



V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Flat No.202 & 301, Satyam Cinema Complex
Ranjit Nagar Community Centre, New Delhi - 110008
Tel.(011) 25702691, 25704639; e-mail: newdelhi@vsa.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZUARI INVESTMENTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ZUARI INVESTMENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit & Loss, Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 standalone 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, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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.

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 the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control 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 principles 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.

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

Emphasis of Matter

We draw attention to footnote of note no 5 to the financial statements, which refers to non-provision for diminution in the value of the investments in its subsidiary company. Our opinion is not qualified in respect of this matter.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March 2017, and of its loss, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
- 2 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 purposes 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 Balance Sheet, the Statement of Profit and Loss, the Cash flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rule issued thereunder.
 - e) On the basis of written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 knowledge and information and according to the explanations given to us:
 - i. The Company does not have any pending litigations, which could impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts during the year and therefore the question of making provisions for material losses in such contracts does not arise.
 - iii. There were no amounts, which were required to be transferred during the year, to the Investor Education and Protection Fund by the Company.



- iv. The Company has provided requisite disclosures in its financial statements (Refer note 34) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

Place: New Delhi
Dated: 13 May, 2017

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn.No.:109208W)


(V. Rethinam)
Partner
(Membership No. 010412)



"Annexure-A" referred to in the Independent Auditors' report to the Members of Zuari Investments Limited on the standalone accounts for the year ended 31st March, 2017.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The management has physically verified most of the fixed assets at the year end. Having regard to the size of the Company and nature of its assets the frequency of verification at the year end is, in our opinion reasonable. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property and hence the provisions of Clause 3(i)(c) are not applicable.
- (ii) The Company does not carry inventories of nature covered by Ind-AS-2. Therefore, Clause 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii)(a),(b)&(c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us and the representation obtained from the management (i) the Company has not granted any loans to any of its directors or any other person to whom director is interested or given guarantee or provided any security in connection with any loan taken by him or such other person within the meaning of section 185 of the Act and (ii) the Company has not given any loan, given any guarantee or provided any security and acquired securities within the meaning of section 186 of the Act.
- (v) The Company has not accepted deposits during the year from the public within the provisions of section 73 to 76 or any other provisions of the Companies Act, 2013 and the Rules framed thereunder.
- (vi) The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of Company's activities.
- (vii) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax and any other statutory dues with the appropriate authorities. There were delay in respect of income tax deducted at source and they were paid with interest. There were no arrears of undisputed statutory dues as at 31st March, 2017, which were outstanding for a period of more than six months from the date they became payable. We are informed that there is no liability towards sales tax, value added tax, duty of customs, duty of excise and cess for the year under audit.
- (b) There are no disputed dues which have remained unpaid as on 31st March, 2017 on account of Income-tax and service tax.
- (viii) The Company has not taken any loans or borrowings from a financial institution, bank, government or debenture holders. Therefore the question of default in repayment of dues does not arise.
- (ix) According to the information and explanations given to us, the Company has not raised money by way of initial / further public offer or taken any term loans during the year.
- (x) Based on the audit procedures performed and representation obtained from the management, we report that no case of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration within the meaning of section 197 read with Schedule V to the Companies Act, 2013. Therefore, the provisions of clause 3(xi) of the Order are not applicable.



- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and the representation obtained from the management, the Company has complied with sections 177 and 188 of the Act, where applicable in respect of transactions with related parties and the details have been disclosed in the financial statements as required by the applicable standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: New Delhi
Dated: 13 May, 2017

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)


(V. Rethinam)
Partner
(M. No:010412)



“Annexure-B” referred to in the Independent Auditors’ report to the Members of Zuari Investments Limited on the standalone accounts for the year ended 31st March, 2017.

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 the 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 its business, including adherence to 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.

Auditors’ Responsibility

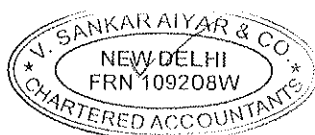
Our responsibility is to express an opinion on the effectiveness of the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting 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 internal financial control over financial reporting includes 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.



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 issued by the ICAI.

Place: New Delhi
Dated: 13 May, 2017

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)





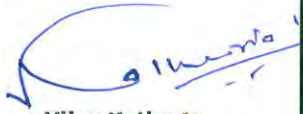


V. Rethinam
(Partner)

Membership No. 010412



ZUARI INVESTMENTS LIMITED
Balance Sheet as at 31 March 2017

(Rs.)

Particulars	Notes	31 March 2017	31 March 2016	1 April 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	31,21,055	35,09,303	47,87,858
(b) Other Intangible Assets	4	1,08,774	2,23,016	4,78,070
(c) Financial Assets				
(i) Investments	5	3,78,49,16,329	4,56,79,49,973	6,39,07,90,740
(ii) Loans	5	9,83,19,235	9,02,25,649	10,59,58,362
(iii) Other	5	61,11,524	51,11,524	51,11,524
(d) Other Non-current Assets	6	1,77,892	3,02,939	4,27,984
(e) Advance Tax (Net)		8,61,431	42,70,267	46,37,697
		3,89,36,16,240	4,67,15,92,671	6,51,21,92,235
(2) Current assets				
(a) Financial Assets				
(i) Investments	5	-	6,16,00,000	6,13,00,000
(ii) Trade receivables	7	5,80,54,055	4,01,45,048	3,97,20,750
(iii) Cash and cash equivalents	8	8,53,03,084	4,98,08,928	7,15,49,719
(iv) Others	5	8,94,880	12,79,153	20,60,633
(b) Current Tax Assets (Net)		15,45,240	17,75,643	26,05,978
(c) Other Current Assets	6	48,03,511	35,93,215	29,56,134
		15,06,00,770	15,82,01,987	18,01,93,214
TOTAL		4,04,42,17,010	4,82,97,94,658	6,69,23,85,449
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	9	37,44,57,900	37,44,57,900	37,44,57,900
(b) Other Equity	10	3,02,41,43,430	3,34,63,87,528	4,90,94,40,640
		3,39,86,01,330	3,72,08,45,428	5,28,38,98,540
Liabilities				
(1) Non-current liabilities				
(a) Provisions	13	35,45,484	35,92,780	32,07,051
		35,45,484	35,92,780	32,07,051
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	54,01,68,000	1,03,81,00,000	1,31,75,00,000
(ii) Trade payables	14	61,04,591	71,09,980	48,26,946
(iii) Other financial liabilities	12	2,39,17,527	2,40,55,027	2,38,30,527
(b) Other Current Liabilities	15	6,90,93,739	3,26,48,704	5,51,73,982
(c) Provisions	13	27,86,339	34,42,739	39,48,403
		64,20,70,196	1,10,53,56,450	1,40,52,79,858
TOTAL		4,04,42,17,010	4,82,97,94,658	6,69,23,85,449
Corporate information	1			
Significant accounting policies	2			
Other notes forming part of the financial	23-35			
As per our report of even date		For and on behalf of the Board		
For V. Sankar Aiyar & Co. Chartered Accountants FRN 109208 W		 R. S. Raghavan Managing Director (DIN-00362555)		
 V. Rethinam Partner M No.10412		 Tarun Khanna (Chief Financial Officer)		
		 Vijay Kathuria Director (DIN-00338125)		
Place: New Delhi Date: 13 May 2017		 Girish Kumar Sharma (Company Secretary)		

ZUARI INVESTMENTS LIMITED
Statement of Profit and Loss for the year ended 31 March 2017

(Rs.)

Particulars	Notes	31 March 2017	31 March 2016
I REVENUE			
Revenue From Operations	17	7,44,79,042	6,75,80,440
Other Income	18	3,82,92,199	4,46,90,427
Total Revenue (I)		11,27,71,241	11,22,70,867
II EXPENSES			
Employee Benefits Expense	19	4,95,43,100	6,72,17,680
Finance Costs	20	8,94,41,391	15,75,76,907
Depreciation and amortization expense	21	11,98,188	17,23,297
Other Expenses	22	12,82,17,838	5,62,56,540
Total expenses (II)		26,84,00,517	28,27,74,424
III Profit before exceptional items and tax (I-II)		-15,56,29,276	-17,05,03,557
IV Exceptional Items		-	-
V Profit/(loss) before tax (III-IV)		-15,56,29,276	-17,05,03,557
VI Tax expense:			
Current Tax	16	-	-
Deferred Tax	16	-	-
VII Profit (Loss) for the period (V-VI)		-15,56,29,276	-17,05,03,557
VIII Other Comprehensive Income			
A Items that will be reclassified to profit or loss			
Net (loss)/gain on FVTOCI securities		-	-
B Items that will not be reclassified to profit or loss			
Net (loss)/gain on FVTOCI securities		-16,77,04,105	-1,39,21,52,833
Income tax effect thereon		-	-
Re-measurement gains (losses) on defined benefit plans		10,89,283	-3,96,722
Income tax effect thereon		-	-
		-16,66,14,822	-1,39,25,49,555
IX Total Comprehensive Income for the period (VII + VIII)		-32,22,44,098	-1,56,30,53,112
X Earnings per equity share:			
(1) Basic	25	-4.16	-4.55
(2) Diluted	25	-4.16	-4.55

As per our report of even date

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

V. Rethinam
Partner
M No.10412



Place: New Delhi
Date: 13 May 2017

For and on behalf of the Board

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

Vijay Kathuria
Director
(DIN-00338125)

Tarun Khanna
(Chief Financial Officer)

Girish Kumar Sharma
(Company Secretary)

ZUARI INVESTMENTS LIMITED
Statement of Changes in Equity for the year ended 31 March 2017

(Rs.)

(a) Equity Share Capital

	Number	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At 1 April 2015	3,74,45,790	37,44,57,900
At 31 March 2016	3,74,45,790	37,44,57,900
Issue of share capital (Note 10)	-	-
At 31 March 2017	3,74,45,790	37,44,57,900

(b) Other equity

For the year ended 31 March 2017:

	Reserves and surplus	Items of OCI	Total
	Surplus in the statement of profit and loss (Note 10)	Equity instruments through OCI (Note 10)	
As at 1 April 2016	-2,73,71,174	3,37,37,58,702	3,34,63,87,528
Profit for the period	-15,56,29,276	-	-15,56,29,276
Reclassification from OCI to retained earnings on disposal of investment	11,09,19,596	-	11,09,19,596
Other comprehensive income (Note 10)	10,89,283	-16,77,04,105	-16,66,14,822
Total comprehensive income	-7,09,91,571	3,20,60,54,597	3,13,50,63,026
Reclassification from OCI to retained earnings on disposal of investment	-	-11,09,19,596	-11,09,19,596
At 31 March 2017	-7,09,91,571	3,09,51,35,001	3,02,41,43,430

For the year ended 31 March 2016:

	Reserves and surplus	Items of OCI	Total
	Surplus in the statement of profit and loss (Note 10)	Equity instruments through OCI (Note 10)	
As at 1 April 2015	-3,01,23,025	4,93,95,63,665	4,90,94,40,640
Profit/ Contribution for the period	-17,05,03,557	-	-17,05,03,557
Reclassification from OCI to retained earnings on disposal of investment	17,36,52,130	-	17,36,52,130
Other comprehensive income (Note 10)	-3,96,722	-1,39,21,52,833	-1,39,25,49,555
Total comprehensive income	-2,73,71,174	3,54,74,10,832	3,52,00,39,658
Reclassification from OCI to retained earnings on disposal of investment	-	-17,36,52,130	-17,36,52,130
At 31 March 2016	-2,73,71,174	3,37,37,58,702	3,34,63,87,528

Annexure to our report of date

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

For and on behalf of the Board

V. Rethinam
Partner
M No.10412



Place: New Delhi
Date: 13 May 2017

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

Vijay Kathuria
Director
(DIN-00338125)

Tarun Khanna
(Chief Financial Officer)

Girish Kumar Sharma
(Company Secretary)

ZUARI INVESTMENTS LIMITED

Statement of Cash Flows for the year ended 31 March 2017

(Rs.)

	Particulars	31 March 2017	31 March 2016
A.	Cash Flow from Operating Activities		
	Net Profit/ (Loss) before tax as per Statement of Profit and Loss	-15,45,39,993	-17,09,00,279
	Adjustments for :		
	Depreciation	11,98,188	17,23,297
	(Profit) /Loss on sale of Investments (Net)	9,94,38,798	2,88,16,630
	Dividend on Investments	-1,12,59,151	-1,13,45,956
	Finance income (including fair value change in financial instruments)	-2,64,53,945	-3,13,08,826
	Interest Expense	8,94,41,391	15,75,76,907
	Interest Income	-38,62,776	-48,64,001
	Assets written back		
	Excess provision Written back	-91,440	-2,32,510
	(Profit) /Loss on sale of Assets	-75,500	3,54,439
	Provision for doubtful debts	1,77,428	6,21,252
	Operating Profit before working capital changes	-60,27,000	-2,95,59,047
	Adjustment in respect of Working Capital		
	(Increase)/ Decrease in Trade Receivables	-1,80,86,435	-10,45,550
	(Increase)/ Decrease in Other Receivables	-91,78,836	1,52,20,677
	Increase/(Decrease) in Trade Payables	-10,05,389	22,83,034
	Increase/(Decrease) in Other Payables	3,56,95,280	-2,21,88,203
	Less : Income tax paid recoverable or adjustable	36,39,239	-11,97,765
	Net Cash used in Operating Activities	50,36,859	-3,40,91,324
B.	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	-8,94,972	-6,02,091
	Sale of Fixed Assets	2,74,774	57,964
	Proceeds from Sale of Investments	69,29,29,817	43,88,80,130
	Purchase of Investments	-8,89,85,131	-60,00,000
	Dividend on Investments	1,12,59,151	1,13,45,956
	Net Cash used in Investing Activities	61,45,83,639	44,36,81,959
C.	Cash Flow from Financial activities		
	Inter Corporate Deposits taken	3,85,00,000	3,10,00,000
	Inter Corporate Deposit repaid	-53,64,32,000	-31,04,00,000
	Increase in other financial assets	-10,00,000	
	Interest Income	42,47,049	56,45,481
	Interest Expense	-8,94,41,391	-15,75,76,907
	Net Cash from in Financial Activities	-58,41,26,342	-43,13,31,426
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	3,54,94,156	-2,17,40,791
	Cash & Cash Equivalents as at the beginning of the year	4,98,08,928	7,15,49,719
	Cash & Cash Equivalents as at the closing of the year	8,53,03,084	4,98,08,928

Annexure to our report of date

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

V. Rethinam
Partner
M No.10412

Place: New Delhi
Date: 13 May 2017



For and on behalf of the Board

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

Tarun Khanna
(Chief Financial Officer)

Vijay Kathuria
Director
(DIN-00338125)

Girish Kumar Sharma
(Company Secretary)

ZUARI INVESTMENTS LIMITED

Notes to financial statements for the year ended March 31, 2017

1. CORPORATE INFORMATION

The stand-alone financial statements of "Zuari Investments Limited" ("the Company" or "ZIL") are for the year ended 31 March 2017.

The Company is a public company domiciled in India and is incorporated on October 9, 1995 under the provisions of the Companies Act 1956. Address of registered office of the Company is Jai Kissan Bhawan, Goa - 403726.

The Company is engaged in the business of stock broking, depository participant, mutual fund broking, share transfer agents, real estate agent and mortgage agents.

The stand-alone financial statements were approved for issue in accordance with a resolution of the Board of directors on 13 May 2017.

2. SIGNIFICANT ACCOUNTING POLICIES.

2.1 Basis of Preparation of Accounts

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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Adjustments pertaining to transition to Ind AS is detailed in Note 31 of financial statements.

The stand-alone financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 Estimates and assumptions

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

2.3 Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimates can be made of the amount of obligation. A disclosure of contingent liability is made when there is possible obligation or a present obligation that will probably not require outflow of resources or where a



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ZUARI INVESTMENTS LIMITED

Notes to financial statements for the year ended March 31, 2017

reliable estimate of the obligation cannot be made. Contingent assets are not recognized but disclosed in the financial statements, where economic inflow is probable.

2.4 Fixed Assets

Fixed assets are stated as per cost model i.e. cost of acquisition less accumulated depreciation/amortisation and impairment. All significant costs incidental to the acquisition of assets are capitalized.

Recognition:

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

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

Subsequent expenditure related to item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on the existing fixed assets, 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.

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the statement of Profit and Loss when the asset is derecognized.

2.5 Depreciation on tangible fixed assets

The company is providing depreciation in line with the requirements of part C of schedule II of Companies Act 2013. The company continues to follow straight line method of depreciation. In respect of additions to Fixed Assets, depreciation is calculated on prorata basis from the date on which asset is put to use. Useful life used for different asset classes is as follows:

S.no	Asset Class	Useful Life
1	Furniture and fixture	10 years
2	Computers and softwares	3 years
3	Office equipments	5 years
4	Servers	6 years

Fixed assets whose value is less than Rs. 5000/- are depreciated fully in the year of purchase.

Annual Review

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.

2.6 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 and



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ZUARI INVESTMENTS LIMITED

Notes to financial statements for the year ended March 31, 2017

accumulated impairment losses, if any. Intangibles representing computer software are amortized using the straight line method over their estimated useful lives of three 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 the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss, unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition 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.

2.7 Revenue Recognition

Income from services rendered is recognised when completed or based on agreements with parties. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is accounted for, when right to receive the payment is established.

2.8 Staff Benefits

Regular contributions towards government provident fund, family pension, employee state insurance, are charged to revenue. Provisions for gratuity and leave encashment are made on basis of actuarial valuations.

Re-measurements

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.9 Leases – Operating Lease

Lease rentals are recognized as expense or income on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived



John Thomas

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Notes to financial statements for the year ended March 31, 2017

from the asset taken or given on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The Company has held office premises in different parts of the country and are held on operating lease. The premises are under lease agreement generally for a period of 9 years which may be further extended by mutual agreement of both parties. Lease payments are recognised as an expense in the statement of profit & loss.

2.10 Deferred Tax

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off, current tax assets against current tax liabilities and the deferred taxes relate to the income tax levied by the same taxation authority.

2.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

i) Initial Recognition and Measurements

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii) Subsequent Measurement

Debt instruments at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet



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ZUARI INVESTMENTS LIMITED

Notes to financial statements for the year ended March 31, 2017

the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

iii) Derecognition

The company derecognizes a financial asset when the contractual right to the cash flow from the financial asset end or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

iv) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component. The Company uses historical loss experience to determine the impairment loss allowance on security deposits and bank balances. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

b) Financial Liabilities

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and fees of recurring nature are directly recognized in profit or loss as finance cost. The Company's financial liabilities include trade and other payables.

ii) Subsequent measurement

Financial Liabilities are subsequently carried at amortized 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 short maturity of these instruments.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired or it transfers the financial liability and the transfer qualifies for derecognition under Ind AS 109.

2.12 Particulars of Loans & Investments as required u/s 186(4) of the Companies Act, 2013:- Refer Note 5.

2.13 Previous year figures have been regrouped wherever considered necessary to correspond to current year figures.



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ZUARI INVESTMENTS LIMITED

Notes to Financial Statements for the year ended 31 March 2017

3. Property, Plant and Equipment

(Rs.)

	Furniture & Fixtures	Office Equipment's	Total
Cost			
At 1 April 2015	30,86,843	17,01,015	47,87,858
Additions	-	4,39,209	4,39,209
Less: Disposals	2,70,140	15,794	2,85,934
At 31 March 2016	28,16,703	21,24,430	49,41,133
Additions	1,37,954	7,30,393	8,68,347
Less: Disposals	98,804	7,09,060	8,07,864
At 31 March 2017	28,55,853	21,45,763	50,01,616
Depreciation and impairment			
At 1 April 2015	-	-	-
Charge for the year	5,06,135	9,86,749	14,92,884
Less: Disposals	61,054	-	61,054
At 31 March 2016	4,45,081	9,86,749	14,31,830
Charge for the year	4,75,038	5,82,283	10,57,321
Impairment	-	-	-
Less: Disposals	39,814	5,68,776	6,08,590
At 31 March 2017	8,80,305	10,00,256	18,80,561
Net Block			
At 1 April 2015	30,86,843	17,01,015	47,87,858
At 31 March 2016	23,71,622	11,37,681	35,09,303
At 31 March 2017	19,75,548	11,45,507	31,21,055

4. Intangible assets

(Rs.)

	Software and Dealership Rights	Total
Cost		
At 1 April 2015	4,78,070	4,78,070
Additions	1,62,882	1,62,882
Less: Disposals	1,87,523	1,87,523
At 31 March 2016	4,53,429	4,53,429
Additions	26,625	26,625
Less: Disposals	-	-
At 31 March 2017	4,80,054	4,80,054
Depreciation and impairment		
At 1 April 2015	-	-
Charge for the year	2,30,413	2,30,413
Less: Disposals	-	-
At 31 March 2016	2,30,413	2,30,413
Charge for the year	1,40,867	1,40,867
Less: Disposals	-	-
At 31 March 2017	3,71,280	3,71,280
Net Block		
At 1 April 2015	4,78,070	4,78,070
At 31 March 2016	2,23,016	2,23,016
At 31 March 2017	1,08,774	1,08,774



John Thomas

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

(Rs.)

5. Financial assets

	Nos	Face Value per share (Rupees)	Long Term			Short Term		
			31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Investments								
Investments in equity shares - Quoted								
Texmaco Infrastructure & Holdings Ltd.	1,34,13,900	1	54,52,75,035	49,93,01,730	78,03,49,695	-	-	-
Texmaco Rail & Engineering Ltd.	2,89,63,900	1	2,68,78,49,920	3,03,25,20,330	4,32,72,06,660	-	-	-
Chambal Fertilisers & Chemicals Ltd.	4,02,840	10	3,49,46,370	2,21,15,916	2,72,11,842	-	-	-
Gobind Sugar Mills Ltd. (see foot note below) (Subsidiary)	16,40,632	10	4,69,83,826	4,69,83,826	4,69,83,826	-	-	-
Nagarjuna Oil Refinery Ltd.	1,95,13,000	10	8,97,59,800	14,63,000	17,17,100	-	-	-
Ess Dee Aluminium Ltd.	14,000	10	6,10,400	-	-	-	-	-
Sub-total			3,40,54,25,351	3,60,23,84,802	5,18,34,69,123			
Investment in unquoted equity shares								
Lionel Edward Ltd.	19,092	100	43,33,693	43,33,693	42,82,336	-	-	-
Indian Furniture Products Ltd. (see foot note) (Associate)	70,44,643	10	6,57,50,000	6,57,50,000	6,57,50,000	-	-	-
New Eros Tradecom Ltd. (Associate)	20,49,994	10	15,53,87,500	15,53,87,500	15,53,87,500	-	-	-
Sub-total			22,54,71,193	22,54,71,193	22,54,19,836			
Investment in wholly owned subsidiaries								
Unquoted:								
Zuari Insurance Brokers Ltd.	2,75,000	10	2,75,00,000	2,75,00,000	2,75,00,000	-	-	-
Zuari Commodity Trading Ltd.	1,60,000	10	1,60,00,000	1,60,00,000	1,50,00,000	-	-	-
Sub-total			4,35,00,000	4,35,00,000	4,25,00,000			
Deemed equity investment in subsidiary								
Deemed investment in Gobind Sugar Mills Ltd. (GSML)			3,88,41,756	54,01,31,357	74,78,43,640	-	-	-
Sub-total			3,88,41,756	54,01,31,357	74,78,43,640			
7% Non Cumulative Non Convertible Redeemable Preference Shares of GSML - (Unquoted at fair value through profit & loss)								
Redeemable in one single lot after expiry of the 12th year from the date of allotment								
Series-I - date of allotment - 03.01.2012	1,50,00,000	10	-	4,44,69,039	3,80,12,321	-	-	-
Series-II - date of allotment - 18.06.2012.	23,00,000	10	-	65,56,333	56,04,381	-	-	-
Series-III - date of allotment - 27.09.2012.	80,00,000	10	-	2,19,27,534	1,87,43,748	-	-	-
Series-III - date of allotment - 27.09.2012.	2,50,00,000	10	-	-	5,85,74,212	-	-	-
Series-IV - date of allotment - 28.06.2013.	35,00,000	10	-	85,28,405	72,90,117	-	-	-
Series-V - date of allotment - 20.09.2013.	26,59,368	10	-	62,30,815	53,26,127	-	-	-
Series-VI - date of allotment - 30.12.2013.	1,00,00,000	10	-	2,25,28,543	1,92,57,493	-	-	-
Series-VII - date of allotment - 31.03.2014.	1,17,50,000	10	-	2,54,52,921	2,17,57,264	-	-	-
Series-VIII - date of allotment - 30.06.2014.	51,68,552	10	-	1,07,65,528	92,02,418	-	-	-
Series-IX - date of allotment - 17.11.2014.	81,448	10	1,98,463	1,69,647	1,45,015	-	-	-
Series-X - date of allotment - 14.01.2015.	20,00,000	10	45,05,709	38,51,499	32,92,277	-	-	-
Series-XI - date of allotment - 14.01.2015.	20,00,000	10	43,32,412	37,03,364	31,65,650	-	-	-
Series-XII - date of allotment - 05.05.2015.	7,50,000	10	-	13,88,762	11,87,118	-	-	-
Series-XIII - date of allotment - 05.05.2015.	5,00,000	10	10,41,445	8,90,231	-	-	-	-
Sub-total			1,00,78,029	15,64,62,621	19,15,58,141			

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ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

Investments at fair value through profit or loss Unquoted- 6% Non cumulative, Non convertible, Redeemable preference shares (Date of redemption - 30.09.2018) (Original date of redemption was 30th September, 2013)	100	6,60,000			
Adventz Investment Company Private Limited		6,16,00,000	-	-	6,16,00,000
Sub-total		6,16,00,000	-	-	6,16,00,000
TOTAL		3,78,49,16,329	4,56,79,49,973	6,39,07,90,740	6,13,00,000
Aggregate book value of quoted investments		3,40,54,25,351	3,60,23,84,802	5,18,34,69,123	-
Aggregate market value of quoted investments		3,36,17,22,789	3,55,54,00,976	5,13,64,85,297	-
Aggregate book value of unquoted investments		34,06,49,222	42,54,33,814	45,94,77,976	6,13,00,000
Aggregate amount of impairment in value of investments		-	-	-	-

Foot note -

I) In respect of investments in Indian Furniture Products Limited, keeping in view the long term nature of the investments, no provision for diminution in value is considered necessary.

II) As regards investments in shares of Gobind Sugar Mills Limited, the accumulated losses for the year ended 31 March 2017 has decreased. Keeping in view the long term nature of the investments, the management is of the view that the diminution in value is other than permanent and hence no provision for shortfall is considered necessary.

	31-Mar-17	Long Term 31-Mar-16	01-Apr-15	31-Mar-17	Short Term 31-Mar-16	01-Apr-15
Loans (at amortised cost)						
Security Deposits						
i) Secured, Considered Good	9,83,19,235	9,02,25,649	10,59,58,362	-	-	-
ii) Unsecured, Considered Good	-	-	-	-	-	-
iii) Unsecured, Considered Doubtful	-	-	-	-	-	-
TOTAL	9,83,19,235	9,02,25,649	10,59,58,362	-	-	-

	31-Mar-17	Long Term 31-Mar-16	01-Apr-15	31-Mar-17	Short Term 31-Mar-16	01-Apr-15
Other Financial assets (at amortised cost)						
Balances with banks - in deposit accounts*	61,11,524	51,11,524	51,11,524	-	-	-
Interest accrued on deposits	-	-	-	8,94,880	12,79,153	20,60,633
TOTAL	61,11,524	51,11,524	51,11,524	8,94,880	12,79,153	20,60,633

(* Under Lien - includes Rs. 20,00,000 (Rs. 10,00,000) to BSE, Rs. 8,00,000 to NSEIL, Rs. 25,00,000 to NSE maturing within 12 months of the reporting date (Considering the compulsion to renew the same, it is treated as non-current) Rs. 8,00,000 to ISSLI); (Under Pledge - Rs. 11,524)



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ZUARI INVESTMENTS LIMITED

Notes to Financial Statements for the year ended 31 March 2017

6. Other assets

	(Rs.)					
	31-Mar-17	Non-current 31-Mar-16	01-Apr-15	31-Mar-17	Current 31-Mar-16	01-Apr-15
Other advances recoverable in cash or in kind	-	-	-	46,78,465	34,68,169	28,31,088
Prepaid lease	1,77,892	3,02,939	4,27,984	1,25,046	1,25,046	1,25,046
TOTAL	1,77,892	3,02,939	4,27,984	48,03,511	35,93,215	29,56,134

7. Trade receivables

	(Rs.)		
	31-Mar-17	31-Mar-16	01-Apr-15
Trade receivables - related parties	-	-	-
Trade receivables - others	5,80,54,055	4,01,45,048	3,97,20,750
TOTAL	5,80,54,055	4,01,45,048	3,97,20,750
Break-up for security details:			
Unsecured			
Considered good	5,80,54,055	4,01,45,048	3,97,20,750
Considered doubtful	31,88,621	30,11,192	23,89,941
	6,12,42,676	4,31,56,240	4,21,10,691
Impairment Allowance			
Considered good	-	-	-
Considered doubtful	-31,88,621	-30,11,192	-23,89,941
TOTAL	5,80,54,055	4,01,45,048	3,97,20,750

8. Cash and Cash Equivalent

Particulars	(Rs.)		
	31-Mar-17	31-Mar-16	01-Apr-15
Bank Balances:			
-in Current Accounts	8,52,69,146	4,97,34,230	7,15,21,190
Cash in hand	33,938	74,698	28,529
TOTAL	8,53,03,084	4,98,08,928	7,15,49,719



John Thomas

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

9. Share Capital

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Authorized:			
6,00,00,000 Equity Shares of Rs. 10/- each	60,00,00,000	60,00,00,000	60,00,00,000
3,20,00,000 10% Non Convertible Redeemable Preference Shares of Rs. 10/- each	32,00,00,000	32,00,00,000	32,00,00,000
	92,00,00,000	92,00,00,000	92,00,00,000
Issued shares :			
3,74,45,790 Equity Shares of Rs. 10/- each	37,44,57,900	37,44,57,900	37,44,57,900
Total	37,44,57,900	37,44,57,900	37,44,57,900
Subscribed and fully paid-up shares :			
3,74,45,790 Equity Shares of Rs. 10/- each	37,44,57,900	37,44,57,900	37,44,57,900
Total	37,44,57,900	37,44,57,900	37,44,57,900

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

	31-Mar-17	31-Mar-16	01-Apr-15
	No. of Shares	Rs.	No. of Shares
Equity Shares			
Outstanding at the beginning and end of the year/period	3,74,45,790	37,44,57,900	3,74,45,790
			37,44,57,900

(b) Terms / rights attached to Equity Shares

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

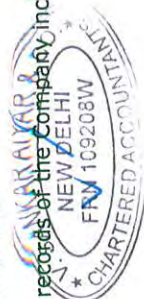
(c) Shares held by holding company

	31-Mar-17	31-Mar-16	01-Apr-15
Zuari Global Limited	3,74,45,790	3,74,45,790	3,74,45,790

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

Name of the shareholder	31-Mar-17	31-Mar-16	01-Apr-15
	No. of shares	% holding in the class	No. of shares
			% holding in the class
Equity shares of Rs. 10 each fully paid			
Zuari Global Limited	3,74,45,790	100%	3,74,45,790
			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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ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

10. Other Equity

Particulars	(Rs.)		
	31-Mar-17	31-Mar-16	01-Apr-15
Surplus in the statement of profit and loss			
Balance as per last financial statements	-2,73,71,174	-3,01,23,025	6,19,73,821
Net profit / (loss) for the year	-15,56,29,276	-17,05,03,557	-9,20,96,846
Add/Less: Re-measurement gains (losses) on defined benefit plans	10,89,283	-3,96,722	-
Reclassification from OCI to retained earnings on disposal of investment	11,09,19,596	17,36,52,130	-
Net surplus / (deficit)	-7,09,91,571	-2,73,71,174	-3,01,23,025
FVTOCI Reserve			
Balance bought forward from last year's account	3,37,37,58,702	4,93,95,63,665	-
Add/Less: Movement during the year	-16,77,04,105	-1,39,21,52,833	4,93,95,63,665
Add/Less: Reclassification from OCI to retained earnings on disposal of investment	-11,09,19,596	-17,36,52,130	-
Balance carried forward to next year	3,09,51,35,001	3,37,37,58,702	4,93,95,63,665
TOTAL	3,02,41,43,430	3,34,63,87,528	4,90,94,40,640

11. Short term Borrowings (at amortised cost)

Particulars	(Rs.)		
	31-Mar-17	31-Mar-16	01-Apr-15
Unsecured loans- Corporate Deposits			
Simon India Ltd.	10,30,00,000	10,00,00,000	10,00,00,000
Zuari Global Limited	43,71,68,000	93,81,00,000	1,21,75,00,000
TOTAL	54,01,68,000	1,03,81,00,000	1,31,75,00,000

Note A - Terms pertaining to Inter-Corporate Deposits

Terms: Simon India Ltd.

Interest @ 13.50% p.a., repayable at maturity or end of financial year whichever is earlier.

Maturity: 3 months

Terms: Zuari Global Ltd.

Interest @ 8% p.a. repayable at maturity or end of financial year whichever is earlier.

Maturity: 3 months



John Thomas

12. Other Financial Liabilities

	Non Current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
	(Rs.)					
Security Deposit - Interest Free						
Depository Clients	-	-	-	2,33,82,027	2,35,19,527	2,38,30,527
Others	-	-	-	5,35,500	5,35,500	-
TOTAL	-	-	-	2,39,17,527	2,40,55,027	2,38,30,527

13. Provisions (Current and Non-Current)

	Non Current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
	(Rs.)					
Provision for employee benefits - Gratuity	35,45,484	35,92,780	32,07,051	-	-	45,536
Provision for employee benefits - Leave benefits	-	-	-	27,86,339	34,42,739	39,02,867
TOTAL	35,45,484	35,92,780	32,07,051	27,86,339	34,42,739	39,48,403

14. Trade payables (at amortised cost)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
	(Rs.)		
Trade Payables*			
- Due to others	61,04,591	42,64,161	48,26,946
- Due to related parties	-	28,45,819	-
TOTAL	61,04,591	71,09,980	48,26,946

*The Company has not received any information from parties regarding their registration under Micro, Small and Medium Enterprises (Development) Act, 2006. In the circumstances, disclosures relating to amount remaining unpaid as at the year end together with interest, if any, payable under the Act are not ascertainable.

15. Other Liabilities

	Non Current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
	(Rs.)					
Statutory dues	-	-	-	87,27,313	86,43,556	57,71,067
Advances from Clients	-	-	-	6,03,66,426	2,40,05,148	4,94,02,915
TOTAL	-	-	-	6,90,93,739	3,26,48,704	5,51,73,982



John Thomas

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

16. Income Tax

Accounting profit	-15,56,29,276	-17,05,03,557
Tax at the applicable tax rate of 30.9% (31.3.2016: 30.9%,)	-4,80,89,446	-5,26,85,599
<u>Tax effect of income that are not taxable in determining taxable profit:</u>		
Profit on sale of investments	-	-
Dividend income	-34,79,078	-35,05,900
Fair value gain on investments	-81,74,269	-96,74,427
<u>Tax effect of expenses that are not deductible in determining taxable profit:</u>		
Provision for gratuity & leave encashment	-	11,74,679
Expenses disallowed u/s 14A of Income Tax Act, 1961	1,54,500	1,88,211
Interest expense - not considered as business expense	2,76,37,390	4,86,83,164
Provisional expenses	54,826	1,91,967
Loss on sale of investments / assets	3,07,26,589	89,04,339
	-11,69,488	-67,23,566
Tax expense *	NIL	NIL

* In case of negative tax expense, no tax expense is recognised.

Deferred tax:

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Temporary differences arising on :			
Unused Tax losses	8,67,18,000	1,42,34,000	5,65,48,000
Provision for leave encashment and gratuity	19,57,000	21,74,000	22,11,000
Related to Fixed Assets etc.	15,58,000	17,97,000	17,43,000
In relation to equity shares valued through OCI	-	4,779	-
Others	2,134	-	-
Utilisation on :			
In relation to preference shares	-27,24,756	-32,24,809	-54,18,635
In relation to equity shares valued through OCI	-	-10,580	-8,42,832
Deferred Tax Asset / (Liability)	8,75,10,378	1,49,74,390	5,42,40,533

Summary of tax losses available with the Company.

Deferred tax assets (Net) have not been recognised as a matter of prudence.

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



John Thomas

ZUARI INVESTMENTS LIMITED

Notes to Financial Statements for the year ended 31 March 2017

17. Revenue From Operations

	31-Mar-17	31-Mar-16
Depository Operations	1,53,09,353	1,34,22,659
Corporate Consultancy	-	30,00,000
Commission Received (Mortgage)	1,64,930	7,80,103
Commission Received (Real Estate)	28,58,510	31,39,556
Stock Broking	3,94,29,812	3,00,62,882
Share Transfer Agency	41,55,751	35,43,500
Retail Brokerage	86,97,910	87,67,739
Interest Income from deposits with banks	35,94,169	7,89,864
Interest Income on others	2,68,607	40,74,137
TOTAL	7,44,79,042	6,75,80,440

18. Other income

	31-Mar-17	31-Mar-16
Interest on security deposits	1,18,137	1,09,579
Dividend from long term investment	1,12,59,151	1,13,45,956
Notice Period Recovery	1,07,210	73,305
Excess provision written back	91,440	2,32,510
Profit on sale of investments	-	-
Gain on financial assets / financial liabilities	2,64,53,945	3,13,08,826
Profit on sale of assets	75,500	-
Miscellaneous income	1,86,816	16,20,251
TOTAL	3,82,92,199	4,46,90,427

19. Employee Benefits Expense

	31-Mar-17	31-Mar-16
Contribution to Provident & Other Funds	23,24,472	30,45,474
Gratuity	24,02,083	9,53,086
Staff Welfare	29,81,959	23,09,403
Salary (Net of deputation Income)	3,82,60,913	5,68,39,513
Salary Outsource	35,73,673	40,70,204
TOTAL	4,95,43,100	6,72,17,680

Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 30



for the above

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

20. Finance costs

	(Rs.)	
	31-Mar-17	31-Mar-16
Interest expense at amortised cost -		
Interest on inter corporate deposit	8,94,41,391	15,75,50,692
Interest on others	-	26,215
TOTAL	8,94,41,391	15,75,76,907

21. Depreciation and amortization expense

	(Rs.)	
	31-Mar-17	31-Mar-16
Depreciation of property, plant and equipment	10,57,321	14,92,884
Amortisation of intangible assets	1,40,867	2,30,413
TOTAL	11,98,188	17,23,297

22. Other expenses

	(Rs.)	
	31-Mar-17	31-Mar-16
Advertisement	11,577	81,772
DP charges & brokerage	37,36,023	28,80,579
Computer repair & maintenance	18,23,542	17,70,466
Fees & subscriptions	8,23,764	5,99,162
Insurance	2,34,712	2,34,143
Interest & penalties	13,12,950	1,94,758
Loss on sale of assets	-	3,54,439
Legal & professional charges	30,59,456	4,46,307
Payment to auditors	6,15,000	6,15,375
Miscellaneous	6,64,824	3,33,152
Business meet expenses	7,419	8,10,928
Office maintenance	28,69,267	35,04,979
Rates & taxes	31,800	22,200
Printing & stationery	5,28,443	8,28,983
Independent directors sitting fees	2,30,000	2,20,000
Rent	69,30,993	77,10,947
Communication	30,92,276	35,59,747
Loss on sale of investment	9,94,38,798	2,88,16,630
Travelling & conveyance	19,35,519	22,62,646
Bad Debt written off	5,02,667	59,036
Commission paid-Mortgage	26,698	1,73,242
Commission paid-Real Estate	78,000	-
Provision for Doubtful debts- PL	1,77,429	6,21,252
Security deposit written off	24,551	-
Levies & charges	60,716	45,000
Transaction charges-Broking	1,414	1,10,797
TOTAL	12,82,17,838	5,62,56,540

*Payment to the Auditors as (excluding Service Tax)

Audit fee	4,00,000	4,00,000
Tax audit fee	1,00,000	1,00,000
Taxation services	-	-
Other services (Certification fees)	1,15,000	1,15,000
Other charges	-	375
	6,15,000	6,15,375



John Sharma

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

23. Disclosure of Interest in subsidiaries, joint arrangements and associates:

1) Disclosure of Interest in the following subsidiaries:

Name	Country of Incorporation	Ownership Interest of ZIL (%)		Method used to account for investments
		31.03.17	31.03.16	
(i) Zuari Insurance Brokers Limited	India	100.00%	100.00%	Line by line consolidation
(ii) Zuari Commodity Trading Limited	India	100.00%	100.00%	Line by line consolidation
(iii) Gobind Sugar Mills Limited	India	51.27%	51.27%	Line by line consolidation

2) Disclosure of Interest in the following associates:

Name	Country of Incorporation	Ownership Interest of ZIL (%)		Method used to account for investments
		31.03.17	31.03.16	
(i) New Eros Tradecom Limited	India	45.05%	45.05%	Equity Accounting
(ii) Indian Furniture Products Limited	India	10.05%	10.05%	Equity Accounting



Amun Sharma

24. Commitments and Contingencies**Leases****Operating lease – as lessee**

The Company has obtained office premise and branches on operating leases for an initial period of 9 years. In all the cases, the agreements 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 the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements.

	31-Mar-17	31-Mar-16
Lease rentals recognized during the period	69,30,993	77,10,947
Lease Obligations		
- Within one year	69,24,549	69,30,993
- After one year but not more than five years	3,18,32,629	3,05,37,663

Contingent Liabilities

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

25. Earnings Per Share (EPS)

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

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

Particulars	31-Mar-17	31-Mar-16
Profit attributable to equity holders of the parent	-15,56,29,276	-17,05,03,557
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	3,74,45,790	3,74,45,790
Earning Per Share (Basic and Diluted) (Rs)	-4.16	-4.55
Face value per share (Rs)	10.00	10.00

26. Capital management

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

	31-Mar-17	31-Mar-16	01-Apr-15
Borrowings	54,01,68,000	1,03,81,00,000	1,31,75,00,000
Trade payables	61,04,591	71,09,980	48,26,946
Less: Cash and cash equivalents	-8,53,03,084	-4,98,08,928	-7,15,49,719
Net debts	46,09,69,507	99,54,01,052	1,25,07,77,227
Total Capital	3,39,86,01,330	3,72,08,45,428	5,28,38,98,540
Capital and net debt	3,85,95,70,837	4,71,62,46,480	6,53,46,75,767
Gearing ratio	0.12	0.21	0.19



Signature of V. Sankar Aiyar

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

27. Financial risk management objectives and policies

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

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 financial 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 and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant at 31 March 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets. The analysis for the contingent consideration liability is provided in Note 25.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Interest rate risk

Applicability - Financial liabilities

Corporate Deposits - at fixed rate of interest

Simon India Ltd.

Zuari Global Limited

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company has not taken any floating rate borrowing, hence the interest rate risk is considered to be minimal.

	<u>Increase/decrease in basis points</u>	<u>Effect on profit before tax</u>
31-Mar-17		
Rupees	+50	55.90.087
Rupees	-50	-55.90.087
31-Mar-16		
Rupees	+50	98.46.918
Rupees	-50	-98.46.918

Equity price risk

Applicability

Investment in Quoted equity shares

Investment in Un-Quoted equity shares

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

At the reporting date, the exposure to listed equity securities at fair value was Rs. 352,12,77,851. A decrease of 1% on the NSE market index could have an impact of approximately Rs.17,60,630 on the OCI or equity attributable to the Company. An increase of 1% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.



John Thomas

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, foreign exchange transactions and other financial instruments.

Applicability

Trade receivables
Deposits with Banks
Security deposits given
Investment in Unquoted preference shares

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.

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 in Note 7.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with banks as fixed deposits.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in Note 5 and 8.

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 be low.

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31-Mar-17						
Borrowings	-	54,01,68,000	-	-	-	54,01,68,000
Trade payables	-	61,04,591	-	-	-	61,04,591
Other financial liabilities	2,39,17,527	-	-	-	-	2,39,17,527
	2,39,17,527	54,62,72,591	-	-	-	57,01,90,118
Year ended						
31-Mar-16						
Borrowings	-	1,03,81,00,000	-	-	-	1,03,81,00,000
Trade payables	-	71,09,980	-	-	-	71,09,980
Other financial liabilities	2,40,55,027	-	-	-	-	2,40,55,027
	2,40,55,027	1,04,52,09,980	-	-	-	1,06,92,65,007
As at 1 April 2015						
Borrowings	-	1,31,75,00,000	-	-	-	1,31,75,00,000
Trade payables	-	48,26,946	-	-	-	48,26,946
Other financial liabilities	2,38,30,527	-	-	-	-	2,38,30,527
	2,38,30,527	1,32,23,26,946	-	-	-	1,34,61,57,473

Collateral

The Company has pledged part of its short-term deposits in order to fulfil the collateral requirements for its operations. At 31 March 2017, 31 March 2016 and 1 April 2015, the fair values of the long-term deposits pledged were Rs. 61,11,524, Rs. 51,11,524 and Rs. 51,11,524, respectively. The counterparties have an obligation to return the securities to the Company. For more information refer Note 5.



Abhinav Sharma

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

28. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15	As at 31-Mar-16
Financial assets				
A. FVOCI financial instruments:				
Quoted equity shares	3,40,54,25,351	3,60,23,84,802	5,18,34,69,123	3,60,23,84,802
Un-Quoted equity shares	26,89,71,193	26,89,71,193	26,79,19,836	26,89,71,193
B. FVPL financial instruments:				
Redeemable Preference shares	7,16,78,029	21,80,62,621	25,28,58,141	21,80,62,621
C. Amortised Cost:				
Security deposits	9,83,19,235	9,02,25,649	10,59,58,362	-
TOTAL	3,84,43,93,808	4,17,96,44,265	5,81,02,05,462	3,74,60,74,573
				5,70,42,47,100

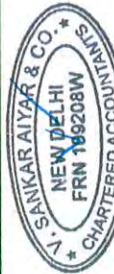
The management assessed that cash and cash equivalents, trade receivables, short term borrowings, security deposit received and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the industry. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

- The fair values of the quoted equity investments are based on price quotations at the reporting date. The fair value of unquoted instruments is taken as per the fair valuation report obtained from independent valuer for the year ending 31 March 2016 and is considered to be same as on 31 March 2017 and other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.



Sankar Aiyar

ZUARI INVESTMENTS LIMITED

Notes to Financial Statements for the year ended 31 March 2017

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

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 2017, 31 March 2016 and 1 April 2015 are as shown below:

<u>Description</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Sensitivity of the input to fair value</u>
1 FVTPL assets in unquoted preference shares	DCF method	Borrowing rate of the issuer	31 March 2017: 16.5% - 13% (16%) 31 March 2016: 16.5% - 13% (16%)	0.50% (31 March 2016:0.50%) Increase (decrease) in the growth rate would result in increase (decrease) in fair value by Rs. 9,57,791(31 March 2016:Rs. 7,82,313)

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

<u>Description</u>	<u>Adventz Investments Private limited Preference shares</u>	<u>Gobind Sugar Mills Limited Preference Shares</u>	<u>Total</u>
As at 1 April 2015	6,13,00,000	19,15,58,141	25,28,58,141
Purchases	-	7,60,974	7,60,974
Re-measurement recognised in PL	3,00,000	3,10,08,826	3,13,08,826
Sales	-	6,68,65,320	6,68,65,320
As at 1 April 2016	6,16,00,000	15,64,62,621	21,80,62,621
Purchases	-	-	-
Re-measurement recognised in PL	-	2,64,53,945	2,64,53,945
Sales	-	17,28,38,537	17,28,38,537
As at 31 March 2017	6,16,00,000	1,00,78,029	7,16,78,029

Apurva Sharma



29. Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial instruments:					
Quoted equity shares	31-Mar-17	3,40,54,25,351	3,40,54,25,351		
Un-Quoted equity shares	31-Mar-17	26,89,71,193			26,89,71,193
B. FVPL financial instruments:					
Unquoted Redeemable Preference shares	31-Mar-17	7,16,78,029			7,16,78,029
C. Amortised Cost:					
Security deposits	31-Mar-17	9,83,19,235		9,83,19,235	

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial instruments:					
Quoted equity shares	31-Mar-16	3,60,23,84,802	3,60,23,84,802		
Un-Quoted equity shares	31-Mar-16	26,89,71,193			26,89,71,193
B. FVPL financial instruments:					
Redeemable Preference shares of subsidiary company	31-Mar-16	21,80,62,621			21,80,62,621
C. Amortised Cost:					
Security deposits	31-Mar-16	9,02,25,649		9,02,25,649	

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
A. FVOCI financial instruments:					
Quoted equity shares	01-Apr-15	5,18,34,69,123	5,18,34,69,123		
Un-Quoted equity shares	01-Apr-15	26,79,19,836			26,79,19,836
B. FVPL financial instruments:					
Redeemable Preference shares of subsidiary c	01-Apr-15	25,28,58,141			25,28,58,141
C. Amortised Cost:					
Security deposits	01-Apr-15	10,59,58,362		10,59,58,362	



Asim Khanna

30. Gratuity and other post-employment benefit plans

	31-Mar-17	31-Mar-16	01-Apr-15
Plans			
- Gratuity (Not Funded)	35,45,484	45,44,703	32,52,587
	35,45,484	45,44,703	32,52,587

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 the respective plans:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2017

Particulars	Gratuity	
	2016-17	2015-16
Current Service Cost	6,59,564	6,62,330
Net Interest Cost	3,93,874	2,68,338

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2017

Particulars	Gratuity	
	2016-17	2015-16
Actuarial (gain)/ loss on obligations	10,89,283	-3,96,722

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

Particulars	Gratuity	
	2016-17	2015-16
Opening defined obligation	45,44,703	32,52,587
Current service cost	6,59,564	6,62,330
Interest cost	3,93,874	2,68,338
Remeasurements	-6,92,561	4,19,140
Benefits paid	-13,60,096	-57,692
Actuarial (gain)/ loss on obligations	-	-
Defined benefit obligation	35,45,484	45,44,703

Expected Contribution for next Annual reporting period

	31/03/2017
Service Cost	7,21,102
Net Interest Cost	2,65,911
Expected Expense for the next annual reporting period	9,87,013

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

	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate (in %)	7.50%	8%	9%
Salary Escalation (in %)	9% for 1 st 2 years & 7.5% thereafter	9.00%-2016-17 & 17-18 7.5%-2018-19 onward	9%

A quantitative sensitivity analysis for significant assumption as at 31 March 2016 is as shown below:

Gratuity Plan

Assumptions	31-Mar-17		31-Mar-17	
	Discount rate		Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs.)	-2,66,477	2,94,210	2,93,410	-2,68,186
Assumptions	31-Mar-16		31-Mar-16	
	Discount rate		Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs.)	-1,37,750	1,44,975	1,44,290	-1,38,380

Note -

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

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

	(Rs.)	
	31-Mar-17	31-Mar-16
Within the next 12 months (next annual reporting period)		
Between 2 and 5 years	57,080	6,37,713
Between 5 years	2,34,739	17,46,230
Total expected payments	32,53,665	21,60,760
	35,45,484	45,44,703

The average duration of the defined benefit plan obligation at the end of the reporting period is 18.37 years (31 March 2016: 5.36 years).

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

31. Reconciliation of Equity

Particulars	Notes	(Rs.)	
		As At 01 April'15	As at 31 March'16
Equity as per previous GAAP (Indian GAAP)		-8,27,31,127	-8,24,56,005
Pertaining to opening balance sheet			
Add:			
Fair Valuation gain on preference shares	2 (iii)	5,73,08,102	5,73,08,102
Investment in Equity instruments - FVTOCI	2 (i)	4,93,95,63,665	4,93,95,63,665
Less			
Fair Valuation loss on investment into preference shares of Adventz Investments Private limited	2 (i)	-47,00,000	-47,00,000
			4,99,21,71,767
Incremental impact in relation to 31 March 2016			
Add:			
Finance income to be recognised in relation to security deposits paid	3	-	1,09,579
Gain on revaluation of investment in preference shares	2 (iii)	-	3,13,08,826
Reclassification of defined benefits expenses to OCI	4		3,96,722
Less :			
Rent expenses recognised in relation to security deposits paid	3	-	-1,25,046
Loss on sale of investments			-2,88,16,630
Profit on sale of investments transferred to OCI		-	-17,36,52,130
Re-measurement gains (losses) on defined benefit plans	4		-3,96,722
Decrease in fair valuation of equity instruments	2 (ii)	-	-1,39,21,52,833
			-1,56,33,28,234
Equity as per IND AS		4,90,94,40,640	3,34,63,87,528

Reconciliation of Profit

Particulars	Notes	(Rs.)	
		April'15 -March'16	
Net Profit as per previous GAAP (Indian GAAP)			2,75,122
Add:			
Finance income to be recognised in relation to security deposits paid	3		1,09,579
Gain on revaluation of investment in preference shares	2 (iii)		3,13,08,826
Reclassification of defined benefits expenses to OCI	4		3,96,722
Less :			
Rent expenses recognised in relation to security deposits paid	3		-1,25,046
Loss on sale of investments	2(iv)		-2,88,16,630
Profit on sale of investments transferred to OCI	2(ii)		-17,36,52,130
Net profit as per Ind AS for the period ending 31 March 2016			-17,05,03,557

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016.

1. Property, plant and equipment

The company has elected the option to continue with the carrying value for all its property, plant & equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used as it the deemed cost as at the date of transition.

2. Financial assets

- i. The Company has multiple investments in quoted and unquoted equity and preference shares. In line with the requirements of Ind AS 109, the Company has decided to value all such investments, other than those in subsidiaries and associates, at its fair value. On doing so, the company has elected to remeasure the investments held under equity shares via Other Comprehensive Income as on 01.04.2015 and 31.03.2016 and accordingly the Company has credited FVTOCI reserve and debited investments as on said dates. The investments in preference shares of Adventz Investments private limited has been fair valued through profit & loss.
- ii. Actual realised profit / loss on sale of investments fair valued through FVTOCI, realised profit / loss is routed through OCI reserve.
- iii. The Company has subscribed to preference shares of a subsidiary carrying at a concessional rate which were being carried over at purchase cost under IGAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS and 31 March 2016, difference between the fair value and Indian GAAP has been recognised through a notional investment (Deemed equity investment). On sale or redemption of instrument, this notional entry is also reversed along with book value of preference shares.
- iv. The Company has recognised interest on value of preference shares of subsidiary company using effective interest method. The interest will be taken to income over the remaining period of the instrument and will be reversed on actual sale of instrument.

3. Security Deposit

The Company has given interest free deposits for the contracts where the period for repayment is in excess of 12 months. The Company has recognised interest on such deposits using effective interest method. It has fair valued the lease deposits at the transition date. The excess of principal amount over its fair value is considered as prepayment and will be amortized over the lease period on straight line basis. The interest component will be taken to income over the life of lease on EIR method.

4. Defined benefit liabilities

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability recognised in other comprehensive income.



Jayant Khanna

ZUARI INVESTMENTS LIMITED

Notes to Financial Statements for the year ended 31 March 2017

FIRST TIME IND AS ADOPTION RECONCILIATIONS

Effect of Ind AS adoption on the balance sheet as at 31 March, 2016

(Rs.)

Particulars	Previous GAAP	Effect of transition to Ind-AS	As per Ind-AS
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	35,09,303	-	35,09,303
(b) Other Intangible Assets	2,23,016	-	2,23,016
(c) Financial Assets			
(i) Investments	1,13,46,90,973	3,43,32,59,000	4,56,79,49,973
(ii) Loans	9,06,69,101	(4,43,452)	9,02,25,649
(iii) Other	51,11,524	-	51,11,524
(d) Other Non-current Assets	-	3,02,939	3,02,939
(e) Advance Tax (Net)	42,70,267	-	42,70,267
	1,23,84,74,184	3,43,31,18,487	4,67,15,92,671
(2) Current assets			
(a) Financial Assets			
(i) Investments	6,60,00,000	(44,00,000)	6,16,00,000
(ii) Trade receivables	4,01,45,048	-	4,01,45,048
(iii) Cash and cash equivalents	4,98,08,928	-	4,98,08,928
(iv) Loans	-	-	-
(v) Others	12,79,153	-	12,79,153
(b) Current Tax Assets (Net)	17,75,643	-	17,75,643
(c) Other Current Assets	34,68,169	1,25,046	35,93,215
	16,24,76,941	-42,74,954	15,82,01,987
TOTAL	1,40,09,51,125	3,42,88,43,533	4,82,97,94,658
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	37,44,57,900	-	37,44,57,900
(b) Other Equity			
(i) Retained earnings	(8,24,56,005)	-11,85,67,299	-20,10,23,304
(ii) Other comprehensive income	-	3,54,74,10,832	3,54,74,10,832
	29,20,01,895	3,42,88,43,533	3,72,08,45,428
Liabilities			
(1) Non-current liabilities			
(a) Provisions	35,92,780	-	35,92,780
	35,92,780	-	35,92,780
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,03,81,00,000	-	1,03,81,00,000
(ii) Trade payables	71,09,980	-	71,09,980
(iii) Other financial liabilities	2,40,55,027	-	2,40,55,027
(b) Other Current Liabilities	3,26,48,704	-	3,26,48,704
(c) Provisions	34,42,739	-	34,42,739
	1,10,53,56,450	-	1,10,53,56,450
TOTAL	1,40,09,51,125	3,42,88,43,533	4,82,97,94,658

Note- The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



John Khanna

ZUARI INVESTMENTS LIMITED**Notes to Financial Statements for the year ended 31 March 2017****FIRST TIME IND AS ADOPTION RECONCILIATIONS**

Effect of Ind AS adoption on the balance sheet as at 1 April, 2015

(Rs.)

Particulars	Previous GAAP	Effect of transition to Ind-AS	As per Ind-AS
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	47,87,858	-	47,87,858
(b) Other Intangible Assets	4,78,070	-	4,78,070
(c) Financial Assets			
(i) Investments	1,39,39,18,973	4,99,68,71,767	6,39,07,90,740
(ii) Loans	10,65,11,392	-5,53,030	10,59,58,362
(iii) Other	51,11,524	-	51,11,524
(d) Other Non-current Assets	-	4,27,984	4,27,984
(e) Advance Tax (Net)	46,37,697	-	46,37,697
	1,51,54,45,514	4,99,67,46,721	6,51,21,92,235
(2) Current assets			
(a) Financial Assets			
(i) Investments	6,60,00,000	-47,00,000	6,13,00,000
(ii) Trade receivables	3,97,20,750	-	3,97,20,750
(iii) Cash and cash equivalents	7,15,49,719	-	7,15,49,719
(iv) Loans	-	-	-
(v) Others	20,60,633	-	20,60,633
(b) Current Tax Assets (Net)	26,05,978	-	26,05,978
(c) Other Current Assets	28,31,088	1,25,046	29,56,134
	18,47,68,168	-45,74,954	18,01,93,214
TOTAL	1,70,02,13,682	4,99,21,71,767	6,69,23,85,449
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	37,44,57,900	-	37,44,57,900
(b) Other Equity			
(i) Retained earnings	(8,27,31,127)	5,26,08,102	-3,01,23,025
(ii) Other comprehensive income	-	4,93,95,63,665	4,93,95,63,665
	29,17,26,773	4,99,21,71,767	5,28,38,98,540
Liabilities			
(1) Non-current liabilities			
(a) Provisions	32,07,051	-	32,07,051
	32,07,051	-	32,07,051
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,31,75,00,000	-	1,31,75,00,000
(ii) Trade payables	48,26,946	-	48,26,946
(iii) Other financial liabilities	2,38,30,527	-	2,38,30,527
(b) Other Current Liabilities	5,51,73,982	-	5,51,73,982
(c) Provisions	39,48,403	-	39,48,403
	1,40,52,79,858	-	1,40,52,79,858
TOTAL	1,70,02,13,682	4,99,21,71,767	6,69,23,85,449

Note- The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



John Thomas

(Rs.)

Effect of Ind AS adoption on statement of profit and loss for the year ended 31 March, 2016

Particulars	Year ended 31.03.2016		
	Previous GAAP	Effect of transition to Ind-AS	As per Ind-AS
INCOME			
1 Revenue from operations	6,75,80,440	-	6,75,80,440
2 Other Income	18,69,24,152	(14,22,33,725)	4,46,90,427
Total	25,45,04,592	(14,22,33,725)	11,22,70,867
EXPENSES			
3 Employee benefits expense	6,76,14,402	(3,96,722)	6,72,17,680
4 Depreciation and amortisation expense	17,23,297	-	17,23,297
5 Finance costs	15,75,76,907	-	15,75,76,907
6 Other expenses	2,73,14,864	2,89,41,676	5,62,56,540
7 Total	25,42,29,470	2,85,44,954	28,27,74,424
PROFIT/(LOSS) BEFORE TAX	2,75,122	(17,07,78,679)	(17,05,03,557)
8 Tax expense:			
(i) Current tax	-	-	-
(ii) Deferred tax	-	-	-
PROFIT/(LOSS) FOR THE YEAR	2,75,122	(17,07,78,679)	(17,05,03,557)
9 Other comprehensive income			
(i) Items that will not be reclassified to profit and loss			
-Remeasurements of defined benefit obligation	-	(3,96,722)	(3,96,722)
'Net (loss)/gain on FVTOCI on investments	-	(1,39,21,52,833)	(1,39,21,52,833)
TOTAL OTHER COMPREHENSIVE INCOME	-	(1,39,25,49,555)	(1,39,25,49,555)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,75,122	(1,56,33,28,234)	(1,56,30,53,112)

Note- The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March, 2016

(Rs.)

	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flows/(used in) from operating activities	(3,33,09,844)	(7,81,480)	(3,40,91,324)
Net cash flows/(used in) from investing activities	44,36,81,959	-	44,36,81,959
Net cash flows/(used in) from financing activities	(43,21,12,906)	7,81,480	(43,13,31,426)
Net increase / (decrease) in cash and cash equivalents	(2,17,40,791)	-	(2,17,40,791)
Cash and cash equivalents at the beginning of period	7,15,49,719	-	7,15,49,719
Cash and cash equivalents at the end of period	4,98,08,928	-	4,98,08,928



John Thomas

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

32. Related Party disclosures

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

i) Holding Company:
Zuari Global Limited

Nature of transaction	31-Mar-17	31-Mar-16
Opening balance as on 01.04. (Cr)	94,09,45,819	1,21,75,00,000
ICD received	3,55,00,000	3,10,00,000
ICD paid	53,64,32,000	31,04,00,000
Interest paid	7,56,37,364	14,39,48,749
Real estate income	27,92,776	-
Depository / Brokerage income	22,51,091	6,01,011
Employee benefits transferred	-	28,69,423
Payment made on their Behalf	2,29,487	29,750
Purchase of Investments	8,89,85,131	-
Sale of investments	11,81,40,477	18,88,80,130
Closing Balance as on 31.03 (Cr)	43,88,89,351	94,09,45,819

ii) Subsidiaries:

- 1) Zuari Insurance Brokers Limited
- 2) Zuari Commodity Trading Limited
- 3) Gobind Sugar Mills Limited

For the year ended 31 March 2017 -

Nature of transaction	Zuari Insurance Brokers Limited	Zuari Commodity Trading Limited	Gobind Sugar Mills Limited
Opening balance as on 1 April 2016	-	-	1,03,452
Amount paid on our behalf	19,33,508	-	-
Amount paid on their behalf	14,14,810	6,33,299	-
Rent Received	23,03,472	4,40,734	-
Amount received on their behalf	82,320	14,688	-
Employee benefits transferred	-	29,816	-
Deputation income	44,34,790	-	-
Asset purchased	1,67,954	-	-
Deputation expense	-	-	-
Depository participant income	1,551	-	609
RTA income	-	-	1,98,375
Sale of investments	75,00,000	-	-
Subscription to 7 % NCRPS	-	-	-
Legal & Professional Charges (Recovery)	-	-	2,44,193
Closing balance as on 31 March 2017	-	7,52,265	3,28,177

For the year ended 31 March 2016 -

Nature of transaction	Zuari Insurance Brokers Limited	Zuari Commodity Trading Limited	Gobind Sugar Mills Limited
Opening balance as on 1 April 2015	-	-	-
Amount paid on our behalf	31,996	-	-
Amount received on their behalf	-	27,481	-
Amount paid on their behalf	7,37,442	12,57,643	-
Rent Received	7,15,503	3,92,210	-
Deputation income	34,41,921	-	-
Asset purchased	9,060	-	-
Payment towards share capital	-	10,00,000	-
Deputation expense	-	9,75,835	-
Depository participant income	-	-	500
RTA Income	-	-	1,00,000
Subscription to 7 % NCRPS	-	-	50,00,000
Legal & Professional Charges (Recovery)	-	-	1,03,452
Closing balance as on 31 March 2016	-	-	1,03,452

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 (Formerly known as Zuari Financial Services limited)
- 6) Zuari Finserv Private limited (Formerly known as Horizonview Developers Private Limited)

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 as on 1 April 2016	10,00,00,000	-	14,84,500	-
ICD received	30,00,000	-	-	-
Amount paid on our behalf	-	-	-	-
Amount paid on their behalf	-	-	-	15,72,767
Interest paid	1,38,04,027	-	-	-
Security deposit refunded	-	-	-	-
Sale of Investments	-	-	-	56,71,89,340
Broking / Depository income	1,706	503	-	1,842
RTA Income	-	20,000	31,500	-
Legal & Professional Charges	-	-	-	10,544
Closing balance as on 31 March 2017	10,30,01,706	-	14,84,500	2,85,670



John Khanna

ZUARI INVESTMENTS LIMITED
Notes to Financial Statements for the year ended 31 March 2017

For the year ended 31 March 2016 -

Nature of transaction	Simon India Limited	Zuari Management Services Limited	Zuari Infracore India Limited	Zuari Sugar & Power Limited
Opening balance as on 1 April 2015	10,00,00,000	1,05,000	-	-
Amount paid on our behalf	-	-	-	-
Amount paid on their behalf	1,742	-	7,325	29,51,903
Interest paid	1,36,01,942	-	-	-
Security deposit refunded	-	1,05,000	-	-
Sale of Investments	25,00,00,000	-	-	-
Depository participant income	1,34,902	500	-	1,823
RTA Income	-	20,000	35,000	10,236
Legal & Professional Charges (paid)	-	1,75,000	-	-
Income from consultancy services	-	-	30,00,000	-
Real estate brokerage income	-	-	-	9,93,020
Closing balance as on 31 March 2016	10,00,00,000	-	14,84,500	-

iv) Associates:

- 1) New Eros Tradecom Limited

Nature of transaction	2016-17	2015-16
Opening balance s on 1.04	458	1,51,375
Depository participant income	1,750	1,020
Closing balance as on 31.03	Nil	458

v) Key Management Personnel

- 1) Mr. R.S Raghavan - No transaction
 2) Mr. Vijay Kathuria
 3) Mr. Alok Banerjee - No Transaction

- 1) Mr. Vijay Kathuria

Nature of transaction	2016-17	2015-16
Managerial Remuneration	-	50,72,950
Short-term employee benefits	-	-
Post employment benefits	9,51,923	-
Other long-term employee benefits	19,17,500	-
Termination benefits	-	-

vi) Relatives of Key Management Personnel of the Company

- 1) Ms. Kavita Kathuria

Nature of transaction	Current year (Rs.)	Previous year (Rs.)
Opening Balance as on 01.04	Nil	Nil
Income- Stock Broking / Depository Participant	Nil	1,665
Closing Balance as on 31.03	Nil	Nil



Kulun Khanna

ZUARI INVESTMENTS LIMITED

Notes to Financial Statements for the year ended 31 March 2017

33. Segment Information

The company's business activities falls broadly within a single primary business segment namely Capital market related services and therefore there is no reportable segment as per the management.

34. Disclosure on SBN

	SBNs	Other denomination	Total
Closing Cash in hand as on 8.11.2016	79,000	25,457	1,04,457
(+) Permitted Receipts	-	1,47,208	1,47,208
(-) Permitted Payments	-	-82,635	-82,635
(-) Amount deposited in bank	-79,000	-60,177	-1,39,177
Closing Cash in hand as on 30.12.2016	-	29,853	29,853

35. The Company, together with Zuari Finserv Private Limited (earlier known as Horizonview Developers Private Limited) have filed a scheme of arrangement on 31st March, 2017 with the National Company Law Tribunal, Mumbai Bench whereby the Company will demerge its undertaking relating to the business of depository participant services ,agency services relating to share transfer , share broking , real estate , mutual fund and mortgage, along with entire investments held by it in Zuari Insurance Brokers limited and Zuari Commodity Trading Limited, wholly owned subsidiaries of the company. If approved, the appointed date under the scheme will be 1st April ,2016.

As per our report of even date

For and on behalf of the Board

For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

315
V. Rethinam
Partner
M No.10412



Place: New Delhi
Date: 13 May 2017

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

Tarun Khanna
Tarun Khanna
(Chief Financial Officer)

Vijay Kathuria
Vijay Kathuria
Director
(DIN-00338125)

Girish Kumar Sharma
Girish Kumar Sharma
(Company Secretary)