Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of Zuari Investments Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Zuari Investments 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 for Opinion

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

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.

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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

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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. 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.

13. 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;

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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

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 does not have any pending litigation which would impact its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 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 Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 4 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of Zuari Investments 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 material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company does not have any inventory covered by Ind-AS 2. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(iii) The Company has not granted any 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 and investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 of the Act and Section 186 of the Act, in respect of guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and rule framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii)(a) 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.

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

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

(viii) The Company has no loans or borrowings payable to financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable

(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 required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, as mentioned in note 40 to the accompanying financial statements. The Company has applied for such registration with Reserve Bank of India as 'Non-Deposit taking Systematically Important Core Investment Company' under the aforesaid section vide application dated 25 March 2019, and such application is pending for approval before the competent authority as at year end.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 4 May 2019

Annexure II to the Independent Auditor's Report of even date to the members of Zuari Investments 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

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Annexure II to the Independent Auditor's Report of even date to the members of Zuari Investments Limited on the financial statements for the year ended 31 March 2019 (Contd.)

being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514

Place: New Delhi
Date: 4 May 2019

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Zuari Investments Limited
Balance sheet as at 31 March 2019

(All amounts in INR)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	8,339	-
(b) Other intangible assets	5	-	-
(c) Financial assets			
(i) Investments	6	3,24,59,17,100	3,65,70,18,666
(ii) Loans	7	58,42,00,000	-
(d) Non-current tax assets (net)	8	86,95,791	49,02,626
		3,83,88,21,230	**3,66,19,21,292**
Current assets			
(a) Financial assets			
(i) Investments	9	6,16,00,000	6,16,00,000
(ii) Loans	10	12,00,00,000	-
(ii) Cash and cash equivalents	11	27,97,093	51,97,647
(iii) Other financial assets	12	5,45,43,123	1,53,07,953
(b) Other current assets	13	5,23,554	6,75,042
		23,94,63,770	**8,27,80,642**
TOTAL		**4,07,82,85,000**	**3,74,47,01,934**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	19,45,73,640	19,45,73,640
(b) Other equity	15	2,41,20,75,750	2,99,69,33,725
		2,60,66,49,390	**3,19,15,07,365**
LIABILITIES			
Non-current liabilities			
Financial liabilities (Borrowings)	16	68,76,45,840	-
		68,76,45,840	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	63,18,52,500	54,76,78,000
(ii) Trade payables	18		
-Total outstanding due of micro enterprises and small enterprises		-	-
-Total outstanding due of creditors other than micro enterprises and small enterprises		5,43,376	12,45,342
(iii) Other financial liabilities	19	14,10,79,208	-
(b) Other current liabilities	20	1,05,14,686	42,71,227
		78,39,89,770	**55,31,94,569**
TOTAL		**4,07,82,85,000**	**3,74,47,01,934**

The accompanied notes form an integral part of the financial statements.

As per our report of even date.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No. 099514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 4 May 2019

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

V. Seshadri
Whole Time Director
(DIN-06499916)

Vijay Kathuria
Director
(DIN-00338125)

Umesh Sood
Chief Financial Officer

Mahendra Singh Chouhan
Company Secretary
(Membership No. A56365)

ZUARI INVESTMENTS LIMITED *

Zuari Investments Limited
Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in INR)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations		-	-
Other income	22	4,95,34,330	1,24,01,468
Total income		**4,95,34,330**	**1,24,01,468**
Expenses			
Employee benefits expense	23	2,68,844	-
Finance costs	24	9,77,68,937	5,08,83,143
Depreciation and amortisation expense	25	1,661	-
Other expenses	26	19,51,948	10,73,009
Total expenses		**9,99,91,390**	**5,19,56,152**
Loss before tax		(5,04,57,060)	(3,95,54,684)
Tax expense:			
Current tax	21	-	-
Deferred tax	21	-	-
Loss from continuing operations		**(5,04,57,060)**	**(3,95,54,684)**
Profit from discontinuing operations before tax		-	56,60,782
Tax expense of discontinued operations		-	-
Profit from discontinuing operations after tax		**-**	**56,60,782**
Loss for the year		**(5,04,57,060)**	**(3,38,93,902)**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Equity instruments designated at fair value through OCI		(53,44,00,915)	1,10,67,118
Income tax effect		-	-
Other comprehensive income/(loss) for the year		**(53,44,00,915)**	**1,10,67,118**
Total comprehensive loss for the year		**(58,48,57,975)**	**(2,28,26,784)**
Loss per equity share (for continuing operations)	28		
(i) Basic		(2.59)	(1.19)
(ii) Diluted		(2.59)	(1.19)
Earnings per equity share (for discontinued operations)	28		
(i) Basic		-	0.17
(ii) Diluted		-	0.17

The accompanied notes form an integral part of the financial statements.

As per our report of even date.

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

Neeraj Goel
Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: 4 May 2019

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

V. Seshadri
Whole Time Director
(DIN-06499916)

Umesh Sood
Chief Financial Officer

Vijay Kathuria
Director
(DIN-00338125)

Mahendra Singh Chouhan
Company Secretary
(Membership No. A56365)

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ZUARI INVESTMENTS LIMITED

Zuari Investments Limited
Cash Flow Statement for the year ended 31 March 2019

(All amounts in INR)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A Cash flow from operating activities		
Profit/(loss) before tax from:		
Continuing operations	(5,04,57,060)	(3,95,54,684)
Discontinued operations	-	56,60,782
Adjustments for:		
Depreciation and amortisation expense	1,661	-
Interest income	(3,65,08,234)	-
Gain arising on measuring financial assets at fair value through profit and loss	(20,02,610)	(17,11,840)
Finance costs	9,77,68,937	5,08,83,143
Dividend received	(1,05,68,551)	(1,06,89,151)
Excess provisions written back	(4,54,935)	-
Operating profit/(loss) before working capital changes	**(22,20,792)**	**45,88,250**
Adjustment for changes in working capital		
-other receivables	(2,05,83,682)	(1,56,19,881)
-trade and other payables	2,70,75,636	1,58,32,638
Cash flow generated from/(used in) operations	**42,71,162**	**48,01,006**
Income taxes paid (net)	(37,93,165)	(24,95,987)
Net cash flow generated from/(used in) operating activities	**4,77,997**	**23,05,019**
B Cash flow from investing activities		
Purchase of property, plant and equipment	(10,000)	-
Proceeds from sale of investments	60,07,961	3,55,76,620
Investment in equity shares and compulsorily convertible preference shares of subsidiary company	(12,73,04,700)	-
Inter Corporate Deposits (ICDs) given	(72,27,00,000)	-
Dividend received	1,05,68,551	1,06,89,151
Net cash flow generated from/(used in) investing activities	**(83,34,38,188)**	**4,62,65,771**
C Cash flow from financial activities		
ICDs taken (long term)	83,00,00,000	-
ICDs repaid (long term)	(2,23,54,160)	-
ICDs taken (short term)	51,40,00,000	23,69,00,000
ICDs repaid (short term)	(42,98,25,500)	(22,93,90,000)
Interest expense	(9,77,68,937)	(5,08,83,143)
Net cash generated from/(used in) financial activities	**83,05,59,637**	**(4,33,73,143)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(24,00,554)**	**51,97,647**
Cash and cash equivalents as at the beginning of the year	51,97,647	8,53,03,084
Transfer of cash and cash equivalents pursuant to scheme of arrangement (refer note 30 for further details)	-	(8,53,03,084)
Cash and cash equivalents as at the end of the year	**27,97,093**	**51,97,647**

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	27,97,093	51,97,647
Balance as per statement of cash flows (as per above)	**27,97,093**	**51,97,647**

*Refer note 11 for break up of cash and cash equivalents.

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 Investments Limited

V. Seshadri
Whole Time Director
(DIN-06499916)

Vijay Kathuria
Director
(DIN-00338125)

Umesh Sood
Chief Financial Officer

Mahendra Singh Chouhan
Company Secretary
(Membership No. A56365)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ZUARI INVESTMENTS LIMITED

A Equity share capital

Equity shares of INR 10/- each issued, subscribed and fully paid:	Number of shares	Amount
As at 31 March 2017	3,74,45,790	37,44,57,900
Changes/transferred during the year (refer note 30 for further details)	-17988426	-179884260
As at 31 March 2018	1,94,57,364	19,45,73,640
Changes/transferred during the year	-	-
As at 31 March 2019	1,94,57,364	19,45,73,640

B Other equity

	Retained earnings	Fair value through OCI - Equity instruments	Total
As at 31 March 2017	(7,09,91,571)	3,09,51,35,001	3,02,41,43,430
Loss for the year	(3,38,93,902)	1,10,67,118	(2,28,26,784)
Reclassification of cumulative gains against investments in equity instruments measured at FVOCI transferred	3,40,48,835	(3,40,48,835)	-
Transfer to Zuari Finserv Limited (formerly known as Zuari Finserv Priavte Limited) (refer note 30)	(43,82,920)	-	(43,82,920)
Total	(42,27,988)	(2,29,81,717)	(2,72,09,705)
As at 31 March 2018	(7,52,19,559)	3,07,21,53,284	2,99,69,33,725
			-
Loss for the year	(5,04,57,060)	(53,44,00,915)	(58,48,57,975)
Reclassification of cumulative gains against investments in equity instruments measured at FVOCI transferred	(8,28,77,171)	8,28,77,171	-
Total	(13,33,34,231)	(45,15,23,744)	(58,48,57,975)
As at 31 Macrh 2019	(20,85,53,790)	2,62,06,29,540	2,41,20,75,750

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 Investments Limited

V. Seshadri
Whole Time Director
(DIN-06499916)

Vijay Kathuria
Director
(DIN-00338125)

Umesh Sood
Chief Financial Officer

Mahendra Singh Chouhan
Company Secretary
(Membership No. A56365)

Zuari Investments Limited
Summary of significant accounting policies and other explanatory information'sfor the year ended 31 March 2019

1. Corporate information

Zuari Investments Limited (the "Company") is a public Company domiciled in India an incorporated under the provisions of the Companies Act, 1956. During the year ended 31 March 2018, the management of the Company discontinued the Company's service oriented business comprising of stock broking, depository participant, real estate brokers, distribution of mutual fund products, mortgage brokers and registrars/share transfer agents, along with entire investments held by it in Zuari Insurance Brokers Limited and Zuari Commodity Trading Limited, its wholly owned subsidiaries engaged in the business of insurance broking and commodity trading respectively after getting approval from National Company Law Tribunal ('NCLT'), Mumbai Bench, Mumbai dated 9 November 2017 in pursuance of scheme of arrangement entered between the Company and Zuari Finserv Limited (formerly as Zuari Finserv Private Limited) known as which was being effected from 5 January 2018, after making necessary filings with registrar of companies (refer note 30 for further details). Also, the Company has applied for registration as Non-Banking Financial Company with Reserve Bank of India (refer note 40 for further details).

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/Amendments to standards issued but not effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second 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 IFRS as a part of annual improvement process. Also, along with these amendments, Amendment Rules inserted a new lease standard Ind AS 116, Leases. 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 measured at fair value.

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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 39 for further details.

c) Current versus non-currentclassification

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

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

- Expected to be realised or intended to be sold or consumed in normal operatingcycle
- Held primarily for the purpose oftrading
- 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 asnon-current.

A **liability** is current when:

- It is expected to be settled in normal operatingcycle
- It is held primarily for the purpose oftrading
- 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 asnon-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 18 and the impact of changes, if any 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

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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. The company recognizes revenue from the following major sources: -

Rendering of services:

Revenue from rendering of services is recognised on the basis of stage of completion method. Under this method, revenue is recognised in the accounting periods in which the services are rendered.

Interest income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective

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interest rate (EIR). Refer note (i) for further details.

Dividends:

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

e) Taxes

Income tax comprises of current and deferred tax. It is recognised inStatement 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 whereappropriate.

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 beutilized.

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 orsale.

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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.

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

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

Depreciation, estimated useful life and residual life

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

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

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization impairment losses, if any.

Recognition:

The costs of intangible asset is recognised as an asset if, and only if:

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

Intangibles representing computer software are amortized using the straight line method over their estimated useful lives of five years.

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

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

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

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

i) Impairment of tangible and intangibleassets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

j) Leases

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.

k) Post-employment and other employeebenefits

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

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan of the Company has been funded by policy taken from Life Insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

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

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

•The date of the plan amendment or curtailment, and

•The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

•Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements;and

•Net interest expense orincome

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

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

l) Financialinstruments

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

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•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 marketexists.

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

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

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

Financial assets at cost

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

Impairment of financial asset

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

For trade receivables or any contractual right to receive cash or another financial asset that result from

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transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109.

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

Financial liabilities:

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

Loans and borrowings

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

Derecognition of financial instruments

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

Fair value of financial instruments

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

m) Earnings per share

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

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

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n) Cash and cashequivalents

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

o) Provisions, contingent liabilities and contingentassets

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 bestestimate.

Contingent liabilities

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

Contingent assets

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

p) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Common allocable costs are allocated to each segment according to the relative contribution of each

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segment to the total common costs. Unallocated items include general corporate income and expense items which are not allocated to any business segment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole

r) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

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

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

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset. The Group has also factored in overall time period of rent agreements to arrive at lease period to recognise rental income on straight line basis.

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

Significant estimates

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

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

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

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(All amounts in INR)

4 **Property, plant and equipment**

Particulars	Leasehold improvements	Office equipments	Total
Year ended 31 March 2018			
Gross carrying amount			
Balance as at 1 April 2017	28,55,853	21,45,763	50,01,616
Additions	-	-	-
Disposals/transfers	28,55,853	21,45,763	50,01,616
Balance as at 31 March 2018	-	-	-
Accumalated depreciation			
Balance as at 1 April 2017	8,80,305	10,00,256	18,80,561
Depreciation during the year	-	-	-
Disposals/transfers	8,80,305	10,00,256	18,80,561
Balance as at 31 March 2018	-	-	-
Net carrying amount	-	-	-
Year ended 31 March 2019			
Gross carrying amount			
Balance as at 1 April 2018	-	-	-
Additions	-	10,000	10,000
Disposals/transfers	-	-	-
Balance as at 31 March 2019	-	**10,000**	**10,000**
Accumalated depreciation			
Balance as at 1 April 2018	-	-	-
Depreciation during the year	-	1,661	1,661
Disposals/transfers	-	-	-
Balance as at 31 March 2019	-	**1,661**	**1,661**
Net carrying amount	-	**8,339**	**8,339**

5 **Other intangible assets**

Particulars	Softwares
Year ended 31 March 2018	
Gross carrying amount	
Balance as at 1 April 2017	2,33,130
Additions	-
Disposals/transfers	2,33,130
Balance as at 31 March 2018	-
Accumalated amortisation	
Balance as at 1 April 2017	2,30,411
Amortisation during the year	2,719
Disposals/transfers	2,33,130
Balance as at 31 March 2018	-
Net carrying amount	-
Year ended 31 March 2019	
Gross carrying amount	
Balance as at 1 April 2018	-
Additions	-
Disposals/transfers	-
Balance as at 31 March 2019	-
Accumalated amortisation	
Balance as at 1 April 2018	-
Amortisation during the year	-
Disposals/transfers	-
Balance as at 31 March 2019	-
Net carrying amount	-

(All amounts in INR)

6 Investments (non-current)

Paticulars		As at 31 March 2019	As at 31 March 2018
Investments in equity instruments (fully paid up)			
Measured at fair value through other comprehensive income			
Quoted			
Texmaco Infrastructure & Holdings Limited [12,810,900 shares (12,810,900 shares) of INR 1/- each]		72,63,78,030	78,21,05,445
Texmaco Rail & Engineering Limited [28,963,900 shares (28,963,900 shares) of INR 1/- each]		1,99,85,09,100	2,41,55,89,260
Chambal Fertilisers and Chemicals Limited [402,840 shares (402,840 shares) of INR 10/- each]		6,72,94,422	6,63,27,606
Nagarjuna Oil Refinery Limited [Nil shares (19,513,000 shares) of INR 1/- each]		-	6,82,95,500
Ess Dee Aluminium Limited [14,000 shares (14,000 shares) of INR 10/- each]		2,27,500	6,34,900
		2,79,24,09,052	3,33,29,52,711
Unquoted			
Lionel Edwards Limited [19,092 shares(19,092 shares) of INR 100/- each]		54,47,787	53,13,004
		54,47,787	53,13,004
Measured at cost			
Quoted			
Gobind Sugar Mills Limited ('GSML') [2,171,549 shares (1,640,632 shares) of INR 10/- each] (subsidiary) [Note 1 and 3]		10,00,75,526	4,69,83,826
		10,00,75,526	4,69,83,826
Unquoted			
Indian Furniture Products Limited ('IFPL')[7,044,643 shares (7,044,643 shares) of INR 10/- each] (Associate) [Note 1 and Note 3]		6,57,50,000	6,57,50,000
New Eros Tradecom Limited ('NETL') [2,049,994 shares (2,094,994 shares) of INR 10/- each] (Associate) [Note 3]		15,53,87,500	15,53,87,500
		22,11,37,500	22,11,37,500
	(A)	3,11,90,69,865	3,60,63,87,041
Investments in Compulsorily Convertible Preference Shares ('CCPS') (fully paid up) (unquoted)			
Measured at cost [Note 3 & 4]			
CCPS of GSML [742,130 shares (Nil shares) of INR 100/-each] (Date of allotment- 14 November 2018 and convertible into equity shares of GSML at any time not later than 18 months from the date of allotment of such CCPS and carry no dividend)	(B)	7,42,13,000	-
Investments in Non Convertible Redeemable Preference Shares ('NCRPS') (fully paid up) (unquoted)			
Measured at fair value through profit and loss			
7% NCRPS of GSML			
Series-VIII - Date of allotment- 30 June 2014 [81,448 shares (81,448 shares) of INR 10/-each]		2,71,611	2,32,174
Series-IX - Date of allotment - 17 November 2014 [2,000,000 shares (2,000,000 shares) of INR 10/-each]		61,66,373	52,71,042
Series-X - Date of allotment - 14 January 2015 [2,000,000 shares (2,000,000 shares) of INR 10/-each]		59,29,205	50,68,309
Series-XIII -Date of allotment - 5 May 2015 [500,000 shares (500,000 shares) of INR 10/-each]		14,25,290	12,18,344
(All above series are redeemable in one single lot after expiry of the 12th year from the date of allotment)	(C)	1,37,92,479	1,17,89,869
Deemed investment in GSML [Note 2]	(D)	3,88,41,756	3,88,41,756
	Total (A+B+C+D)	3,24,59,17,100	3,65,70,18,666
Aggregate book value of quoted investments		2,79,24,09,052	3,33,29,52,711
Aggregate market value of quoted investments		2,79,24,09,052	3,33,29,52,711
Aggregate book value of unquoted investments		13,22,95,022	5,59,44,629
Aggregate amount of impairment in value of investments		-	-

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ZUARI INVESTMENTS LIMITED

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

7 Loans (non-current)

Particulars	As at 31 March 2019	As at 31 March 2018
Measured at amortised cost		
Loans to related parties (unsecured, considered good)#	58,42,00,000	-
Total	**58,42,00,000**	**-**

The Company has provided the above loan to its subsidiary company - Gobind Sugar Mills Limited. The loan being unsecured, carrying interest of 12% p.a. is repayable in 6 half yearly installments commencing from 31 October 2019 amounting to INR 120,000,000 each (last installment being INR 122,700,000). Refer note 35 for further dteails.

8 Non current tax assets (net)

Particulars	As at31 March 2019	As at31 March 2018
Income taxes paid (net of provisions)	86,95,791	49,02,626
Total	**86,95,791**	**49,02,626**

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ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR)

9 **Investments (current)**

Particulars		As at31 March 2019	As at31 March 2018
Measured at fair value through profit and loss			
Investments in 6% NCRPS of Adventz Investment Company Private Limited (fully paid up) (unquoted) 660,000 shares (660,000 shares) of INR 100/- each (redeemable on 30 September 2019)		6,16,00,000	6,16,00,000
	Total	**6,16,00,000**	**6,16,00,000**

10 **Loans (current)**

Particulars		As at31 March 2019	As at31 March 2018
Measured at amortised cost			
Loans to related parties (unsecured, considered good)#		12,00,00,000	-
	Total	**12,00,00,000**	-

#Refer note 7 for further details.

11 **Cash and cash equivalents**

Particulars		As at31 March 2019	As at31 March 2018
Balnces with banks - in currents accounts		27,97,093	51,97,647
	Total	**27,97,093**	**51,97,647**

12 **Other financial assets - current**

Particulars		As at31 March 2019	As at31 March 2018
Measured at amortised cost			
Interest accured #		3,45,61,933	1,53,07,953
Other receivables #		1,99,81,190	-
	Total	**5,45,43,123**	**1,53,07,953**

Refer note 35 for further details.

13 **Other current assets**

Particulars		As at31 March 2019	As at31 March 2018
Balances with revenue authorities		5,23,554	6,75,042
	Total	**5,23,554**	**6,75,042**

ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR)

14 Share capital

Particulars	As at31 March 2019	As at 31 March 2018
Authorised:		
67,000,000 (P.Y. 67,000,000) Equity Shares of INR 10/- each	67,00,00,000	67,00,00,000
Issued shares :		
19,457,364 (P.Y. 19,457,364) Equity shares of INR 10/- each	19,45,73,640	19,45,73,640
Subscribed and fully paid-up shares :		
19,457,364 (P.Y. 19,457,364) Equity shares of INR 10/- each	19,45,73,640	19,45,73,640
Total	**19,45,73,640**	**19,45,73,640**

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

Particulars	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	1,94,57,364	19,45,73,640	3,74,45,790	37,44,57,900
Reduction during the year pursuant to scheme of arrangement #	-	-	1,79,88,426	17,98,84,260
Outstanding at the end of the year	**1,94,57,364**	**19,45,73,640**	**1,94,57,364**	**19,45,73,640**

*17,988,426 equity shares of INR 10/- each presented as reduction in share capital of the Company pursuant to scheme of arrangement entered with Zuari Finserv Limited (Formely known as Zuari Finserv Private Limited). For further details, refer note 30.

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share.

(iii) Shares held by holding company

Particulars	As at 31 March 2019	As at 31 March 2018
Zurai Global Limited	1,94,57,364	1,94,57,364

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Zurai Global Limited	1,94,57,364	100	1,94,57,364	100

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

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ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR)

15 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Openning balance	(7,52,19,559)	(7,09,91,571)
Loss for the year	(5,04,57,060)	(3,38,93,902)
Transfer to Zuari Finserv Limited (formely known as Zuari Finserv Private Limited) (refer note 30)	-	(43,82,920)
Reclassification of cumulative (losses)/gains against investments in equity instruments measured at FVOCI transferred	(8,28,77,171)	3,40,48,835
	(20,85,53,790)	**(7,52,19,559)**
Fair value through OCI- equity instruments		
Opening balance	3,07,21,53,284	3,09,51,35,001
Movement during the year	(53,44,00,915)	1,10,67,118
Reclassification of cumulative (gains)/loss against investments in equity instruments measured at FVOCI transferred	8,28,77,171	(3,40,48,835)
Closing balance	**2,62,06,29,540**	**3,07,21,53,284**
Total	**2,41,20,75,750**	**2,99,69,33,725**

Nature and purpose:

Retained earnings

Retained earnings are created from the profit/(loss) of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Fair value through OCI- equity instruments

The Company has elected to recognize changes in the fair value of certain investments in equity shares in other comprehensive income. These are accumulated in Fair value through OCI- equity instruments reserve in OCI within the equity. The Company transfers this reserves to retained earnings when relevant equity investments are derecognized/transferred.

16 Borrowings (non current)

Particulars	As at 31 March 2019	As at 31 March 2018
Measured at amortized cost		
Unsecured loans from related party - Zuari Global Limited (refer note below)	80,76,45,840	-
	80,76,45,840	-
Less : Current maturities of long term borrowings	12,00,00,000	
Total	**68,76,45,840**	-

Note:

The Company has taken unsecured long term borrowing from its holding company, Zuari Global Limited. The loan carries an interest of 12% p.a. and is repayable in 6 half yearly installments commencing from 31 October 2019 amounting to INR 1,200.00 lacs each (last installment being INR 1,227.00 lacs). Refer note 35 for further details.

17 Borrowings (current)

Particulars	As at 31 March 2019	As at 31 March 2018
Measured at amortized cost		
Unsecured loans - (inter corporate deposits) (refer note 35 for further details)		
Zuari Global Limited [refer note (i)]	51,68,52,500	44,16,78,000
Simon India Limited [refer note (ii)]	11,50,00,000	10,60,00,000
Total	**63,18,52,500**	**54,76,78,000**

(All amounts in INR)

Note:

(i) Terms pertaining to inter corporate deposits

(a) Zuari Global Limited
Interest @ 12.00% - 13.50% p.a. (P.Y. 12.00% p.a.) , repayable at maturity or end of financial year whichever is earlier.
Maturity: 30 June 2019

(b) Simon India Limited
Interest @ 12.50% -17% p.a. (P.Y 12.50% p.a.), repayable at maturity or end of financial year whichever is earlier.
Maturity: 30 June 2019

(ii) Changes in liabilities arising from financing activities:

	Non-current borrowings	Current borrowings
As at 31 March 2017	-	54,01,68,000
Cash adjustments		
Cash inflows	-	23,69,00,000
Cash outflows	-	(22,93,90,000)
Interest paid	-	(5,08,83,143)
Non cash adjustment		
Interest expense/accruals	-	5,08,83,143
As at 31 March 2018	-	**54,76,78,000**
Cash adjustments		
Cash inflows	83,00,00,000	51,40,00,000
Cash outflows	(2,23,54,160)	(42,98,25,500)
Interest paid	(4,77,26,301)	(5,00,42,636)
Non cash adjustments		
Interest expense/accruals	4,77,26,301	5,00,42,636
As at 31 March 2019	**80,76,45,840**	**63,18,52,500**

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(All amounts in INR)

18 Trade payables

Paticulars	As at 31 March 2019	As at 31 March 2018
Measured at amortised cost		
Total outstanding due of micro enterprises and small enterprises	-	-
Total outstanding due of creditors other than micro enterprises and small enterprises	5,43,376	12,45,342
Total	5,43,376	12,45,342

19 Other financial liabilities

Paticulars	As at 31 March 2019	As at 31 March 2018
Measured at amortised cost		
Other payables #	2,10,79,208	-
Current maturities of long term borrowings	12,00,00,000	-
Total	14,10,79,208	-

Refer note 35 for further details.

20 Other current liabilities

Paticulars	As at 31 March 2019	As at 31 March 2018
Statutory dues	1,05,14,686	42,71,227
Total	1,05,14,686	42,71,227

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ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(All amounts in INR)

21 Income tax expense

Paticulars		Year ended 31 March 2019	Year ended 31 March 2018
Accounting loss		(5,04,57,060)	(3,95,54,684)
Applicable tax rates		26.00%	26.00%
Expected tax expense		(1,31,18,836)	(1,02,84,218)
Deferred taxes not recognized on unused tax losses (refer note (ii) below)		(1,31,18,836)	(1,02,84,218)
Actual tax expense	Total	-	-
Tax expense comprises			
Current tax expense		-	-
Deferred tax expense		-	-
	Total	-	-

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 2018, the applicable rate of income tax shall be 25% plus applicable cesses.

(ii) **Deferred tax:**

The Company has not recognised deferred tax asset on unused tax losses in absence of reasonable certainty and availibity of sufficient future taxable profits against which such unused tax 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	88,76,29,555		84,77,41,046	
	88,76,29,555	**-**	**84,77,41,046**	**-**

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

Year of expiry Financial year ending 31 March	As at 31 March 2019	As at 31 March 2018
2020	15,50,595	15,50,595
2021	12,88,015	12,88,015
2022	10,97,08,092	10,97,08,092
2023	1,41,09,487	1,41,09,487
2024	20,28,19,055	20,28,19,055
2025	51,82,17,679	51,82,17,679
2026	48,123	48,123
2027	3,98,88,509	-
	88,76,29,555	84,77,41,046

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ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(All amounts in INR)

22 Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on ICDs	3,65,08,234	-
Dividend received	1,05,68,551	1,06,89,151
Excess provisions written back	4,54,935	-
Gain on fair value measurement of financial assets	20,02,610	17,11,840
Miscellaneous income	-	477
Total	**4,95,34,330**	**1,24,01,468**

23 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries including bonus	2,68,844	-
Total	**2,68,844**	-

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(All amounts in INR)

24 Finance costs

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
Interest expense		9,77,68,937	5,08,83,143
	Total	**9,77,68,937**	**5,08,83,143**

25 Depreciation and amortisation expense

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment		1,661	-
	Total	**1,661**	**-**

26 Other expenses

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
Fees and subscriptions		29,250	-
Legal and professional		9,03,365	2,04,386
Payment to auditors*		5,67,500	6,15,000
Rates and taxes		20,710	23,623
Directors sitting fees		1,35,000	2,30,000
Rent		2,10,000	-
Communication		6,710	-
Travelling and conveyance		8,104	-
Miscellaneous		71,309	-
	Total	**19,51,948**	**10,73,009**

*Payment to the auditors (excluding goods and service tax):-			
Statutory audit fee		5,00,000	4,00,000
Tax audit fee		-	1,00,000
Other services (certification fees)		67,500	1,15,000
	Total	**5,67,500**	**6,15,000**

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ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(All amounts in INR)

27 Commitments and contingencies

Leases

Operating lease:

The Company has obtained office premises on operating sub lease from one of its group company for a period of 2 years. Agreement entered is further renewable at the option of the Company. There is escalation clause in the respective sub lease agreement. This sub lease is cancellable in nature. Lease rentals charged to Statement of Profit and Loss and maximum obligation towards long term non cancellable operating leases payable as the rentals stated in the respective lease agreements.

	As at 31 March 2019	As at 31 March 2018
Lease rentals recognised during the year	2,10,000	-
Lease obligations		
Within one year	2,10,000	-
Later than one year but not more than five years	-	-
Later than five years	-	-

Contingent liabilities

The Hon'ble Supreme Court (SC) has, in a recent decision ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays special allowance, conveyance allowance and others allowances to its employees as a part of its their compensation structure, which are not included in the basic wages for the purpose of computing the PF.

As the above said ruling has not prescribed any clarification w.r.t its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for employee contribution has been recognized in the financial statements for the year ended 31 March 2019".

28 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 from continuing and discontinued operations.

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

Particulars	As at 31 March 2019	As at 31 March 2018
Loss attributable to equity holders of the Company from **continuing operations**	(5,04,57,060)	(3,95,54,684)
Profit attributable to equity holders of the Company from **discontinued operations**	-	56,60,782
Face value per equity share (INR)	10.00	10.00
Weighted average number of equity shares for basic and diluted earnings per share (No.)	1,94,57,364	3,32,07,421
Loss per share from **continuing operations** (basic and diluted) (INR)	(2.59)	(1.19)
Earning per share from **discontinued operations** (basic and diluted) (INR)	-	0.17

29 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company adjusts dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 1:1. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings	1,43,94,98,340	54,76,78,000
Trade payables	5,43,376	12,45,342
Less: Cash and cash equivalents	27,97,093	51,97,647
Net debt	**1,43,72,44,623**	**54,37,25,695**
Total capital	**2,60,66,49,390**	**3,19,15,07,365**
Capital and net debt	**4,04,38,94,013**	**3,73,52,33,060**
Gearing ratio	**0.36**	**0.15**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019.

ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

30 Discontinued operations

During the year ended 31 March 2018, the management of the Company discontinued the Company's service oriented business comprising of stock broking, depository participant, real estate brokers, distribution of mutual fund products, mortgage brokers and registrars/share transfer agents, along with entire investments held by it in Zuari Insurance Brokers Limited and Zuari Commodity Trading Limited, its wholly owned subsidiaries engaged in the business of insurance broking and commodity trading respectively after getting approval from National Company Law Tribunal ('NCLT'), Mumbai Bench, Mumbai dated 9 November 2017 in pursuance of scheme of arrangement entered between the Company and Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited) which was being effected from 5 January 2018, after making necessary filings with Registrar of Companies.

The service oriented business of the Company was therefore, discontinued and reported as discontinued operation with effect from 5 January 2018.

The financial performance and cash flow information for period from 1 April 2017 to 5 January 2018 is presented as below:

Particulars	Period ended 5 January 2018
Revenues	8,00,57,365
Expenses	7,43,96,583
Profit before income tax	**56,60,782**
Income tax expense	-
Profit after tax	**56,60,782**
Losses from transfer of service oriented business (net of tax)	(43,82,915)
Other comprehensive income from discontinued operations	-
Total income from discontinued operations#	**12,77,867**

The same represents loss for the year ended 31 March 2017.

Net cash used in from operating activities	(2,94,64,743)
Net cash used in from investing activities	(8,59,795)
Net cash generated from financing activities	2,22,60,287
Net cash used in discontinued operations*	**(80,64,251)**

*The entire amount is attributable to the equity share holders of the Company.

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ZUARI INVESTMENTS LIMITED

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(All amounts in INR)

Details of the transfer of service oriented business:

	31 March 2018
Consideration received:	
- in cash	-
- in equity shares of Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited)	17,98,84,260
Net assets transferred as on 5 January 2018	18,42,67,175
Gain/(loss) on transfer before tax	**(43,82,915)**
Tax expense related thereto	-
Gain/(loss) on transfer after tax reduced in retained earnings	**(43,82,915)**

The carrying amounts of assets and liabilities as on 5 January 2018 were as follows:

		Amount
Assets		
Property, plant and equipment		32,64,435
Other intangible assets		60,316
Investments		4,35,00,000
Trade receivables		10,92,84,632
Security and fixed deposits		10,24,31,207
Cash and cash equivalents		7,72,38,832
Other assets		1,11,92,239
	Total (A)	**34,69,71,661**
Liabilities		
Provisions for employee obligations		63,31,823
Borrowings		1,99,99,998
Trade payables		33,94,625
Other financial liabilities		5,83,91,539
(Including inter group payables and deposits received from clients)		
Statutory dues		47,79,493
Advances from clients		6,98,07,008
	Total (B)	**16,27,04,486**
Net worth	(A-B)	**18,42,67,175**

ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

31 Fair value measurements

Financial instruments by category

	As at 31 March 2019			As at 31 March 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Investments in equity instruments	-	2,79,78,56,839	-	-	3,33,82,65,715	-
Investments in NCRPS	7,53,92,479	-	-	7,33,89,869	-	-
Loans	-	-	70,42,00,000	-	-	-
Cash and cash equivalents	-	-	27,97,093	-	-	51,97,647
Other financial assets	-	-	5,45,43,123	-	-	1,53,07,953
Total financial assets	7,53,92,479	2,79,78,56,839	76,15,40,216	7,33,89,869	3,33,82,65,715	2,05,05,600
Financial liabilities						
Borrowings (includind current maturities of long term borrowings)	-	-	1,43,94,98,340	-	-	54,76,78,000
Trade payables	-	-	5,43,376	-	-	12,45,342
Other financial liabilities	-	-	2,10,79,208	-	-	-
Total financial liabilities	-	-	1,46,11,20,924	-	-	54,89,23,342

The management of the Company has assessed that the carrying amount of the financial assets and financial liabilities measured at amortised cost, are approximately equal to their fair values as at respective balance sheet dates and do not significantly vary from the amounts reported.

The investments in equity shares and CCPS of GMSL are measured at cost. Refer note 6 for further details.

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 instruments measured at fair value (recurring fair value measurements)	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets	**As at 31 March 2019**				
Financial investments at FVTPL					
Investment in preference shares		7,53,92,479	-	6,16,00,000	13792479
Financial investments at FVOCI					
Investments in equity instruments		2,79,78,56,839	2,79,24,09,052	-	54,47,787

There have been no transfers between Level 1 and Level 2 during the year.

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

Financial instruments measured at fair value (recurring fair value measurements)	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets	**As at 31 March 2018**				
Financial investments at FVTPL					
Investment in preference shares		7,33,89,869	-	6,16,00,000	11789868.81
Financial investments at FVOCI					
Investments in equity instruments		3,33,82,65,715	3,33,28,17,928	-	54,47,787

There have been no transfers between Level 1 and Level 2 during the year.

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ZUARI INVESTMENTS LIMITED

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32 Financial risk management objectives and policies

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

The Company is exposed to **market risk, credit risk and liquidity risk.** The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **interest rate risk, currency risk and other price risk**, such as **equity price risk**. Financial instruments affected by market risk include loans and investments. The Comoany is not exposed to currency risk and price risk as it has not foreign currency transactions and no market exposures. The Company has fixed term loan facility which is having fixed rate of interest. Therefore, risk of exposure to interest rates is considered insignifcant.

Equity price risk

Applicability

Investment in un-quoted equity shares and preference shares:

The Company's non-listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity and preference share instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Director or Managing Director reviews and approves all long term investment decisions.

Investment in quoted shares:

The Company's listed equity investments carried at FVTOCI are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity investments at FTOCI was INR 27,924.09 lacs (previous year: INR 33329.53 lacs). A decrease of 5% on the NSE market index could have an impact of approximately INR 1,396.20 lacs (previous year INR 1,666.48 lacs) on the OCI or equity attributable to the Company. The analysis is based on the assumption that the NSE market index and the equity investment moved inline. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

Credit risk

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

Applicability	31 March 2019	31 March 2018
Cash and cash equivalents	27,97,093	51,97,647
Other financial assets	5,45,43,123	1,53,07,953
Loans	70,42,00,000	-
	88,15,40,216	2,05,05,600

Note:

Loans, balances with banks and cash and cash equivalents.

Credit risk from balances with banks is managed by the Company's senior management in accordance with the Company's policy. Investments of surplus funds are made only with a prior approval from Board of Directors. The Company has provided loan to its subsidiary company for setting up of distillery plant (being long term in nature).Therefore, the Company assesses its credit risk as low or negligible.

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Liquidity risk

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

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

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

Particulars	Within 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2019				
Borrowings	65,23,87,706	-	-	**65,23,87,706**
Trade payables	5,43,376	-	-	**5,43,376**
Other financial liabilities	14,10,79,208	-	-	**14,10,79,208**
	79,40,10,290	-	-	**79,40,10,290**
As at 31 March 2018				
Borrowings	56,41,08,340	-	-	**56,41,08,340**
Trade payables	12,45,342	-	-	**12,45,342**
Other financial liabilities	-	-	-	-
	56,53,53,682	-	-	**56,53,53,682**

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ZUARI INVESTMENTS LIMITED

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33 Fair values

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 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 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	Investment in NCRPS of GSML		
Valuation technique	Discounted cash flow method		
Significant unobservable inputs	Average borrowing rate of the instrument issuer company		
Probable weighted range	31 March 2019: 14% - 17% (16%)		
	31 March 2018: 14% - 17% (16%)		
Sensitivity of the input to fair value		**31 March 2019**	**31 March 2018**
	+0.50%	(4,97,712)	(4,79,919)
	-0.50%	5,16,989	5,00,908

The valuation of financial assets measured at fair value using level 3 inputs is carried out by finance head of the Company who directly report to board of directors of the Company.

They considers average borrowing rates of the issuer of the instrument and tracks for changes in financial position.

Reconciliation of fair value measurement of unquoted preference shares classified as FVTPL assets:

	Investment in NCRPS of GSML
As at 1 April 2017	**1,00,78,029**
Re-measurement gain recognised in statement of profit and loss	17,11,840
As at 31 March 2018	**1,17,89,869**
Re-measurement gain recognised in statement of profit and loss	20,02,610
As at 31 March 2019	**1,37,92,479**

34 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.

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ZUARI INVESTMENTS LIMITED

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(All amounts in INR)

35 Related party disclosures as per Ind AS 24:

A The list of related parties as identified by the management is as under:

i) Holding Company:
Zuari Global Limited

Nature of transaction	As at 31 March 2019	As at 31 March 2018
Opening balance	44,16,78,000	43,88,89,351
Inter Coporate Deposits (ICDs) received	1,26,00,00,000	13,39,00,000
ICDs paid	35,48,25,500	12,93,90,000
Interest paid	8,44,80,676	3,64,21,314
Processing charges	1,85,00,000	-
Payment made on their behalf	-	2,84,625
Sale of investments	-	3,55,76,622
Closing balance (other payables)	2,00,00,920	-
Closing balance (current borrowings)	51,68,52,500	44,16,78,000
Closing balance (non current borrowings)	80,76,45,840	-

ii) Subsidiary Company:
Gobind Sugar Mills Limited

Nature of transaction	As at 31 March 2019	As at 31 March 2018
Opening balance	-	-
ICDs given	72,27,00,000	-
Interest income	3,65,08,234	-
Processing charges	1,85,00,000	
Closing balance (interest accrued)	3,45,61,933	-
Closing balance (other receivables)	1,99,81,190	
Closing balance (loans -non current and current)	70,42,00,000	-

iii) Fellow Subsidiaries:
1) Simon India Limited

Nature of transaction	As at 31 March 2019	As at 31 March 2018
Opening balance	10,60,00,000	10,30,01,706
ICDs received	8,40,00,000	10,30,00,000
ICDs paid	7,50,00,000	10,00,00,000
Interest paid	1,32,88,261	1,38,17,411
Closing balance	11,50,00,000	10,60,00,000

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ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR)

2) Zuari Finserv Limited (Formerly knownas Zuari Finserv Private Limited)

Nature of transaction	As at 31 March 2019	As at 31 March 2018
Opening balance	1,53,07,952	-
Property, plant and equipment acquired	10,000	-
Amount paid on our behalf	-	21,748
Amount paid on their behalf	-	4,66,356
Amount received on their behalf	-	4,92,796
Amount received on our behalf	-	64,478
Rent paid	2,10,000	-
Depository and brokerage charges paid	1,97,618	-
Support service income	-	26,12,963
Support service expense	-	15,52,429
Closing balance (Other payables)	10,78,288	-
Closing balance (Other receivables)	-	1,53,07,952

iv) **Key Management Personnel**

Mr. Bhaskar Chatterjee (Independent Director)
Mr. L.M Chandrasekaran (Independent Director)(resigned with effect from 9 February 2018)

Nature of transaction	As at 31 March 2019	As at 31 March 2018
Mr. Bhaskar Chatterjee		
Director's sitting fees	1,35,000	1,30,000
Mr. L.M Chandrasekaran		
Director's sitting fees	-	1,00,000

v) **Relatives of Key Management Personnel of the Company**

Ms. Kavita Kathuria

Nature of transaction	As at 31 March 2019	As at 31 March 2018
Opening balance	-	-
Income stock broking/depository participant	-	1,665
Closing balance	-	-

ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR)

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

Particulars	As at 31 March 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.	-	-

37 Pursuant to sub-section 3 of section 129 of Companies Act, 2013 read with rule 6 of Companies (Accounts) Rules, 2014 and Companies (Accounts) Amendment Rules, 2016 (the "rules") published vide notification number G.S.R. 742(E) dated 27 July 2016, the Company has opted not to prepare consolidated financial statements of the Company, its subsidiaries and associates for the financial year ended 31 March 2019. With respect to this, the Company has taken necessary steps to ensure compliance with conditions specified in the rules for availing exemption as prescribed.

38 **Particulars of loans given in accordance with section 186(4) of the Companies Act, 2013, as amended:**

Particulars	As at 31 March 2019	As at 31 March 2018
Gobind Sugar Mills Limited ('GSML') (@ 12.00% p.a.)		
(financial assistance for general business purposes)		
Opening balance	-	-
Loans given during the year	72,27,00,000	-
Loans repaid during the year	-	-
Adjustment for processing charges	-18500000	
Closing balance	**70,42,00,000**	-

39 **Change in accounting policy:**

The Company has consistently applied the accounting policies to all years 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 Company 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 shall 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, does not have have any impact on the Company as the Company does not have "Revenue from operations".

ZUARI INVESTMENTS LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR)

40 The Company is carrying the financial activities, as defined under section 45I(c) and 45I(f) of the Reserve Bank of India Act, 1934, as amended ("the RBI Act"). Therefore, the Company has applied for registration with Reserve Bank of India as Non Deposit taking Systematically Important Core Investment Company under section 45- IA of the RBI Act vide application dated 25 March 2019.

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/N500013

Neeraj Goel
Partner
Membership No. 099514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 4 May 2019

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

V. Seshadri
Whole Time Director
(DIN-06499916)

Vijay Kathuria
Director
(DIN-00338125)

Umesh Sood
Chief Financial Officer

Mahendra Singh Chouhan
Company Secretary
(Membership No. A56365)

ZUARI INVESTMENTS LIMITED *