91	2.99	0.78
Provision for Leave Encashment / Gratuity	114.00	29.64	105.98	27.55
Unused tax losses	1,542.91	401.16	1,443.26	375.25
Total	1,660.39	431.70	1,552.23	403.58

30 Earnings Per Share (EPS)

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Net Profit / (Loss) after current and deferred tax (Rs)	(190.77)	(526.16)
Weighted Average number of equity shares used for computing Earning Per	50,000.00	50,000.00
Earning Per Share (Basic and Diluted) (Rs)	(0.0038)	(0.0105)
Face value per share (Rs)	10	10

31 Leases

The Company does not have short term leases and variable lease payment arrangements.

32 Capital management

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders, ensure access to external sources of financing, in part by maintaining an adequate rating and reducing cost of capital. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The position on reporting date is summarized in the following table:

Particulars	As at 31 March 2022	As at 31 March 2021
Long term borrowings (excluding current maturities of long-term borrowings)	8,434.00	12,881.11
Short term borrowings	6,499.71	1,978.96
Total Debt (a)	14,933.71	14,860.07
Less: Cash & Cash equivalents	126.93	169.45
Total Net Debt (b)	14,806.77	14,690.62
Total Equity (c)	4,203.34	2,194.62
Debt to Equity ratio (a/c)	3.55	6.77
Gearing Ratio (b/(b+c))	78%	87%



33 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans and short-term deposits that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(a) 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 investments. The Company is not exposed to currency risk as it has not foreign currency transactions and Inventory price risk as it does not have any inventory. For interest risk and equity price risk, refer below:

(i) Interest rate risk

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

Interest rate risk exposure:

Below is the overall exposure of the Company's to interest rate risk:

Type of Exposure	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings (including current maturities of long term borrowings)	1,934.29	6,385.22
Fixed rate borrowings	6,499.71	6,495.89
Total borrowings	8,434.00	12,881.11

Interest rate sensitivity:

The Company manages its interest rate risk by having a portfolio of fixed or floating rate loans and borrowings.

Particulars	+/(-) in basis points	
	2021-22	2020-21
	9.67	30.01
	(9.67)	(30.01)

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.

(ii) Equity Price Risk

The Company is exposed to equity securities price risk arises from quoted investments held by the company and classified in the balance sheet at fair value through OCI. Having regard to the nature of securities, intrinsic worth, intent and long term nature of investment in securities, fluctuation in their prices are considered acceptable and do not warrant any management estimation.

(b) 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 loan and advances) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk exposure:

Type of Exposure	As at 31 March 2022	As at 31 March 2021
Investment in quoted equity Instruments	6,803.20	4,616.73
Investment in unquoted equity Instruments	9.21	39.72
Security deposits	0.15	0.15
Trade Receivable	189.87	181.75
Cash and cash equivalents	126.93	169.45
Loans	12,950.00	12,950.00
Other financial assets	625.92	548.75
	20,706.28	18,506.54

Note: The Company exercises banking with reputed banks. Therefore, risk in respect to cash and cash equivalents is considered negligible. However, Company is exposed to risk for loans and advances given to body corporates, interest accrued thereon and investment a subsidiary. Others are considered to insignificant.



(c) **Liquidity risk**

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and shareholders fund. Approximately 34.08% of the Company's debt will mature in less than one year at 31 March 2022 (31 March 2021: 19.99%) based on the carrying value of borrowings reflected in the financial statements.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Up to 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2022				
Borrowings				
Non current (including current maturities of long term borrowings)	-	8,434.00	-	8,434.00
Current	7,867.86	-	-	7,867.86
Trade payables & Other Payables	215.95	-	-	215.95
	8,083.81	8,434.00	-	16,517.81
As at 31 March 2021				
Borrowings				
Non current (including current maturities of long term borrowings)	-	12,881.11	-	12,881.11
Current	3,063.17	-	-	3,063.17
Trade payables & Other Payables	154.25	-	-	154.25
	3,217.42	12,881.11	-	16,098.53

Collateral against borrowings

The Company has pledged Loans & Advances acquired by the Company from proceeds of the long term facility enjoyed by the Company from Zuari Agro Chemicals Limited and Texmaco Rail & Engineering Limited. Refer note 13 on borrowings for more information.



34 Fair value measurements

Financial instruments by category

Particulars	Fair value Hierarchy	31 March 2022			31 March 2021		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investment in quoted equity Instruments	Level-1	-	6,803.20	-	-	4,616.73	-
Investment in unquoted equity Instruments	Level-3	9.21	-	-	39.72	-	-
Security deposits		-	-	0.15	-	-	0.15
Trade Receivable		-	-	189.87	-	-	181.75
Cash and cash equivalents		-	-	126.93	-	-	169.45
Loans		-	-	12,950.00	-	-	12,950.00
Other financial assets		-	-	625.92	-	-	548.75
Total financial assets		9.21	6,803.20	13,892.87	39.72	4,616.73	13,850.10
Financial liabilities							
Borrowings	Level-3	-	-	14,934	-	-	14,860
Trade payables		-	-	195	-	-	146
Other financial liabilities		-	-	1,389	-	-	1,093
Total financial liabilities		-	-	16,518	-	-	16,099

Financial value hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

Notes:

- a) There were not any financial assets or liabilities measured at fair values using level 1 or level 2 inputs.
- b) There were not any non - recurring fair value measurements as at 31 March 2021 and 31 March 2022.
- c) 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.
- d) The fair values of the quoted equity shares are based on price quotations at the reporting date.
- e) Financial instruments measured at amortised cost :

The management assessed that carrying value of financial assets and financial liabilities, carried at amortized cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheets.



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 Mar 2022

(Amount in Lakhs)

35 Related party disclosures as per Ind AS 24:

A. List or related party identified by the management

Holding Company	Zuari Global Limited (ZGL) (100%)
	Zuari Finserv Limited (ZFL)
	Simon India Limited (SIL)
Fellow Subsidiaries	Gobind Sugar Mills Limited (GSML)*
	Zuari Sugar & Power Limited
	Zuari Farmhub Ltd
	Indian Furniture Products Limited (IFPL)
Joint venture of Group	Forte Furniture Products India Private Limited
	Zuari Agro Chemicals Limited (ZACL)
Associate of Group	Paradeep Phosphates Limited (PPL)
	Mangalore Chemicals and Fertilisers Limited
	Texmaco Rail & Engineering Limited
	Zuari Insurance Brokers Limited

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

S.no.	Transaction details	Year ended 31st March 2022	Year ended 31st March 2021
1	Service Charges Incurred		
	-Zuari Finserv Limited.	1.08	1.53
2	Receipts of Inter Corporate Deposits / Loan		
	-Zuari Global Limited.	2,684.00	6,909.75
3	Repayment of Inter Corporate Deposits / Loan		
	-Zuari Global Limited.	635.22	6,931.53
4	Management Consultancy Expense		
	-Zuari Agro Chemicals Limited.	-	40.00
	-Mr. R.S. Raghavan	130.52	96.00
5	Interest expense		
	-Zuari Global Limited.	1,013.77	785.53
6	Inter Corporate Deposits / Loan Given		
	-Zuari Agro Chemicals Limited.	-	4,550.00
	-Indian Furniture Products Limited	-	80.00
7	Inter Corporate Deposits / Loan Refund		
	-Simon India Limited	-	750.00
	-Indian Furniture Products Limited	-	180.00
8	Interest Income		
	-Simon India Limited	-	55.76
	-Zuari Agro Chemicals Limited	1,402.50	1,047.45
	-Indian Furniture Products Limited	-	7.34
	-Texmaco Rail & Engineering Limited	486.00	438.07
9	Payroll Services Income		
	-Zuari Finserv Limited.	1.18	-
	-Zuari Global Limited.	0.30	-
	-Simon India Limited	0.40	1.12
	-Zuari Insurance Brokers Limited	0.40	-
	-Govind Sugar Mills Limited	0.76	-
10	Manpower Hiring Charges		
	-Govind Sugar Mills Limited	7.85	-
	-Forte Furniture Products India Private Limited	7.11	-
	-Simon India Limited	7.00	-
	-Zuari Insurance Brokers Limited	-	-



11 Manpower Services Income		
-Zuari Agro Chemicals Limited	131.22	968.47
-Mangalore Chemicals and Fertilisers Limited	112.61	122.04
-Paradeep Phosphate Limited	439.78	446.05
-Forte Furniture Products India Private Limited	116.07	33.73
-Govind Sugar Mills Limited	2.45	78.32
-Zuari Farmhub Limited	916.37	-
-Zuari Sugar and power Limited	72.54	-
-Texmaco Rail & Engineering Limited	5.25	-

Closing Balances

S.no.	Name of the Company		As at 31 March 2022	Dr./ Cr.	As at 31 March 2021
1	-Zuari Global Limited (ICD)	Cr.	8,434.00	Cr.	6,385.22
2	-Zuari Global Limited (Interest Payable)	Dr.	-	Cr.	418.05
3	-Zuari Global Limited (Trade Receivable)	Dr.	0.32	Cr.	-
4	-Zuari Finserv Pvt Ltd (Trade Payable)	Dr.	0.05	Cr.	0.01
5	-Simon India Limited(Trade Receivable)	Cr.	(0.01)	Dr.	3.30
6	-Zuari Agro Chemicals Limited (ICD)	Dr.	9,350.00	Dr.	9,350.00
7	-Zuari Agro Chemicals Limited (Interest Receivable)	Dr.	297.28	Dr.	143.24
8	-Zuari Agro Chemicals Limited(Trade Receivable)	Dr.	19.85	Dr.	91.32
9	-Zuari Insurance Brokers Limited	Dr.	0.43	Dr.	-
10	-Paradeep Phosphate Limited (Trade Receivable)	Dr.	47.48	Dr.	43.50
11	-Forte Furniture Products India Pvt Limited (Trade Receivable)	Dr.	16.44	Dr.	13.87
12	-Gobind Sugar Mill Limited(Trade Receivable)*	Dr.	2.24	Dr.	7.56
13	Zuari Farmhub Limited(Trade Receivable)	Dr.	18.80	Dr.	-
14	Zuari Sugar and power Limited(Trade Receivable)	Dr.	-	Dr.	-
15	Mangalore Chemicals and Fertilisers Limited (MCFL)(Trade Receivable)	Dr.	-	Dr.	-
16	Texmaco Rail & Engineering Limited (ICD)	Dr.	3,600.00	Dr.	3,600.00
17	Texmaco Rail & Engineering Limited (Interest Receivable)	Dr.	328.35	Dr.	405.21
18	Texmaco Rail & Engineering Limited (Trade Receivable)	Dr.	1.48	Dr.	-

*Note Gobind Sugar Mills Limited (GSML) has been merged with Zuari Global Limited through the approval of the Scheme of Amalgamation received from the National Company Law Tribunal ('the NCLT'), Mumbai Bench- and Delhi Bench, vide their orders dated 20th April 2022 and 28th March 2022 respectively, with the appointed date of 1st April 2020.

- 36 Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 :

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid	-	-
Interest accrued and due thereon remaining unpaid	-	-
Interest paid by the company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act , 2006.	-	-
Interest accrued and remaining unpaid as at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years ,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

37 Segment information

The management of the Company does not separately reviews the different sources of revenues for the Company. Therefore, there are not any reportable segments of the Company as per management of the Company.



ZUARI MANAGEMENT SERVICES LIMITED
Notes forming part of the financial statements as at 31 March 2022

(Amount in Lakhs)

38 Employee benefits

The Company has obtained valuation report from Actuary. The following data is given from report of the Actuary.

(i) Economic Assumptions:

Particulars	2021-22		2020-21	
	As at	As at	As at	As at
a) Discount Rate	7.26%		6.85%	
b) Future salary increase	5.00%		8% for first 2 years & 6.50% thereafter	

(ii) Changes in the present value of the defined benefit obligation:

	Gratuity		Earned Leave		Sick Leave	
	As at	As at	As at	As at	As at	As at
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
a) Present value of obligation as at the beginning of the period	62.16	57.11	35.87	48.40	7.95	12.93
b) Interest cost	4.23	3.91	2.44	3.32	0.54	0.89
c) Current service cost	30.32	27.66	8.85	17.98	1.50	3.86
d) Acquisition adjustment	-	0.86	-	1.07	-	0.34
e) Benefits paid	-	(6.71)	(4.97)	(3.62)	-	-
f) obligation	(13.03)	(20.67)	(15.88)	(31.27)	(5.98)	(10.06)
obligation as at the end of closing period	83.68	62.16	26.31	35.87	4.01	7.95

(iii) Expenses recognized in statement of profit and loss account:

	Gratuity		Earned Leave		Sick Leave	
	As at	As at	As at	As at	As at	As at
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
a) Current service cost	30.32	27.66	8.85	17.98	1.50	3.86
b) Interest cost	4.23	3.91	2.44	3.32	0.54	0.89
c) Remeasurements	(13.03)	(20.67)	(15.88)	(31.27)	(5.98)	(10.06)
Expenses recognized in the statement of profit & loss	21.52	10.90	(4.59)	(9.97)	(3.94)	(5.32)

(iv) Remeasurements:

	Gratuity		Earned Leave		Sick Leave	
	As at	As at	As at	As at	As at	As at
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
a) Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-	-	-
b) Actuarial (gains)/losses arising from changes in financial assumptions	(15.42)	0.29	(8.77)	0.32	(1.42)	0.07
c) Actuarial (gains)/losses arising from experience adjustments	2.39	(20.96)	(7.11)	(31.59)	(4.56)	(10.13)
benefit costs recognised in OCI	(13.03)	(20.67)	(15.88)	(31.27)	(5.98)	(10.06)

(v) Sensitivity Analysis

	Gratuity		Earned Leave		Sick Leave	
	As at	As at	As at	As at	As at	As at
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
a) Decrease in Defined benefit obligation due to .5% increase in discount	(3.29)	(3.01)	(5.03)	(3.29)	(0.89)	(0.73)
b) Increase in Defined benefit obligation due to .5% decrease in discount rate	3.53	3.25	(1.85)	3.08	0.38	0.68
c) Increase in Defined benefit obligation due to .5% increase in Expected	3.59	3.24	(1.82)	3.07	(0.38)	0.68
d) Decrease in Defined benefit obligation due to .5% decrease in Expected	(3.38)	(3.02)	(5.07)	(3.30)	(0.90)	(0.73)

Details of Defined Contribution Plan in respect of the Company:

	2021-22	2020-21
Contribution to Provident Fund	345.78	139.40
Total	345.78	139.40



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

39 Going Concern Assumption

The Company has incurred significant losses in the current year and previous years and has accumulated losses of Rs. 1300.09 (PY Rs.1122.34) (excluding OCI) as at the year end. Also, the company has given certain loans to various group companies, which are considered good and recoverable. Having regard to the fact that the net worth of the Company is eroded, the ability of the Company to continue as a going concern is dependent on the improvement of Company's future operations and continued support from the Holding Company. The Holding Company has confirmed to provide such financial support as the need arises.

The accounts do not include any adjustment relating to valuation and classification that might be necessary should the Company be unable to continue as a going concern.

40 Commitments and contingencies

Claims against the company, not acknowledged as debts - INR Nil (Previous year - Nil).

41 During the year, the Company's operations were impacted for a certain period as a consequence of complete lockdown imposed by Central and State Government authorities in India considering public health and safety due to COVID-19 pandemic. However the impact assessment of COVID19 will be a continuing process given the uncertainties associated with its nature and duration. As per the current assessment, the Company expects to recover the carrying amount of trade receivables and other assets.

42 Note on Recoverability of Gratuity/ Bonus/ Leave

The Company has made appropriate provision for gratuity/ bonus/ leave for all the employees who have been outsourced to various companies. Recovery (revenue) would be recognised in the books as and when the right to receive the payment is established and there is no uncertainty regarding the amount.

43 Details of Loans given, Investments made and Guarantee given covered under section 186(4) of the Companies Act, 2013:

Name of Loanee	As at		As at		Purpose
	31 March 2021	Loan Given	Loan Repaid	31 March 2022	
Zuari Agro Chemicals Limited	9,350	-	-	9,350	General Corporate purpose
Texmaco Rail & Engineering	3,600	-	-	3,600	General Corporate purpose

44 Additional disclosures:**(a) Compliance with number of layers of companies:**

No layers of companies has been established beyond the limits prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(b) Relationship with Struck off Companies:

No transaction has been made with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(c) Undisclosed income:

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

(d) No bank or Financial institutions or other lender has declared the company as "Willful defaulter".

(e) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction of charge is pending as on 31 March 2022 or as on 31 March 2021.

(f) There are no loan taken by the company from banks or financial institution on the basis of security of current assets.

(g) There are no schemes of arrangements requiring approval have been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(h) Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the year
Transactions* where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	The company has outstanding balance of loan taken from Zuari Global Limited of Rs 8,434 Lakhs at various dates and provided to Zuari Agro Chemicals Limited of Rs 9,350 Lakhs at various dates.

*The transaction have been done for continuing loan given to Zuari Agro Chemicals Limited of Rs 9,350 Lakhs

(i) Corporate Social Responsibility:

The Company is not required to allocate amounts towards the CSR, hence disclosures are not applicable.

(j) Transaction with respect to crypto currency or virtual currency:

Particulars	Description
Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year
Amount of currency held as at the reporting date	No transaction during the year
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

45 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. Based on an initial assessment by the Company, the additional impact on Provident Fund contributions by the Company is not expected to be material, whereas, the likely additional impact on Gratuity liability/ contributions by the Company and its Indian subsidiaries could be material. The Company will complete its evaluation once the subject rules are notified and will give appropriate impact in the financial results in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46 **Ratio Analysis**

a. Current Ratio= Current assets divided by Current Liabilities

Particulars	31-Mar-22	31-Mar-21
Current Assets	9,343.84	900.51
Current Liabilities	8,345.86	3,484.95
Ratio	1.12	0.26
% change from previous Period/ year	333%	

Reason for change: The ratio is increased due to Long Term Borrowing reclassified in Short term Borrowing and Long term loan given is also reclassified to current assets.

b. Debt equity ratio= total debt divided by total shareholder's 's equity

Particulars	31-Mar-22	31-Mar-21
Total Debt(Excluding lease Liabilities)	14,933.71	14,860.07
Total equity (excluding Non- controlling interests)	4,203.36	2,194.62
Ratio	3.55	6.77
% change from previous period/ year	-48%	

Reason for change: Due to Long Term Borrowing transfer to Short term Borrowing

c. Debt service coverage

Particulars	31-Mar-22	31-Mar-21
Profit(loss) after tax	(190.78)	(526.15)
Add: Non cash operating expenses and finance cost		
Depreciation and other non cash operating expenses	1.69	1.98
Finance costs	2,000.99	1,820.34
Earnings available for debt service	1,811.90	1,296.17
Interest on borrowings and lease liabilities	2,000.99	1,820.34
Principal repayments and lease payments	2,610.36	9,031.57
Total Interest and principal repayments	4,611.35	10,851.91
Ratio	0.39	0.12
% change from Previous period/ year	229%	

Reason for change: The ratio is increased because loss after tax is reduced reason for it is that in previous year there was impairment of investment.

d. Return on equity ratio/ return on investment ratio= Net profit after tax divided by Average shareholder's equity

Particulars	31-Mar-22	31-Mar-21
Net profit(loss) after tax	(190.78)	(526.15)
Average shareholders' equity(excluding Non- controlling interests)	3,198.99	1,707.11
Ratio	(0.06)	(0.31)
% change from previous period/ year	-81%	

Reason for change: Due to increase in Share prices of ZACL and Impairment of Indian Furniture Products Limited in the FY 2020-21

e. Inventory turnover ratio= Net sales divided by average Inventory

Particulars	31-Mar-22	31-Mar-21
sale of services (Net sales)	2,221.72	1,912.10
Average Inventory	-	-
Ratio	NA	NA
% change from previous period/ year		

f. Trade receivables turnover ratio= Net sales divided by average trade receivables

Particulars	31-Mar-22	31-Mar-21
sale of goods (Net sales)	2,221.72	1,912.10
average trade receivables	185.81	122.46
Ratio	11.96	15.61
% change from previous period/ year	-23%	



ZUARI MANAGEMENT SERVICES LIMITED

Notes forming part of the financial statements as at 31 March 2022

g. Trade Payables turnover ratio= Net Purchases divided by average trade Payables

Particulars	31-Mar-22	31-Mar-21
Net purchases	2,114.79	1,798.59
average trade Payable	170.19	269.26
Ratio	12.43	6.68
% change from previous period/ year	86%	

Reason for change: The ratio is increased due to reduction of trade payable in the FY 2021-22

h. Net capital turnover ratio= Net sales divided by working capital

Particulars	31-Mar-22	31-Mar-21
sale of goods (Net sales)	2,221.72	1,912.10
Working Capital	997.98	(2,584.44)
Ratio	2.23	(0.74)
% change from previous period/ year	-401%	

Reason for change: The ratio is increase because the sale is increased during the current year.

i. Net profit turnover ratio= Net profit after tax divided by Net sales

Particulars	31-Mar-22	31-Mar-21
Net profit/(loss) after tax	(190.78)	(526.15)
sale of goods (Net Sales)	2,221.72	1,912.10
Ratio	(0.09)	(0.28)
% change from previous period/ year	-69%	

Reason for change: Due to impairment of investment in Indian Furniture Products Limited during the preceding financial year.

j. Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	31-Mar-22	31-Mar-21
Profit/(loss) before tax	(190.78)	(526.15)
Add: finance costs	2,000.99	1,820.34
EBIT	1,810.21	1,294.19
Tangible Net worth(total assets- total liabilities- Intangible assets)	4,203.36	2,194.62
Total debt(excluding lease liabilities)	14,933.71	14,860.07
Capital Employed	19,137.07	17,054.69
Ratio	0.09	0.08
% change from previous period/ year	25%	

47 Previous year figures have been re-grouped wherever necessary to correspond to current year figures.

As per our report of even date

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

Karthik Srinivasan
Partner
M No.514998

Place: New Delhi
Date: 12 /05/2021

For and on behalf of the Board

(Nitin Katak)
Director
DIN: 08029847

Date: 12 /05/2021

(Naveen Kapoor)
Director
DIN: 01680157