Financial Statements and Auditors' Report

31 March 2018

Zuari Investments Limited

Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of Zuari Investments Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Zuari Investments Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('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 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended 31 March 2017, were audited by predecessor auditor who expressed an unmodified opinion vide their audit report dated 12 May 2017.

Report on Other Legal and Regulatory Requirements

10. 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.

11. 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, read with relevant rule thereunder;

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 2018 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 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 16 May 2018 as per Annexure II expressed an unmodified opinion;

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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, 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;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; 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

Siddharth Talwar

Siddharth Talwar
Partner
Membership No. 512752

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 24 May 2018

Annexure I to Independent Auditor's Report of even date to the members of Zuari Investments Limited on the financial statements for the year ended 31 March 2018

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) The Company does not have any property, plant and equipment. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

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

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

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

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

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

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

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

(viii) The Company has 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) 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/ 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.

WALKER CHANDIOK & CO LLP · CHARTERED ACCOUNTANTS ·

Annexure I to Independent Auditor's Report of even date to the members of Zuari Investments Limited on the financial statements for the year ended 31 March 2018

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

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

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc, as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

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

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

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

Siddharth Talwar

Siddharth Talwar
Partner
Membership No. 512752

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 24 May 2018

Annexure II to Independent Auditor's Report of even date to the members of Zuari Investments Limited on the financial statements for the year ended 31 March 2018

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 2018, 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 CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure II to Independent Auditor's Report of even date to the members of Zuari Investments Limited on the financial statements for the year ended 31 March 2018

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 2018, 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

Siddharth Talwar

Siddharth Talwar
Partner
Membership No. 512752

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 24 May 2018

Zuari Investments Limited
Balance sheet as at 31 March 2018

(All amounts in INR)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	-	3,121,055
(b) Other intangible assets	5	-	108,774
(c) Financial assets			
(i) Investments	6	3,657,018,666	3,784,916,329
(ii) Loans	7	-	98,319,235
(iii) Other financial assets	8	-	6,111,524
(d) Other non-current assets	9	-	177,892
(e) Non-current tax assets (net)	10	4,902,626	2,406,671
		3,661,921,292	**3,895,161,480**
Current assets			
(a) Financial assets			
(i) Investments	11	61,600,000	-
(ii) Trade receivables	12	-	58,054,055
(iii) Cash and cash equivalents	13	5,197,647	85,303,084
(iv) Other financial assets	14	15,307,953	894,880
(b) Other current assets	15	675,042	5,166,624
		82,780,642	**149,418,643**
TOTAL		**3,744,701,934**	**4,044,580,123**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	194,573,640	374,457,900
(b) Other equity	17	2,996,933,725	3,024,143,430
		3,191,507,365	**3,398,601,330**
LIABILITIES			
Non-current liabilities			
Provisions	18	-	3,545,484
		-	**3,545,484**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	547,678,000	540,168,000
(ii) Trade payables	20	1,245,342	6,104,591
(iii) Other financial liabilities	21	-	23,917,527
(b) Other current liabilities	22	4,271,227	69,456,852
(c) Provisions	23	-	2,786,339
		553,194,569	**642,433,309**
TOTAL		**3,744,701,934**	**4,044,580,123**

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

Siddhartha Talwar

Siddharth Talwar
Partner
Membership No. 512752

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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)

Place: Gurugram
Date: 24 May 2018

Zuari Investments Limited
Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in INR)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations		-	-
Other income	25	12,401,468	37,713,096
Total income		**12,401,468**	**37,713,096**
Expenses			
Employee benefits expense		-	-
Finance costs	26	50,883,143	89,441,391
Depreciation and amortisation expense		-	-
Other expenses	27	1,073,009	101,533,831
Total expenses		**51,956,152**	**190,975,222**
Loss before tax		**(39,554,684)**	**(153,262,126)**
Tax expense:			
Current tax	24	-	-
Deferred tax	24	-	-
Loss from continuing operations		**(39,554,684)**	**(153,262,126)**
Profit from discontinuing operations before tax		5,660,782	(2,367,150)
Tax expense of discontinued operations		-	-
Profit from discontinuing operations after tax		**5,660,782**	**(2,367,150)**
Loss for the year		**(33,893,902)**	**(155,629,276)**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Equity instruments designated at fair value through OCI		11,067,118	(167,704,105)
Income tax effect		-	-
Other comprehensive income from discontinued operations			1,089,283
Other comprehensive income/(loss) for the year		**11,067,118**	**(166,614,822)**
Total comprehensive loss for the year		**(22,826,784)**	**(322,244,098)**
Earnings per equity share (for continuing operations)	29		
(i) Basic		(1.19)	(4.09)
(ii) Diluted		(1.19)	(4.09)
Earnings per equity share (for discontinued operations)	29		
(i) Basic		0.17	(0.06)
(ii) Diluted		0.17	(0.06)

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

Siddharth Talwar

Siddharth Talwar
Partner
Membership No. 512752

Place: Gurugram
Date: 24 May 2018

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)

Zuari Investments Limited
Cash Flow Statement for the year ended 31 March 2018

(All amounts in INR)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A Cash flow from operating activities		
Profit/(loss) before tax from:		
Continuing operations	(39,554,684)	(153,262,126)
Discontinued operations	5,660,782	(2,367,150)
Adjustments for:		
Gain arising on measuring financial assets at fair value through profit and loss	(1,711,840)	(26,453,945)
Finance cost	50,883,143	89,441,391
Dividend received	(10,689,151)	(11,259,151)
(Profit)/loss on sale of investments	-	99,438,798
Operating profit/(loss) before working capital changes	**4,588,249**	**(4,462,183)**
Adjustment for changes in working capital		
(Increase)/decrease in trade receivables	-	(17,909,007)
(Increase)/decrease in other receivables	(15,619,881)	(10,178,836)
Increase/(decrease) in trade and other payables	15,832,638	35,687,734
Cash flow generated from operations	**4,801,006**	**3,137,708**
Income taxes (paid)/refund (net)	(2,495,987)	3,639,239
Net cash flow generated from/(used in) operating activities	**2,305,019**	**6,776,947**
B Cash flow from investing activities		
Purchase of property, plant and equipment	-	227,716
Proceeds from sale/transfer of property, plant and equipment	-	274,774
Proceeds from sale/transfer of investments	35,576,620	692,929,817
Purchase of investments	-	(88,985,131)
Interest income	-	384,273
Dividend received	10,689,151	11,259,151
Net cash flow generated from investing activities	**46,265,771**	**616,090,600**
C Cash flow from financial activities		
Inter corporate deposits taken	236,900,000	38,500,000
Inter corporate deposits repaid	(229,390,000)	(536,432,000)
Interest expense	(50,883,143)	(89,441,391)
Net cash used in financial activities	**(43,373,143)**	**(587,373,391)**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	5,197,647	35,494,156
Cash and cash equivalents as at the beginning of the year	85,303,084	49,808,928
Transfer of cash and cash equivalents pursuant to scheme of arrangement (refer note 31 for further details)	(85,303,084)	-
Cash and cash equivalents as at the end of the year	**5,197,647**	**85,303,084**

Reconciliation of cash and cash equivalents*

Cash and cash equivalents as per above comprising of the following:	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	5,197,647	85,303,084
Balance as per statement of cash flows (as per above)	**5,197,647**	**85,303,084**

*Refer note 13 for break up of cash and cash equivalents.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

Siddharth Talwar
Partner
Membership No. 512752

Place: Gurugram
Date: 24 May 2018

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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)

Zuari Investments Limited
Statement of Changes in Equity for the year ended 31 March 2018

(All amounts in INR)

A Equity share capital

Equity shares of INR 10/- each issued, subscribed and fully paid:	Number of shares	Amount
As at 31 March 2016	37,445,790	374,457,900
Changes/transferred during the year	-	-
As at 31 March 2017	**37,445,790**	**374,457,900**
Changes/transferred during the year (refer note 31)	17,988,426	179,884,260
As at 31 March 2018	**19,457,364**	**194,573,640**

B Other equity

For the year ended 31 March 2018	Retained earnings	Fair value through OCI - Equity instruments	Total
As at 1 April 2017	(70,991,571)	3,095,135,001	3,024,143,430
Loss for the year	(33,893,902)	11,067,118	(22,826,784)
Reclassification of cumulative gains against investments in equity instruments measured at FVOCI transferred	34,048,835	(34,048,835)	-
Transfer to Zuari Finserv Private Limited (refer note 31)	(4,382,920)	-	(4,382,920)
Other comprehensive income	-	-	-
Total	**(4,227,987)**	**(22,981,717)**	**(27,209,704)**
As at 31 Macrh 2018	**(75,219,559)**	**3,072,153,284**	**2,996,933,725**

For the year ended 31 March 2017	Retained earnings	Fair value through OCI - Equity instruments	Total
As at 1 April 2016	(27,371,174)	3,373,758,702	3,346,387,528
Loss for the year	(155,629,276)	(167,704,105)	(323,333,381)
Reclassification of cumulative gains against investments in equity instruments measured at FVOCI transferred	110,919,596	(110,919,596)	-
Other comprehensive income	1,089,283	-	1,089,283
Total	**(43,620,397)**	**(278,623,701)**	**(322,244,098)**
As at 31 March 2017	**(70,991,571)**	**3,095,135,001**	**3,024,143,430**

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

Siddharth Talwar
Partner
Membership No. 512752

Place: Gurugram
Date: 24 May 2018

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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)

Zuari Investments Limited
Summary of significant accounting policies and other explanatory information's for the year ended 31 March 2018

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 Private Limited which was being effected from 5 January 2018, after making necessary filings with registrar of companies (refer note 31).

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 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 (Amendment Rules) via notification dated 28 March 2018, notifying amendments to Ind AS 22, "Income Taxes" along with amendments to various other Ind AS (not applicable to the Company). These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) along with International Financial Reporting Standards (IFRS) Interpretations Committee to IRFS as a part of annual improvement process. Also, along with these amendments, Amendment Rules inserted a new revenue recognition standard Ind AS 115, Revenue from Contracts with Customers, (Ind AS 115). These amendments are applicable from 01 April 2018 onwards.

Amendments to Ind AS 22: The amendment to Ind AS 22 explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilisation are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences. The carrying amount of an asset does not limit the estimation of probable future taxable profit. In its estimate of probable future taxable profit, an entity includes the probable inflow of taxable economic benefits that results from recovering an asset. This probable inflow of taxable economic benefits may exceed the carrying amount of the asset.

The amendments consider that: (i) Tax law determines which deductions are offset against taxable income in determining taxable profits. (ii) No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead
to tax deductions.

The Company considered its effects while recognizing deferred tax assets on deductible temporary differences including unused tax credits.

Ind AS 115: Ind AS 115 establishes a new control-based revenue recognition model for recognising and measuring revenue, and provides new and more detailed guidance on specific topics like multiple element arrangement, variable consideration, rights of return, licensing agreements, contract costs, etc.

The application of the same will withdraw currently applicable revenue standards. The Company is currently assessing the potential impacts of the newly notified standard. The same is applicable from reporting periods beginning on or after 01 April 2018.

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.

b) **Amended standard adopted by the Company**

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities, see note 19.

c) **Current versus non-current classification**

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

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

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

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

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

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

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

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

e) Taxes

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

Current income tax

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

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.

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The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

f) Borrowing costs

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

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

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

g) Property, plant and equipment

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

Recognition:

The costs including subsequent costs of an item of property, plant and equipment is recognised as an asset if, and only if:

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

All other expenses including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year when such expenses are incurred.

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.

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

Depreciation, estimated useful life and residual life

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

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

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

h) Intangible assets

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

Recognition:

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

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

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

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

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

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

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

i) Impairment of tangible and intangible assets

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

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

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

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

j) Leases

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 employee benefits

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

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

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

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

•The date of the plan amendment or curtailment, and

•The date that the Company recognises related restructuring costs

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

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

•Net interest expense or income

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

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

l) Financial instruments

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

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attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement the profit and loss.

Financial assets:

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

Amortized cost

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

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

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

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

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

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

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

Dividends on these investments in equity instruments are recognised in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits

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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 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 th 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.

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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.

n) Cash and cash equivalents

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

o) Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

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

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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 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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4 **Property, plant and equipment**

Particulars	Leasehold improvements	Office equipments	Total
Year ended 31 March 2017			
Gross carrying amount			
Balance as at 1 April 2016	2,816,703	2,124,430	4,941,133
Additions	137,954	730,393	868,347
Disposals/transfers	98,804	709,060	807,864
Balance as at 31 March 2017	**2,855,853**	**2,145,763**	**5,001,616**
Accumalated depreciation			
Balance as at 1 April 2016	445,081	986,749	1,431,830
Depreciation during the year	475,038	582,283	1,057,321
Disposals/transfers	39,814	568,776	608,590
Balance as at 31 March 2017	**880,305**	**1,000,256**	**1,880,561**
Net carrying amount	**1,975,548**	**1,145,507**	**3,121,055**
Year ended 31 March 2018			
Gross carrying amount			
Balance as at 1 April 2017	2,855,853	2,145,763	5,001,616
Additions	-	-	-
Disposals/transfers	2,855,853	2,145,763	5,001,616
Balance as at 31 March 2018	-	-	-
Accumalated depreciation			
Balance as at 1 April 2017	880,305	1,000,256	1,880,561
Depreciation during the year	-	-	-
Disposals/transfers	880,305	1,000,256	1,880,561
Balance as at 31 March 2018	-	-	-
Net carrying amount	-	-	-

5 **Other intangible assets**

Particulars	Softwares
Year ended 31 March 2017	
Gross carrying amount	
Balance as at 1 April 2016	453,429
Additions	26,625
Disposals/transfers	-
Balance as at 31 March 2017	**480,054**
Accumalated amortisation	
Balance as at 1 April 2016	230,413
Amortisation during the year	140,867
Disposals/transfers	-
Balance as at 31 March 2017	**371,280**
Net carrying amount	**108,774**
Year ended 31 March 2018	
Gross carrying amount	
Balance as at 1 April 2017	233,130
Additions	-
Disposals/transfers	233,130
Balance as at 31 March 2018	-
Accumalated amortisation	
Balance as at 1 April 2017	230,411
Amortisation during the year	2,719
Disposals/transfers	233,130
Balance as at 31 March 2018	-
Net carrying amount	-

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6 Financial assets

Paticulars	As at 31 March 2018	As at 31 March 2017
Investments in equity instruments (fully paid up)		
Measured at fair value through other comprehensive income		
Quoted		
Texmaco Infrastructure & Holdings Limited [12,810,900 shares (13,413,900 shares) of INR 1/- each]	782,105,445	545,275,035
Texmaco Rail & Engineering Limited [28,963,900 shares (28,963,900 shares) of INR 1/- each]	2,415,589,260	2,687,849,920
Chambal Fertilisers & Chemicals Limited [402,840 shares (402,840 shares) of INR 10/- each]	66,327,606	34,946,370
Gobind Sugar Mills Limited ('GSML') [1,640,632 shares (1,640,632 shares) of INR 10/- each] (subsidiary)[Note 1]	46,983,826	46,983,826
Nagarjuna Oil Refinery Limited [19,513,000 shares (19,513,000 shares) of INR 1/- each]	68,295,500	89,759,800
Ess Dee Aluminium Limited [14,000 shares (14,000 shares) of INR 10/- each]	634,900	610,400
	3,379,936,537	**3,405,425,351**
Unquoted		
Lionel Edward Limited [19,092 shares(19,092 shares) of INR 100/- each]	5,313,004	4,333,693
Indian Furniture Products Limited ('IFPL')[7,044,643 shares (7,044,643 shares) of INR 10/- each] (associate)[Note 1]	65,750,000	65,750,000
New Eros Tradecom Limited [2,049,994 shares (2,094,994 shares) of INR 10/- each] (Associate)	155,387,500	155,387,500
Zuari Insurance Brokers Limited [Nil (2,750,000 shares) of INR 10/- each] (wholly owned subsidiary)[Note 2]	-	27,500,000
Zuari Commodity Trading Limited [Nil (1,600,000 shares) of INR 10/- each] (wholly owned subsidiary)[Note 2]	-	16,000,000
	226,450,504	**268,971,193**
	3,606,387,041	**3,674,396,544**
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]	232,174	198,463
Series-IX - Date of allotment - 17 June 2014 [2,000,000 shares (2,000,000 shares) of INR 10/-each]	5,271,042	4,505,709
Series-X - Date of allotment - 14 January 2015 [2,000,000 shares (2,000,000 shares) of INR 10/-each]	5,068,309	4,332,412
Series-XIII -Date of allotment - 5 May 2015 [500,000 shares (500,000 shares) of INR 10/-each]	1,218,344	1,041,445
(All above series are redeemable in one single lot after expiry of the 12th year from the date of allotment)	**11,789,869**	**10,078,029**
6% NCRPS of Adventz Investment Company Private Limited ('AICPL')		
NIL (660,000 shares) of INR 100/- each (redeemable on 30 September 2018)	-	**61,600,000**
	11,789,869	**71,678,029**
Deemed investment in GSML[Note 3]	**38,841,756**	**38,841,756**
Total	**3,657,018,666**	**3,784,916,329**
Aggregate book value of quoted investments	3,379,936,537	3,405,425,351
Aggregate market value of quoted investments	3,332,952,711	3,361,722,789
Aggregate book value of unquoted investments	238,240,373	340,649,222
Aggregate amount of impairment in value of investments	-	-

Notes:
1) In respect of investments in GSML and IFPL, keeping in view the long term nature of the investments, no provision for diminution in value is considered necessary.
2) Refer note 31 for details of transfer of investment in subsidiaries.
3) Difference between the fair value of investments in NCRPS of GSML (the subsidairy company) and its tranaction price is recorded as deemed investment in GSML.

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7 Loans

Particulars	As at 31 March 2018	As at 31 March 2017
Measured at amortised cost		
Security deposits (unsecured, considered good)	-	98,319,235
Total	**-**	**98,319,235**

8 Other financial assets

Particulars	As at 31 March 2018	As at 31 March 2017
Measured at amortised cost		
Balances with banks - in deposit accounts (maturing after period of 12 months)	-	6,111,524
Total	**-**	**6,111,524**

(* Under lien - includes NIL (P.Y. INR 2,000,000) to BSE Limited ('BSE'), NIL (P.Y. INR 800,000) to National Stock Exchange of India Limited ('NSEIL'), NIL (P.Y. INR 2,500,000) to NSE maturing within 12 months of the reporting date (considering the compulsion to renew the same, it is treated as non-current) NIL (P.Y. INR 800,000) to ISSL Settlement & Transaction Services Limited, under pledge - NIL (P.Y. INR 11,524).

9 Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017
Prepaid leases	-	177,892
Total	**-**	**177,892**

10 Non current tax assets (net)

Particulars	As at 31 March 2018	As at 31 March 2017
Income taxes paid (net of provisions)	4,902,626	2,406,671
Total	**4,902,626**	**2,406,671**

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11 **Investments**

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Measured at fair value through profit and loss		
Investments in 6% NCRPS of AICPL (fully paid up) (unquoted)		
660,000 shares (P.Y. NIL) of INR 100/- each (redeemable on 30 September 2018)	61,600,000	-
Total	**61,600,000**	**-**

12 **Trade receivables**

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
From others	-	58,054,055
Total	**-**	**58,054,055**
Break-up for security details:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	-	58,054,055
iii) Doubtful	-	3,188,621
	-	61,242,676
Less : provision for doubtful debts	-	3,188,621
Total	**-**	**58,054,055**

13 **Cash and cash equivalents**

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Balnces with banks		
- in currents accounts	5,197,647	85,269,146
- in depoist accounts	-	-
Cash in hand	-	33,938
Total	**5,197,647**	**85,303,084**

14 **Other financial assets - current**

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Interest accrued on deposits	-	894,880
Other receivables	15,307,953	-
Total	**15,307,953**	**894,880**

15 **Other current assets**

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Other advances recoverable in cash or in kind	-	4,678,465
Balances with revenue authorities	675,042	363,113
Prepaid lease	-	125,046
Total	**675,042**	**5,166,624**

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16 Share capital

Particulars	As at 31 March 2018	As at 31 March 2017
Authorised:		
67,000,000 (P.Y. 60,000,000) Equity Shares of INR 10/- each	670,000,000	600,000,000
Nil (P.Y. 32,000,000) 10% Non Cumulative Non Convertible Redeemable Preference Shares of INR 10/- each	-	320,000,000
	670,000,000	920,000,000
Issued shares :		
19,457,364 (P.Y. 37,445,790) Equity shares of INR 10/- each	194,573,640	374,457,900
Subscribed and fully paid-up shares :		
19,457,364 (P.Y. 37,445,790) Equity shares of INR 10/- each	194,573,640	374,457,900
Total	**194,573,640**	**374,457,900**

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Outstanding at the beginning of the year	37,445,790	374,457,900	37,445,790	374,457,900
Reduction during the year pursuant to scheme of arrangement*	17,988,426	179,884,260	-	-
Outstanding at the end of the year	**19,457,364**	**194,573,640**	**37,445,790**	**374,457,900**

*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 Private Limited, have not yet been updated in the records of Registrar of Companies, Goa ("ROC") and hence, there is a difference of INR 179,884,260 in the share capital disclosed above and the share capital as per the records of the ROC. For further details, refer note 31.

(ii) Terms/rights attached to equity shares

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

(iii) Shares held by holding company

Particulars	As at 31 March 2018	As at 31 March 2017
Zurai Global Limited	19,457,364	37,445,790

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Zurai Global Limited	19,457,364	100	37,445,790	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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17 Other equity

Particulars	As at 31 March 2018	As at 31 March 2017
Retained earnings		
Openning balance	(70,991,571)	(27,371,174)
Net profit for the year	(33,893,902)	(155,629,276)
Transfer to Zuari Finserv Private Limited (refer note 31)	(4,382,920)	-
Re-measurement gains (losses) on defined benefit plans	-	1,089,283
Reclassification of cumulative gains against investments in equity instruments measured at FVOCI transferred	34,048,835	110,919,596
Closing balance	**(75,219,559)**	**(70,991,571)**

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

Particulars	As at 31 March 2018	As at 31 March 2017
Fair value through OCI- equity instruments		
Openning balance	3,095,135,001	3,373,758,702
Movement during the year	11,067,118	(167,704,105)
Reclassification of cumulative gains against investments in equity instruments measured at FVOCI transferred	(34,048,835)	(110,919,596)
Closing balance	**3,072,153,284**	**3,095,135,001**
Total	**2,996,933,725**	**3,024,143,430**

Nature and purpose:
The Company has elected to recognise changes in the fair value of certain invsetments 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 derecognised.

18 Provisions

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for gratuity	-	3,545,484
Total	**-**	**3,545,484**

19 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
Measured at amortised cost		
Unsecured loans - (inter corporate deposits)		
Zuari Global Limited [refer note (i)]	441,678,000	437,168,000
Simon India Limited [refer note (ii)]	106,000,000	103,000,000
Total	**547,678,000**	**540,168,000**

Note:

(i) Terms pertaining to inter corporate deposits

(a) Zuari Global Limited
Interest @ 12.00% p.a. (P.Y. 8.00% p.a.) , repayable at maturity or end of financial year whichever is earlier.
Maturity: 30 June 2018

(b) Simon India Limited
Interest @ 12.50% p.a. (P.Y 13.50% p.a.), repayable at maturity or end of financial year whichever is earlier.
Maturity: 30 June 2018

(ii) Changes in liabilities arising from financing activities:	Non-current borrowings	Current borrowings
As at 01 April 2017	-	**540,168,000**
Cash adjustments		
Cash inflows	-	236,900,000
Cash outflows	-	(229,390,000)
Interest paid	-	50,883,143
Non cash adjustment		
Interest expense/accruals	-	(50,883,143)
As at 31 March 2018	-	**547,678,000**

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20 Trade payables

Paticulars	As at 31 March 2018	As at 31 March 2017
Measured at amortised cost		
Due to others (refer note 40)	1,245,342	6,104,591
Total	**1,245,342**	**6,104,591**

21 Other financial liabilities

Paticulars	As at 31 March 2018	As at 31 March 2017
Measured at amortised cost		
Security deposit (interest free)		
Depository clients	-	23,382,027
Others	-	535,500
Total	**-**	**23,917,527**

22 Other current liabilities

Paticulars	As at 31 March 2018	As at 31 March 2017
Statutory dues	4,271,227	9,090,426
Advance from clients	-	60,366,426
Total	**4,271,227**	**69,456,852**

23 Provisions

Paticulars	As at 31 March 2018	As at 31 March 2017
Provision for leave encashment	-	2,786,339
Total	**-**	**2,786,339**

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24 Income tax expense

Paticulars		Year ended 31 March 2018	Year ended 31 March 2017
Accounting profit		(39,554,684)	(153,262,126)
Applicable tax rates		26.00%	30.90%
Expected tax expense		(10,284,218)	(47,357,997)
Tax effect of amounts that are not deductible (taxable) in determining taxable profit:			
Fair value gain on investments		-	(51,172)
Provision for gratuity & leave encashment		-	104,550
Loss on writing off capital assets		-	331,267
Actual tax expense (refer note ii)	**Total**	**(10,284,219)**	**(46,973,352)**
Tax expense comprises			
Current tax expense		-	-
Deferred tax expense		-	-
	Total	-	-

Note:

(i) During the year ended 31 March 2017, the applicable rate was 30.00% plus applicable cesses. However, per Finance Act, 2018, the income tax rates for domestic companies whose turnover has not exceeded INR 50 crores in year ended 31 March 2016, 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.

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25 Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on:		
Security deposits	-	-
Deposits with banks	-	-
Others	-	-
Dividend received	10,689,151	11,259,151
Notice period recoveries	-	-
Excess provisions written back	-	-
Gain on fair value measurement of financial assets	1,711,840	26,453,945
Profit on sale of property, plant and equipment	-	-
Miscellaneous income	477	-
Total	**12,401,468**	**37,713,096**

26 Finance costs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on inter corporate deposits	50,238,725	89,441,391
Interest - others	644,418	-
Total	**50,883,143**	**89,441,391**

27 Other expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest and penalties	-	1,250,033
Legal and professional charges	319,386	-
Payment to auditors	500,000	615,000
Rates and taxes	23,623	-
Independent directors sitting fees	230,000	230,000
Loss on sale of investment	-	99,438,798
Total	**1,073,009**	**101,533,831**

*Payment to the auditors as (excluding goods and service tax)		
Audit fee	400,000	400,000
Tax audit fee	100,000	100,000
Other services (certification fees)	-	115,000
Other charges	-	-
Total	**500,000**	**615,000**

CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

28 Commitments and contingencies

Leases

Operating lease:

The Company has obtained office premises and branches on operating leases for an initial period of nine years. In all the cases, agreements entered are further renewable at the option of the Company. There is escalation clause in the respective lease agreements. All these leases are 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 2018	As at 31 March 2017
Lease rentals recognised during the year	-	6,930,993
Lease obligations		
Within one year	-	6,924,549
Later than one year but not more than five years	-	31,832,629
Later than five years	-	-

Contingent liabilities
Claims against the company, not acknowledged as debts - INR Nil (P.Y. - Nil).

29 Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year 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 2018	As at 31 March 2017
Profit attributable to equity holders of the Company from **continuing operations** (INR)	(39,554,684)	(153,262,126)
Profit attributable to equity holders of the Company from **discontinued operations** (INR)	5,660,782	(2,367,150)
Face value per share (INR)	10.00	10.00
Weighted average number of equity shares foor basic and diluted earnings per share (No.)	33,207,421	37,445,790
Earning per share from **continuing operations** (basic and diluted) (INR)	(1.19)	(4.09)
Earning per share from **discontinued operations** (basic and diluted) (INR)	0.17	(0.06)

30 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 maximise the shareholder value.

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

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings	547,678,000	540,168,000
Trade payables	1,245,342	6,104,591
Less: Cash and cash equivalents	5,197,647	85,303,084
Net debt	**543,725,695**	**460,969,507**
Total capital	**3,191,507,365**	**3,398,601,330**
Capital and net debt	**3,735,233,060**	**3,859,570,836**
Gearing ratio	**14.56%**	**11.94%**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018.

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Zuari Investments Limited
Summary of significant accounting policies and other explanatory notes for the year ended 31 March 2018

(All amounts in INR)

31 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 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	Period ended 31 March 2017
Revenues	80,057,365	75,058,144
Expenses	74,396,583	77,425,295
Profit before income tax	**5,660,782**	**(2,367,150)**
Income tax expense	-	-
Profit after tax	**5,660,782**	**(2,367,150)**
Gains/(losses) from transfer of service oriented business (net of tax)	(4,382,915)	-
Other comprehensive income from discontinued operations	-	1,089,283
Total income from discontinued operations#	**1,277,867**	**(1,277,867)**

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

Particulars	Period ended 5 January 2018	Period ended 31 March 2017
Net cash used in from operating activities	(29,464,743)	31,867,306
Net cash used in from investing activities	(859,795)	(620,198)
Net cash generated from financing activities	22,260,287	4,247,049
Net cash used in discontinued operations*	**(8,064,251)**	**35,494,157**

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

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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 Private Limited	179,884,260
Net assets transferred as on 5 January 2018	184,267,175
Gain/(loss) on transfer before tax	**(4,382,915)**
Tax expense related thereto	-
Gain/(loss) on transfer after tax	**(4,382,915)**

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

Assets		**Amount INR**
Property, plant and equipment		3,264,435
Other intangible assets		60,316
Investments		43,500,000
Trade receivables		109,284,632
Security and fixed deposits		102,431,207
Cash and cash equivalents		77,238,832
Other assets		11,192,239
	Total (A)	**346,971,661**
Liabilities		
Provisions for employee obligations		6,331,823
Borrowings		19,999,998
Trade payables		3,394,625
Other financial liabilities		58,391,539
(Including inter group payables and deposits received from clients)		
Statutory dues		4,779,493
Advances from clients		69,807,008
	Total (B)	**162,704,486**
Net worth	**(A-B)**	**184,267,175**

32 Fair value measurements

Financial instruments by category

	As at 31 March 2018			As at 31 March 2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Investments in equity instruments	-	3,606,387,041	-	-	3,674,396,544	-
Investments in NCRPS	73,389,869	-	-	71,678,029	-	-
Security deposits	-	-	-	-	-	484,098
Balances with banks - in deposit accounts (maturing after period of 12 months)	-	-	-			2,200,000
Trade receivables	-	-	-	-	-	58,054,055
Cash and cash equivalents	-	-	5,197,647	-	-	85,303,084
Other financial assets	-	-	15,307,953	-	-	1,166,320
Total financial assets	**73,389,869**	**3,606,387,041**	**20,505,600**	**71,678,029**	**3,674,396,544**	**147,207,557**
Financial liabilities						
Borrowings	-	-	547,678,000	-	-	540,168,000
Trade payables	-	-	1,245,342	-	-	6,104,591
Other financial liabilities	-	-	-	-	-	23,917,527
Total financial liabilities	**-**	**-**	**548,923,342**	**-**	**-**	**570,190,118**

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.

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 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		**73,389,869**	-	-	73,389,869
Financial investments at FVOCI					
Investments in equity instruments		**3,606,387,041**	3,379,936,537	-	226,450,504

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 2017:

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 2017**				
Financial investments at FVTPL					
Investment in preference shares		**71,678,029**	-	-	71,678,029
Financial investments at FVOCI					
Investments in equity instruments		**3,631,875,855**	3,405,425,351	-	226,450,504

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

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33 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 33,799.37 lakhs (previous year: INR 34,054.25 lakhs). A decrease of 5% on the NSE market index could have an impact of approximately INR 1,689.97 lakhs (previous year INR 1,702.71 lakhs) 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	As at	As at
Trade receivables	-	58,054,055
Loans	-	98,319,235
Cash and cash equivalents	5,197,647	85,303,084
Other financial assets	15,307,953	7,006,404
	20,505,600	**248,682,778**

Note:

(i) **Security deposit (loans), balances with banks, cash and cash equivalents and interest accrued on deposits.**

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

(ii) Trade receivables

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

Summary of trade receivables:

Particulars	0-90 days	91-180 days	More than 180 days
Carrying amounts as on 31 March 2018:	-	-	-
Carrying amounts as on 31 March 2017:	26,546,247	3,605,347	27,902,460

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

Liquidity risk

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

The table below 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
As at 31 March 2018				
Borrowings	564,108,340	-	-	**564,108,340**
Trade payables	1,245,342	-	-	**1,245,342**
Other financial liabilities	-	-	-	-
	565,353,682	**586,395,158**	-	**565,353,682**
As at 31 March 2017				
Borrowings	556,373,040	-	-	**556,373,040**
Trade payables	6,104,591	-	-	**6,104,591**
Other financial liabilities	23,917,527	-	-	**23,917,527**
	586,395,158	-	-	**586,395,158**

Collateral

The Company has pledged part of its deposits in order to fulfil the collateral requirements for its operations. At 31 March 2018 and 31 March 2017, the fair values of the deposits pledged were NIL and INR 6,111,524, respectively. The counterparties have an obligation to return the securities to the Company.

No changes were made in the objectives, policies or processes of managing capital during the year ended 31 March 2018.

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34 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 2018 and 31 March 2017 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 2018: 14% - 17% (16%) 31 March 2017: 14% - 17% (16%)		
Sensitivity of the input to fair value		**31 March 2018**	**31 March 2017**
	+0.50%	(479,919)	(456,578)
	-0.50%	500,908	478,841

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 01 April 2016	**156,462,621**
Purchases/(sales) during the year	(172,838,537)
Re-measurement gain recognised in statement of profit and loss	26,453,945
As at 31 March 2017	**10,078,029**
Purchases/(sales) during the year	-
Re-measurement gain recognised in statement of profit and loss	1,711,840
As at 31 March 2018	**11,789,869**

35 Segment information

In line with the provisions of Ind AS 108 – Operating segments and basis the review of operations being done by the board and the management, the operations of the Company falls under Capital market related services [which w.e.f 5 January 2018 has been transferred to Zuari Finserv Private Limited ('ZFPL') in pursuant to Scheme of Arrangement entered between the Company and ZFPL (refer note 31 for further details)], which is considered to be the only reportable segment. Currently, the Company holds investments in various companies.

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36 **Employee benefit obligations:**

During the year, pursuant to Scheme of Arrangement between the Company and Zuari Finserv Private Limited ('ZFPL'), all the employees of the Company along with their liabilities have been transferred to ZFPL w.e.f 5 January 2018. Therefore, as on reporting date, liabilities in respect stands NIL. Refer note 31 for further details.

A Gratuity

Particulars	As at 31 March 2017
Plans	
- Gratuity (not funded)	3,545,484
	3,545,484

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

Net employee benefit expense (recognised in employee cost) for the year ended 31 March 2017:

Particulars	As at 31 March 2017
Current service cost	659,564
Net interest cost	393,874
	1,053,438

Amount recognised in other comprehensive income for the year ended 31 March 2017:

Particulars	As at 31 March 2017
Actuarial (gain)/loss on obligations	(692,561)
	(692,561)

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

Particulars	As at 31 March 2017
Opening defined obligations	4,544,703
Current service cost	659,564
Interest cost	393,874
Benefits paid	(1,360,096)
Actuarial (gain)/loss on obligations	(692,561)
	3,545,484

Defined benefit obligation

The Company expects to contribute INR 96,002 towards gratuity during the year 2017-18.

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

Particulars	As at 31 March 2017
Discount rate (in %)	7.50%
Salary escalation (in %)	9% for 1st 2 years and 7.5% thereafter

Gratuity Plan

Particulars	As at 31 March 2017			
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level (in basis point)	50 basis point increase	50 basis point decrease	50 basis point increase	50 basis point decrease
Impact on defined benefit obligation (INR)	(266,477)	144,975	293,410	(268,186)

Note:

1) Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

2) Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

3) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

Particulars	As at 31 March 2017
Less than a year	57,080
Between 1 - 2 years	52,444
Between 2 - 5 years	182,295
Over 5 years	3,253,665
Total	**3,545,484**

The average duration of the defined benefit plan obligation at the end of the reporting period is 31 March 2017: 18.37 years.

B Leave encashment

Particulars	As at 31 March 2017
Provision	2,786,339
	2,786,339

Amount recognised in the statement of profit and loss is as under:

Current service cost	722,446
Interest cost	426,204
Actuarial loss/(gain) recognised during the year	(1,024,889)
	123,761

C Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by government of India. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognised during the year towards defined contribution plan is 31 March 2017 is INR 2,324,472.

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37 **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 2018	As at 31 March 2017
Opening balance	438,889,351	940,945,819
ICD received	133,900,000	35,500,000
ICD paid	129,390,000	536,432,000
Interest paid	36,421,314	75,637,364
Real estate income	-	2,792,776
Depository/brokerage income	-	2,251,091
Payment made on their behalf	284,625	229,487
Purchase of investments	-	88,985,131
Sale of investments	35,576,622	118,140,477
Closing balance (payable)	441,678,000	438,889,351

ii) **Fellow Subsidiaries:**
1) Zuari Insurance Brokers Limited
2) Zuari Commodity Trading Limited
3) Gobind Sugar Mills Limited
4) Zuari Finserv Private Limited (Formerly knownas Horizonview Developers Private Limited)

For the year ended 31 March 2018:

Nature of transaction	Zuari Insurance Brokers Limited	Zuari Commodity Trading Limited	Gobind Sugar Mills Limited	Zuari Finserv Private Limited
Opening balance	-	-	-	-
Amount paid on our behalf	-	-	-	21,748
Amount paid on their behalf	-	-	-	466,356
Amount received on their behalf	-	-	-	492,796
Amount received on our behalf	-	-	-	64,478
Support service income	-	-	-	2,612,963
Support service expense	-	-	-	1,552,429
Closing balance (Other receivables)	-	-	-	15,307,952

For the year ended 31 March 2017:

Nature of transaction	Zuari Insurance Brokers Limited	Zuari Commodity Trading Limited	Gobind Sugar Mills Limited	Zuari Finserv Private Limited
Opening balance	-	-	103,452	-
Amount paid on our behalf	1,933,508	-	-	-
Amount paid on their behalf	1,414,810	633,299	-	-
Rent received	2,303,472	440,734	-	-
Amount received on their behalf	82,320	14,688	-	-
Employee benefits transferred	-	29,816	-	-
Deputation income	4,434,790	-	-	-
Property, plant and equipment purchased	167,954	-	-	-
Depository participant income	1,551	-	609	-
RTA income	-	-	198,375	-
Sale of investments	7,500,000			-
Legal and professional charges (recovery)	-	-	244,193	-
Closing balance (trade receivables)	-	752,265	328,177	-

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iii) Fellow Subsidiaries:

1) Simon India Limited
2) Indian Furniture Products Limited
3) Zuari Management Services Limited
4) Zuari Infraworld India Limited
5) Zuari Sugar & Power Limited
6) Zuari Finserv Private limited (Formerly known as Horizonview Developers Private Limited)

For the year ended 31 March 2018:

Nature of transaction	Simon India Limited	Zuari Management Services Limited	Zuari Infraworld India Limited	Zuari Sugar & Power Limited
Opening balance	103,001,706	-	-	-
ICD received	103,000,000	-	-	-
ICD paid	100,000,000	-	-	-
Interest paid	13,817,411	-	-	-
Closing balance	106,000,000	-	-	-

For the year ended 31 March 2017:

Nature of transaction	Simon India Limited	Zuari Management Services Limited	Zuari Infraworld India Limited	Zuari Sugar & Power Limited
Opening balance	-	-	1,484,500	-
ICD received	3,000,000	-	-	-
Amount paid on our behalf	-	-	-	-
Amount paid on their behalf	-	-	-	1,572,767
Interest paid	13,804,027	-	-	-
Security deposit refunded	-	-	-	-
Sale of investments	-	-	-	567,189,340
Broking/depository income	1,706	503	-	1,842
RTA Income	-	20,000	31,500	-
Legal and professional charges	-	-	-	10,544
Closing balance	103,001,706	-	1,484,500	285,670

iv) Associates:

New Eros Tradecom Limited

Nature of transaction	As at 31 March 2018	As at 31 March 2017
Opening balance	-	458
Depository participant income	-	1,750
Closing balance	-	-

v) Key Management Personnel

Mr. Vijay Kathuria (Director)
Mr. L.M Chandrasekaran (Independent Director)
Mr. Bhaskar Chatterjee (Independent Director)

Nature of transaction	As at 31 March 2018	As at 31 March 2017
Mr. Vijay Kathuria		
Post employment benefits	-	951,923
Other long-term employee benefits	-	1,917,500
Mr. L.M Chandrasekaran		
Director's sitting fees	130,000	105,000
Mr. Bhaskar Chatterjee		
Director's sitting fees	100,000	125,000

vi) Relatives of Key Management Personnel of the Company

Ms. Kavita Kathuria

Nature of transaction	As at 31 March 2018	As at 31 March 2017
Opening balance	-	-
Incomestock broking/depository participant	-	1,665
Closing balance	-	-

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38 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 2018	As at 31 March 2017
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.	-	-

39 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 2018. With respect to this, the Company has taken necessary steps to ensure compliance with conditions specified in the rules for availing exemption as prescribed.

40 During the year ended 31 March 2018, the Company reclassified/regrouped certain previous year's numbers. Considering the nature of these reclassifications/regroupings, the Company does not intend to present opening balance sheet of previous year reported. Refer below for the same:

As at 31 March 2017	Amount INR	Earlier reported head	Revised groupings
Current tax assets (net)	1,545,240	Current tax assets (net)	Non Current tax assets (net)
Other current liabilities	363,113	Statutory dues	Balances with revenue authorities
Interest income on deposit with banks	-	Revenue from operations	Other incomes
Interest income on deposit with banks	-	Revenue from operations	Other incomes

41 The financial statements were approved for external issue by the board of directors on 24 May 2018.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Siddharth Talwar
Partner
Membership No. 512752

Place: Gurugram
Date: 24 May 2018

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)