

Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of Zuari Commodity Trading Limited

Report on the Audit of the Financial Statements

Opinion

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

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

1. We have audited the accompanying financial statements of Zuari Commodity Trading 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.

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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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

11. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
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;
 - 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 04 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:



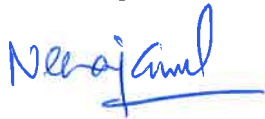
Walker Chandiook & Co LLP

- 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 Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Goel

Partner

Membership No.: 099514



Place: New Delhi

Date: 4 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of Zuari Commodity Trading 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 not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and rule framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) 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.



Walker Chandiook & Co LLP

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

- (viii) The Company has no loans or borrowings payable to a 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) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

Place: New Delhi
Date: 4 May 2019



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

Annexure II

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

1. In conjunction with our audit of the financial statements of the Company as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance Note and Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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



Walker Chandiook & Co LLP

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by the ICAI.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No. 099514

Place: New Delhi
Date: 4 May 2019



Particulars	Notes	As at 31 March 2019	As at 31 March 2018 *
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1	1
(b) Other intangible assets	5	1	1
(c) Financial assets			
(i) Loans	6	22,25,000	48,00,000
(ii) Other financial assets	6	16,12,000	16,12,000
(d) Deferred tax assets (net)	23	14,710	14,710
(e) Non-current tax assets (net)	7	1,09,396	59,265
		39,61,108	64,85,977
Current assets			
(a) Financial assets			
(i) Trade receivables	8	-	200
(ii) Cash and cash equivalents	9	36,37,369	39,19,077
(iii) Loans	10	67,53,000	51,53,000
(iv) Other financial assets	11	1,10,604	1,57,736
(b) Other current assets	12	2,40,154	1,71,885
		1,07,41,127	94,01,898
TOTAL		1,47,02,235	1,58,87,875
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	1,85,00,000	1,60,00,000
(b) Other equity	14	(80,16,327)	(73,39,050)
		1,04,83,673	86,60,950
LIABILITIES			
Non-current liabilities			
Provisions	15	97,622	2,07,319
		97,622	2,07,319
Current liabilities			
(a) Financial liabilities			
Trade payables	16	-	-
- Total outstanding due of micro enterprises and small enterprises		-	-
- Total outstanding due of creditors other than micro enterprises and small enterprises		2,26,157	3,66,697
(b) Other current liabilities	17	38,25,776	65,35,008
(c) Provisions	18	69,007	1,17,901
		41,20,940	70,19,606
TOTAL		1,47,02,235	1,58,87,875

*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 34.

The accompanied notes form an integral part of the financial statements

As per our report of even date.

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

Neeraj Goel
Partner
Membership No. 099514



Place: 1 New Delhi
Date: 4 May 2019

For and on behalf of the Board of Directors of
Zuari Commodity Trading Limited

R. S. Raghavan
Director
(DIN-00362555)

Vijay Kathuria
Director
(DIN-00338125)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018 *
Income			
Revenue from operations	19	8,06,832	9,21,854
Other income	20	5,37,522	6,46,930
Total income		13,44,354	15,68,784
Expenses			
Employee benefits expense	21	9,32,105	17,39,911
Other expenses	22	11,05,746	13,86,492
Total expenses		20,37,851	31,26,403
Loss before tax		(6,93,497)	(15,57,619)
Tax expense:			
Current tax	23	-	-
Deferred tax charge	23	-	13,81,000
		-	13,81,000
Loss for the year		(6,93,497)	(29,38,619)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains on defined benefit plans		16,220	9,170
Income taxes thereon		-	-
Other comprehensive income for the year		16,220	9,170
Total comprehensive loss for the year		(6,77,277)	(29,29,449)
Loss per equity share			
	25		
(1) Basic		(0.04)	(1.84)
(2) Diluted		(0.04)	(1.84)

*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 34.

The accompanied notes form an integral part of the financial statements

As per our report of even date.

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

Neeraj

Neeraj Goel
Partner
Membership No. 099514



Place: New Delhi
Date: 4 May 2019

For and on behalf of the Board of Directors of
Zuari Commodity Trading Limited

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

Vijay Kathuria
Vijay Kathuria
Director
(DIN-00338125)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018 *
(A) Cash flow from operating activities		
Loss before tax	(6,93,497)	(15,57,619)
Adjustments for:		
Interest income	(5,10,570)	(6,05,437)
Excess provisions written back	(12,246)	(3,397)
Provision for doubtful debts	-	18,183
Operating loss before working capital changes	(12,16,313)	(21,48,270)
Adjustment for changes in working capital:		
- provisions	(1,42,371)	46,919
-trade receivables and other assets	9,06,931	(4,57,235)
-trade and other payables	(28,37,526)	32,95,453
Cash flow generated from/(used in) operations	(32,89,279)	7,36,867
Income taxes paid (net)	(50,131)	(4,692)
Net cash flow generated from/(used in) operations	(33,39,410)	7,32,175
(B) Cash flow from investing activities		
Interest income received during the year	5,57,702	6,41,833
Net cash flow generated from investing activities	5,57,702	6,41,833
(C) Cash flow from financing activities		
Proceeds from issue of equity share capital	25,00,000	-
Net cash flow generated from financing activities	25,00,000	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,81,708)	13,74,008
Cash and cash equivalents as at the beginning of the year	39,19,077	25,45,069
Cash and cash equivalents as at the end of the year	36,37,369	39,19,077
Reconciliation of cash and cash equivalents[#]		
Cash and cash equivalents as per above comprising of the following:		
	Year ended 31 March 2019	Year ended 31 March 2018
Cash and cash equivalents	36,37,369	39,19,077
Balances as per statements of cash flows (as per above)	36,37,369	39,19,077

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

Notes:

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

*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 34.

As per our report of even date.

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

For and on behalf of the Board of Directors of
Zuari Commodity Trading Limited



Neeraj Goel
Partner
Membership No. 099514



Place: New Delhi
Date: 4 May 2019


R. S. Bagnan
Director
(DIN-00362555)


Vijay Kathuria
Director
(DIN-00338125)

(a) Equity share capital

Equity shares of INR 10/- each issued, subscribed and fully paid

	Number of shares	Amount
As at 31 March 2017	16,00,000	1,60,00,000
Issued during the year	-	-
As at 31 March 2018	16,00,000	1,60,00,000
Issued during the year	2,50,000	25,00,000
As at 31 March 2019	18,50,000	1,85,00,000

(b) Other equity

For the year ended 31 March 2019:

	Deficit in the Statement of Profit and Loss
As at 31 March 2017*	(44,09,601)
Loss for the year	(29,38,619)
Other comprehensive income	9,170
Total comprehensive loss for the year	(29,29,449)
As at 31 March 2018	(73,39,050)
Loss for the year	(6,93,497)
Other comprehensive income	16,220
Total comprehensive loss for the year	(6,77,277)
At 31 March 2019	(80,16,327)

*The Company has initially applied Ind AS 115, Revenue from contracts with customers, using the "Cumulative Effect Method". Under this method, the comparative information is not restated. See note 34.

The accompanied notes form an integral part of the financial statements

As per our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel

Partner

Membership No. 099514

Place: New Delhi

Date: 4 May 2019



For and on behalf of the Board of Directors of
Zuari Commodity Trading Limited

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

Vijay Kathuria
Vijay Kathuria
Director
(DIN-00338125)

Zuari Commodity Trading Limited

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

1. Corporate information

Zuari Commodity Trading Limited (the “Company”) is a public Company domiciled in India and incorporated on 27 June 2008 under the provisions of the Companies Act, 1956. The Company is involved in the business of commodity broking and is registered as a broking member with Multi Commodity Exchange of India Limited (MCX) and National Commodity and Derivatives Exchange Limited (NCDEX). The registered address of the Company is Jai Kisaan Bhawan, Zuarinagar, Goa, 403726 and principal place of business of the Company is Plot no 2, Zauri House, Community Centre, Zamrudpur, Kailash Colony Extension, New Delhi 110048. The Board of Directors of the Company in their meeting held on 9 February 2019 approved the Scheme of Arrangement (“the Scheme”) between the Company with Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited) with appointed date being 1 April 2018 in the Scheme. For further details, refer note 33.

2. Application of Indian Accounting Standards

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized (refer note 36) have been considered while preparing these financial statements.

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 and non-financial assets measured at fair value or net realizable value as applicable.

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

The newly effective Ind AS 115 “Revenue from Contracts with Customers” requires to recognize revenue when customer has transferred control of goods or service rather than transfer of risks and rewards. Refer note 34 for further details.

c) Current versus non-current classification

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



Zuari Commodity Trading Limited

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

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

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

A **liability** is current when:

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

The Company classifies all other liabilities as non-current.

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

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

d) Revenue recognition

The Company has applied Ind AS 115 “Revenue from Contracts with Customers” using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 “Revenue”. The details of accounting policies under Ind AS 18 are disclosed separately if they are different from those under Ind AS 115 and the impact of changes is disclosed in note 34.

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

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

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

Identifying the performance obligations

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

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

Determining the transaction price

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



Zuari Commodity Trading Limited

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

Allocating the transaction price to the performance obligations

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

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

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

In the comparative period presented in financial statements, revenue was measured at the fair value of the consideration received or receivable. Revenue was recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received.

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

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

Rendering of services (brokering services):

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

Interest income:

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

e) Taxes

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

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.



Zuari Commodity Trading Limited

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

f) Borrowing costs

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

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

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

g) 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.

h) Post-employment and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has neither statutory nor contractual obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan of the Company has been funded by policy taken



Zuari Commodity Trading Limited

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

from Life Insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

Measurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Actuarial gains/losses are not reclassified to profit or loss in subsequent periods.

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

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

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

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

i) Financial instruments

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

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



Zuari Commodity Trading Limited

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

cash flows; and

- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

Impairment of financial asset

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

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

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



Financial liabilities:

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

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.

j) 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.

k) Cash and cash equivalents

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

l) Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities



Zuari Commodity Trading Limited

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

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.

m) 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 the 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.



4 Property, plant and equipment

Particulars	Office equipments
<i>Year ended 31 March 2018</i>	
Gross carrying amount	
Balance as at 1 April 2017	20,430
Additions	-
Disposals	-
Balance as at 31 March 2018	20,430
Accumulated depreciation	
Balance as at 1 April 2017	20,429
Depreciation charge during the year	-
Disposals	-
Balance as at 31 March 2018	20,429
Net carrying amount	1
Balance as at 31 March 2019	
Gross carrying amount	
Balance as at 1 April 2018	20,430
Additions	-
Disposals	-
Balance as at 31 March 2019	20,430
Accumulated depreciation	
Balance as at 1 April 2018	20,429
Depreciation charge during the year	-
Disposals	-
Balance as at 31 March 2019	20,429
Net carrying amount	1

5 Other intangible assets

Particulars	Computer softwares
<i>Year ended 31 March 2018</i>	
Gross carrying amount	
Balance as at 1 April 2017	1
Additions	-
Disposals	-
Balance as at 31 March 2018	1
Amortisation and impairment	
Balance as at 1 April 2017	-
Amortisation during the year	-
Disposals	-
Balance as at 31 March 2018	-
Net carrying amount	1
Balance as at 31 March 2019	
Gross carrying amount	
Balance as at 1 April 2018	1
Additions	-
Disposals	-
Balance as at 31 March 2019	1
Accumulated amortisation	
Balance as at 1 April 2018	-
Amortisation during the year	-
Disposals	-
Balance as at 31 March 2019	-
Net carrying amount	1



6 Financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
Loans		
<i>Measured at amortised cost</i>		
Security deposits (unsecured, considered good)	22,25,000	48,00,000
Total	22,25,000	48,00,000
Other financial assets		
<i>Measured at amortised cost</i>		
Balances with banks - in deposit accounts*	16,12,000	16,12,000
Total	16,12,000	16,12,000

* INR 750,000 is under lien to National Commodity and Derivatives Exchange Limited (NCDEX) and INR 750,000 is under lien to Multi Commodity Exchange of India Limited (MCX) maturing within 12 months of the reporting date (considering the compulsion to renew the same it is treated as non-current) and INR 112,000 with clearing member ISSL Settlement & Transaction Services Limited.

7 Non-current tax assets (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax paid (net of provisions)	1,09,396	59,265
Total	1,09,396	59,265

8 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Measured at amortised cost</i>		
From others	-	200
	-	200
Break-up for security details:		
i) Unsecured, considered good	-	200
ii) Unsecured, credit impaired	9,782	18,183
	9,782	18,383
Less : provision for credit impaired	9,782	18,183
Total	-	200

9 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks in current accounts	36,28,519	39,15,510
Cash in hand	8,850	3,567
Total	36,37,369	39,19,077

10 Loans

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Measured at amortised cost</i>		
Security deposits (unsecured, considered good)	67,53,000	51,53,000
Total	67,53,000	51,53,000

11 Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Measured at amortised cost</i>		
Interest accrued on deposits	1,10,604	1,57,736
Total	1,10,604	1,57,736

12 Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with revenue authorities	1,30,635	1,00,679
Prepaid expenses	44,176	56,180
Other recoverable	65,343	15,026
Total	2,40,154	1,71,885



13 Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised:		
5,000,000 Equity shares of INR 10/- each	5,00,00,000	5,00,00,000
Issued shares :		
1,850,000 (P.Y 1,600,000) Equity shares of INR 10/- each	1,85,00,000	1,60,00,000
Subscribed and fully paid-up shares :		
1,850,000 (P.Y 1,600,000) Equity shares of INR 10/- each	1,85,00,000	1,60,00,000
Total	1,85,00,000	1,60,00,000

(a) 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	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Outstanding at the beginning of the year	16,00,000	1,60,00,000	16,00,000	1,60,00,000
Issued during the year	2,50,000	25,00,000	-	-
Outstanding at the end of the year	18,50,000	1,85,00,000	16,00,000	1,60,00,000

(b) 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.

(c) Shares held by holding company:

Particulars	As at 31 March 2019	As at 31 March 2018
Zuari Finserv Limited (formerly known as Zuari Finserv private Limited) (refer note 30)	18,50,000	16,00,000

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 10/- each fully paid				
Zuari Finserv Limited (formerly known as Zuari Finserv private Limited)	18,50,000	100	16,00,000	100

(This space has been intentionally left blank)



14 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
Deficit in the Statement of Profit and Loss		
Opening balance	(73,39,050)	(44,09,601)
Total comprehensive loss for the year	(6,77,277)	(29,29,449)
Closing balance	(80,16,327)	(73,39,050)

15 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for gratuity (refer note 29)	97,622	2,07,319
Total	97,622	2,07,319

16 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Measured at amortised cost</i>		
-Total outstanding due of micro enterprises and small enterprises*	-	-
-Total outstanding due of creditors other than micro enterprises and small enterprises	2,26,157	3,66,697
Total	2,26,157	3,66,697

*Refer note 32 for details of dues to micro and small enterprises.

17 Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory obligations	57,205	56,917
Advances from customers	32,54,122	48,09,188
Other payables (refer note 30)	5,14,449	16,68,903
Total	38,25,776	65,35,008

18 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for compensated absences	66,853	1,16,308
Provision for gratuity (refer note 29)	2,154	1,593
Total	69,007	1,17,901



(This space has been intentionally left blank)

19 Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Brokerage income	8,02,595	8,93,065
Other operating income	4,237	28,789
Total	8,06,832	9,21,854

Note:

The management of the Company believes disaggregation of revenue from operations is not required in accordance with Ind AS 115 "Revenue from contracts with customers". Therefore, disaggregated revenue from operations is not presented. Refer note 34 for further details.

20 Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income from:		
Deposits	5,10,570	6,02,439
Income tax refund	-	2,998
Excess provisions written back	12,246	3,397
Miscellaneous income	14,706	38,096
Total	5,37,522	6,46,930

21 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus*	8,22,828	15,60,344
Contribution to provident fund	59,702	1,03,651
Staff welfare expenses	49,575	75,916
Total	9,32,105	17,39,911

* Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in note 29.

22 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Fees and subscriptions	1,08,328	44,795
Advertisement	25,900	-
Computer repair and maintenance	1,01,063	86,696
Legal and professional	78,170	1,82,241
Insurance	-	7,110
Rates and taxes	14,700	6,600
Communication	1,67,868	2,65,176
Auditors remuneration*	1,13,100	1,00,000
Rent	4,20,084	4,20,609
Brokerage	28,252	2,30,270
Provision for doubtful debts	-	18,183
Miscellaneous expenses	48,281	24,812
Total	11,05,746	13,86,492
*Auditors remuneration		
Audit fees	1,00,000	1,00,000
Certification fees	5,000	-
Reimbursement of expenses	8,100	-
Total	1,13,100	1,00,000



23 Income tax expense

Particulars	As at 31 March 2019	As at 31 March 2018
Accounting loss		
Applicable tax rates	(6,93,497)	(15,57,619)
Expected tax expense	26.00%	26.00%
	(1,80,309)	(4,04,981)
Total	(1,80,309)	(4,04,981)
Actual tax expense [refer note (ii) below]		
Tax expense comprises:		
Current tax expense	-	-
Deferred tax charges	-	13,81,000
Total	-	13,81,000

Note:

- (i) As per Finance Act, 2019, the income tax rates for domestic companies whose turnover has not exceeded INR 250 crores in year ended 31 March 2017, the applicable rate of income tax shall be 25%. Cesses are considered separately as applicable.
- (ii) During the year ended 31 March 2018, the Company has derecognised all deferred tax assets created upto year preceding that year ended and has not recognised deferred tax assets on last and current year losses considering insufficiency of future taxable profits to set off those deferred tax assets arising from deductible timing differences.

Deferred tax :

Particulars	As at 31 March 2017			(Charged)/Credited to Profit or Loss OCI			As at 31 March 2018			(Charged)/Credited to Profit or Loss OCI			As at 31 March 2019				
	Deferred tax liability (A):																
Deferred tax assets:																	
Carry forward losses, unabsorbed depreciation and other unused tax credits*	13,65,710			(13,51,000)				14,710									14,710
Difference in carrying values of property, plant and equipment per Companies Act, 2013 and Income-tax Act, 1961	30,000			(30,000)													
Total (B)	13,95,710			(13,81,000)				14,710									14,710
Deferred tax asset/(liability) (B - A)	13,95,710			(13,81,000)				14,710									14,710

* The same includes unused tax credits amounting to INR 14,710 on account of MAT credit entitlement.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The unused tax losses for which no deferred tax assets are recognised representing unabsorbed depreciation does not have expiry time, amounts to INR 1,752,198 as at 31 March 2019 (31 March 2018:1,728,313).

The unused tax losses for which no deferred tax assets are recognised representing business losses (excluding unabsorbed depreciation) are as follows:

Year of expiry Financial year ending 31 March	As at	
	31 March 2018	31 March 2019
2020-21	6,44,938	6,44,938
2021-22	16,52,128	16,52,128
2023-24	3,85,180	3,85,180
2024-25	8,20,888	8,20,888
2025-26	15,25,868	15,25,868
2026-27	-	8,95,589
	50,29,002	59,24,591

(This space has been intentionally left blank)



24 Commitments and contingencies**Leases****Operating lease**

The Company has a sub - lease agreement tenure of which is dependent upon the tenure for main lease agreement. The agreement is further renewable at the option of the Company. There is escalation clause in the sub lease agreement which is in line with general inflation rates. The sub lease is cancellable in nature.

Lease rentals charged to the statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements.

Particulars	As at 31 March 2019	As at 31 March 2018
Lease rentals recognised during the year		
Lease obligations	4,20,084	4,22,184
- within one year		
- after one year but not more than five years	4,20,084	4,22,184

Contingent liabilities

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

25 Earnings per share (EPS)

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Loss attributable to equity shareholders of the Company (INR)	(6,93,497)	(29,38,619)
Weighted average number of equity shares for basic and diluted EPS (No.)	1,72,67,123	16,00,000
Face value per share (INR)	10.00	10.00
Loss per share (basic and diluted) (INR)	(0.04)	(1.84)

26 Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company manages its capital structure as debt free company and monitors the same regularly.

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

27 Financial risk management objectives and policies

The Company's principal financial liabilities, are trade payables. The main purpose of these financial liabilities is limited to maintain the Company's operations. The Company's principal financial assets include trade and other receivables, cash and long term/short-term deposits that are derived directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. 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. It is Company's policy not to trade in any derivatives for speculative purposes.

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 deposits with banks and financial institutions.

Applicability

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

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the rationale use of funds as securities to the exchanges. The Company's policy is to maintain a debt free organisation. The Company is backed by the shareholders fund as an when required. Considering the stable business model backed by resourceful promoters, the Company assesses its liquidity risk as low or negligible.

The table below summarises 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
Year ended 31 March 2019				
Financial liabilities - Trade payables	2,26,157	-	-	2,26,157
	2,26,157	-	-	2,26,157
Year ended 31 March 2018				
Financial liabilities - Trade payables	3,66,697	-	-	3,66,697
	3,66,697	-	-	3,66,697

Collateral

The Company has pledged part of its short-term deposits in order to fulfil the collateral requirements of the exchanges. At 31 March 2019 and 31 March 2018 the fair values of the short-term deposits pledged were INR 1,612,000 and INR 1,612,000, respectively. The counterparties have an obligation to return the securities to the Company.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial requirements of the business primarily through shareholders fund. As on date the Company has no outside borrowings.

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



28 Fair value hierarchy

(All amounts in INR)

Financial instruments by category

Particulars	As at 31 March 2019			As at 31 March 2018		
	FVTPL*	FVTOCI#	Amortised cost	FVTPL*	FVTOCI#	Amortised cost
Financial assets						
Security deposits	-	-	89,78,000	-	-	99,53,000
Balances with banks - in deposit accounts (maturing after period of 12 months)	-	-	16,12,000	-	-	16,12,000
Trade receivables	-	-	-	-	-	200
Other financial assets	-	-	1,10,604	-	-	1,57,736
Cash and cash equivalents	-	-	36,37,369	-	-	39,19,077
Total financial assets	-	-	1,43,37,973	-	-	1,56,42,013
Financial liabilities						
Other financial liabilities	-	-	2,26,157	-	-	3,66,697
Total financial liabilities	-	-	2,26,157	-	-	3,66,697

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.

*Fair value through profit and loss

#Fair value through OCI

Note:**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 the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(This space has been intentionally left blank)



29 Employee benefit obligations

Gratuity

Particulars	As at 31 March 2019	As at 31 March 2018
Plans		
- Gratuity (not funded)	99,776	2,08,912
	<u>99,776</u>	<u>2,08,912</u>

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Current service cost	14,591	31,874
Net interest cost	16,191	12,991
	<u>30,782</u>	<u>44,865</u>

Amount recognised in other comprehensive income for the year ended 31 March 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Actuarial (gain)/loss on obligations	(16,220)	(9,170)
	<u>(16,220)</u>	<u>(9,170)</u>

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

Particulars	As at 31 March 2019	As at 31 March 2018
Opening defined obligations		
Current service cost	2,08,912	1,73,217
Interest cost	14,591	31,874
Benefits paid	16,191	12,991
Actuarial (gain)/loss on obligations	1,23,698	-
	(16,220)	(9,170)
Defined benefit obligation	<u>99,776</u>	<u>2,08,912</u>
Non Current	97,622	2,07,319
Current	2,154	1,593

The Company expects to contribute INR 23,883 (Previous year INR 108,045) towards gratuity during the year ended 31 March 2019.

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

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate (in %)	7.75%	7.75%
Salary Escalation (in %)	9% for 1 st two years & 7.5% thereafter	
Retirement age	60	60

Gratuity plan

Particulars	As at 31 March 2019			
	Discount rate		Future salary increases	
	50 basis point increase	50 basis point decrease	50 basis point increase	50 basis point decrease
Sensitivity level (in basis point)				
Impact on defined benefit obligation (INR)	(9,302)	10,522	10,435	(9,354)

Particulars	As at 31 March 2018			
	Discount rate		Future salary increases	
	50 basis point increase	50 basis point decrease	50 basis point increase	50 basis point decrease
Sensitivity level (in basis point)				
Impact on defined benefit obligation (INR)	17,885	20,000	19,927	(17,983)



Note -

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

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

Particulars	As at	As at
	31 March 2019	31 March 2018
Within in a year		
Between 1 - 5 years	2,154	1,593
Over 5 years	9,956	20,003
Total	87,666	1,87,316
	99,776	2,08,912

The average duration of the defined benefit plan obligation at the end of the reporting period is 21.85 years (31 March 2018: 19.79 years).

Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of '12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by government of India. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognised during the year towards defined contribution plan is INR 59,702 (31 March 2018 - INR 103,491).

Leave encashment

Particulars	As at	As at
	31 March 2019	31 March 2018
Provision		
Amount recognised in the statement of profit and loss is as under:	66,853	1,16,308
Total Service Cost		
Net Interest Cost	9,794	18,520
Net actuarial loss recognized during the year	9,014	8,569
Expense recognized in the Statement of profit and loss	10,602	31,805
	29,410	58,894

(This space has been intentionally left blank)



30 Related party disclosures as per Ind AS 24

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

Nature of transaction	As at 31 March 2019	As at 31 March 2018
i) Holding Company:		
<i>Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited)</i>		
Opening balance		
Employee benefit expenses transferred (on account of transfer of employee)	16,68,903	7,52,265
Expenses incurred on behalf of the Company	1,90,063	-
Amount received as share capital	3,26,741	3,66,095
Amount paid as security for Director appointment	25,00,000	-
Rent expense (including taxes)	-	1,00,000
Closing balance (other current liabilities)	4,20,084	4,50,543
	5,14,449	16,68,903

ii) Ultimate holding company:

Zuari Global Limited

31 Segment information

The company's business activities falls broadly within a single primary business segment and therefore, there is no reportable segment as per the management of the Company.

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

Particulars	As at 31 March 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.	-	-

33 The Board of Directors of the Company in their meeting held on 09 February 2019 approved the Scheme of Arrangement ("the Scheme") between the Company ("transferor company") with Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited) ("transferee company") with appointed date being 1 April 2018 in the Scheme. In accordance with the Scheme, the transferor company shall stand dissolved without winding up and merged with transferee company.

As the proposed merger is in process on date of these financial statements, therefore, no effect of the Scheme has been given in these financial statements in accordance with the applicable financial reporting framework to the Company.



34 Change in accounting policy:

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

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with a date of initial application of 1 April 2018. As a result, the Group has changed its accounting policy for revenue recognition as defined in note 3. The Company has applied Ind AS 115 using the **Cumulative Effect Method**. Under this method, the entity shall recognise 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 any impact on the Company.

35 Contingent liability :

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 to 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 recognised in the financial statements for the year ended 31 March 2019".

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

Neeraj Goel

Neeraj Goel
Partner
Membership No. 099514



Place: New Delhi
Date: 4 May 2019

For and on behalf of the Board of Directors of
Zuari Commodity Trading Limited

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

Vijay Kathuria
Vijay Kathuria
Director
(DIN-00338125)