

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram 122002
India

T +91 124 462 8000
F +91 124 462 8001

Independent Auditor's Report

To the Members of Zuari Sugar & Power Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Zuari Sugar & Power Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, 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 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of 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.

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.



Walker Chandiook & Co LLP

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 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. 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.
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 2019 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 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 4 May 2019 as per Annexure II expressed an unmodified opinion; and



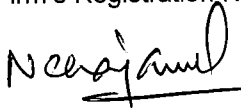
Walker Chandiook & Co LLP

- 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 40, to the financial statements, has disclosed the impact of pending litigation on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - 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 2019; 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 Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Goel

Partner

Membership No.: 099514



Place: Gurugram

Date: 4 May 2019

Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Zuari Sugar & Power Limited, on the financial statements for the year ended 31 March 2019

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) The property, plant and equipment have been physically verified by the management during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no discrepancies between physical inventory and book records were noticed on physical verification.
- (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 complied with the provisions of Section 186 in respect of loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments, guarantees and securities.
- (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 products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing 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, to the appropriate authorities. 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 become payable.



Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Zuari Sugar & Power Limited, on the financial statements for the year ended 31 March 2019 (cont'd)

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

| Name of the statute | Nature of dues | Amount (INR In lacs) | Amount paid under Protest (INR In lacs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|----------------------|---|------------------------------------|--------------------------------------|
| Income-tax Act, 1961 | Income tax | 29.72 | 5.94 | FY 2015-16 | Commissioner of Income Tax (Appeals) |

- (viii) The Company has not defaulted in repayments of loan and 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 Chandiook & Co LLP

Chartered Accountants

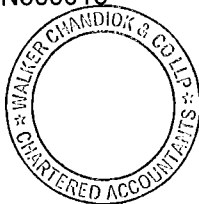
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel

Partner

Membership No.: 099514



Place: Gurugram

Date: 04 May 2019

Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Zuari Sugar & Power Limited, on the financial statements for the year ended 31 March 2019

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 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility 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) 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.



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Zuari Sugar & Power Limited, on the financial statements for the year ended 31 March 2019 (Cont'd)

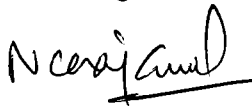
Inherent Limitations of Internal Financial Controls over Financial Reporting

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.

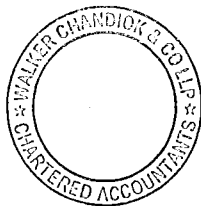
Opinion

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 2019, 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 Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No. 099514



Place: Gurugram
Date: 04 May 2019

Zuari Sugar & Power Limited
Balance Sheet as at 31 March 2019

(All amounts in lacs)

| Particulars | Notes | As at 31 March 2019 | As at 31 March 2018 * |
|---|-------|-------------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 4 | 0.08 | - |
| (b) Financial assets | | | |
| (i) Investments | 5 | 3,356.79 | 2,869.40 |
| (ii) Loans | 5 | 0.94 | 0.94 |
| (iii) Other financial assets | 5 | 427.50 | 227.50 |
| (c) Non-current tax assets (net) | | 2.59 | 0.76 |
| (d) Other non-current assets | 6 | 5,130.86 | 5,695.10 |
| | | <u>8,918.76</u> | <u>8,793.70</u> |
| Current assets | | | |
| (a) Inventories | 7 | 635.40 | - |
| (b) Financial assets | | | |
| (i) Trade receivables | 8 | 7.44 | - |
| (ii) Cash and cash equivalents | 9 | 582.91 | 84.31 |
| (iii) Loans | 10 | 220.00 | 720.00 |
| (iv) Other financial assets | 11 | 552.11 | 511.30 |
| (c) Other current assets | 12 | 1,554.20 | 489.72 |
| | | <u>3,552.06</u> | <u>1,805.33</u> |
| TOTAL | | <u><u>12,470.82</u></u> | <u><u>10,599.03</u></u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 13 | 2,990.00 | 1,490.00 |
| (b) Other equity | 14 | (2,849.72) | (1,242.33) |
| | | <u>140.28</u> | <u>247.67</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities (Borrowings) | 15 | 5,809.80 | 8,399.10 |
| | | <u>5,809.80</u> | <u>8,399.10</u> |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 3,624.90 | 943.00 |
| (ii) Trade payables | 17 | | |
| - Total outstanding due of micro enterprises and small enterprises | | - | - |
| - Total outstanding due of creditors other than micro enterprises and small enterprises | | 63.08 | 2.93 |
| (iii) Other financial liabilities | 18 | 2,800.00 | 1,000.00 |
| (b) Other current liabilities | 19 | 32.76 | 6.33 |
| | | <u>6,520.74</u> | <u>1,952.26</u> |
| TOTAL | | <u><u>12,470.82</u></u> | <u><u>10,599.03</u></u> |

*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 38.

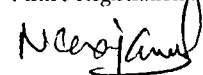
The accompanied notes form an integral part of the financial statements

As per our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

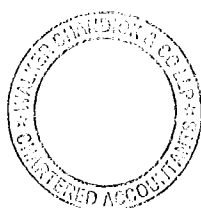

Neeraj Goel

Partner

Membership No. 099514

Place: Gurugram

Date: 4 May 2019



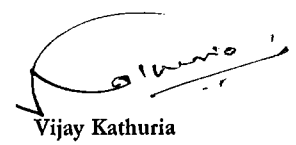
For and on behalf of the Board of Directors of

Zuari Sugar & Power Limited


R. S. Raghavan

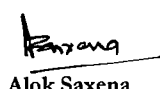
Director

(DIN-00362555)


Vijay Kathuria

Director

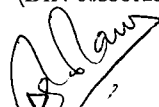
(DIN-00338125)


Alok Saxena

Chief Executive Officer


Nishant Dalal

Chief Financial Officer


Deep Shubham

Company Secretary

(Membership No. A46896)

Zuari Sugar & Power Limited
Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in lacs)

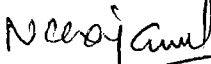
| Particulars | Notes | Year ended 31 March 2019 | Year ended 31 March 2018 * |
|--|-------|-----------------------------|-------------------------------|
| REVENUE | | | |
| Revenue from operations | 20 | 17,455.30 | 989.61 |
| Other Income | 21 | 36.34 | 0.26 |
| Total revenue | | 17,491.64 | 989.87 |
| EXPENSES | | | |
| Purchases of stock in trade | 22 | 17,602.14 | 428.49 |
| Changes in inventories of stock-in-trade | 22 | (635.40) | - |
| Employee benefits expense | 23 | 14.25 | 3.00 |
| Finance costs | 24 | 1,503.44 | 1,246.45 |
| Depreciation | 25 | 0.02 | - |
| Other expenses | 26 | 614.58 | 431.46 |
| Total expenses | | 19,099.03 | 2,109.40 |
| Loss before tax | | (1,607.39) | (1,119.53) |
| Tax expense: | | | |
| Current tax | | - | - |
| Deferred tax | 27 | - | - |
| Loss for the year | | (1,607.39) | (1,119.53) |
| Other comprehensive income for the year | | - | - |
| Total comprehensive loss for the year | | (1,607.39) | (1,119.53) |
| Loss per equity share: | | | |
| - Basic | 29 | (10.04) | (7.51) |
| - Diluted | | (10.04) | (7.51) |

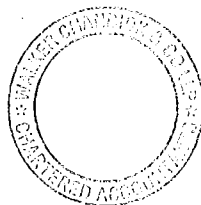
*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 38.

The accompanied notes form an integral part of the financial statements

As per our report of even date.

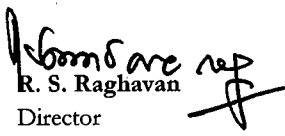
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

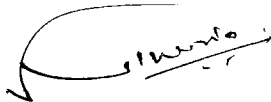

Neeraj Goel
Partner
Membership No. 099514

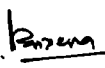


Place: Gurugram
Date: 4 May 2019


For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited


R. S. Raghavan
Director
(DIN-00362555)


Vijay Kathuria
Director
(DIN-00338125)


Alok Saxena
Chief Executive Officer


Nishant Dalal
Chief Financial Officer


Deep Shubham
Company Secretary
(Membership No. A46896)

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018* |
|---|-----------------------------|------------------------------|
| A) Cash flow from operating activities | | |
| Loss before tax | (1,607.39) | (1,119.53) |
| Adjustments for: | | |
| Interest income | (25.55) | (0.26) |
| Finance costs | 1503.44 | 1246.45 |
| Depreciation | 0.02 | - |
| Profit on sale of mutual funds | (10.57) | - |
| Operating loss before working capital changes | (140.05) | 126.66 |
| Adjustment for changes in working capital | | |
| -trade and other receivables | (1,659.97) | (131.79) |
| -trade and other payables | 86.57 | (13.42) |
| Cash flow used in operations | (1,713.45) | (18.55) |
| Income taxes paid (net) | (7.77) | (0.75) |
| Net cash generated used in operating activities | (1,721.22) | (19.30) |
| B) Cash flow from investing activities | | |
| Interest received | 20.2 | 0.75 |
| Proceeds from repayments of loans during the year | 100.00 | 800.00 |
| Purchase of property, plant and equipment | (0.10) | - |
| Loans made during the year | - | (400.00) |
| Loans recovered during the year | 400.00 | - |
| Fixed deposits made during the year | (200.00) | (227.50) |
| Payments for investment in mutual funds | (2,690.00) | - |
| Proceeds from sale of mutual funds | 2700.57 | - |
| Net cash flow generated from investing activities | 330.67 | 173.25 |
| C) Cash flow from financial activities | | |
| Repayment of inter corporate deposits taken from Zuari Global Limited | (2,314.10) | (1,165.00) |
| Proceeds from inter corporate deposits taken from Zuari Global Limited | 4996.00 | 2078.00 |
| Proceeds from issue of equity shares | 1500.00 | - |
| Borrowing costs paid | (1,293.00) | (1,501.52) |
| Repayment of long term borrowings | (999.75) | - |
| Proceeds from long term borrowings | - | 515.00 |
| Net cash flow generated from/(used in) financial activities | 1889.15 | (73.52) |
| Net increase in cash and cash equivalents (A+B+C) | 498.60 | 79.43 |
| Cash and cash equivalents as at the beginning of the year | 84.31 | 3.88 |
| Cash and cash equivalents as at the end of the year (refer note 9) | 582.91 | 84.31 |
| Reconciliation of cash and cash equivalents[#] | | |
| Cash and cash equivalents as per above comprising of the following: | As at 31 March 2019 | As at 31 March 2018 |
| Cash and cash equivalents | 582.91 | 84.31 |
| Balances as per statements of cash flows (as per above) | 582.91 | 84.31 |

#Refer note 9 for break up of cash and cash equivalents.

Notes:

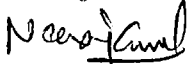
- The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.
- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
- Non cash transactions
Interest accruals due to impacts of application of effective interest method for the year ended 31 March 2019 amounts to INR 210.44 lacs (31 March 2018 : INR Nil).

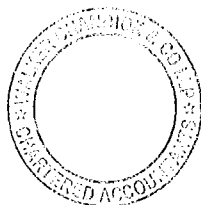
*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 38.

The accompanied notes form an integral part of the financial statements

As per our report of even date

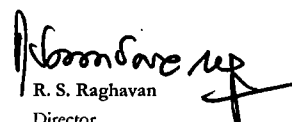
For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

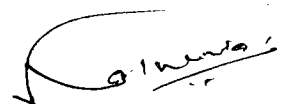

Neeraj Goel
Partner
Membership No. 099514





Place: Gurugram
Date: 4 May 2019


For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited


R. S. Raghavan
Director
(DIN-00362555)


Vijay Kathuria
Director
(DIN-00338125)


Alok Saxena
Chief Executive Officer


Nishant Dalal
Chief Financial Officer


Deep Shubham
Company Secretary
(Membership No. A46896)

(a) Equity share capital

| | Notes | Number of shares | Amount |
|---|-------|------------------|----------|
| Equity shares of INR 10 each issued, subscribed and fully paid | | | |
| As at 31 March 2017 | | 149.00 | 1,490.00 |
| Issued during the year | | - | - |
| As at 31 March 2018 | 13 | 149.00 | 1,490.00 |
| Issued during the year | | 150.00 | 1,500.00 |
| As at 31 March 2019 | 13 | 299.00 | 2,990.00 |

(b) Other equity

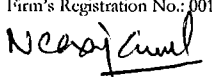
| | Notes | Security premium | Deficit in the Statement of Profit and Loss | Total |
|--|-------|------------------|--|-------------------|
| As at 31 March 2017* | | 124.00 | (246.80) | (122.80) |
| Loss for the year | | - | (1,119.53) | (1,119.53) |
| Other comprehensive income | | - | - | - |
| Total comprehensive loss for the year | | - | (1,119.53) | (1,119.53) |
| As at 31 March 2018 | 14 | 124.00 | (1,366.33) | (1,242.33) |
| Loss for the year | | - | (1,607.39) | (1,607.39) |
| Other comprehensive income | | - | - | - |
| Total comprehensive loss for the year | | - | (1,607.39) | (1,607.39) |
| As at 31 March 2019 | 14 | 124.00 | (2,973.72) | (2,849.72) |

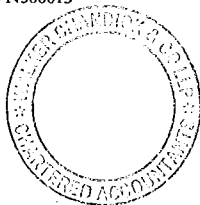
*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 38.

The accompanied notes form an integral part of the financial statements

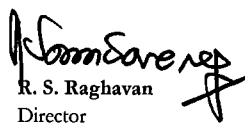
As per our report of even date


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


Neeraj Goel
Partner
Membership No. 099514

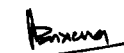


For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited

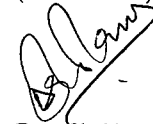

R. S. Raghavan
Director
(DIN-00362555)


Vijay Kathuria
Director
(DIN-00338125)

Place: Gurugram
Date: 4 May 2019


Alok Saxena
Chief Executive Officer


Nishant Dalal
Chief Financial Officer


Deep Shubham
Company Secretary
(Membership No. A46896)

Zuari Sugar & Power Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

1. Corporate information

Zuari Sugar & Power Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company holds investments in securities of related companies and also, during the year ended 31 March 2018, the Company has started the business of trading sugar. The Company's principal place of business is Plot No. 2, Zamrudpur Community Centre, Kailash Colony Extension, New Delhi-110048.

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 41) have been considered while preparing these financial statements.

Standards issued but not effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 (Amendment Rules) via notification dated 30 March 2019, notifying amendments to various Ind AS (not applicable to the Company). These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) along with International Financial Reporting Standards (IFRS) Interpretations Committee to IRFS as a part of annual improvement process. Also, along with these amendments, Amendment Rules inserted a new lease standard Ind AS 116, Leases, (Ind AS 116). These amendments are applicable from 01 April 2019 onwards.

Ind AS 116: Ind AS 116 requires lessees to recognize a "right to asset" and "a lease liability" for almost all of the leasing arrangements. Optional exemption is available in respect of short term leases and low value leases.

The application of the same will withdraw currently applicable lease standard. The Company is currently assessing the potential impacts of the newly notified standard. The same is applicable from reporting periods beginning on or after 1 April 2019.

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 4) measured at fair value or net realizable value as applicable.

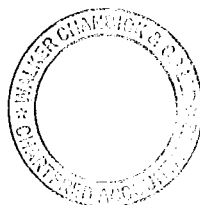
b) Newly effective standard adopted by the Company (recent accounting pronouncement)

The newly effective Ind AS 115 "Revenue from Contracts with Customers" requires to recognize revenue when customer has transferred control of goods or service rather than transfer of risks and rewards. Refer note 20 and 38 for further details.

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:



Zuari Sugar & Power Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

- 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 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 19 and the impact of changes is disclosed in note 36.

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.



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 goods or services to its customers.

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

Sale of sugar:

For transfer of goods, the Company recognizes revenue when the customers obtain the control of goods. This usually happens when the customer gains right to direct the use of and obtained substantially all benefits from the goods. For the goods sold, the Company receives amount majorly in advance from the customers and therefore there are not any significant financing components involved. For certain sales, where the Company also provide transportation services, the Company considers the same as a separate performance obligation believing that the Company is acting as an agent for transfer of goods and therefore reduces the related costs for transportation and other charges from transaction price.

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 received.

Revenue is measured at the fair value of the consideration received or receivable. Revenue excludes sales tax/value added tax/service tax/goods and service tax.

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

Interest income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) as explained in note (j) below.

Dividends:

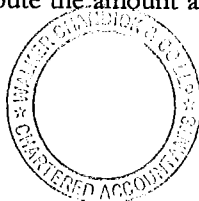
Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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.

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

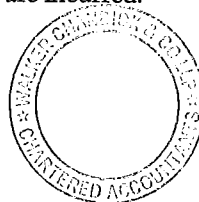
All the items of the property, plant and equipment are stated as per cost model i.e. cost of acquisition less accumulated depreciation and impairment. All significant costs incidental to the acquisition of assets are capitalized.

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
- 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.



Zuari Sugar & Power Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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) |
|-------------|--------------|
| Computer | 03 |

h) Leases

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

i) Inventories

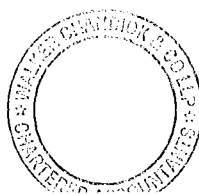
Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

j) Post-employment and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no statutory nor contractual obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability being a defined benefit obligation is provided for on the basis of 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



Zuari Sugar & Power Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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 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 non-routine settlements; and
- Net interest expense or income

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

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

k) Financial instruments

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

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

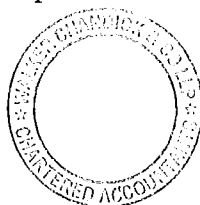
Dividends on these investments in equity instruments are recognised in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery 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.

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 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.

l) 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.

m) Cash and cash equivalents

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

n) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may



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

Contingent liabilities

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

Contingent assets

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

o) 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.

p) 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

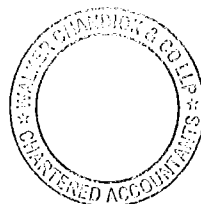
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

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.

Significant estimates



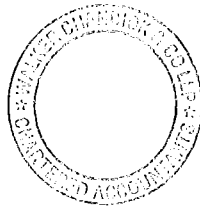
Zuari Sugar & Power Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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.

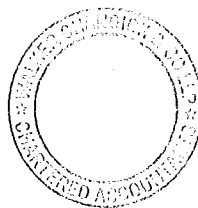
Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

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.



4 Property, plant and equipment

| Particulars | Office equipments |
|-------------------------------------|-------------------|
| Year ended 31 March 2018 | |
| Gross carrying amount | |
| As at 01 April 2017 | - |
| Additions | - |
| Disposals | - |
| As at 31 March 2018 | - |
| Accumulated depreciation | |
| As at 01 April 2017 | - |
| Depreciation charge during the year | - |
| Adjustment for disposals | - |
| As at 31 March 2018 | - |
| Net carrying amount | - |
| Year ended 31 March 2019 | |
| Gross carrying amount | |
| As at 01 April 2018 | - |
| Additions | 0.10 |
| Disposals | - |
| As at 31 March 2019 | 0.10 |
| Accumulated depreciation | |
| As at 01 April 2018 | - |
| Depreciation charge during the year | 0.02 |
| Adjustment for disposals | - |
| As at 31 March 2019 | 0.02 |
| Net carrying amount | 0.08 |



5 Financial assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Investment in 7% Non convertible redeemable preference shares (NCRPS) of Gobind Sugar Mills Limited (GSML) (fully paid up, unquoted) (fellow subsidiary company of the Company)# | | |
| <i>Measured at fair value through profit and loss</i> | | |
| <u>Redeemable in one single lot after expiry of the 12th year from the date of allotment</u> | | |
| Series-I - date of allotment- 03 January 2012 [15,000,000 shares (15,000,000 shares) of INR 10/- each] | 711.96 | 608.59 |
| Series-II - date of allotment - 18 June 2012 [2,700,000 shares (2,700,000 shares) of INR 10/- each] | 104.97 | 89.73 |
| Series-II - date of allotment - 18 January 2012 [2,300,000 shares (2,300,000 shares) of INR 10/- each] | 123.22 | 105.33 |
| Series-III -date of allotment - 27 September 2012 [8,000,000 shares (8,000,000 shares) of INR 10/- each] | 351.07 | 300.09 |
| Series-IV - date of allotment - 28 June 2013 [3,500,000 shares (3,500,000 shares) of INR 10/- each] | 136.54 | 116.72 |
| Series-V -date of allotment - 20 September 2013 [2,659,368 shares (2,659,368 shares) of INR 10/- each] | 99.76 | 85.27 |
| Series-VI - date of allotment - 30 December 2013 [10,000,000 shares (10,000,000 shares) of INR 10/- each] | 360.69 | 308.32 |
| Series-VII - date of allotment - 31 March 2014 [11,750,000 shares (11,750,000 shares) of INR 10/- each] | 407.51 | 348.34 |
| Series-VIII - date of allotment - 30 June 2014 [5,168,552 shares (5,168,552 shares) of INR 10/- each] | 172.36 | 147.33 |
| Series-XI - date of allotment - 12 February 2015 [13,500,000 shares (13,500,000 shares) of INR 10/- each] | 400.22 | 342.11 |
| Series-XIV - date of allotment - 25 May 2015 [10,000,000 shares (10,000,000 shares) of INR 10/- each] | 285.06 | 243.67 |
| Series-XVII - date of allotment - 28 August 2015 [6,600,000 shares (6,600,000 shares) of INR 10/- each] | 180.90 | 154.64 |
| Series-XVIII - date of allotment - 10 November 2016. [1,000,000 shares (1,000,000 shares) of INR 10/- each] | 22.53 | 19.26 |
| Total | 3,356.79 | 2,869.40 |

Refer note 34 for further details.

Loans

Measured at amortised cost

| | | |
|---|-------------|-------------|
| Security deposits (unsecured, considered good)* | 0.94 | 0.94 |
| Total | 0.94 | 0.94 |

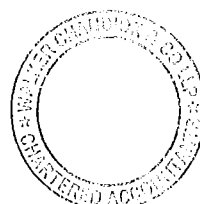
*The Company has made security deposits with GSML against sugar godown taken on rent (refer note 33 for further details).

Other financial assets

Measured at amortised cost

| | | |
|--|---------------|---------------|
| Fixed deposits with banks (earmarked*) | 427.50 | 227.50 |
| Total | 427.50 | 227.50 |

* Bank deposit of INR 427.50 lacs (31 March 2018: INR 227.50 lacs) which is pledged in favour of IndusInd Bank Limited and Tata Capital Service Limited as a security against interest payment on the term loan facility provided by the lenders to the Company.

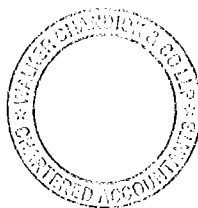


6 Other non-current assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Deferred losses on investment in NCRPS of GSML | 5,124.92 | 5,695.10 |
| Amount paid as deposits against disputed demand | 5.94 | - |
| Total | 5,130.86 | 5,695.10 |

7 Inventories

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| <i>Valued at lower of cost and net realisable value, unless otherwise stated</i> | | |
| Traded goods (Sugar) | 635.40 | - |
| | 635.40 | - |

(This space has been intentionally left blank)

8 Trade receivables

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|----------------------------|------------------------|------------------------|
| Unsecured, considered good | 7.44 | - |
| Total | 7.44 | - |

9 Cash and cash equivalents

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-----------------------|------------------------|------------------------|
| Balances with banks | | |
| - in current accounts | 582.88 | 84.27 |
| Cash in hand | 0.03 | 0.04 |
| Total | 582.91 | 84.31 |

10 Loans

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| <i>Measured at amortized cost</i> | | |
| Short term loans to body corporates (unsecured, considered good) (refer note 34 of further details) | 220.00 | 720.00 |
| Total | 220.00 | 720.00 |

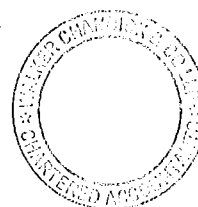
11 Other financial assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| <i>Measured at amortised cost</i> | | |
| Interest accrued on inter corporate deposits | 546.52 | 501.37 |
| Interest accrued on fixed deposits | 5.59 | 0.23 |
| Other receivables from related parties (refer note 33 for further details) | - | 9.70 |
| Total | 552.11 | 511.30 |

12 Other current assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Deferred losses on investment in NCRPS of GSML | 570.18 | 487.39 |
| Advances to suppliers (refer note 33, for amounts paid to related parties) | 924.25 | - |
| Prepaid expenses | 2.54 | - |
| Balances with revenue authorities | 57.23 | 2.33 |
| Total | 1,554.20 | 489.72 |

(This space has been intentionally left blank)



13 Equity share capital

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Authorised: | | |
| 30,000,000 (P.Y 18,000,000) Equity shares of INR 10/- each | 3,000.00 | 1,800.00 |
| Issued shares : | | |
| 29,900,000 (P.Y 14,900,000) Equity shares of INR 10/- each | 2,990.00 | 1,490.00 |
| Subscribed and fully paid-up shares : | | |
| 29,900,000 (P.Y 14,900,000) Equity shares of INR 10/- each | 2,990.00 | 1,490.00 |
| Total | 2,990.00 | 1,490.00 |

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

| | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|--------------|---------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | |
| Outstanding at the beginning of the year | 1,49,00,000 | 1,490 | 1,49,00,000 | 1,490 |
| Issued during the year | 1,50,00,000 | 1,500 | - | - |
| Outstanding at the end of the year | 2,99,00,000 | 2,990 | 1,49,00,000 | 1,490 |

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR10/- per share. Each holder of equity shares is entitled to one vote per share.

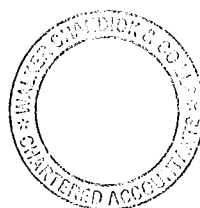
(c) Shares held by holding company

| | As at 31 March 2019 | As at 31 March 2018 |
|----------------------|------------------------|------------------------|
| Zuari Global Limited | 2,99,00,000 | 1,49,00,000 |

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

| | As at 31 March 2019 | | As at 31 March 2018 | |
|-----------------------|---------------------|-----------|---------------------|-----------|
| | Number of shares | % holding | Number of shares | % holding |
| Zuari Global Limited* | 2,99,00,000 | 100 | 1,49,00,000 | 100 |

*As per the records of the Company including its register of shareholders/members, the above shareholding represents legal ownerships of shares.



(This space has been intentionally left blank)

14 Other equity

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Deficit in the Statement of Profit and Loss | | |
| Opening balance | (1,366.33) | (246.80) |
| Loss of the year | (1,607.39) | (1,119.53) |
| Closing balance | (2,973.72) | (1,366.33) |
| Securities premium account[#] | | |
| Opening balance | 124.00 | 124.00 |
| Received/(utilized) during the year | - | - |
| Closing balance | 124.00 | 124.00 |
| Total | (2,849.72) | (1,242.33) |

Nature and purpose:

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

15 Borrowings (non current)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Term loans (secured) : | | |
| <i>Measured at amortised cost</i> | | |
| Indian rupee loan from banks (refer note below) | 5,165.88 | 5,399.10 |
| Indian rupee loan from others (refer note below) | 3,443.92 | 4,000.00 |
| Total | 8,609.80 | 9,399.10 |
| Less: Current maturities of long term borrowings | 2,800.00 | 1,000.00 |
| Total | 5,809.80 | 8,399.10 |

Note:

Term loan of INR 5,165.88 lacs (31 March 2018: INR 5,399.10 lacs) from IndusInd Bank Limited (IBL) and INR 3,443.92 lacs (31 March 2018: INR 4,000.00) from Tata Capital Services Limited (TCSL) is secured by -

- Pledge of non convertible redeemable preference shares of Gobind Sugar Mills Limited;
- Exclusive charge by way of hypothecation over all present and future current and moveable fixed assets of the Company;
- Exclusive charge on immovable fixed assets owned by Zuari Global Limited (ZGL, holding company)
- Land collateral of 6.89 acres for Phase I residential development and 16 acres of Phase II residential project being executed by ZGL in Goa;
- Exclusive charge by way of hypothecation over all present and future current assets and moveable fixed assets of ZGL excluding all land (being carried as inventory) other than land to be mortgaged to IBL and current investments of Nagarjuna Fertilizers and Synthesis Energy Ltd.;
- Debt Service Reserve Account equal to 6 months interest to be kept undrawn from the facility.
- Corporate guarantee of ZGL for INR 100.00 lacs.

The aforesaid loan is repayable in 16 quarterly instalments commencing from June 2018 and carries interest @ 10.35% - 10.15% (10.25%); (effective interest rate being 13.08 % p.a). The first four quarterly instalments will be of INR 250.00 lacs each and rest will be for INR 750.00 lacs each.

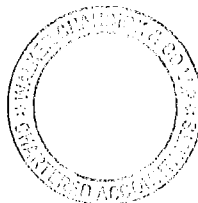
Further processing fees of INR 700.00 lacs (plus taxes) was payable for the facility, which was to be paid per below mentioned schedule:

INR 300.00 lacs to be paid on acceptance of sanction letter, which was paid in March 2017.

INR 50.00 lacs each quarter from 30 June 2017 upto 31 March 2018 and INR 25.00 lacs each quarter of next ensuing eight quarters.

The same has been paid in full during year ended 31 March 2018.

Out of the total sanctioned amount of INR 10,000.00 lacs, IBL has sold 40% i.e. INR 4,000.00 lacs of the loan to TCSL from 1 March 2018. All other terms and covenants to the said loan remain same. No separate security is created in the name of Tata Capital Services Limited by the Company directly. However, as per the agreement signed, Tata Capital Services Limited has proportionate share in all the securities created by IndusInd Bank Limited for the said loan.



16 Borrowings (current)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| <i>Measured at amortised cost</i> | | |
| Inter corporate deposits from holding company (unsecured) | 3,624.90 | 943.00 |
| Total | 3,624.90 | 943.00 |

Note:

(i) Inter corporate deposits from holding company:

Deposits from Zuari Global Limited of INR 3,624.90 lacs (31 March 2018: INR 943.00 lacs) is repayable on 30 June 2019 (31 March 2018: 30 June 2018) and carries interest @ 12% p.a.

(ii) Changes in liabilities arising from financing activities:

| | Non-current borrowings (including current maturities) | Current borrowings |
|---------------------------|---|--------------------|
| As at 01 April 2017 | 9,139.18 | 30.00 |
| Cash adjustments | | |
| Cash inflows | 515.00 | 2,078.00 |
| Cash outflows | (460.00) | (1,165.00) |
| Interest paid | (984.29) | (57.24) |
| Non-cash adjustments | | |
| Interest accruals/expense | 1,189.21 | 57.24 |
| As at 31 March 2018 | 9,399.10 | 943.00 |
| Cash adjustments | | |
| Cash inflows | - | 4,996.00 |
| Cash outflows | (999.75) | (2,314.10) |
| Interest paid | (991.97) | (301.03) |
| Non-cash adjustments | | |
| Interest accruals/expense | 1,202.41 | 301.03 |
| As at 31 March 2019 | 8,609.79 | 3,624.90 |

17 Trade payables*

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| -Total outstanding due of micro enterprises and small enterprises | - | - |
| -Total outstanding due of creditors other than micro enterprises and small enterprises | 63.08 | 2.93 |
| | 63.08 | 2.93 |

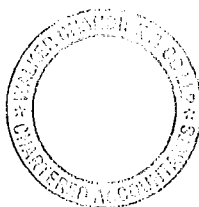
*Refer note 35 for details of dues to micro and small enterprises.

18 Other financial liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Current maturities of long term borrowings | 2,800.00 | 1,000.00 |
| Total | 2,800.00 | 1,000.00 |

19 Other current liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Statutory dues | 32.47 | 6.33 |
| Contract liabilities (advances from customers against sale of goods) | 0.29 | - |
| Total | 32.76 | 6.33 |



20 Revenue from operations

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Sale of sugar | 16,923.44 | 431.17 |
| Income from: | | |
| Interest on inter corporate deposits | 44.47 | 141.82 |
| Gain on fair value measurement of financial assets | 487.39 | 416.62 |
| Total | 17,455.30 | 989.61 |

Notes:

Disaggregation of revenue from operations:

The table below presents disaggregated revenue from contracts with customers by geography, offerings and sales channels for the business of the Company. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are effected by industry, market and other economic factors. The management of the Company does not separately reviews the different sources of revenues for the Company. (refer note 38 for further details).

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Revenues by Offerings | | |
| Sale of sugar | 16,923.44 | 431.17 |
| Income from: | | |
| Interest on inter corporate deposits | 44.47 | 141.82 |
| Gain on fair value measurement of financial assets | 487.39 | 416.62 |
| | 17,455.30 | 989.61 |
| Revenues by Sales channels | | |
| Direct sales/services | 531.86 | 558.44 |
| Sales/services through intermediaries | 16,923.44 | 431.17 |
| | 17,455.30 | 989.61 |

The Company has initially applied Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. Under this method, the comparative information is not restated. Refer note 38 for further details.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

| | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Receivables | 7.44 | - |
| Contracts assets | - | - |
| Contract liabilities (advances from customers against sale of goods) | 0.29 | - |

21 Other income

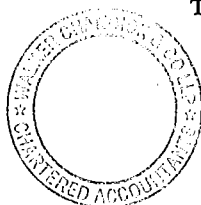
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-----------------------------------|-----------------------------|-----------------------------|
| Interest income on fixed deposits | 25.55 | 0.26 |
| Profit on sale of mutual funds | 10.57 | - |
| Miscellaneous income | 0.22 | - |
| Total | 36.34 | 0.26 |

22 Purchase of stock-in-trade

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|----------------------------------|-----------------------------|-----------------------------|
| Purchase of traded goods (sugar) | 17,602.14 | 428.49 |
| Total | 17,602.14 | 428.49 |

Changes in inventories of stock-in-trade

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Inventories at the end of the year (traded goods) | 635.40 | - |
| Inventories at the beginning of the year (traded goods) | - | - |
| Total | (635.40) | - |



23 Employee benefits expense

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---------------------------|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 14.25 | 3.00 |
| Total | 14.25 | 3.00 |

Note:

The above includes INR 12.54 lacs (31 March 2018: INR Nil) for cost transferred from Gobind Sugar Mills Limited and Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited) in respect services rendered by the employees of the companies to the Company.

24 Finance costs

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Interest expenses on intercorporate deposits | 301.03 | 56.32 |
| Interest expenses on term loans | 1,202.41 | 1,189.21 |
| Other borrowing costs | - | 0.92 |
| Total | 1,503.44 | 1,246.45 |

25 Depreciation

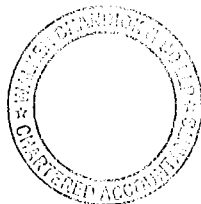
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---------------------------------|-----------------------------|-----------------------------|
| Depreciation on tangible assets | 0.02 | - |
| Total | 0.02 | - |

26 Other expenses

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Printing and stationery | - | 0.04 |
| Legal and professional | 1.86 | 1.48 |
| Amortisation of deferred losses on NCRPS | 487.39 | 416.62 |
| Rates and taxes | 11.73 | 0.12 |
| Rent | 70.84 | 5.64 |
| Office repair and maintenance | 1.42 | - |
| Freight and forwarding | - | - |
| Insurance | 3.22 | - |
| Director sitting fees | 1.70 | 1.70 |
| Auditors remuneration* | 1.00 | 1.00 |
| Travelling | 1.04 | 0.11 |
| Commission | 33.88 | 0.79 |
| Miscellaneous | 0.50 | 3.95 |
| Total | 614.58 | 431.46 |

***Auditors Remuneration**

| | | |
|--------------|-------------|-------------|
| Audit fee | 0.75 | 0.75 |
| Tax audit | 0.25 | 0.25 |
| Total | 1.00 | 1.00 |



(This space has been intentionally left blank)

27 Income tax expense

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Accounting loss | (1,607.39) | (1,119.53) |
| Applicable tax rate | 26.00% | 26.00% |
| Expected tax expense | (417.92) | (291.08) |
| Deferred taxes not recognized on unused tax losses (refer note (ii) below) | (417.92) | (291.08) |
| Actual tax expense | - | - |

Note:

(i) As per Finance Act, 2019, the income tax rates for domestic companies whose turnover has not exceeded INR 250 crores in year ended 31 March 2017, the applicable rate of income tax shall be 25% plus applicable cesses.

(ii) Deferred tax:

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

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

| | As at 31 March 2019 | | As at 31 March 2018 | |
|----------------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Gross amount | Unrecognized tax effect | Gross amount | Unrecognized tax effect |
| Deductible temporary differences | - | - | - | - |
| Unused tax losses | 2,726.92 | 709.00 | 1,119.53 | 291.08 |
| | 2,726.92 | 709.00 | 1,119.53 | 291.08 |

The unused tax losses for which no deferred tax assets are recognised representing business losses are as follows:

| Year of expiry Financial year ending 31 March | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| 2025-26 | 1,119.53 | 1,119.53 |
| 2026-27 | 1,607.39 | - |
| | 2,726.92 | 1,119.53 |

(This space has been intentionally left blank)



28 Commitments and Contingencies

Leases

Operating lease — As lessee

The Company has taken sugar godowns premise on operating leases for different periods ranging from 1 year to 3 years. The agreements are further renewable at the option of the Company. There is escalation clause in the lease agreement in lines with the general inflation. The lease is cancellable in nature. Lease rentals charged to the statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements.

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Lease rentals recognised during the year | 70.84 | 0.24 |
| Lease obligations | | |
| - Within one year | 55.85 | 5.64 |
| - After one year but not more than five years | - | 11.28 |
| - More than five years | - | - |

29 Earnings per share (EPS)

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

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

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Loss attributable to equity holders of the company (INR) | (1,607.39) | (1,119.53) |
| Weighted average number of equity shares (No.) | 160.10 | 149.00 |
| Face value per share (INR) | 10.00 | 10.00 |
| Loss per share (Basic and Diluted) (INR) | (10.04) | (7.51) |

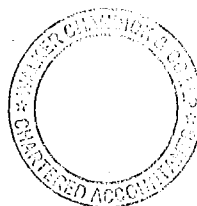
30 Capital management

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

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

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

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---------------------|---------------------|
| Long term borrowings (excluding current maturities of long-term borrowings) | 6,259.80 | 8,399.10 |
| Current maturities of long-term borrowings | 2,350.00 | 1,000.00 |
| Short term borrowings | 3,624.90 | 943.00 |
| Total Debt (a) | 12,234.70 | 10,342.10 |
| Total Equity (b) | 140.28 | 247.67 |
| Debt to Equity ratio (a/b) | 87.22 | 41.76 |



31 Fair value measurements

Financial instruments by category

| Particulars | As at 31 March 2019 | | | As at 31 March 2018 | | |
|--|---------------------|----------|------------------|---------------------|----------|------------------|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investment in NCRPS of GSML | 3,356.79 | - | - | 2,869.40 | - | - |
| Security deposits | - | - | 0.94 | - | - | 0.94 |
| Fixed deposits with banks and interest accrued thereon | - | - | 427.50 | - | - | 227.50 |
| Trade receivable | - | - | 7.44 | - | - | - |
| Cash and cash equivalents | - | - | 582.91 | - | - | 84.31 |
| Loans | - | - | 220.00 | - | - | 720.00 |
| Other financial assets | - | - | 552.11 | - | - | 511.30 |
| Total financial assets | 3,356.79 | - | 1,790.90 | 2,869.40 | - | 1,544.05 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 12,234.70 | - | - | 10,342.10 |
| Trade payables | - | - | 63.08 | - | - | 2.93 |
| Total financial liabilities | - | - | 12,297.78 | - | - | 10,345.03 |

Financial value hierarchy

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

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

Quantitative disclosures of fair value measurement hierarchy as at 31 March 2019:

| Financial assets measured at fair value (recurring fair value measurements) | Date of valuation | Total | Level 1 | Level 2 | Level 3 |
|---|--------------------------|--------------|----------------|----------------|----------------|
| <i>Financial investments at FVTPL</i> | | | | | |
| Investment in NCRPS of GSML | 31 March 2019 | 3,356.79 | - | - | 3,356.79 |
| Financial liabilities measured at amortised cost for which fair values are disclosed | Date of valuation | Total | Level 1 | Level 2 | Level 3 |
| Borrowings | 31 March 2019 | 8,609.80 | - | - | 8,609.80 |

Quantitative disclosures of fair value measurement hierarchy as at 31 March 2018:

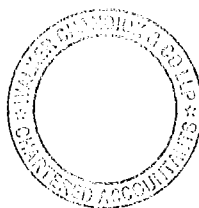
| Financial assets measured at fair value (recurring fair value measurements) | Date of valuation | Total | Level 1 | Level 2 | Level 3 |
|---|--------------------------|--------------|----------------|----------------|----------------|
| <i>Financial investments at FVTPL</i> | | | | | |
| Investment in NCRPS of GSML | 31 March 2018 | 2,869.40 | - | - | 2,869.40 |
| Financial liabilities measured at amortised cost for which fair values are disclosed | Date of valuation | Total | Level 1 | Level 2 | Level 3 |
| Borrowings | 31 March 2018 | 9,399.10 | - | - | 9,399.10 |

Notes:

There were not any financial assets or liabilities measured at fair values using level 1 or level 2 inputs.

There were not any non - recurring fair value measurements as at 31 March 2019 and 31 March 2018.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



The significant unobservable inputs used in the fair value measurement of financial assets measured at fair value categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019 and 31 March 2018 are as shown below:

| Description | Valuation technique | Significant unobservable inputs | Probable weighted range | Sensitivity of the input to fair value |
|-----------------------------|-----------------------------|---|--|--|
| Investment in NCRPS of GSML | Discounted cash flow method | Average borrowing rate of the instrument issuer company | 31 March 2019: 14% - 17% (16%) 31 March 2018: 14% - 17% (16%) | 0.5% (31 March 2018: 0.5%) increase (decrease) in the growth rate would result in increase (decrease) in fair value by INR 100.27 lacs (INR 65.37 lacs) as at 31 March 2019 [INR 103.61 lacs (INR 43.86 lacs) as at 31 March 2018] |

Reconciliation of opening balances with closing balances for recurring fair value measurements categorised within level 3 of the fair value hierarchy:

| Investment in NCRPS of GSML | Amount INR |
|--|------------|
| As at 01 April 2017 | 2,452.78 |
| Acquisitions during the year | - |
| Remeasurement gains recognised through profit and loss during the year | 416.62 |
| As at 31 March 2018 | 2,869.40 |
| Acquisitions during the year | - |
| Remeasurement gains recognised through profit and loss during the year | 487.39 |
| As at 31 March 2019 | 3,356.79 |

Financial liabilities measured at amortised cost:

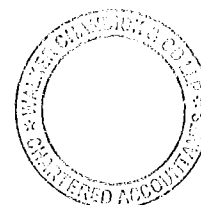
| Particulars | 31 March 2019 | | 31 March 2018 | |
|-------------|-----------------|------------|-----------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Borrowings | 8,609.80 | 8,609.80 | 9,399.10 | 9,399.10 |

Note:

The management assessed that cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of borrowings (loans) disclosed above were calculated based on cash flows discounted using current borrowing rates of the Company. These are classified as level 3 in the fair value hierarchy due to inclusion of significant unobservable inputs to valuation.

For financial assets that are at fair value, carrying values equals to the fair values.



(This space has been intentionally left blank)

32 Financial risk management objectives and policies

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

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

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 and inventory price risk. Financial instruments affected by market risk include loans and investments. The Company is not exposed to currency risk as it has not foreign currency transactions. For interest risk and inventory price risk, refer below:

Interest rate risk

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

Interest rate risk exposure:

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

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Variable rate borrowings (including current maturities of long term borrowings) | 8,609.80 | 9,399.10 |
| Fixed rate borrowings | 3,624.90 | 943.00 |
| Total borrowings | 12,234.70 | 10,342.10 |

Interest rate sensitivity:

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

| | + / (-) in basis points | Effect on loss before tax |
|----------------------------|-------------------------|---------------------------|
| As at 31 March 2019 | | |
| Rupees | +50 | 48.10 |
| Rupees | -50 | (48.10) |
| As at 31 March 2018 | | |
| Rupees | +50 | 47.57 |
| Rupees | -50 | (47.57) |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years

Inventory price risk

The Company is exposed to the movement in price of principal traded product i.e. sugar. The Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realization. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant in given in table below:

Inventory price risk exposure

The Company's exposure to inventory price risk at the end of the reporting period is as follows;

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|----------------------|------------------------|------------------------|
| Traded goods (Sugar) | 635.40 | - |

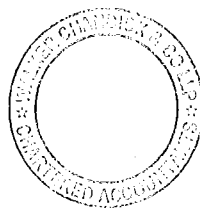
Rate sensitivity

The Company's exposure to inventory price risk at the end of the reporting period is as follows;

| | + / (-) in sale price | Effect on loss before tax |
|----------------------------|-----------------------|---------------------------|
| As at 31 March 2019 | | |
| Rupees | +10 | 2.12 |
| Rupees | -10 | (2.12) |
| As at 31 March 2018 | | |
| Rupees | - | - |
| Rupees | - | - |

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily loan and advances) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.



Credit risk exposure:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Security deposits | 0.94 | 0.94 |
| Fixed deposits with banks and interest accrued there on | 427.50 | 227.50 |
| Investment in NCRPS of GSML | 3,356.79 | 2,869.40 |
| Cash and cash equivalents | 582.91 | 84.31 |
| Trade receivables | 7.44 | - |
| Loans | 220.00 | 720.00 |
| Other financial assets | 552.11 | 511.30 |
| | 5,147.69 | 4,413.45 |

Note:

The Company exercises banking with reputed banks. Therefore, risk in respect to cash and cash equivalents and fixed deposits is considered negligible. However, Company is exposed to risk for loans and advances given to body corporates, interest accrued thereon and investment in NCRPS of GSML (a fellow subsidiary of the Company). Others including trade receivables are considered to insignificant.

Liquidity risk

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

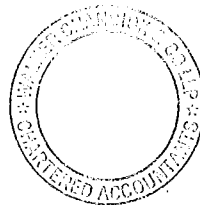
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and shareholders fund. Approximately 48.84% of the Company's debt will mature in less than one year at 31 March 2019 (31 March 2018: 18.81%) based on the carrying value of borrowings reflected in the financial statements.

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

| | Upto 1 year | 1 to 5 years | > 5 years | Total |
|--|-----------------|------------------|-----------|------------------|
| As at 31 March 2019 | | | | |
| Borrowings | | | | |
| Non current (including current maturities of long term borrowings) | 3,172.78 | 7,632.89 | - | 10,805.67 |
| Current | 3,624.90 | - | - | 3,624.90 |
| Trade payables | 63.08 | - | - | 63.08 |
| | 6,860.76 | 7,632.89 | - | 14,493.65 |
| As at 31 March 2018 | | | | |
| Borrowings | | | | |
| Non current (including current maturities of long term borrowings) | 1,983.25 | 10,555.12 | - | 12,538.37 |
| Current | 943.00 | - | - | 943.00 |
| Trade payables | 2.91 | - | - | 2.91 |
| | 2,929.17 | 10,555.12 | - | 13,484.28 |

Collateral against borrowings

The Company has pledged NCRPS of GSML acquired by the Company from proceeds of the long term facility enjoyed by the Company jointly from IndusInd Bank and Tata Capital Services Limited. Refer note 15 on borrowings for more information.



(This space has been intentionally left blank)

33 Related party disclosures as per Ind AS 24:

List of related parties:

Related parties where control exists:

| Related party | Nature of relation |
|---|--------------------|
| Zuari Global Limited (holds 100% shares of the Company) | Holding company |

Related parties with whom transactions have taken place during the year:

| Related party | Nature of relation |
|---|--------------------------|
| Gobind Sugar Mills Limited | Fellow subsidiary |
| Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited) | Fellow subsidiary |
| Mr. Alok Saxena | Key Management Personnel |
| Mr. L. M. Chandrasekaran (Independent Director) | Key Management Personnel |
| Mr. Bhaskar Chatterjee (Independent Director) | Key Management Personnel |

Related party transactions:

i) Holding company:

Zuari Global Limited (holds 100% shares of the Company)

| Nature of transaction | As at | As at |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Opening balance | 943.00 | 30.00 |
| Inter corporate deposit received | 4,996.00 | 2,078.00 |
| Inter corporate deposit repaid | 2,314.10 | 1,165.00 |
| Interest accrued/paid | 301.03 | 56.32 |
| Share capital allotted | 1,500.00 | - |
| Expenses paid on our behalf | 0.19 | - |
| Closing balance (shown under short term borrowings) | 3,624.90 | 943.00 |
| Closing balance (shown under trade payables) | 0.21 | - |

Zuari Global Limited ("ZGL") has given corporate guarantee of INR 100 crores as a security in respect of loan from IndusInd Bank and Tata Capital Services Limited. Other securities given by ZGL on behalf of the Company are as follows:

- Exclusive charge on immovable fixed assets owned by ZGL;

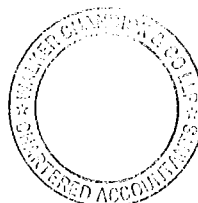
- The land collateral should include at least 6.89 acre for Phase I Residential Development and 16 acre for phase II residential project being executed by ZGL in Goa

- Exclusive charge by way of hypothecation over all present and future current and movable property, plant & equipment of ZGL excluding all land (being carried as inventory) other than land to be mortgaged to IndusInd bank Limited and excluding non current investment of Synthesis Energy System Inc.

ii) Fellow subsidiaries

| Nature of transaction and outstanding balance | As at | As at |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited) | | |
| Opening balance (payable) | 1.00 | 2.86 |
| Amount paid on behalf of the Company | - | 0.87 |
| Fees and subscription expenses paid | - | 0.35 |
| Registrar and share transfer charges | 0.10 | 0.12 |
| Broking and depository charges paid | 0.01 | 1.09 |
| Rent expense | 2.10 | - |
| Property, plant and equipment (office equipment purchased) | 0.10 | - |
| Employee benefits expense | 2.67 | - |
| Legal and professional charges | - | 0.27 |
| Maintenance charges paid | 1.20 | - |
| Closing balance (shown under other current assets) | 4.39 | 1.00 |

| Nature of transaction and outstanding balance | As at | As at |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Gobind Sugar Mills Limited (GSML) | | |
| Opening balance (other financial assets) | 9.70 | 22.99 |
| Rent paid | 5.64 | 5.64 |
| Purchases of stock in trade | 17,602.14 | 428.49 |
| Amount received on behalf of GSML | - | 681.37 |
| Amount received by GSML on our behalf | 2,029.77 | - |
| Employee cost transferred from GSML | 9.87 | - |
| Security deposits with GSML | - | 0.94 |
| Advances paid to GSML for purchase of Sugar | 524.25 | - |
| Closing balance (shown under other financial assets) | - | 9.70 |
| Closing balance (shown under other current assets) | 524.25 | - |



iv) Key Management Personnel

| Nature of transaction and outstanding balance | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Mr. Alok Saxena # | | |
| Opening balance | 2 | 1 |
| Managerial remuneration | 1 | 1 |
| Closing balance | 3 | 2 |
| Mr. L. M. Chandrasekaran | | |
| Opening balance | - | - |
| Director's sitting fees | 0.85 | 0.85 |
| Closing balance | - | - |
| Mr. Bhaskar Chatterjee | | |
| Opening balance | - | - |
| Director's sitting fees | 0.85 | 0.85 |
| Closing balance | - | - |

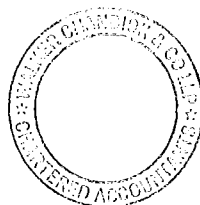
Amount in INR for Shri Alok Saxena.

34 Particulars of loans given in accordance with section 186(4) of the Companies Act, 2013:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Short term loans given to provide financial assistance to corporates for general business purpose: | | |
| ANS Industries Limited (@ 13.5% p.a.) | | |
| Opening balance | 320.00 | 1,120.00 |
| Loans given during the year | - | - |
| Loans repaid during the year | 100.00 | 800.00 |
| Closing balance | 220.00 | 320.00 |
| Dhoot Industrial Finance Limited (@ 12.5% p.a.) | | |
| Opening balance | 400.00 | - |
| Loans given during the year | - | 400.00 |
| Loans repaid/adjusted during the year | 400.00 | - |
| Closing balance | - | 400.00 |
| Investments made in NCRPS of GSML (refer note 5 for details) | 3,356.79 | 2,869.40 |
| Total | 3,576.79 | 3,589.40 |

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 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| 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 Segment information

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

37 During the year ended 31 March 2019, the Company has incurred a book loss of INR 1,607.39 lacs (31 March 2018: INR 1,119.53 lacs) besides also incurring a cash loss primarily on account of finance costs and as on 31 March 2019, the accumulated losses of the Company amounted to INR 2,849.72 lacs (31 March 2018: INR 1,242.33 lacs). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The management of the Company is confident to generate sufficient profits and cash from operations in near future, through trading in sugar business. Further, Zuari Global Limited (the holding company) has confirmed its intent as well as ability to extend continued financial support to the Company, as and when needed, so as to enable the Company continues its operations as a going concern in foreseeable future.

In view of the same, the management of the Company is hopeful of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial statements have been prepared on a going concern basis.

38 Changes 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 Ind AS 115 "Revenue from Contracts with Customers" with a date of initial application of 1 April 2018. As a result, the Group has changed its accounting policy for revenue recognition as defined in note 3. The Company has applied Ind AS 115 using the **Cumulative Effect Method**. Under this method, the entity has recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the accounting period that includes the date of initial application.

Revised reporting standard, Ind AS 115, requires no adjustments to be made to the retained earnings as at 1 April 2018. Consequently, there are no impacts of the standard on Balance Sheet as at 31 March 2019. However, impacts on Statement of Profit and Loss for the year ended 31 March 2019 are as follows:

| | Year ended 31 March 2019 | | |
|----------------------------------|--------------------------|---|--|
| | Amount as reported | Amount before application of Ind AS 115 | Effect of changes Increase/ (Decrease) |
| Revenue from operations # | | | |
| Sale of goods | 16,923.44 | 17,152.96 | (229.52) |
| Other expenses # | | | |
| Freight and forwarding charges | - | 229.52 | (229.52) |

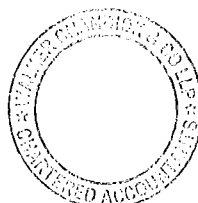
For certain sales, where the Company also provide transportation services, the Company considers the same as a separate performance obligation believing that the Company is acting as an agent for transfer of goods and therefore reduces the related costs for transportation and other charges from transaction price.

39 Offsetting financial assets and financial liabilities:

The following table represents recognized financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2019 and 31 March 2018.

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 |
| Amounts subject to master netting arrangements | | |
| Non current borrowings (including current maturities there of) | 8,609.80 | 9,399.10 |
| Financial instruments collateral | | |
| Investments | 3,356.79 | 2,869.40 |
| Net amount* | 5,253.01 | 6,529.70 |

*"Net amount" shows impact on Company's balance sheet, if all rights were exercised.



40 Contingent liability :

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Claims against the company not acknowledged as debts are as follows: | | |
| Tax demands (pending in appeals): | 29.72 | - |
| Based on management assessment and in-house legal team advice, the management believes that the Company has reasonable chances of succeeding before the courts/appellate authorities and does not foresee any material liability. Pending the final decision on the matters, no further provisions has been made in financial statements. | | |

41 The financial statements were approved for external issue by the board of directors on 4 May 2019.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/NS00013




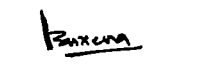
Neeraj Goel
Partner
Membership No. 099514




Place: Gurugram
Date: 4 May 2019

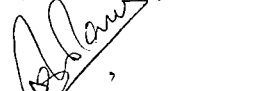
For and on behalf of the Board of Directors of
Zuari Sugar & Power Limited


R. S. Raghavan
Director
(DIN-00362555)


Alok Saxena
Chief Executive Officer


Nishant Dalal
Chief Financial Officer


Vijay Kathuria
Director
(DIN-00338125)


Deep Shubham
Company Secretary
(Membership No. A46896)