



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Finserv Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Zuari Finserv Limited ("the Company"), which comprise the balance sheet as at 31st March, 2021, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March, 2021, its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.



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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said 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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act; as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided any managerial remuneration within the meaning of section 197 of the Act, therefore, the provisions of section 197(16) of the Act are not applicable
- (h) 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 does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii) There were no amounts, which were required to be transferred during the year to the Investor Education and Protection Fund by the Company.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998
ICAI UDIN: 21514998AAAAFL9826

Place: New Delhi
Dated:13-05-2021



“Annexure A” referred to in the Independent Auditors’ report to the shareholders of Zuari Finserv Limited on the accounts for the year ended 31st March, 2021.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) The property, plant and equipment have been physically verified by the management during the year in phased manner and no discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
 - c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- ii The Company does not have any inventory covered by Ind-AS 2. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii The Company has not granted any loans during the year, secured or unsecured, to companies, firms, limited liability partnerships or other parties required to be covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable.
- iv In our opinion and according to the information and explanations given to us and the representation obtained from the management (i) the Company has not granted any loans to any of its directors or any other person to whom director is interested or given guarantee or provided any security in connection with any loan taken by him or such other person within the meaning of section 185 of the Act and (ii) the Company has not given any loan, given any guarantee or provided any security and acquired securities within the meaning of section 186 of the Act.
- v In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and rule framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of Company's activities. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31st March, 2021, which were outstanding for a period of more than six months from the date they became.
 - b) There are no disputed dues which have remained unpaid as on 31st March, 2021 on account of Income- tax and goods and service tax.
- viii On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to any bank during the year. The Company does not have any loans or borrowings from a financial institution, government or debenture holder in the books of accounts at any time during the year.



- ix The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of clause 3(ix) of the Order are not applicable.
- x Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud by the Company or by its officers or employees on the Company has been noticed or reported during the year under audit.
- xi According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration within the meaning of section 197 of the Act. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- xii The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- xiii According to the information and explanations given to us and the representation obtained from the management, the Company has complied with section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc, as required by the applicable Ind AS.
- xiv The Company has not raise any money by way of initial / further public offer (including debt instruments) during the year. However, during the year the Company has come up with a Right Issue of 25,00,000 equity shares @ Rs. 20 per share (including premium of Rs. 10/- per share) to existing shareholders.
- xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- xvi In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: New Delhi
Dated:13-05-2021

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998
ICAI UDIN: 21514998AAAAFL9826



“Annexure B” referred to in the Independent Auditors’ report to the shareholders of Zuari Finserv Limited on the accounts for the year ended 31st March, 2021.

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by ICAI. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 issued by the ICAI.

Place: New Delhi
Dated: 13-05-2021

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998
ICAI UDIN: 21514998AAAAFL9826



Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	27.92	42.11
Right-of-use assets	27	78.48	373.85
Other intangible assets	5	3.15	3.09
Financial assets			
(i) Investments	6	-	275.00
(ii) Loans	6	193.08	559.72
(iii) Other financial assets	6	304.12	52.12
Non-current tax assets (net)		81.78	57.26
Deferred tax assets (net)	24	187.34	187.69
		875.87	1,550.84
Current assets			
Financial assets			
(i) Trade receivables	8	857.79	418.76
(ii) Cash and cash equivalents	9	1,039.80	1,055.64
(iii) Other bank balances	10	-	400.00
(iv) Loans	6	1,804.38	1,220.96
(v) Other financial assets	6	32.18	42.30
Other current assets	7	33.74	51.84
		3,767.89	3,189.50
TOTAL		4,643.76	4,740.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,249.84	1,999.84
Other equity	12	759.59	(6.85)
		3,009.43	1,992.99
Liabilities			
Non-current liabilities			
Provisions	17	131.14	101.92
Lease liabilities	27	68.89	338.26
		200.03	440.18
Current liabilities			
Financial liabilities			
(i) Borrowings	13	-	1,067.66
(ii) Trade payables	14	-	-
-Total outstanding due of micro enterprises and small enterprises		-	-
-Total outstanding due of creditors other than micro enterprises and small enterprises		137.24	113.97
(iii) Other financial liabilities	15	235.96	317.27
Other current liabilities	16	1,057.84	805.57
Provisions	17	3.26	2.70
		1,434.30	2,307.17
TOTAL		4,643.76	4,740.34

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

Place: New Delhi
Date: 13th May, 2021



For and on behalf of the Board
Zuari Finserv Limited

R. S. Raghavan
R. S. Raghavan
Director
(DIN-00362555)

Place: Gurugram
Date: 13th May, 2021

Alok K. Srivastava
Alok K. Srivastava
Chief Financial Officer
(PAN: CAUP50898B)

Place: New Delhi
Date: 13th May, 2021

Alok Banerjee
Alok Banerjee
(Director)
(DIN-01371033)

Place: Bangalore
Date: 13th May, 2021

Rajkumar Tanwar
Rajkumar Tanwar
Company Secretary
(Membership No. A56876)

Place: New Delhi
Date: 13th May, 2021

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	18	1,041.68	970.31
Other income	19	115.59	149.38
Total income		1,157.27	1,119.69
Expenses			
Employee benefits expense	20	608.61	620.06
Finance costs	21	70.48	181.08
Depreciation and amortization expense	22	40.52	101.17
Other expenses	23	426.63	362.82
Total expenses		1,146.24	1,265.13
(Loss)/profit before exceptional items		11.03	(145.44)
*Exceptional Items		514.25	-
(Loss)/profit before tax		525.28	(145.44)
Tax expense:	24		
Current tax		-	-
Tax Expenses (Prior periods)		3.53	-
Deferred tax expense/(credit)		1.64	49.83
		5.17	49.83
(Loss)/profit for the period		520.11	(195.27)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit plans		(4.96)	(2.64)
Income tax effects thereon		1.29	0.69
Other comprehensive (loss)/income for the period		(3.67)	(1.95)
Total comprehensive (loss)/income for the period		516.44	(197.22)
(Loss)/earnings per equity share:	25		
Basic		2.57	(0.98)
Diluted		2.57	(0.98)

The accompanied notes form an integral part of the financial statements

*As per Clause 1 of Schedule II Form R of IRDAI (Insurance Brokers) Regulations, 2018: If the Indian Promoter is a Company as defined in the Companies Act, 2013 (18 of 2013), it shall not be a subsidiary as defined in Section 2(87) of that Act). To comply with above provisions Zuari Finserv Limited Sold its entire holding of Zuari Insurance Brokers Limited to Zuari Global Limited.

As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

Place: New Delhi
Date: 13th May, 2021



For and on behalf of the Board
Zuari Finserv Limited

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Director
(DIN-00362555)

Place: Gurugram
Date: 13th May, 2021

Alok Kr. Srivastava
Alok Kr. Srivastava
Chief Financial Officer
(PAN: CANS0898B)

Place: New Delhi
Date: 13th May, 2021

Alok Banerjee
Alok Banerjee
(Director)
(DIN-01371033)

Place : Bangalore
Date: 13th May, 2021

Rajkumar Tanwar
Rajkumar Tanwar
Company Secretary
(Membership No. A56876)

Place: New Delhi
Date: 13th May, 2021

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A Cash flow from operating activities		
(Loss)/profit before tax	525.28	(145.44)
Adjustments for :		
Depreciation and amortisation expense	40.52	101.16
Finance costs	70.48	181.08
Interest income	(49.31)	(72.77)
Excess provision written back	(16.93)	(1.54)
Interest Income on lease liabilities	(20.13)	-
Property, plant and equipment written off	0.02	0.02
Bad debts	204.71	0.68
Loss allowance against credit impaired debtors	(202.77)	99.43
Operating profit before changes in working capital	551.87	162.62
Changes in working capital		
-trade receivables	(424.06)	865.60
-other assets	18.10	10.31
-trade payables	23.27	80.32
-other payables	236.99	(27.41)
-other financial assets	(583.42)	162.41
-provision	24.83	14.17
Cash flow generated from/(used in) operations	(152.42)	1,268.02
Income taxes paid (net)	(28.06)	(18.52)
Net cash flow generated from/(used in) operations	(180.48)	1,249.50
B Cash flow from investing activities		
Purchase of property, plant and equipment	(2.41)	(18.84)
Purchase of intangible assets	(2.45)	(2.93)
Proceeds from sale of investments in shares	275.00	-
Proceeds from sale of property, plant and equipment	0.22	(0.02)
Deposits made during the year	514.64	(443.77)
Interest received	59.43	47.40
Net cash flow used in investing activities	844.44	(418.16)
C. Cash flow from financing activities		
Proceeds from issue of Shares	500.00	-
Payment of lease liabilities	(16.06)	-53.91
Inter corporate deposits (Net)	(1,067.66)	(469.72)
Proceeds of short term borrowings	-	103.76
Finance costs paid	(96.08)	(155.48)
Net cash flow (used in)/generated from financing activities	(679.80)	(575.35)
Net increase in cash and cash equivalents (A+B+C)	(15.84)	255.99
Cash and cash equivalents as at the beginning of the period	1,055.64	799.65
Cash and cash equivalents as at the end of the period	1,039.80	1,055.64
Reconciliation of cash and cash equivalents		
Cash and cash equivalents as per above comprising of the following:		
Cash and cash equivalents (refer note 9)	1,039.80	1,055.64
Balances as per cash flow statement above#	1,039.80	1,055.64

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.
- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our report of even date.

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.:

Karthik Srinivasan

Karthik Srinivasan

Partner

Membership No. 514998

Place: New Delhi

Date: 13th May, 2021



For and on behalf of the Board

Zuari Finserv Limited

R. S. Raghavan

R. S. Raghavan

Director

(DIN-00362555)

Place: Gurugram

Date: 13th May, 2021

Alok K. Shivastava

Alok K. Shivastava

Chief Financial Officer

(PAN: CANPS8888B)

Place: New Delhi

Date: 13th May, 2021

Alok Banerjee

Alok Banerjee

(Director)

(DIN-01371033)

Place : Bangalore

Date: 13th May, 2021

Rajkumar Tanwar

Rajkumar Tanwar

Company Secretary

(Membership No. A56876)

Place: New Delhi

Date: 13th May, 2021

Zuari Finserv Limited
Statement of Changes in Equity for the year ended 31 Mar 2021

(All amounts in Lacs)

(a) Equity share capital

	Amount
Equity shares of INR 10/- each issued, subscribed and fully paid	
As at 31 March 2019	1,999.84
Addition during the year	-
As at 31 March 2020	1,999.84
Addition during the period	250.00
As at 31 March 2021	2,249.84

(b) Other equity

	Retained earnings	Securities Premium	Total
As at 01 April 2019	190.37	-	190.37
(Loss)/Profit for the year	(195.27)	-	(195.27)
Other comprehensive loss	(1.95)	-	(1.95)
Total comprehensive Profit / (Loss)	(197.22)	-	(197.22)
At 31 March 2020	(6.85)	-	(6.85)
As at 01 April 2020	(6.85)	-	(6.85)
(Loss)/Profit for the period	520.11	250.00	770.11
Other comprehensive loss	(3.67)	-	(3.67)
Total comprehensive Profit / (Loss)	516.44	250.00	766.44
As at 31 March 2021	509.59	250.00	759.59

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

Place: New Delhi
Date: 13th May, 2021



For and on behalf of the Board
Zuari Finserv Limited

R. S. Raghavan
R. S. Raghavan
Director
(DIN-00362555)

Place: Gurugram
Date: 13th May, 2021

Alok K. Srivastava
Alok K. Srivastava
Chief Financial Officer
(PAN: CANPS0898B)

Place: New Delhi
Date: 13th May, 2021

Alok Banerjee
Alok Banerjee
(Director)
(DIN-01371033)

Place : Banglore
Date: 13th May, 2021

Rajkumar Tanwar
Rajkumar Tanwar
Company Secretary
(Membership No. A56876)

Place: New Delhi
Date: 13th May, 2021

1. Corporate information

Zuari Finserv Limited (the "Company") is a public Company domiciled in India an incorporated under the provisions of the Companies Act, 1956. The Company is in the business of stock broking, depository participant, mutual fund broking, registrar and share transfer agent, real estate agent and mortgage agent.

The Board of Directors of the Company in their meeting held on 9 February 2019 approved the Scheme of Arrangement ("the Scheme") between the Company with Zuari Commodity Trading Limited (ZCTL) with an appointed date being 1 April 2018 in the Scheme which got confirmed with order of Scheme of Merger of ZCTL with the Company dated 9 May 2019 received from Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai and was filed with Registrar of Companies on 8 June 2019 (being effective date).

2. Application of Indian Accounting Standards

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered while preparing these financial statements.

3. Significant accounting policies

a) Basis of preparation

The 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 (as amended time to time) notified under section 133 of the Companies Act, 2013 (the "Act").

The financial statements of the Company have been prepared on a historical cost basis., except for certain financial assets measured at fair value or net realizable value as applicable.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An **asset** is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A **liability** is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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



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

c) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Identifying the performance obligations

Under Ind AS 115, the Company must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customizing it).

Determining the transaction price

Under Ind AS 115, the Company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both.

Allocating the transaction price to the performance obligations

The transaction price is allocated to the separately identifiable performance obligations on the basis of their standalone selling price. For services that are not provided separately, the standalone selling price is estimated using adjusted market assessment approach.

Recognizing revenue when/as performance obligation(s) are satisfied.

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 recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

In the comparative period presented in financial statements, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognized when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. The company recognizes revenue from the following major sources: -



Rendering of services:

Revenue from brokering services is recognized when the Company satisfies its performance obligations by rendering services to customers. These services are consumed simultaneously by the customers.

Interest income:

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). Refer note k for the same.

d) Taxes

Income tax comprises of current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that is related to an item recognized directly in equity or other comprehensive income.

Current income tax

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 in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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.

The carrying amount of deferred income 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 income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

e) Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalized up to the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for



their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

f) 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.

Depreciation, estimated useful life and residual life

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives: -

Particulars	Life (years)
Furniture and fixtures	10
Computers and softwares	03
Office equipment	05
Servers	06

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.



g) 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 impairment losses, if any.

Recognition:

The costs of intangible asset 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.

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 amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial reporting period and adjusted prospectively, if appropriate treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria.

Gains/(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 recognized in the statement of profit or loss when the asset is derecognized.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

h) 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.

i) Leases

As a lessee

At inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.



The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet. Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the comparative period, as a lessee, the lease payments in respect of assets taken on operating lease are charged to the profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increase.

j) Post-employment and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no statutory nor contractual obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, 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 liability being a defined benefit obligation is provided for on the basis of estimation on projected unit credit method made at the end of period. The gratuity plan of the Company has been funded by policy taken from Life Insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognized in



partly for the period in which they occur in the statement of profit and loss.

Measurements, comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Actuarial gains/losses 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. The Company recognizes the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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 purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

k) Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value using best estimates. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in the statement the profit and loss.

Financial assets:

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.



Amortized cost

A financial asset shall be measured at amortized cost using effective interest rates if both of the following conditions are met:

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. The Company has irrevocably adopted to value its equity investments through FVTOCI.

Dividends on these investments in equity instruments are recognized in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in the Statement of Profit and Loss are included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost and financial asset designated as at FVTOCI.



For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial liabilities:

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 the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized 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 amortization is included as finance cost in the statement of profit and loss.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

1) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.



m) 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.

n) 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.

o) 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.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors,



including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset. The Company has also factored in overall time period of rent agreements to arrive at lease period to recognize rental income on straight line basis.

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.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

p) Recent accounting pronouncements

Recent Accounting Developments Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

q) Rounding of amounts

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



4 Property, plant and equipment

Particulars	Furniture and fixtures	Office equipment	Total
Year ended 31 March 2020			
Gross carrying amount			
As at 01 April 2019	39.00	43.69	82.69
Additions	0.17	18.67	18.84
Disposals	-	-	-
As at 31 March 2020	39.17	62.36	101.53
Accumulated depreciation			
As at 01 April 2019	17.13	24.02	41.15
Depreciation charge during the year	4.44	13.83	18.27
Adjustment for disposals	-	-	-
As at 31 March 2020	21.57	37.85	59.42
Net carrying amount	17.60	24.51	42.11
Year ended 31 March 2021			
Gross carrying amount			
As at 01 April 2020	39.17	62.36	101.53
Additions	0.16	2.25	2.41
Disposals	-	0.73	0.73
As at 31 March 2021	39.33	63.88	103.21
Accumulated depreciation			
As at 01 April 2020	21.57	37.85	59.42
Depreciation charge during the period	3.63	12.73	16.36
Adjustment for disposals	-	0.49	0.49
As at 31 March 2021	25.20	50.09	75.29
Net carrying amount	14.13	13.79	27.92

5 Other intangible assets

Particulars	Software
Year ended 31 March 2020	
Gross carrying amount	
As at 01 April 2019	6.94
Additions	2.93
Disposals	-
As at 31 March 2020	9.87
Accumulated amortisation	
As at 01 April 2019	5.37
Amortisation during the year	1.41
Adjustment for disposals	-
As at 31 March 2020	6.78
Net carrying amount	3.09
Year ended 31 March 2021	
Gross carrying amount	
As at 01 April 2020	9.87
Additions	2.45
Disposals	-
As at 31 March 2021	12.32
Accumulated amortisation	
As at 01 April 2020	6.78
Amortisation during the period	2.39
Adjustment for disposals	-
As at 31 March 2021	9.17
Net carrying amount	3.15



(All amounts in Lacs)

Particulars	As at	As at
	31 March 2021	31 March 2020
6 Financial assets		
Investment (in wholly owned subsidiaries)		
<i>Measured at cost:</i>		
Unquoted:		
Zuari Insurance Brokers Limited [Nil (P.Y. 2,750,000) shares of INR 10/- each]	-	275.00
Total	-	275.00

Aggregate book value of unquoted investments

- 275.00

Aggregate amount of impairment in value of investments

- -

The Company has not measured any of its investments in equity shares at fair value as all the investments are in equity shares of subsidiary companies. Accordingly, the Company has opted to disclose them at cost in accordance with Ind AS 27 "Separate Financial Statements".

Loans

Particulars	Non- current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<i>Measured at amortised cost:</i>				
Security deposits (unsecured, considered good)	193.08	559.72	1,804.38	1,220.96
Total	193.08	559.72	1,804.38	1,220.96

Other financial assets

1,997.46 1,780.68

Particulars	Non- current		Current	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<i>Measured at amortised cost:</i>				
Balances with banks - in deposit accounts*	304.12	52.12	-	-
Interest accrued on deposits	-	-	32.18	42.30
Total	304.12	52.12	32.18	42.30

* Under lien - includes INR 250 Lacs (P.Y. INR Nil) to Globe Capital Limited, INR 10 Lacs (P.Y. INR 10 Lacs) to BSE Limited, INR 8 Lacs (P.Y. INR 8) to National Stock Exchange India Limited, INR 8 Lacs (P.Y. INR 8 Lacs) to IL&FS Security Services Limited, INR 25 Lacs (P.Y. INR 25 Lacs) to National Securities Clearing Corporation Ltd. is under lien to Multi Commodity Exchange of India Limited. Considering the compulsion to renew the deposits, they are treated as non-current.

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(All amounts in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
7 Other assets		
Other advances recoverable in cash or in kind	15.45	35.07
Prepaid expenses	18.29	16.77
Total	33.74	51.84
8 Trade receivables		
<i>Measured at amortised cost:</i>		
From others	839.59	351.25
From related parties (refer note 28)	18.20	67.51
Total	857.79	418.76
Break-up for security details:		
Secured, considered good	845.68	386.93
Unsecured		
Considered good	12.11	31.83
Credit impaired	-	202.77
	857.79	621.53
Loss allowance against credit impaired debtors	0.00	(202.77)
Total	857.79	418.76
9 Cash and cash equivalents		
Cash on hand	0.15	0.32
Balances with bank:		
In current accounts	1,039.65	1,055.32
Total	1,039.80	1,055.64
10 Other bank balances		
Balances with bank:		
In fixed deposits	-	400.00
Total	-	400.00



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(All amounts in Lacs)

Particulars	As at	As at
	31 March 2021	31 March 2020
11 Equity share capital		
Authorised:		
30,010,000 equity shares of INR 10/- each	3,001.00	3,001.00
Issued shares:		
24,498,426 (19,998,426) Equity shares of INR 10/- each	2,249.84	1,999.84
Subscribed and fully paid-up shares:		
24,498,426 (19,998,426) Equity shares of INR 10/- each	2,249.84	1,999.84

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares capital				
Outstanding at the beginning of the period	199.98	1,999.84	199.98	1,999.84
Addition during the period	25.00	250.00	-	-
Outstanding at the end of the period	224.98	2,249.84	199.98	1,999.84

(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote 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 commitments and statutory obligations. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

(iii) Shares held by holding company

	As at 31 March 2021	As at 31 March 2020
Zuari Global Limited	225	200

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	%age of shares held	No. of shares	%age of shares held
Equity shares of INR 10 each fully paid				
Zuari Global Limited	224.98	100%	200	100%

12 Other equity

Retained earnings#

Opening balance	(6.85)	190.37
(Loss)/profit for the period	520.11	(195.27)
Other comprehensive income	(3.67)	(1.95)
	509.59	(6.85)

Securities premium account*

Opening balance	-	-
Received/(utilized) during the period	250.00	-
	250.00	-
Closing balance	759.59	(6.85)

#Retained earnings is created from profit for the period of the Company as adjusted for distribution to owners, transfer to other reserves, etc.

* Nature and purpose:

Security premium reserve is created when the Company issues shares at premium. The aggregate amount of premium received on the shares is transferred to a separate account called "security premium reserve". The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions.



(All amounts in Lacs)

Particulars	As at			
	31 March 2021	31 March 2020		
13 Borrowings				
<i>Measured at amortised cost:</i>				
Term loan from bank (secured)	-	400.00		
Cash credit (secured)	-	363.66		
Inter corporate deposits (from related parties, refer note 26)	-	304.00		
Total	-	1,067.66		
14 Trade payables				
Trade payables:				
-Total outstanding due of micro enterprises and small enterprises	-	-		
-Total outstanding due of creditors other than micro enterprises and small enterprises	137.24	113.97		
Total	137.24	113.97		
15 Other financial liabilities				
Security deposits received from:				
Depository clients	216.27	231.55		
Others	5.36	5.36		
Current maturities of lease liabilities (refer note 27)	14.33	54.76		
Interest accrued but not due	-	25.60		
Total	235.96	317.27		
16 Other current liabilities				
Statutory dues	23.70	16.34		
Advances from customers	1,034.14	789.23		
Total	1,057.84	805.57		
17 Provisions (current and non-current)				
Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for gratuity	78.63	60.98	1.29	1.06
Provision for leave encashment	52.51	40.94	1.97	1.64
Total	131.14	101.92	3.26	2.70

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(All amounts in Lacs)

	Year ended 31 March 2021	Year ended 31 March 2020
18 Revenue from operations		
Disaggregated revenue from contracts with customers		
Depository operations	154.97	157.61
Brokerage income from:		
Stock broking and commodity operations	768.68	684.81
Mutual funds	68.86	52.60
Real estate	-	16.41
Loans facilitation	1.32	0.89
Registrar and share transfer agents	47.85	57.99
Total	1,041.68	970.31
19 Other income		
Interest on deposits from:		
Deposits with exchanges	48.28	114.65
Security deposits	1.03	0.96
Excess provisions written back	16.93	1.54
Rental income	27.22	27.35
Interest Income on lease liabilities	20.13	-
Miscellaneous income	2.00	4.88
Total	115.59	149.38
20 Employee benefits expense		
Salaries, wages and bonus	626.68	624.78
Contribution to provident fund	34.08	30.55
Staff welfare expenses	8.98	11.75
	669.74	667.08
Less: Cost transferred to related parties	61.13	47.02
Total	608.61	620.06

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Particulars	Year ended 31 March 2021	Year ended 31 March 2020
21 Finance costs		
Interest expense on borrowings	59.16	131.30
Interest expense on lease liabilities (refer not 27)	10.78	48.88
Other borrowing costs	0.54	0.90
Total	70.48	181.08
22 Depreciation and amortization expenses		
Depreciation of property, plant and equipment	16.37	18.27
Depreciation of right-of-use assets (refer not 27)	21.76	81.49
Amortisation of intangible assets	2.39	1.41
Total	40.52	101.17
23 Other expenses		
Advertisement	0.54	0.22
Depository charges and brokerage	23.87	26.41
Computer repair and maintenance	25.15	22.27
Fees and subscription	11.68	10.19
Insurance	16.67	18.17
Legal and professional	12.39	6.59
Auditors remuneration*	3.64	3.55
Office maintenance	30.69	30.60
Rates and taxes	1.13	0.06
Printing and stationery	4.03	5.72
Directors sitting fees	3.10	2.20
Rent	78.18	2.21
Communication	25.10	27.03
Travelling and conveyance	14.12	21.64
Bad debts	204.71	0.68
Loss allowance against credit impaired debtors	(202.77)	99.43
Commission paid	131.35	46.53
Property, plant and equipment written off	0.02	0.02
Business Support Service	34.97	35.36
Miscellaneous expenses	8.06	3.94
Total	426.63	362.82
* Auditors remuneration		
Audit fees	2.00	1.50
Tax audit fees	0.75	0.50
Certification fees/Other Matters Exp.	0.75	1.05
Reimbursement of expenses	0.14	0.50
	3.64	3.55



(-All amounts in Lacs)

	Year ended 31 March 2021	Year ended 31 March 2020
24 Income tax expense		
Amount Recognised in the Statement of Profit and Loss		
Current tax expense	-	-
Tax adjustment of earlier years	3.53	-
Deferred tax expense/(credit)	1.64	49.83
Total Tax Expense	5.17	49.83
Amount Recognised in the OCI		
Current Income Tax on Re-measurement of Defined Benefit Plan	1.29	0.69
Reconciliation of Effective Tax Rate on Profit before Income Tax		
Enacted Income Tax rate	25.17%	26.00%
Accounting Profit Before Income Tax	525.28	(145.44)
Current tax as per enacted tax rate	132.20	(37.80)
Tax adjustment of earlier years	3.53	-
Tax Effect of Permanent Differences	(0.14)	87.64
Earlier year difference & losses	(83.16)	-
MAT credit written off	13.78	-
Change in enacted rate	6.00	-
Difference in rate of capital gain - Indexation	(67.04)	-
Current Tax Expense (A)	5.17	49.84
Effective income tax rate	0.98%	-34.27%

Notes:

- (i) The Company has recognised deferred tax asset on unused tax losses considering expansion plans of business and expected improved profitability of the Company (including taxable profits) to the extent, the management of the Company expects to generate sufficient taxable profits in the near future.
- (ii) The Company elected to exercise the option of reduced income-tax rates permitted under section 115BBA of the Income-tax Act 1961 ("the Act"), as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and has accordingly adopted lower income tax rates w.e.f year ended 31 March 2021 onwards.

Deferred tax assets:

	As at 31 March 2019	(Charged)/Credited to Profit or Loss	OCI	As at 31 March 2020	(Charged)/Credited to Profit or Loss	OCI	As at 31 March 2021
Deferred tax liability (A):	-	-	-	-	-	-	-
Deferred tax assets:							
Difference in written down value of fixed assets as per the Companies Act, 2013 and Income-tax act, 1961	12.57	0.32	-	12.89	(0.16)	-	12.73
Provision for gratuity	11.98	3.20	0.69	15.87	2.96	1.29	20.12
Provision for leave encashment	10.40	0.49	-	10.89	2.82	-	13.71
Provision for bonus	1.53	2.43	-	3.96	(2.47)	-	1.49
Loss allowance against credit impaired debtors	26.84	25.85	-	52.69	(52.69)	-	-
Carry forward losses and unabsorbed depreciation	159.93	(89.43)	-	70.50	67.60	-	138.10
MAT credit entitlement	13.43	(1.02)	-	12.41	(12.41)	-	-
MAT credit entitlement (additions pursuant to merger)	0.15	1.23	-	1.38	(1.38)	-	-
Lease liabilities	-	7.10	-	7.10	(5.91)	-	1.19
Total (B)	236.83	(49.83)	0.69	187.69	(1.64)	1.29	187.34
Deferred tax asset/(liability) (B - A)	236.83	(49.83)	0.69	187.69	(1.64)	1.29	187.34

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.



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25 Earnings per share (EPS)

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

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

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
(Loss)/profit attributable to equity holders	520.11	(195.27)
Weighted average number of equity shares used for computing EPS (Basic and Diluted in lacs)	202	200
Face value per share (INR per share)	10	10
(Loss)/earning per share (basic and diluted) (INR)	2.57	(0.98)

26 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. 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 adjusts 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's policy is to keep the gearing ratio below 1:1. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Borrowings	-	1,067.66
Trade payables	137.24	113.97
Less: Cash and cash equivalents	(1,039.80)	(1,055.64)
Net debt	(902.56)	125.99
Total Capital	3,009.43	1,992.99
Capital and net debt	2,106.86	2,118.98
Gearing ratio	(0.43)	0.06

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.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021.

Contingent liabilities

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



27 Leases

Where Company is a lessee

The Company leases several buildings in form of corporate & registered office:

Lease term is:	(In Years)
Corporate offices	2 to 9

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

i. Right of use assets

Right-of-use assets related to leased buildings that do not meet the definition of investment property are presented as property, plant and equipment below:

	As at 31 March 2021	As at 31 March 2020
Recognised as at 1 April 2020	373.85	71.81
Additions	-	383.53
Derecognition	(273.61)	-
Impairment	-	-
Depreciation	(21.76)	(81.49)
Closing balance as on 31 Mar 2021	78.48	373.85

ii. Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Recognised as at 1 April 2020	393.03	62.55
Addition	-	383.53
Deletion	(293.74)	-
Interest accrued	10.78	48.88
Payments	(26.84)	(101.93)
Closing balance as on 31 Mar 2021	83.23	393.03
Current (Current Maturities of lease liabilities)	14.33	54.76
Non Current	68.89	338.27

iii. Amount recognised in statement of profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation (refer note 22)	21.76	81.49
Interest on lease liabilities (refer note 21)	10.78	48.88
Expenses relating to short-term leases	78.18	2.21
Net Impact on Statement of Profit and Loss	110.72	132.58

iv. Amount recognised in Cash Flow Statement

	As at 31 March 2021	As at 31 March 2020
Payment of finance cost	10.78	48.88
Payment of lease liabilities	16.06	53.05
Total cash outflows	26.84	101.93

- v. Extension and termination options are included in a leases of building in the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension and termination options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments when the Company is reasonably certain of exercising the extension and not exercising the termination options and the impacts of the same have been captured while calculating lease liabilities under Ind AS 116.

- vi. Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.
- vi. The Company does not have any variable lease payment arrangements.

Where Company is a Lessor

The Company has not sub-leased any of its leased properties.



28 Related party disclosures as per Ind AS 24:**A The list of related parties as identified by the management is as under:****i) Holding Company:**

Zuari Global Limited

Nature of transaction	As at 31 Mar 2021	As at 31 March 2020
Opening balance	360.50	729.94
Real estate income	-	3.40
Expenses paid on our behalf	-	0.01
ICDs taken	395.60	310.00
ICD repaid	699.60	731.70
Amount Paid on their behalf	0.07	
Share capital issued	250.00	-
Share Security premium issued	250.00	
Investment Sold (Shares of ZIBL)	789.25	
Interest expense	26.29	35.14
Depository/brokerage income	24.75	21.31
Closing balance (shown under trade receivables)	14.88	30.90
Closing balance (shown under current borrowings)	-	304.00
Closing balance (shown under interest accrued but not due)	1.71	25.60

ii) Fellow subsidiaries:

Zuari Insurance Brokers Limited

Nature of transaction	As at 31 Mar 2021	As at 31 March 2020
Opening balance	3.10	20.45
Amount paid on their behalf	1.55	6.36
Amount paid by ZIBL on behalf of ZFL	0.13	
Rental income	23.15	23.15
Employee benefit expenses received	50.58	54.90
Support service charges	12.47	
Salary cost transferred	-	47.02
Advance taken against services	70.00	-
Depository participant income	0.02	0.02
RTA Charges	0.10	0.10
Closing balance (shown under trade receivables)	0.03	-
Closing balance (shown under head other financial liabilities)	0.03	3.10

iii) Fellow subsidiaries:

Simon India Limited (SIL)

Zuari Investments Limited (ZIL)

Zuari Management Services Limited (ZMSL)

Zuari Infracore India Limited (ZIIL)

Zuari Sugar & Power Limited (ZSPL)

Gobind Sugar Mills Limited (GSML)



Period ended 31 Mar 2021

Nature of transaction	SIL	ZIL	ZMSL	ZIIL	ZSPL	GSML
Opening balance	0.83	22.41	2.78	1.46	7.25	1.87
Amount received on our behalf	-	3.67	-	-	-	-
Amount paid on their behalf	-	0.37	-	-	0.15	-
Support Services charged		-			1.22	
RTA / DP / Brokerage income	0.22	3.52	1.52	0.45	0.12	1.82
Amount Paid against sale of share		1,122.60				
Deputation Income		6.53			4.01	
Rental income	-	2.10	-	-	1.98	-
Closing balance *	1.07	0.12	0.01	1.96	-	0.13

* Closing balances shown under trade receivables/other current assets.

Year ended 31 March 2020

Nature of transaction	SIL	ZIL	ZMSL	ZIIL	ZSPL	GSML
Opening balance	0.02	10.78	0.71	1.06	4.39	2.04
Amount received on our behalf	18.00	12.94	-	-	-	-
Amount received on their behalf	-	0.67	-	-	-	-
Amount paid on their behalf	-	4.00	-	-	8.43	-
Amount paid on our behalf	18.00	5.81	-	-	-	-
RTA / DP / Brokerage income	1.33	0.54	1.00	0.45	0.11	1.87
Rental income	-	2.10	-	-	2.10	-
Closing balance	0.83	22.41	2.78	1.46	7.25	1.87

* Closing balances shown under trade receivables/other current assets.

** Closing balances shown under trade payables.

iv) Associates Of Holding Company

Zuari Agro Chemical Limited

Nature of transaction	As at 31 Mar 2021	As at 31 March 2020
Opening balance	0.32	0.32
Depository income	10	9.86
RTA Income/dp	-	-
Amount Paid on their behalf	0.00	-
Closing balance (shown under head trade receivables)	11.52	11.52

iv) Directors/Key Management Personnel

Mr. Ranjan Kumar (Manager)

Alok Kumar Srivastava (Chief Financial Officer)

Mr. Rajkumar Tanwar (Company Secretary)

Mr. Tarun Khanna (Chief Financial Officer) From 01-04-2019 To 14-11-2019

Mr. Girish Kumar Sharma (Company Secretary) From 01-04-2019 To 14-11-2019

Nature of transaction (Remuneration paid)	As at 31 Mar 2021	As at 31 March 2020
Mr. Ranjan Kumar	43.86	7.94
Mr. Alok Kumar Srivastava	16.00	2.82
Mr. Rajkumar Tanwar	4.46	0.93
Mr. Tarun Khanna	-	19.52
Mr. Girish Kumar Sharma	-	4.93



29 Fair value measurements

29.1 Financial instruments by category

	Carrying value	
	As at 31 March 2021	As at 31 March 2020
Financial assets		
A Investment in unquoted equity shares [refer note (i) below]	-	275.00
B Amortised cost: [refer note (ii) below]		
Security deposits	1,997.46	1,780.68
Balances with banks -in deposit accounts(including interest accrued)	336.30	94.42
Trade receivables	857.79	418.76
Other bank balances	-	400.00
Cash and cash equivalents	1,039.80	1,055.64
Total	4,231.35	4,024.50
Financial liabilities		
A Amortised cost: [refer note (ii) below]		
Borrowings	-	1,067.66
Lease liabilities	68.89	338.27
Trade payables	137.24	113.97
Other financial liabilities	235.96	317.27
Total	442.09	1,837.17

Notes:

- (i) The Company holds investments in equity shares of its subsidiary companies. These are recorded at cost in the Company's financial statements.
- (ii) The management of the Company assessed that carrying value of financial assets and financial liabilities, carried at amortised 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.

29.2 Fair 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

However, as on reporting dates, the Company does not have any financial assets required to measured at fair value either on recurring basis or on non recurring basis.



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30 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. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to **market risk, credit risk and liquidity risk**. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The 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**. Financial instruments affected by market risk include loans and investments. The Company is not exposed to currency risk and price risk as it has not foreign currency transactions and no market exposures. The Company has short term loan facility which is having fixed rate of interest. Therefore, risk of exposure to interest rates is considered insignificant.

Equity price risk**Applicability**

Investment in un-quoted equity shares

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company 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 Director or Managing Director reviews and approves all long term investment decisions.

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, stock exchanges and other financial instruments.

Applicability

	As at 31 March 2021	As at 31 March 2020
Security deposits (current and non- current)	1,997.46	1,780.68
Balances with banks - in deposit accounts (non-current)	304.12	52.12
Trade receivables	857.79	418.76
Cash and cash equivalents	1,039.80	1,055.64
Interest accrued on deposits	32.18	42.30
	4,231.35	3,349.50

Note:**(I) Security deposit, balances with banks, cash and cash equivalents and interest accrued on deposits.**

Credit risk from balances with banks is managed by the Company's senior management in accordance with the Company's policy. Investments of surplus funds are made only with a prior approval from Director. The Company is required to provide deposits to exchanges for smooth functioning of operations. These deposits are provided either in cash or through bank fixed deposit only. Considering the strong background of the banks, clearing members and the exchanges with whom the deposits are placed, the Company assesses its credit risk as low or negligible.



(ii) Trade receivables

Customer credit risk is managed through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the security held in his account. Outstanding customer receivables are regularly monitored.

Summary of trade receivables:

Particulars	0-90 days	91-180 days	More than 180 days
Carrying amounts as on 31 March 2020	146.74	13.39	461.39
Carrying amounts as on 31 March 2021	625.21	26.75	205.83

Concentration of credit risk of trade receivables is very limited due to large number customers.

An impairment analysis is performed at each reporting date on an individual basis for all outstanding amounts as per company's policy. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above.

Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns. Considering the stability of the company's holding company, liquidity risk of the company is considered to below.

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

Particulars	Within 1 year	1 to 5 years	> 5 years	Total
As at				
31 March 2021				
Borrowings	-	-	-	-
Trade payables	137.24	-	-	137.24
Lease liabilities (including current maturities)	14.33	55.24	13.65	83.22
Other financial liabilities	221.63	-	-	221.63
	373.20	55.24	13.65	442.09
As at				
31 March 2020				
Borrowings	1,110.37	-	-	1,110.37
Trade payables	113.97	-	-	113.97
Lease liabilities (including current maturities)	54.76	490.75	50.25	595.76
Other financial liabilities	262.51	-	-	262.51
	1,541.61	490.75	50.25	2,082.61

Collateral

The Company has pledged part of its deposits in order to fulfil the collateral requirements for its operations. At 31 March 2021 and 31 March 2020, the fair values of the deposits pledged were NIL and INR 4,00.00 Lacs respectively. The counterparties have an obligation to return the securities to the Company.

No changes were made in the objectives, policies or processes of managing capital during the year ended 31 March 2021.

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31 Employee benefit obligations:**A Gratuity**

Particulars	As at 31 March 2021	As at 31 March 2020
Plans		
- Gratuity (not funded)	79.93	62.05
	<u>79.93</u>	<u>62.05</u>

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

Net employee benefit expense (recognised in employee cost) for the year ended :

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	11.11	9.50
Net interest cost	4.25	3.57
	<u>15.36</u>	<u>13.07</u>

Amount recognised in other comprehensive income for the year ended :

Particulars	As at 31 March 2021	As at 31 March 2020
Actuarial (losses)/gains on obligations	(4.96)	(2.64)
	<u>(4.96)</u>	<u>(2.64)</u>

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening defined obligations	62.05	47.11
Current service cost	11.11	9.50
Interest cost	4.25	3.57
Benefits paid	(2.44)	(0.78)
Actuarial gain on obligations	4.96	2.65
Defined benefit obligation	<u>79.93</u>	<u>62.05</u>

The Company expects to contribute INR 18.27 Lacs (Previous year INR 15.77 Lacs) towards gratuity during the year 2021-22.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate (in %)	6.80%	6.85%
Salary Escalation (in %)	8% for first 2 years & 6.5% thereafter	8% for first 2 years & 6.5% thereafter

Gratuity Plan

Particulars	As at 31 March 2021			
	Discount rate		Future salary increases	
	50 basis point increase	50 basis point decrease	50 basis point increase	50 basis point decrease
Impact on defined benefit obligation (INR)	(5.36)	5.86	5.83	(5.39)



Particulars	As at 31 March 2020			
	Discount rate		Future salary increases	
Sensitivity level (in basis point)	50 basis point increase	50 basis point decrease	50 basis point increase	50 basis point decrease
Impact on defined benefit obligation (INR)	(4.27)	4.67	4.65	(4.29)

Note -

- 1) Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.
- 2) Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.
- 3) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

Particulars	As at	As at
	31 March 2021	31 March 2020
Less than a year	1.29	1.06
Between 1 - 2 years	1.39	1.19
Between 2 - 5 years	6.51	3.23
Over 5 years	70.74	56.57
Total	79.93	62.05

The average duration of the defined benefit plan obligation at the end of the reporting period is 16.87 years (31 March 2020: 17.44 years).

B Leave encashment

Particulars	As at	As at
	31 March 2021	31 March 2020
Provisions	54.48	42.57
	54.48	42.57
Amount recognised in the statement of profit and loss is as under:		
Current service cost	11.29	10.70
Interest cost	2.92	3.10
Actuarial loss recognised during the year	10.60	5.40
	24.81	19.20

C Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by government of India. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognised during the year towards defined contribution plan is INR 34.08 lacs (31 March 2020 - INR 30.55 lacs).

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32 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 2021	As at 31 March 2020
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.	-	-

33 Contingent liability :

The Hon'ble Supreme Court (SC) has, vide its decision dated 28 February 2019 ("SC decision"), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ("PF" or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution.

Consequent to the above SC decision, the management implemented necessary changes to comply with the judgement prospectively. While the above SC decision is applicable retrospectively, there is uncertainty with respect to the manner in which it needs to be applied for the earlier period. Accordingly, no provision has been recognized in the financial statements in respect of period prior to the judgement.

- 34 In relation to ongoing litigations/disputes of IL&FS Security Services Limited ("Clearing Member") with Securities Exchange Board of India, National Stock Exchange of India Limited, National Securities Clearing Corporation Limited and some of its trading members as on date, the regulators of India have frozen collaterals of clearing member which inter alia impacted the deposits/collaterals made by the trading members including the Company, amounting to INR 549.86 lacs. Therefore, the Company along with other trading members have filed a civil appeal with Hon'ble Supreme Court of India (SC) through Association of National Exchanges members of India (ANMI). The Hon'ble Supreme Court on 4th February, 2020 has passed a general order dismissing all applications seeking impleadment in the above case, but not with the clear direction to follow and next date of hearing were fixed for 19th August, 2020, when the Registry of the Hon'ble Supreme Court in the office report stated that the application for directions filed along with application for impleadment are shown in the cause list but the same were dismissed vide order dated 4th February, 2020. Further, NSE/NCL has amended its bye laws and post amendments, the trading members were able to file the compliant with NSE/NCL. The trading members along with other trading members in consultation with ANMI filed the compliant with NSE/NCL through Investor Grievance Redressal Panel (IGRP), which is pending with the competent authority as at 31st March, 2021. In the circumstances, the amount is considered good and recoverable as at 31st March, 2021



35 Segment information

The Company's business activities falls broadly within a single primary business segment namely Capital market related services and therefore there is no reportable segment as per the management of the Company.

36 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 inventory, trade receivables and other assets.

37 The financial statements were approved for external issue by the board of directors on 13th May, 2021.

As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998
Place: New Delhi
Date: 13th May, 2021



For and on behalf of the Board
Zuari Finserv Limited

R. S. Raghavan *Alok Banerjee*
R. S. Raghavan Director (Director)
(DIN-00362555) (DIN-01371033)

Place: Gurugram Place : Bangalore
Date: 13th May, 2021 Date: 13th May, 2021

Alok K. Srivastava *Rajkumar Tanwar*
Alok K. Srivastava Chief Financial Officer Company Secretary
(PAN: CANPS0898B) (Membership No. A56876)
Place: New Delhi Place: New Delhi
Date: 13th May, 2021 Date: 13th May, 2021