Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of Zuari Finserv Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Zuari Finserv Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('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 31 March 2020, and its loss (financial performance including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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.

Independent Auditor's Report of even date to the members of Zuari Finserv Limited, on the financial statements for the year ended 31 March 2020 (Cont'd)

Information other than the Financial Statements and Auditor's Report thereon

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

   Our opinion on the 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 financial statements or our knowledge obtained in the 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

5. 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing 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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Report of even date to the members of Zuari Finserv Limited, on the financial statements for the year ended 31 March 2020 (Cont'd)

influence the economic decisions of users taken on the basis of these financial statements.

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

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

   - 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 Act, we are also responsible for explaining 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.

10. 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.

11. 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

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

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

Independent Auditor's Report of even date to the members of Zuari Finserv Limited, on the financial statements for the year ended 31 March 2020 (Cont'd)

14. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

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

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

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 18 June 2020 as per Annexure II expressed an unmodified opinion; and

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

        (i) the Company, as detailed in note 37 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2020;

        (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 2020;

        (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

        (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 20099514AAAADA8175
Place: Gurugram
Date: 18 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure I to the Independent Auditor's Report of even date to the members of Zuari Finserv Limited, on the financial statements for the year ended 31 March 2020

Annexure I

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 has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(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 loan, secured or unsecured to companies, firms Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(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 specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure I to the Independent Auditor's Report of even date to the members of Zuari Finserv Limited on the financial statements for the year ended 31 March 2020 (cont'd)

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to any financial institution or government and did not have any outstanding debentures during the year.

(ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance 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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514
UDIN: 20099514AAAADA8175

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 18 June 2020

Annexure II to the Independent Auditor's Report of even date to the members of Zuari Finserv Limited, on the financial statements for the year ended 31 March 2020

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

1. In conjunction with our audit of the financial statements of the Company as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

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

2. 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 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance Note and Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR include 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)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure II to the Independent Auditor's Report of even date to the members of Zuari Finserv Limited, on the financial statements for the year ended 31 March 2020

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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No. 099514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 20099514AAAADA8175

Place: Gurugram
Date: 18 June 2020

Zuari Finserv Limited
Balance Sheet as at 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	42.11	41.54
Right-of-use ssets	27	373.85	-
Other intangible assets	5	3.09	1.57
Financial assets			
(i) Investments	6	275.00	275.00
(ii) Loans	6	559.72	300.95
(iii) Other financial assets	6	52.12	67.12
Non-current tax assets (net)		57.26	38.72
Deferred tax assets (net)	24	187.69	236.83
		1,550.84	**961.73**
Current assets			
Financial assets			
(i) Trade receivables	8	418.76	1,384.46
(ii) Cash and cash equivalents	9	1,055.64	799.66
(iii) Other bank balances	10	400.00	200.00
(iv) Loans	6	1,220.96	1,383.37
(v) Other financial assets	6	42.30	16.94
Other current assets	7	51.84	62.15
		3,189.50	**3,846.58**
TOTAL		**4,740.34**	**4,808.31**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1,999.84	1,999.84
Other equity	12	(6.85)	190.37
		1,992.99	**2,190.21**
Liabilities			
Non-current liabilities			
Provisions	17	101.92	85.55
Lease liabilities	27	338.26	-
		440.18	**85.55**
Current liabilities			
Financial liabilities			
(i) Borrowings	13	1,067.66	1,385.59
(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		113.97	49.20
(iii) Other financial liabilities	15	317.27	236.60
Other current liabilities	16	805.57	858.91
Provisions	17	2.70	2.25
		2,307.17	**2,532.55**
TOTAL		**4,740.34**	**4,808.31**

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: 18 June 2020

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

R. S. Raghavan
Director
(DIN-00362555)

Place: Gurugram
Date: 18 June 2020

Vijay Kathuria
Director
(DIN-00338125)

Place: New Delhi
Date: 18 June 2020

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

Place: New Delhi
Date: 18 June 2020

Rajkumar Tanwar
Company Secretary
(Membership No. A56876)

Place: New Delhi
Date: 18 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ZUARI FINSERV LIMITED

Zuari Finserv Limited
Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	18	1,013.14	854.28
Other income	19	106.55	69.76
Total income		**1,119.69**	**924.04**
Expenses			
Employee benefits expense	20	655.41	557.64
Finance costs	21	181.08	53.07
Depreciation and amortization expense	22	101.17	14.82
Other expenses	23	327.47	274.99
Total expenses		**1,265.13**	**900.52**
(Loss)/profit before tax		**(145.44)**	**23.52**
Tax expense:			
Current tax	24	-	6.62
Deferred tax credit	24	49.83	(0.55)
		49.83	**6.07**
(Loss)/profit for the year		**(195.27)**	**17.45**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit plans		(2.64)	4.01
Income tax effects thereon		0.69	(1.00)
Other comprehensive (loss)/income for the year		**(1.95)**	**3.01**
Total comprehensive (loss)/income for the year		**(197.22)**	**20.46**
(Loss)/earnings per equity share:	25		
Basic		(0.98)	0.09
Diluted		(0.98)	0.09

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: 18 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

R. S. Raghavan
Director
(DIN-00362555)

Place: Gurugram
Date: 18 June 2020

Vijay Kathuria
Director
(DIN-00338125)

Place: New Delhi
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Chief Financial Officer
(PAN: CANPS0898B)

Place: New Delhi
Date: 18 June 2020

Rajkumar Tanwar
Company Secretary
(Membership No. A56876)

Place: New Delhi
Date: 18 June 2020

ZUARI FINSERV LIMITED *

(All amounts in INR lacs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flow from operating activities		
(Loss)/profit before tax	**(145.44)**	**23.52**
Adjustments for :		
Depreciation and amortisation expense	101.17	14.81
Finance costs	181.08	53.07
Interest income	(72.77)	(56.73)
Excess provision written back	(1.54)	(10.06)
Profit on sale of property, plant and equipment	-	(0.28)
Property, plant and equipment written off	0.02	-
Bad debts	0.68	11.75
Loss allowance against credit impaired debtors	99.43	0.15
Operating profit before changes in working capital	**162.63**	**36.23**
Changes in working capital		
-trade receivables	865.59	(490.67)
-other assets	(63.38)	(564.55)
-trade payables	66.31	(244.36)
-other payables	(38.85)	24.75
Cash flow generated from/(used in) operations	**992.30**	**(1,238.60)**
Income taxes paid (net)	(18.54)	(15.92)
Net cash flow generated from/(used in) operations	**973.76**	**(1,254.52)**
B Cash flow from investing activities		
Purchase of property, plant and equipment	(21.79)	(17.35)
Proceeds from sale of property, plant and equipment	-	0.28
Deposits made during the year	(200.00)	(100.00)
Interest received	30.47	44.67
Net cash flow used in investing activities	**(191.32)**	**(72.40)**
C. Cash flow from financing activities		
Proceeds from current borrowings (net)	103.77	459.89
Payment of lease liabilities	(53.05)	-
Inter corporate deposits taken	310.00	725.70
Inter corporate deposits repaid	(731.70)	-
Proceeds from issue of equity shares to holding company	-	200.00
Finance costs paid	(155.48)	(53.07)
Net cash flow (used in)/generated from financing activities	**(526.46)**	**1,332.52**
Net increase in cash and cash equivalents (A+B+C)	255.98	5.60
Cash and cash equivalents as at the beginning of the year	799.66	754.87
Cash and cash equivalents additions pursuant to merger (refer note 34)	-	39.19
Cash and cash equivalents as at the end of the year	**1,055.64**	**799.66**

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.

2 Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: 18 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

R. S. Raghavan
Director
(DIN-00362555)

Place: Gurugram
Date: 18 June 2020

Vijay Kathuria
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Place: New Delhi
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Alok Kr. Srivastava
Chief Financial Officer
(PAN: CANPS0898B)

Place: New Delhi
Date: 18 June 2020

Rajkumar Tanwar
Company Secretary
(Membership No. A56876)

Place: New Delhi
Date: 18 June 2020

ZUARI FINSERV LIMITED

(All amounts in INR lacs, unless otherwise stated)

(a) Equity share capital

Equity shares of INR 10/- each issued, subscribed and fully paid	Number of shares	Amount
As at 31 March 2018	**1,79,98,426**	**1,799.84**
Addition during the year	20,00,000	200.00
As at 31 March 2019	**1,99,98,426**	**1,999.84**
Addition during the year	-	-
As at 31 March 2020	**1,99,98,426**	**1,999.84**

(b) Other equity

	Retained earnings
For the year ended 31 March 2020	
As at 01 April 2019	**190.37**
Loss for the year	(195.27)
Other comprehensive loss	(1.95)
Total comprehensive loss	**(197.22)**
At 31 March 2020	**(6.85)**
For the year ended 31 March 2019	
As at 01 April 2018	**243.30**
Additions pursuant to merger (refer note 34)	(73.39)
Profit for the year	17.45
Other comprehensive income	3.01
Total comprehensive loss	**(52.93)**
At 31 March 2019	**190.37**

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: 18 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

R. S. Raghavan
Director
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Place: Gurugram
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Director
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Place: New Delhi
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(PAN: CANPS0898B)

Place: New Delhi
Date: 18 June 2020

Rajkumar Tanwar
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(Membership No. A56876)

Place: New Delhi
Date: 18 June 2020

ZUARI FINSERV LIMITED *

Zuari Finserv Limited
Summary of significant accounting policies and other explanatory information's for the year ended 31 March 2020

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). For further details, refer note 34.

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 (refer note 36) 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 (refer note 6) measured at fair value or net realizable value as applicable.

b) Newly effective standard adopted by the Company (recent accounting pronouncement)

The Company has applied Ind AS 116, Leases, for the first time for their annual reporting period commencing 1 April 2019. The Company had to change its accounting policies as a result of adopting Ind AS 116. The Company adopted the new standard retrospectively but recognized the cumulative effect of initially applying the new standard on 1 April 2019. Refer note 33 for details. The other amendments did not have any impact on the amounts recognized in earlier periods and are not expected to affect the current period.

c) 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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

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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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d) Revenue recognition

The Company has applied Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 "Revenue". The details of accounting policies under Ind AS 18 are disclosed separately if they are different from those under Ind AS 115 and the impact of changes is disclosed in note 33.

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. Recognising 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.

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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.

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

Revenue is recognised 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 recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised 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 was recognised 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 received.

Revenue was measured at the fair value of the consideration received or receivable. Revenue excludes service tax and goods and service tax.

The specific recognition criteria described below must also be met before revenue is recognized:

Rendering of services:
Revenue from brokering services is recognised 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 amortised cost, interest income is recorded using the effective interest rate (EIR). Refer note (i) for further details.

Dividends:
Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Taxes

Income tax comprises of current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that is related to an item recognised 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.

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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 recognised for all taxable temporary differences. Deferred income tax assets are recognised 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 utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred 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.

f) Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised upto 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 capitalisation.

g) 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 recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and

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- 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 year when such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 derecognised.

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

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.

h) 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 recognised 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 five years.

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

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

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

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

i) 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 recognised 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

j) Leases

As a lessee

As 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 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

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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 assess 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 remeasurements 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 remeasured 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 remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use

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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.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.
When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.
The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.
The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

k) 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 actuarial valuation on projected unit credit method made at the end of each financial year. 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 full in the year in which they occur in the statement of profit and loss.

Measurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a

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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 recognised in profit or loss on the earlier of:

•The date of the plan amendment or curtailment, and

•The date that the Company recognises related restructuring costs

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

l) 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 recognised immediately in the statement the profit and loss.

Financial assets:

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

Amortized cost

A financial asset shall be measured at amortised 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

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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 amortised 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 amortised 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 recognised 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 recognised 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 recognised in the Statement of Profit and Loss are included in the 'Other income' line item.

Financial assets at cost

The Company holds investments in its subsidiaries, which are measured at cost while preparing its separate financial statements.

Impairment of financial asset

The Company applies the expected credit loss model for recognising 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

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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 amortised 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 amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of profit and loss.

Derecognition of financial instruments

The Company derecognises 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 derecognised 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 realisation on future date.

m) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

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n) 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.

o) 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.

p) Business combinations under common control transactions

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies of the both the entities.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements,

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irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.

(v) The financial information presented for the comparative period has been restated in order to comply with the requirement of the Scheme and Ind AS 103 with effected from appointed date as defined above.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Unallocated items include general corporate income and expense items which are not allocated to any business segment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole

r) 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 Group has also factored in overall time period of rent agreements to arrive at lease period to recognise 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.

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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).

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(All amounts in INR lacs, unless otherwise stated)

4 Property, plant and equipment

Particulars	Furniture and fixtures	Office equipments	Total
Year ended 31 March 2019			
Gross carrying amount			
As at 01 April 2018	29.03	40.45	69.48
Additions	9.97	5.24	15.21
Additions pursuant to merger	-	0.20	0.20
Disposals	-	2.20	2.20
As at 31 March 2019	**39.00**	**43.69**	**82.69**
Accumulated depreciation			
As at 01 April 2018	13.00	16.36	29.36
Depreciation charge during the year	4.13	9.66	13.79
Additions pursuant to merger	-	0.20	0.20
Adjustment for disposals	-	2.20	2.20
As at 31 March 2019	**17.13**	**24.02**	**41.15**
Net carrying amount	**21.87**	**19.67**	**41.54**
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**

5 Other intangible assets

Particulars	Softwares
Year ended 31 March 2019	
Gross carrying amount	
As at 01 April 2018	4.80
Additions	2.14
Adjustment for scheme of arrangement	-
Disposals	-
As at 31 March 2019	**6.94**
Accumulated amortisation	
As at 01 April 2018	4.34
Amortisation during the year	1.03
Adjustment for scheme of arrangement	-
Adjustment for disposals	-
As at 31 March 2019	**5.37**
Net carrying amount	**1.57**
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**

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(All amounts in INR lacs, unless otherwise stated)

6 Financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Investment (in wholly owned subsidiaries)		
Measured at cost:		
Unquoted:		
Zuari Insurance Brokers Limited [2,750,000 (P.Y. 2,750,000) shares of INR 10/- each]	275.00	275.00
Total	**275.00**	**275.00**
Aggregate book value of unquoted investments	**275.00**	**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 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost:				
Security deposits (unsecured, considered good)	559.72	300.95	1,220.96	1,383.37
Total	**559.72**	**300.95**	**1,220.96**	**1,383.37**

Other financial assets

Particulars	Non- current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost:				
Balances with banks - in deposit accounts*	52.12	67.12	-	-
Interest accrued on deposits	-	-	42.30	16.94
Total	**52.12**	**67.12**	**42.30**	**16.94**

* Under lien - includes 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 26.12 Lacs) to National Securities Clearing Corporation Ltd, INR Nil (P.Y. INR 7.50 Lacs) is under lien to National Commodity and Derivatives Exchange Limited and INR Nil (P.Y. INR 7.50 Lacs) 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 INR lacs, unless otherwise stated)

7 Other assets

Particulars	As at 31 March 2020	As at 31 March 2019
Other advances recoverable in cash or in kind *	35.07	41.09
Prepaid expenses	16.77	20.61
Prepaid lease	-	0.45
Total	**51.84**	**62.15**

*Refer note 31 for recoverable from related parties.

8 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost:		
From others	351.25	1,341.47
From related parties (refer note 31)	67.51	42.99
Total	**418.76**	**1,384.46**
Break-up for security details:		
Secured, considered good	386.93	1,041.44
Unsecured		
Considered good	31.83	343.02
Credit impaired	202.77	103.34
	621.53	**1,487.80**
:Loss allowance against credit impaired debtors	(202.77)	(103.34)
Total	**418.76**	**1,384.46**

9 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.32	0.37
Balances with bank:		
In current accounts	1,055.32	799.29
Total	**1,055.64**	**799.66**

10 Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with bank:		
In fixed deposits (earmarked)*	400.00	200.00
Total	**400.00**	**200.00**

*Fixed deposit is earmarked against the short term loan of INR 400 lacs availed by the Company from HDFC Bank Limited . Refer note 13 for further details.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (All amounts in INR lacs, unless otherwise stated)

11 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised:		
30,010,000 equity shares of INR 10/- each (refer note 34)	3,001.00	3,001.00
Issued shares:		
19,998,426 (19,998,426) Equity shares of INR 10/- each	1,999.84	1,999.84
Subscribed and fully paid-up shares:		
19,998,426 (19,998,426) Equity shares of INR 10/- each	1,999.84	1,999.84

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

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount in INR	No. of shares	Amount in INR
Equity shares capital				
Outstanding at the beginning of the year	1,99,98,426	1,999.84	1,79,98,426	1,799.84
Addition during the year	-	-	20,00,000	200.00
Outstanding at the end of the year	1,99,98,426	1,999.84	1,99,98,426	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 2020	As at 31 March 2019
Zuari Global Limited	1,99,98,426	1,99,98,426

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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	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 (refer note 31)	1,99,98,426	100%	1,99,98,426	100%

12 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Retained earnings#		
Opening balance	190.37	243.30
Adjustments pursuant to merger (refer note 34)	-	-73.39
(Loss)/profit for the year	-195.27	17.45
Other comprehensive income	-1.95	3.01
Closing balance	**-6.85**	**190.37**

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

13 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost:		
Term loan from bank (secured)	400.00	400.00
Cash credit (secured)	363.66	259.89
Inter corporate deposits (from related parties, refer note 31)	304.00	725.70
Total	**1,067.66**	**1,385.59**

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Note:

(i) The Company has availed a short term loan of INR 400 lacs from HDFC Bank Limited ("Bank") under which the bank has provided fixed deposit to clearing member of INR 400 lacs on behalf of the Company. The facility is secured by fixed deposit of INR 400 lacs provided by the Company to the bank. The facility has been availed by the Company at marginal cost of funds based lending rate (MCLR) and will be repaid within 1 year from the date of facility.

(ii) HDFC Bank Limited (the 'bank') has sanctioned a cash credit limit of INR 500 lacs at the rate mutual agreed between the parties which is 11.50% p.a. for the facility as on 31 March 2020. The facility is used for funding working capital requirements of the Company. The facility is repayable on demand with security against book debts of the Company.

(iii) Zuari Global Limited, the holding company of the Company has provided Inter Corporate Deposits (ICDs) to the Company for funding its working capital requirements. ICDs are repayable on 31 March 2021 and carries interest at the rate of 13.50% p.a.

(iv) **Changes in liabilities arising from financing activities:**

	Current borrowings	Interest accrued but not due	Lease liabilities
As at 31 March 2018	**200.00**	-	-
Cash adjustments			
Cash inflows	1,185.59	-	-
Cash outflows	-	-	-
Interest paid	-53.07	-	-
Non cash adjustment			
Interest expense/accruals	53.07	-	-
As at 31 March 2019	**1,385.59**	**-**	**-**
Cash adjustments			
Cash inflows	413.77	-	-
Cash outflows	-731.70	-	-53.05
Interest paid	-106.60	-	-48.88
Non cash adjustment			
Interest expense/accruals	106.60	25.60	48.88
As at 31 March 2020	**1,067.66**	**25.60**	**-53.05**

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(All amounts in INR lacs, unless otherwise stated)

14 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables*:		
-Total outstanding due of micro enterprises and small enterprises	-	-
-Total outstanding due of creditors other than micro enterprises and small enterprises	113.97	49.20
Total	**113.97**	**49.20**

*Refer note 35 for details of dues to micro and small enterprises.
*Refer note 31 for payable towards related parties.

15 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits received from:		
Depository clients	231.55	231.24
Others	5.36	5.36
Current maturities of lease liabilities (refer note 27)	54.76	-
Interest accrued but not due (refer note 31)	25.60	-
Total	**317.27**	**236.60**

16 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	16.34	23.62
Advances from customers	789.23	835.29
Total	**805.57**	**858.91**

17 Provisions (current and non-current)

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	60.98	46.28	1.06	0.83
Provision for leave encashment	40.94	39.27	1.64	1.42
Total	**101.92**	**85.55**	**2.70**	**2.25**

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(All amounts in INR lacs, unless otherwise stated)

18 Revenue from operations

		Year ended 31 March 2020	Year ended 31 March 2019
Disaggregated revenue from contracts with customers			
Depository operations		157.61	125.58
Brokerage income from:			
Stock broking and commodity operations		727.64	597.62
Mutual funds		52.60	72.89
Real estate		16.41	6.36
Loans facilitation		0.89	0.83
Registrar and share transfer agents		57.99	51.00
	Total	**1,013.14**	**854.28**

Receivables and contract liabilities from contracts with customers:

	As at 31 March 2020	As at 31 March 2019
Trade receivables	418.76	1,384.46
Contract liabilities	789.23	835.29

19 Other income

		Year ended 31 March 2020	Year ended 31 March 2019
Interest on deposits from:			
Deposits with exchanges		71.82	52.57
Security deposits		0.96	1.33
Others		-	2.84
Excess provisions written back		1.54	10.06
Rental income		27.35	-
Profit on sale of property, plant and equipment		-	0.28
Miscellaneous income		4.88	2.68
	Total	**106.55**	**69.76**

20 Employee benefits expense

		Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus		660.13	571.21
Contribution to provident fund		30.55	23.08
Staff welfare expenses		11.75	10.61
		702.43	**604.90**
Less: Cost transferred to related parties (refer note 31)		47.02	47.26
	Total	**655.41**	**557.64**

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ZUARI FINSERV LIMITED

(All amounts in INR lacs, unless otherwise stated)

21 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on borrowings	131.30	53.07
Interest expense on lease liabilities (refer not 27)	48.88	-
Other borrowing costs	0.90	-
Total	**181.08**	**53.07**

22 Depreciation and amortization expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment	18.27	13.79
Depreciation of right-of-use assets (refer not 27)	81.49	-
Amortisation of intangible assets	1.41	1.03
Total	**101.17**	**14.82**

23 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Advertisement	0.22	1.22
Depository charges and brokerage	71.95	30.64
Computer repair and maintenance	22.27	18.45
Fees and subscription	10.19	14.02
Insurance	18.17	18.11
Legal and professional	6.59	6.63
Auditors remuneration*	3.55	2.13
Office maintenance	30.60	29.32
Rates and taxes	0.06	0.54
Printing and stationery	5.72	6.69
Directors sitting fees	2.20	2.30
Rent	2.21	72.38
Communication	27.03	33.33
Travelling and conveyance	21.64	23.82
Bad debts	0.68	11.75
Loss allowance against credit impaired debtors	99.43	0.15
Commission paid	1.00	0.80
Property, plant and equipment written off	0.02	-
Miscellaneous expenses	3.94	2.71
Total	**327.47**	**274.99**

* Auditors remuneration		
Audit fees	1.50	1.50
Tax audit fees	0.50	0.50
Other Certification fees	1.05	0.05
Reimbursement of expenses	0.50	0.08
	3.55	**2.13**

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(All amounts in INR lacs, unless otherwise stated)

24 Income tax expense

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit	(145.44)	23.52
Applicable tax rates	26%	26%
Expected tax expense	(37.81)	6.11
Impact of tax losses on which no deferred tax was recognised	87.64	1.80
Deferred tax created for earlier years	-	(1.84)
Actual tax expense	**49.83**	**6.07**
Tax expense comprises:		
Current tax expense	-	6.62
Deferred tax expense/(credit)	49.83	-0.55
	49.83	**6.07**

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) As per Finance Act, 2020, for the year ended 31 March 2020, the income tax rates for domestic companies whose turnover has not exceeded INR 400 crores in year ended 31 March 2019, the applicable rate of income tax shall be 25%. Cesses are considered separately as applicable.

Deferred tax assets:

	As at 31 March 2018	(Charged)/Credited to Profit or Loss	(Charged)/Credited to OCI	As at 31 March 2019	(Charged)/Credited to Profit or Loss	(Charged)/Credited to OCI	As at 31 March 2020
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	12.37	0.20	-	12.57	0.32	-	12.89
Provision for gratuity	10.79	2.19	(1.00)	11.98	3.20	0.69	15.87
Provision for leave encashment	7.71	2.69	-	10.40	0.49	-	10.89
Provision for bonus	1.46	0.07	-	1.53	2.43	-	3.96
Loss allowance against credit impaired debtors	26.80	0.04	-	26.84	25.85	-	52.69
Carry forward losses and unabsorbed depreciation	171.21	-11.28	-	159.93	(89.43)	-	70.50
MAT credit entitlement	6.79	6.64	-	13.43	(1.02)	-	12.41
MAT credit entitlement (additions pursuant to merger) (refer note 34)	0.15	-	-	0.15	1.23	-	1.38
Lease liabilities	-	-	-	-	7.10	-	7.10
Total (B)	**237.28**	**0.55**	**(1.00)**	**236.83**	**(49.83)**	**0.69**	**187.69**
Deferred tax asset/(liability) (B - A)	**237.28**	**0.55**	**(1.00)**	**236.83**	**(49.83)**	**0.69**	**187.69**

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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(All amounts in INR lacs, unless otherwise stated)

25 Earnings per share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the peroid 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 31 March 2020	Year ended 31 March 2019
(Loss)/profit attributable to equity holders	(195.27)	17.45
Weighted average number of equity shares used for computing EPS (Basic and Diluted)	1,99,98,426	1,99,98,426
Face value per share (INR per share)	10	10
(Loss)/earning per share (basic and diluted) (INR)	**(0.98)**	**0.09**

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 31 March 2020	Year ended 31 March 2019
Borrowings	1,067.66	1,385.59
Trade payables	113.97	49.20
Less: Cash and cash equivalents	(1,055.64)	(799.66)
Net debt	**125.99**	**635.13**
Total Capital	**1,992.99**	**2,190.21**
Capital and net debt	**2,118.98**	**2,825.34**
Gearing ratio	**0.06**	**0.22**

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 2020.

27 Leases

Where Company is a lessee

The Company leases several buildings in form of corpoarte & 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:

	For the year ended 31 March 2020
Recognised as at 1 April 2019	71.81
Additions	383.53
Derecognition	-
Impairment	-
Depreciation	-81.49
Closing balance as on 31 Mar 2020	**373.85**

ii. Lease liabilties

	For the year ended 31 March 2020
Recognised as at 1 April 2019	62.55
Addition	383.53
Interest accured	48.88
Payments	(101.93)
Closing balance as at 31 March 2020	**393.03**
Current (Current Maturities of lease liabilties)	54.76
Non Current	338.27

Note : Refer note 29 for maturity analysis of lease liabilities.

iii. Amount recognised in statement of profit and loss

	For the Year ended 31 March 2020
Depreciation (refer note 22)	81.49
Interest on lease liabilties (refer note 21)	48.88
Expenses relating to short-term leases	2.21
Net Impact on Statement of Profit and Loss	**132.58**

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iv. Amount recognised in Cash Flow Statement

	For the Year ended 31 March 2020
Payment of finance cost	48.88
Payment of lease labilties	53.05
Total cash outflows	**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.

<u>**Where Company is a Lessor**</u>

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

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ZUARI FINSERV LIMITED

(All amounts in INR lacs, unless otherwise stated)

28 Fair value measurements

28.1 Financial instruments by category

		Carrying value	
		As at 31 March 2020	As at 31 March 2019
	Financial assets		
A	Investment in unquoted equity shares [refer note (i) below]	275.00	275.00
B	**Amortised cost:** [refer note (ii) below]		
	Security deposits	1,780.68	1,684.32
	Balances with banks - in deposit accounts (including interest accrued)	94.42	84.06
	Trade receivables	418.76	1,384.46
	Other bank balances	400.00	200.00
	Cash and cash equivalents	1,055.64	799.66
	Total	**4,024.50**	**4,427.50**
	Financial liabilties		
A	**Amortised cost:** [refer note (ii) below]		
	Borrowings	1,067.66	1,385.59
	Lease liabilities	338.27	-
	Trade payables	113.97	49.21
	Other financial liabilities	317.27	236.59
	Total	**1,837.17**	**1,671.39**

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.

28.2 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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ZUARI FINSERV LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR lacs, unless otherwise stated)

29 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 2020**	**As at 31 March 2019**
Security deposits (current and non- current)	1,780.68	1,684.32
Balances with banks - in deposit accounts (non-current)	52.12	67.12
Trade receivables	418.76	1,384.46
Cash and cash equivalents	1,055.64	799.66
Interest accrued on deposits	42.30	16.94
	3,349.50	**3,952.50**

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 s	1,075.96	9.34	402.50
Carrying amounts as on 31 March 2020	146.74	13.39	461.39

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.

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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 2020				
Borrowings	1,110.37	-	-	**1,110.37**
Trade payables	113.98	-	-	**113.98**
Lease liabilities (including current maturities)	141.99	490.75	50.25	**682.99**
Other financial liabilities	175.28	-	-	**175.28**
	1,541.62	**490.75**	**50.25**	**2,082.62**
As at 31 March 2019				
Borrowings	1,441.02	-	-	**1,441.02**
Trade payables	49.20	-	-	**49.20**
Other financial liabilities	236.60	-	-	**236.60**
	1,726.82	**-**	**-**	**1,726.82**

Collateral

The Company has pledged part of its deposits in order to fulfil the collateral requirements for its operations. At 31 March 2020 and 31 March 2019, the fair values of the deposits pledged were INR 4,00.00 Lacs and INR 2,00.00 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 2020.

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ZUARI FINSERV LIMITED

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(All amounts in INR lacs, unless otherwise stated)

30 Employee benefit obligations:

A Gratuity

Particulars	As at 31 March 2020	As at 31 March 2019
Plans		
- Gratuity (not funded)	62.05	47.11
	62.05	**47.11**

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 2020	As at 31 March 2019
Current service cost	9.50	7.01
Net interest cost	3.57	3.38
	13.07	**10.39**

Amount recognised in other comprehensive income for the year ended :

Particulars	As at 31 March 2020	As at 31 March 2019
Actuarial (losses)/gains on obligations	(2.64)	4.01
	(2.64)	**4.01**

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

Particulars	As at 31 March 2020	As at 31 March 2019
Opening defined obligations	47.11	43.60
Current service cost	9.50	7.01
Interest cost	3.57	3.38
Benefits paid	(0.78)	(2.87)
Actuarial gain on obligations	2.65	(4.01)
Defined benefit obligation	**62.05**	**47.11**

The Company expects to contribute INR 1,576,809 (Previous year INR 1,222,282) towards gratuity during the year 2020-21.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (in %)	6.85%	7.75%
Salary Escalation (in %)	8% for first 2 years & 6.5% thereafter	9% for first 2 years & 7.5% thereafter

Gratuity Plan

Particulars	**As at 31 March 2020**			
Assumptions	**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)

Particulars	**As at 31 March 2019**			
Assumptions	**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)	(3.35)	3.68	3.66	(3.37)

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

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Less than a year	1.06	0.83
Between 1 - 2 years	1.19	0.78
Between 2 - 5 years	3.23	2.44
Over 5 years	56.57	43.06
Total	**62.05**	**47.11**

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.44 years (31 March 2019: 17.79 years).

B Leave encashment

Particulars	As at 31 March 2020	As at 31 March 2019
Provisions	42.57	40.69
	42.57	**40.69**
Amount recognised in the statement of profit and loss is as under:		
Current service cost	10.70	8.45
Interest cost	3.10	2.39
Actuarial loss recognised during the year	5.40	7.42
	19.20	**18.26**

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 30.55 lacs (31 March 2019 - INR 23.08 lacs).

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(All amounts in INR lacs, unless otherwise stated)

31 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 March 2020	As at 31 March 2019
Opening balance	729.94	4.42
Real estate income	3.40	-
Expenses paid on our behalf	0.01	0.19
ICDs taken	310.00	1,919.50
ICD repaid	731.70	1,193.80
Amount received on their behalf	-	76.24
Share capital issued	-	200.00
Interest expense	35.14	14.14
Depository/brokerage income	21.31	8.07
Closing balance (shown under trade receivables)	30.90	4.24
Closing balance (shown under current borrowings)	304.00	725.70
Closing balance (shown under interest accrued but not due)	25.60	-

ii) Subsidiaries:

Zuari Insurance Brokers Limited

Nature of transaction	As at 31 March 2020	As at 31 March 2019
Year ended 31 March 2020		
Opening balance	20.45	1.00
Amount paid on their behalf	6.36	15.31
Rental income	23.15	23.15
Employee benefit expenses received *(on account of transfer of employee from Zuari Commodity Trading Limited)*	54.90	-
Salary cost transferred (refer note 20)	47.02	47.26
Depository participant income	0.02	0.22
RTA Charges	0.10	-
Closing balance (shown under head other current assets)	3.10	20.45

iii) Fellow subsidiaries:

Simon India Limited
Zuari Investments Limited
Zuari Management Services Limited
Zuari Infraworld India Limited
Zuari Sugar & Power Limited
Gobind Sugar Mills Limited

Year ended 31 March 2020

Nature of transaction	Simon India Limited*	Zuari Investments Limited*	Zuari Management Services Limited**	Zuari Infraworld India Limited*	Zuari Sugar & Power Limited*	Gobind Sugar Mills Limited *
Opening balance	0.02	10.78	0.71	1.06	4.39	2.04
Property, plant and equipment (office equipment transferred)	-	-	-	-	-	-
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.

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ZUARI FINSERV LIMITED

(All amounts in INR lacs, unless otherwise stated)

Year ended 31 March 2019

Nature of transaction	Simon India Limited*	Zuari Investments Limited**	Zuari Management Services Limited**	Zuari Infraworld India Limited*	Zuari Sugar & Power Limited*	Gobind Sugar Mills Limited *
Opening balance	0.01	153.08	216.00	-	1.00	2.00
Property, plant and equipment (office equipment transferred)	-	0.10	-	-	0.10	-
Amount paid on their behalf	-	-	0.02	-	3.87	-
Rent reimbursed		2.10	-		2.10	-
RTA / DP / Brokerage income	0.17	1.98	0.86	0.90	0.11	1.87
Closing balance	0.02	10.78	0.71	1.06	4.39	2.04

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

iv) **Key Management Personnel**
Mr. L.M Chandrasekaran (Independent Director)
Mr. Bhaskar Chatterjee (Independent Director)

Nature of transaction	As at 31 March 2020	As at 31 March 2019
Mr. L.M Chandrasekaran		
Director's sitting fees	1.10	1.05
Mr. Bhaskar Chatterjee		
Director's sitting fees	1.10	1.25

v) **Relatives of Key Management Personnel of the Company**
Ms. Kavita Kathuria

Nature of transaction	As at 31 March 2020#	As at 31 March 2019#
Opening balance	7.00	5.00
DP / Brokerage income	1.00	2.00
Closing balance (shown under head trade receivables)	8.00	7.00

 # These amounts are in INR rupees.

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ZUARI FINSERV LIMITED

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(All amounts in INR lacs, unless otherwise stated)

32 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.

33 Change in accounting policy:

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company has adopted revised reporting i.e. Ind AS 116 with effect from 1 April 2019 using "Modified Retrospective Approach". There is no impact of adoption of Ind AS 116 on the retained earnings of the Company on transition date. On adoption of Ind AS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 12.00%. There were no finance lease as on transition date.

<u>Practical expedients used:</u>

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

- ☐ applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- ☐ excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying Ind AS 17.

Measurement of lease liabilities	**Amount**
Operating lease commitments as on 31 March 2020 disclosed in the Company's financial statements	94.28
Lease liabilities recognised (discounted using the Company's increamental borrowing rate as on transition date)	62.55

Measurement of right of use assets

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 March 2019.

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ZUARI FINSERV LIMITED

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(All amounts in INR lacs, unless otherwise stated)

34 Merger of Zuari Commodity Trading Limited, a wholly owned subsidiary company of the Company ("ZCTL" or "Transferor Company") with the Company ("Transferee Company").

(i) With reference to confirmation of order of Scheme of Merger of Transferor Company (in the business of commodity trading) with Transferee Company (in the business of stock broking, depository services etc.) dated 09 May 2019 (the "Scheme") received from Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, the Scheme stands approved and filed with Registrar of Companies on 8 June 2019 ("Effective Date"). On complying with the requisite formalities by the Company, the Scheme became effective from 1 April 2018 ("Appointed Date").

(ii) Pursuant to the Scheme being effective, the authorized share capital of the Transferee Company is adequately enhanced by transferring the authorized share capital of the Transferor Company, an amount of INR 50,000,000 divided into 5,000,000 equity shares of INR 10/- each without any further act, instrument or deed by the Transferee Company and without any liability for payment of additional fee or stamp duty in respect thereof since the stamp duty and fee stands already paid by the Transferor Company on the said authorized equity share capital so transferred, the benefit of which shall accordingly stand transferred in favor of the Transferee Company pursuant to Scheme becoming effective. Transferor Company is wholly owned subsidiary of the Transferee Company. As a result, upon this Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the entire issued, subscribed and paid up capital of the Transferor Company shall stand cancelled.

(iii) The said arrangement has been accounted for using "pooling of interest" method as prescribed under Ind AS 103 "Business Combinations" being a common control transaction from the Appointed Date. The accounting for the same is in accordance with the accounting prescribed under the Scheme as mentioned below:

(a) Transferee Company has recorded the assets and liabilities of Transferor Company at the same values at which they were appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.

The value of assets and liabilities taken under the Scheme on the appointed date and treatment of excess thereof:

Particulars	Amount
Assets acquired (A)	158.88
Liabilities taken over (B)	72.27
Net assets transferred (A-B)	**86.61**
Share capital of the Transferor Company extinguished and cancelled (1,600,000 equity shares of INR 10/- each held by the Transferee Company)	**160.00**
Net adjustments to retained earnings as on 1 April 2018	**(73.39)**

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ZUARI FINSERV LIMITED

(All amounts in INR lacs, unless otherwise stated)

35 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 2020	As at 31 March 2019
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.	-	-

36 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.

37 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).

38 The financial statements were approved for external issue by the board of directors on 18 June 2020.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: 18 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

R. S. Raghavan
Director
(DIN-00362555)

Place: Gurugram
Date: 18 June 2020

Vijay Kathuria
Director
(DIN-00338125)

Place: New Delhi
Date: 18 June 2020

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

Place: New Delhi
Date: 18 June 2020

Rajkumar Tanwar
Company Secretary
(Membership No. A56876)

Place: New Delhi
Date: 18 June 2020

ZUARI FINSERV LIMITED