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 INSURANCE BROKERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ZUARI INSURANCE BROKERS 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 the foot note No.2 under Note No.28 regarding accounting treatment given in respect of investments in preference shares of Gobind Sugar Mills Ltd. Our opinion is not modified in respect of this matter.

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NEW DELHI
FRN 109208W
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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 profit, 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.

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iv. The Company has provided requisite disclosures in its financial statements (Refer note 31) 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.

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

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

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
CHARTERED ACCOUNTANTS

Place: New Delhi
Dated:12 May, 2017

"Annexure-A" referred to in the Independent Auditors' report to the Members of Zuari Insurance Brokers 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.

(xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

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(xiii) According to the information and explanations given to us and the representation obtained from the management, the Company has complied with section 188 of the Act in respect of transactions with related parties and the details have been disclosed in the financial statements as required by the applicable standards. The Company is not required to form Audit Committee under section 177 of the Act, Therefore, the provisions of clause 3(xiii) with respect to section 177 of the Order are not applicable.

(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.

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

Place: New Delhi
Dated:12 May, 2017

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

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"Annexure-B" referred to in the Independent Auditors' report to the Members of Zuari Insurance Brokers 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 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.

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

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.

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

Place: New Delhi
Dated:12 May, 2017

V. Rethinam
(Partner)
Membership No.010412

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
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ZUARI INSURANCE BROKERS LIMITED
Balance Sheet as at 31 March, 2017

(Rs.)

Particulars	Notes Reference	31 March 2017	31 March 2016	1 April 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	1,56,826	4,10,428	21,42,974
(b) Other Intangible Assets	4	2,719	95,212	2,33,130
(c) Financial Assets				
(i) Investments	5	31,26,739	12,83,988	-
(ii) Loans	5	4,84,098	5,47,169	6,81,594
(iii) Other	5	33,66,320	30,52,113	74,10,065
(d) Other non-current assets	6	1,31,36,032	60,57,988	-
(e) Advance tax (net)		9,25,107	39,74,456	56,58,399
(f) Deferred tax assets	14	5,85,000	-	-
		2,17,82,841	**1,54,21,354**	**1,61,26,162**
(2) Current assets				
(a) Financial Assets				
(i) Trade receivables	7	44,17,473	22,40,695	76,67,130
(ii) Cash and cash equivalents	8	68,54,121	64,77,219	17,36,372
(b) Current Tax Assets (Net)	14	20,76,328	26,39,942	3,05,610
(c) Other current assets	6	17,33,273	14,04,693	12,67,652
		1,50,81,195	**1,27,62,549**	**1,09,76,764**
TOTAL		**3,68,64,036**	**2,81,83,903**	**2,71,02,926**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	9	2,75,00,000	2,75,00,000	2,75,00,000
(b) Other Equity	10	79,87,645	-6,02,997	-12,69,121
		3,54,87,645	**2,68,97,003**	**2,62,30,879**
LIABILITIES				
(1) Non-current liabilities				
(a) Provisions	11	2,59,161	1,62,629	1,23,968
		2,59,161	**1,62,629**	**1,23,968**
(2) Current liabilities				
(a) Financial Liabilities				
Trade payables	12	6,19,012	5,40,069	4,03,350
(b) Other current liabilities	13	1,31,853	2,07,651	1,33,034
(c) Provisions	11	3,66,365	3,76,551	2,11,695
		11,17,230	**11,24,271**	**7,48,079**
TOTAL		**3,68,64,036**	**2,81,83,903**	**2,71,02,926**

Corporate information	**1**
Significant accounting policies	**2**
Other notes forming part of the financial statements	**21-31**

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

V. Rethinam
Partner
M No.10412

Place: New Delhi
Date: 12-05-2017

For and on behalf of the Board

R. S. Raghavan
Director
(DIN-00362555)

Vijay Kathuria
Director
(DIN-00338125)

ZUARI INSURANCE BROKERS 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	15	2,75,59,139	2,31,37,984
Other Income	16	12,14,499	10,61,245
Total Revenue (I)		**2,87,73,638**	**2,41,99,229**
II EXPENSES			
Employee Benefits Expense	17	1,43,21,025	1,30,72,869
Finance Costs	18	-	-
Depreciation and amortization expense	19	2,13,891	7,82,239
Other Expenses	20	56,85,559	94,92,145
Total expenses (II)		**2,02,20,475**	**2,33,47,253**
III Profit before exceptional items and tax (I-II)		**85,53,163**	**8,51,976**
IV Exceptional Items		-	-
V Profit/(loss) before tax (III-IV)		**85,53,163**	**8,51,976**
VI Tax expense:			
Current Tax	14	26,26,425	1,78,768
Deferred Tax	14	-5,85,000	-
MAT adjustable		-17,07,989	-
Excess provision written back		-3,73,060	-
VII Profit (Loss) for the period (V-VI)		**85,92,787**	**6,73,208**
VIII Other Comprehensive Income			
A Items that will be reclassified to profit or loss			
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-2,145	-10,252
Income tax effect		-	3,168
		-2,145	**-7,084**
IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**85,90,642**	**6,66,124**
X Earnings per equity share:			
(1) Basic	22	3.12	0.24
(2) Diluted	22	3.12	0.24

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: 12-05-2017

For and on behalf of the Board

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Director
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(DIN-00338125)

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
CHARTERED ACCOUNTANTS

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

(Rs.)

(a) Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No of Shares	Amount
At 1 April 2015	27,50,000	2,75,00,000
At 31 March 2016	27,50,000	2,75,00,000
At 31 March 2017	**27,50,000**	**2,75,00,000**

(b) Other equity

For the year ended 31 March 2017:

	Surplus in the statement of profit and loss (Note 10)	Total
As at 1 April 2016	-5,95,913	-5,95,913
Profit for the year	85,92,787	85,92,787
Other comprehensive income (Note 10)	-2,145	-2,145
Total comprehensive income	79,94,729	79,94,729
At 31 March 2017	**79,94,729**	**79,94,729**

For the year ended 31 March 2016:

	Surplus in the statement of profit and loss (Note 10)	Total
As at 1 April 2015	-12,69,121	-12,69,121
Profit for the year	6,73,208	6,73,208
Other comprehensive income (Note 10)	-7,084	-7,084
Total comprehensive income	-6,02,997	-6,02,997
At 31 March 2016	**-6,02,997**	**-6,02,997**

Annexure to our report of date

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

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

V. Rethinam
Partner
M No.10412

Place: New Delhi
Date: 12-05-2017

For and on behalf of the Board

R. S. Raghavan
Director
(DIN-00362555)

Vijay Kathuria
Director
(DIN-00338125)

ZUARI INSURANCE BROKERS 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 & Loss	85,51,018	8,51,976
	Adjustments for:		
	Depreciation	2,13,891	7,82,239
	Interest Income	-5,35,477	-6,76,057
	Loss on Write off of Assets	-	10,72,060
	Gain arising on financial assets/liabilities as at fair value through profit and loss	-3,40,666	-1,42,527
	Loss arising on financial assets / liabilities	3,40,666	1,42,527
	Profit on sale of assets	-30,000	-
	Operating Profit/ (Loss) before working capital changes	**81,99,432**	**20,30,218**
	Adjustment for changes in Working Capital		
	(Increase)/ Decrease in Trade Receivables	-21,76,778	54,26,433
	(Increase)/ Decrease in other Receivables	21,684	46,55,408
	Increase/ (Decrease) in Trade and other payables	89,492	4,14,853
	Less: Income Tax Paid recoverable or adjustable (Net)	13,59,598	-8,36,241
	Net Cash used in Operating Activities	**74,93,428**	**1,16,90,671**
B	**Cash Flow from Investing Activities**		
	Interest Income	2,21,270	5,34,009
	Sale of Assets	1,67,954	72,060
	Purchase of Fixed Assets	-5,750	-55,893
	Net Cash from Investing Activities	**3,83,474**	**5,50,176**
C	**Cash Flow from Financial Activities**		
	Investments Made	-75,00,000	-75,00,000
	Share application money pending allotment refunded	-	-
		-75,00,000	**-75,00,000**
	Net Increase/ (Decrease) in cash and cash Equivalents (A+B+C)	3,76,902	47,40,847
	Cash & Cash Equivalents as at the beginning of the year	64,77,219	17,36,372
	Cash & Cash Equivalents as at the end of the year	**68,54,121**	**64,77,219**

Annexure to our report of date
For V. Sankar Aiyar & Co.
Chartered Accountants
FRN 109208 W

For and on behalf of the Board

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

V. Rethinam
Partner
M No.10412

R. S. Raghavan
Director
(DIN-00362555)

Vijay Kathuria
Director
(DIN-00338125)

Place: New Delhi
Date: 12-05-2017

1. CORPORATE INFORMATION

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

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

The Company is licensed by IRDA to act as Direct Broker for life and non-life Insurance.

The stand-alone financial statements were approved for issue in accordance with a resolution of the Board of Directors on May 12, 2017.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 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 28 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

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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 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

V. SANKAR AIYAR & CO.
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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 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.

2.8 Staff benefits

Regular contributions towards government providend fund, family pension, employee state insurance, are charged to revenue. For the current year 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.

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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 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.

Office premises are held on operating lease. The premise is under sub lease agreement and terms and conditions are correlated with the original lease agreement made between the sub lessor and landlord. Lease payments are recognised as an expense in the statement of profit & loss. The original agreement is for 3 years and is further extendable by mutual consent on mutually agreed terms. The Company has to share increase in rent owing to the escalation clause in the original lease agreement. There are no restrictions imposed by sub lease agreement.

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 taxes 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.

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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 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.

Company as a policy deals only with reputed insurance companies who have a good track of making timely payments and major share of company's revenue comes from government insurance companies. The nature of business transactions are continuous and depends upon the continuity of the insurance policies booked through the company. Insurance companies settle accounts of broking companies on regular interval of time generally monthly. The Company as a matter of prudence books income only after receiving the final confirmation from insurance companies, hence, the chances of non-recovery of trade receivables is minimal.

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

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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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3. Property, Plant and Equipment

(Rs.)

	Office Equipments	Leasehold improvements	Total
Cost			
At 1 April 2015	6,87,327	14,55,647	21,42,974
Additions	55,893	-	55,893
Less: Disposals	9,057	11,35,061	11,44,118
At 31 March 2016	7,34,163	3,20,586	10,54,749
Additions	5,750	-	5,750
Less: Disposals	-	1,37,954	1,37,954
At 31 March 2017	7,39,913	1,82,632	9,22,545
Depreciation and impairment			
At 1 April 2015	-	-	-
Charge for the year	4,71,899	1,72,422	6,44,321
Less: Disposals	-	-	-
At 31 March 2016	4,71,899	1,72,422	6,44,321
Charge for the year	1,11,188	10,210	1,21,398
Less: Disposals	-	-	-
At 31 March 2017	5,83,087	1,82,632	7,65,719
Net Block			
At 1 April 2015	**6,87,327**	**14,55,647**	**21,42,974**
At 31 March 2016	**2,62,264**	**1,48,164**	**4,10,428**
At 31 March 2017	**1,56,826**	**-**	**1,56,826**

4. Intangible assets

(Rs.)

	Softwares	Total
Cost		
At 1 April 2015	2,33,130	2,33,130
Additions	-	-
Less: Disposals	-	-
At 31 March 2016	2,33,130	2,33,130
Additions	-	-
Less: Disposals	-	-
At 31 March 2017	2,33,130	2,33,130
Depreciation and impairment		
At 1 April 2015	-	-
Additions	1,37,918	1,37,918
Less: Disposals	-	-
At 31 March 2016	1,37,918	1,37,918
Additions	92,493	92,493
Less: Disposals	-	-
At 31 March 2017	2,30,411	2,30,411
Net Block		
At 1 April 2015	**2,33,130**	**2,33,130**
At 31 March 2016	**95,212**	**95,212**
At 31 March 2017	**2,719**	**2,719**

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5. Financial assets

(Rs.)

	No. and Particulars	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
Preference shares								
Investments at fair value through profit or loss								
Unquoted preference shares								
Gobind Sugar Mills Ltd. 7% Non Cumulative Non Convertible Preference Shares, Series 10 redeemable in one single lot after expiry of the 12th year from the date of allotment viz. 14.01.2015	7,50,000	10	16,24,655	-	-			
Gobind Sugar Mills Ltd. 7% Non Cumulative Non Convertible Preference Shares, Series XV redeemable in one single lot after expiry of the 12th year from the date of allotment viz. 06.07.2015.	7,50,000	10	15,02,084	12,83,988	-			
Sub-total			31,26,739	12,83,988	-			
Loans (at amortised cost)								
Security deposits								
i) Secured, Considered Good			-	-	-			
ii) Unsecured, Considered Good			4,84,098	5,47,169	6,81,594			
iii) Unsecured, Considered Doubtful			-	-	-			
			4,84,098	5,47,169	6,81,594			
Less : Provision for Doubtful Deposits			-	-	-			
Total			**4,84,098**	**5,47,169**	**6,81,594**			
Other Financial assets (at amortised cost)								
Interest accrued on deposits			11,66,320	8,52,113	7,10,065			
Balances with banks - in deposit accounts (maturing after period of 12 months)			22,00,000	22,00,000	67,00,000			
Total			**33,66,320**	**30,52,113**	**74,10,065**			

6. Other assets

(Rs.)

	Non-current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Prepaid expenses	85,885	60,072	-	3,80,617	3,16,502	2,23,112
MAT credit entitlement	17,07,989	-	-	-	-	-
Valuation adjustment on investment in Non cummulative non convertible redeemable preference shares of Gobind sugar mills limited (to be amortised) (refer footnote under note 28)	1,13,42,158	59,97,916	-	5,31,103	2,18,096	
Service tax credit	-	-	-	2,40,771	6,22,709	1,04,761
Service tax receivable	-	-	-	5,80,782	2,47,386	9,39,779
Total	**1,31,36,032**	**60,57,988**	**-**	**17,33,273**	**14,04,693**	**12,67,652**

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7. Trade receivables

(Rs.)

	31-Mar-17	31-Mar-16	01-Apr-15
Trade receivables - related parties	-	-	-
Trade receivables - others	44,17,473	22,40,695	76,67,130
Total Trade Receivables	**44,17,473**	**22,40,695**	**76,67,130**

Break-up for security details:

	31-Mar-17	31-Mar-16	01-Apr-15
Unsecured - considered good	44,17,473	22,40,695	76,67,130
Unsecured - considered doubtful	-	-	-
	44,17,473	**22,40,695**	**76,67,130**
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Doubtful	-	-	-
Total trade receivables	**44,17,473**	**22,40,695**	**76,67,130**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

8. Cash and Cash Equivalent

(Rs.)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Bank Balances:			
-in Current Accounts	18,08,667	64,15,963	16,70,709
- in Deposit Accounts	50,00,000		
Cash in hand	45,454	61,256	65,663
Total	68,54,121	64,77,219	17,36,372

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9. Share Capital

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Authorized:			
3,000,000 Equity Shares of Rs. 10/- each	3,00,00,000	3,00,00,000	3,00,00,000
Issued shares :			
27,50,000 Equity Shares of Rs. 10/- each	2,75,00,000	2,75,00,000	2,75,00,000
Total	**2,75,00,000**	**2,75,00,000**	**2,75,00,000**
Subscribed and fully paid-up shares :			
27,50,000 Equity Shares of Rs. 10/- each	2,75,00,000	2,75,00,000	2,75,00,000
Total	**2,75,00,000**	**2,75,00,000**	**2,75,00,000**

(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.INR**	**No. of Shares**	**Rs.INR**	**No. of Shares**	**Rs.INR**
Equity Shares						
Outstanding at the beginning and end of the year/period	27,50,000	2,75,00,000	27,50,000	2,75,00,000	27,50,000	2,75,00,000

(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	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Zuari Investments Limited	27,50,000	27,50,000	27,50,000

(d) 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**	**No. of shares**	**% holding in the class**
Equity shares of Rs. 10 each fully paid						
Zuari Investments Limited	27,50,000	100%	27,50,000	100%	27,50,000	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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10. Other Equity

(Rs.)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Surplus in the statement of profit and loss			
Balance as per last financial statements	-5,95,913	-12,69,121	-1,32,92,725
Net profit for the year	85,92,787	6,73,208	1,20,23,604
Net surplus / (deficit)	**79,96,874**	**-5,95,913**	**-12,69,121**
FVTOCI reserve			
Balance brought forward from last year's account	-7,084	-	-
Other Comprehensive Income	-2,145	-7,084	-
Balance carried forward to next year	**-9,229**	**-7,084**	-
Total	**79,87,645**	**-6,02,997**	**-12,69,121**

11. Provisions (Current and Non-Current)

(Rs.)

	Non Current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Provision for employee benefits - Gratuity	2,59,161	1,62,629	1,23,968	-	-	-
Provision for employee benefits - Compensated absences	-	-	-	3,66,365	3,76,551	2,11,695
Total	**2,59,161**	**1,62,629**	**1,23,968**	**3,66,365**	**3,76,551**	**2,11,695**

12. Trade payables (at amortised cost)

(Rs.)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Trade Payables*	6,19,012	5,40,069	4,03,350
Total	**6,19,012**	**5,40,069**	**4,03,350**

*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.

13. Other Liabilities

(Rs.)

	Non Current			Current		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Statutory dues	-	-	-	1,31,853	2,07,651	1,33,034
Total	-	-	-	**1,31,853**	**2,07,651**	**1,33,034**

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14. Income Tax

	As at 31-Mar-17	As at 31-Mar-16
Accounting profit	85,53,163	8,51,976
Tax at the applicable tax rate of 30.9% (31.3.2016: 30.9%,)	26,42,927	2,63,261
Tax effect of income that are not taxable in determining taxable profit:		
Fair value gain on investments	-1,05,265	-51,172
Tax effect of expenses that are not deductible in determining taxable profit:		
Provision for gratuity & leave encashment	88,763	1,04,550
Loss on write off capital assets	-	3,31,267
Tax expense	26,26,425	6,47,906 *
* Limited to provision under MAT	-	1,78,768

Deferred tax:

	As at 01-Apr-15	Provided during the year	As at 31-Mar-16	Provided during the year	As at 31-Mar-17
Deferred tax liability:					
Fixed assets Impact of difference between tax	-	-	-	-	-
Investment in preference shares fair valued	-	14,680	14,680	35,089	49,769
Others			-		
Total deferred tax liability (A)	**-**	**14,680**	**14,680**	**35,089**	**49,769**
Deferred tax asets:					
Expenses allowable in Income tax on payment basis and	-	-	-	1,93,000	1,93,000
Book / Tax depreciation difference	-	-	-	3,92,000	3,92,000
Amortisation of deferred loss	-	14,680	14,680	35,089	49,769
Total deferred tax assets (B)	**-**	**14,680**	**14,680**	**6,20,089**	**6,34,769**
Deferred Tax Asset/(Liability) (B - A)	**-**	**-**	**-**	**5,85,000**	**5,85,000**

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.

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15. Revenue From Operations

(Rs.)

	31-Mar-17	31-Mar-16
Brokerage Income	2,75,59,139	2,31,37,984
Total	**2,75,59,139**	**2,31,37,984**

16. Other income

(Rs.)

	31-Mar-17	31-Mar-16
Interest on:		
Bank deposits	5,35,477	6,76,057
Income tax refund	1,93,337	1,56,520
Other	39,709	7,855
Notice period recovery	39,470	10,733
Profit on sale of assets	30,000	-
Excess provision written back	19,845	15,814
Gain on financial assets/financial liabilities (refer footnote of note 28)	3,40,666	1,42,527
Miscellaneous income	15,995	51,739
Total	**12,14,499**	**10,61,245**

17. Employee Benefits Expense

(Rs.)

	31-Mar-17	31-Mar-16
Salaries and allowances	1,00,67,416	90,64,511
Contribution to Provident and other funds	2,99,831	2,80,830
Gratuity and leave encashment	2,87,260	2,46,045
Staff welfare	2,93,790	3,38,508
Outsource Salary	33,72,728	31,42,975
Total	**1,43,21,025**	**1,30,72,869**

Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 27

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19. Depreciation and amortization expense

(Rs.)

	31-Mar-17	31-Mar-16
Depreciation of property, plant and equipment	1,21,398	6,44,321
Amortisation of intangible assets	92,493	1,37,918
Total	**2,13,891**	**7,82,239**

20. Other expenses

(Rs.)

	31-Mar-17	31-Mar-16
Rent	23,46,180	27,80,575
Communication	3,33,810	4,06,835
Printing and Stationery	1,30,154	56,179
Fees and Subscription	1,35,638	1,18,822
Loss on sale / written off of assets	-	10,72,060
Travelling and Conveyance	5,14,198	5,80,556
Miscellaneous	80,096	35,731
Insurance	2,36,365	1,76,132
Computer Repair & Maintenance	1,86,291	1,36,663
Amortisation of deferred loss	3,40,666	1,42,527
Legal and Professional	3,28,230	18,690
Payment to the auditors*	1,75,875	1,85,000
Office Repair & Maintenance	8,78,056	11,28,345
Bad Debts-Written off	-	26,54,030
Total	**56,85,559**	**94,92,145**

*Payment to the Auditors as (excluding Servie Tax)

Audit fee	1,25,000	1,25,000
Tax audit fee	50,000	50,000
Other services (Certification fees)	-	10,000
Other charges	875	-
Total	**1,75,875**	**1,85,000**

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21. Commitments and Contingencies

Leases

Operating lease -

The Company has taken office premise on operating leases for an initial period of 3 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	23,46,180	27,80,575
Lease Obligations		
- Within one year	23,46,180	23,46,180
- After one year but not more than five years	-	23,46,180

Contingent Liabilities

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

22. 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 (Rs.)	85,92,787	6,73,208
Weighted Average number of equity shares (No.)	27,50,000	27,50,000
Earning Per Share (Basic and Diluted) (Rs)	3.12	0.24
Face value per share (Rs)	10.00	10.00

23. 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.
In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial requirements of the business primarily through shareholders fund. As on date Company has no outside borrowings.

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

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24. Financial risk management objectives and policies

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

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

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

Applicability

Trade receivables
Company as a policy deals only with reputed insurance companies who have a good track of making timely payments and major share of company's revenue comes from government insurance companies. The nature of business transactions are continuous and depnds upon the continuity of the inusrance policies booked through the company. Insurance companies settle accounts of broking companies on regular interval of time generally monthly. The Company as a matter of prudence books income only after receiving the final confirmation from insurance companies, hence, the chances of non recovery of trade receivables are minimal.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only in bank FDR.

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 the use of surplus operating funds or shareholders fund. The Company's policy is to run organisation as a debt free company.

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					
Trade payables	6,19,012	-	-	-	6,19,012
	6,19,012	**-**	**-**	**-**	**6,19,012**
Year ended 31-Mar-16					
Trade payables	5,40,069	-	-	-	5,40,069
	5,40,069	**-**	**-**	**-**	**5,40,069**
As at 1 April 2015					
Trade payables	4,03,350	-	-	-	4,03,350
	4,03,350	**-**	**-**	**-**	**4,03,350**

Collateral
The Company has pledged part of its short-term deposits in order to fulfil the requirements placed by regulator for operating as Insurance broker. At 31 March 2017, 31 March 2016 and 1 April 2015, the fair values of the short-term deposits pledged were Rs. 22,00,000, Rs. 22,00,000 and Rs. 22,00,000, respectively. The counterparties have an obligation to return the securities to the Company.

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25. Fair values

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

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017, 31 March 2016 and 1 April 2015 are as shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
1	FVPL assets in unquoted preference shares	DCF method	Average Borrowing rate of the instrument issuer company	31 March 2017: 14% - 17% (16%) 31 March 2016: 14% - 17% (16%)	0.5% (31 March 2016: 0.5%) increase (decrease) in the growth rate would result in increase (decrease) in fair value by Rs. 7,510 (31 March 2016: Rs. 2,853)

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

(Rs.)

Description	Gobind Sugar Mills Limited Preference Shares
As at 1 April 2015	-
Purchases	11,41,462
Re-measurement recognised in PL	1,42,527
Sales	-
As at 1 April 2016	**12,83,989**
Purchases	15,02,084
Re-measurement recognised in PL	3,40,666
Sales	-
As at 31 March 2017	**31,26,739**

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26. Fair Hierarchy

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

Quantitative disclosures of 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:					
FVPL financial instruments:					
Unquoted Redeemable Preference shares of GSML	31-Mar-17	31.26.739			31.26.739
Amortised Cost:					
Security deposits	31-Mar-17	4,84,098		4,84,098	

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

Quantitative disclosures of 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:					
FVPL financial instruments:					
Unquoted Redeemable Preference shares of GSML	31-Mar-16	12,83,988			12,83,988
Amortised Cost:					
Security deposits	31-Mar-16	5,47,169		5,47,169	

Quantitative disclosures of fair value measurement hierarchy for assets as at 01 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:					
FVPL financial instruments:					
Unquoted Redeemable Preference shares of GSML	01-Apr-15				
Amortised Cost:					
Security deposits	01-Apr-15	6,81,594		6,81,594	

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Notes to Financial Statements for the year ended 31 March 2017

27. Gratuity and other post-employment benefit plans

	31-Mar-17	31-Mar-16	01-Apr-15
Plans			
- Gratuity (Un Funded)	2,59,161	1,62,629	1,23,968
	2,59,161	**1,62,629**	**1,23,968**

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	Gratuity 2015-16
Current Service Cost	80,291	59,375
Net Interest Cost	14,095	6,069

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

Particulars	Gratuity 2016-17	Gratuity 2015-16
Actuarial (gain)/ loss on obligations	2,146	23,618

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

Particulars	Gratuity 2016-17	Gratuity 2015-16
Opening defined obligation	1,62,629	73,567
Current service cost	80,291	59,375
Interest cost	14,095	6,069
Transfer In	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	2,146	23,618
Defined benefit obligation	**2,59,161**	**1,62,629**

The Company expects to contribute Rs. 1,08,045 (Previous year Rs. 96,002) towards gratuity during the year 2017-18.

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

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

Gratuity Plan

	31-Mar-17		31-Mar-17	
Assumptions	**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.)	-16,226	17,714	17,665	-16,330

	31-Mar-16		31-Mar-16	
Assumptions	**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.)	-6,268	6,609	6,578	-6,297

Note -

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

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

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

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)	1,593	694
Between 2 and 5 years	11,474	14,000
Beyond 5 years	2,46,094	1,47,935
Total expected payments	**2,59,161**	**1,62,629**

The average duration of the defined benefit plan obligation at the end of the reporting period is 16.99 years (31 March 2016: 5.17 years).

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28 Reconciliation of Equity

(Rs.)

Particulars	Notes	As At 01 April 2015	As at 31 March 2016
Equity as per previous GAAP (Indian GAAP)		2,62,30,879	2,68,97,596
No impact on retained earnings were passed in relation to the transition date.			
Incremental impact in relation to 31 March 2016			
Add:			
Fair Value gain on fair value instruments	2	-	1,42,527
Other Interest Income owing to discounting of security deposits paid	2	-	7,855
Less :			
Increase in rent expense owing to discounting of security deposits	2	-	-8,448
Decrease in value of investment			-1,42,527
Deferred tax liability	3		-
Equity as per ind AS		**2,62,30,879**	**2,68,97,003**

Reconciliation of Profit

(Rs.)

Particulars	Notes	31 March 2016
Net Profit as per previous GAAP (Indian GAAP)		6,66,717
Add:		
Fair Value gain on fair value instruments	2	1,42,527
Other Interest Income owing to discounting of security deposits paid	2	7,855
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS (net of tax)	3	7,084
Less :		
Rent expenses recognised in reation to security deposits paid	2	-8,448
Decrease in value of investment		-1,42,527
Net profit as per Ind AS for the period ending 31 March 2016		**6,73,208**

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.

Transition to Ind AS

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

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and 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) Financial assets such as interest free security deposits were being carried over at nominal cost under IGAAP. On application of Ind AS 109, all such financial assets are now being meaured at amortised cost using effective rate of interest. At the date of transition to Ind AS, there has been no impact since the company has availed Ind AS 101 exemption with respect to measurement of financial instruments. During the year ended 31 March 2016, the Company's profit has decreased owing to net effect of unwinding of finance expenses in relation to these financial assets and amortisation of deferred expenses recognised.

ii) The Company has subscribed to preference shares of Gobind Sugar Mills Limited at a concessional rate which were being carried at purchase cost under IGAAP. On application of Ind AS 109, these financial assets are now being measured at amortised cost, using effective rate of interest. At the date of transition to Ind AS and as on 31 March 2016, the difference between transaction price and amortised cost has been treated as valuation adjustment on investments under Other assets.

iii) The Company has recognised interest on value of preference shares investments using effective interest method. The interest is taken to income over the remaining period of the instrument. The Company has also taken amortisation impact on valuation adjustment in its statement of profit & loss.

3. Acturial gain or loss

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.

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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		21,42,974	-	21,42,974
(b)	Other Intangible Assets		2,33,130	-	2,33,130
(c)	Financial Assets				
	(i)	Investments	-	-	-
	(ii)	Loans	6,81,594	-	6,81,594
	(iii)	Other	74,10,065	-	74,10,065
(d)	Other non-current assets		-	-	-
(e)	Advance tax (net)		56,58,399	-	56,58,399
(f)	Deferred tax assets		-	-	-
			1,61,26,162	**-**	**1,61,26,162**
(2) Current assets					
(a)	Financial Assets				
	(i)	Trade receivables	76,67,130	-	76,67,130
	(ii)	Cash and cash equivalents	17,36,372	-	17,36,372
(b)	Current Tax Assets (Net)		3,05,610	-	3,05,610
(c)	Other current assets		12,67,652	-	12,67,652
			1,09,76,764	**-**	**1,09,76,764**
TOTAL			**2,71,02,926**	**-**	**2,71,02,926**
II. EQUITY AND LIABILITIES					
Equity					
(a)	Equity Share capital		2,75,00,000	-	2,75,00,000
(b)	Other Equity		-12,69,121	-	-12,69,121
			2,62,30,879	**-**	**2,62,30,879**
LIABILITIES					
(1) Non-current liabilities					
(a)	Provisions		1,23,968	-	1,23,968
			1,23,968	**-**	**1,23,968**
(2) Current liabilities					
(a)	Financial Liabilities				
	Trade payables		4,03,350	-	4,03,350
(b)	Other current liabilities		1,33,034	-	1,33,034
(c)	Provisions		2,11,695	-	2,11,695
			7,48,079	**-**	**7,48,079**
TOTAL			**2,71,02,926**	**-**	**2,71,02,926**

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

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

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

(Rs.)

	Previous GAAP	Effect of transition to Ind-AS	As per Ind-AS
INCOME			
1 Revenue from operations	2,31,37,984	-	2,31,37,984
2 Other income	9,10,863	1,50,382	10,61,245
3 Total income	**2,40,48,847**	**1,50,382**	**2,41,99,229**
EXPENSES			
4 Employee benefits expense	1,30,83,121	(10,252)	1,30,72,869
5 Depreciation and amortisation expense	7,82,239	-	7,82,239
6 Other expenses	93,41,170	1,50,975	94,92,145
7 Total	**2,32,06,530**	**1,40,723**	**2,33,47,253**
PROFIT/(LOSS) BEFORE TAX	**8,42,317**	**9,659**	**8,51,976**
8 Tax expense:			
(i) Current tax	1,75,600	3,168	1,78,768
(ii) Deferred tax	-	-	-
PROFIT/(LOSS) FOR THE YEAR	**6,66,717**	**6,491**	**6,73,208**
9 Other comprehensive income			
(i) Items that will not be reclassified to profit and loss			
-Remeasurement of defined benefit obligation	-	(10,252)	(10,252)
- Income Tax effect	-	3,168	3,168
TOTAL OTHER COMPREHENSIVE INCOME	-	**(7,084)**	**(7,084)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**6,66,717**	**(593)**	**6,66,124**

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	70,48,623	46,42,048	1,16,90,671
Net cash flows/(used in) from investing activities	6,92,224	(1,42,048)	5,50,176
Net cash flows/(used in) from financing activities	(75,00,000)	-	(75,00,000)
Net increase / (decrease) in cash and cash equivalents	**2,40,847**	**45,00,000**	**47,40,847**
Cash and cash equivalents at the beginning of period	84,36,372	(67,00,000)	17,36,372
Cash and cash equivalents at the end of period	86,77,219	(22,00,000)	64,77,219

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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	4,10,428	-	4,10,428
(b) Other Intangible Assets	95,212	-	95,212
(c) Financial Assets			
(i) Investments	75,00,000	-62,16,012	12,83,988
(ii) Loans	6,42,094	-94,925	5,47,169
(iii) Other	30,52,113	-	30,52,113
(d) Other non-current assets	-	60,57,988	60,57,988
(e) Advance tax (net)	39,74,456	-	39,74,456
(f) Deferred tax assets	-	-	-
	1,56,74,303	**-2,52,949**	**1,54,21,354**
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	22,40,695	-	22,40,695
(ii) Cash and cash equivalents	64,77,219	-	64,77,219
(b) Current Tax Assets (Net)	26,39,942	-	26,39,942
(c) Other current assets	11,52,337	2,52,356	14,04,693
	1,25,10,193	**2,52,356**	**1,27,62,549**
TOTAL	**2,81,84,496**	**-593**	**2,81,83,903**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	2,75,00,000	-	2,75,00,000
(b) Other Equity	-6,02,404	-593	-6,02,997
	2,68,97,596	**-593**	**2,68,97,003**
LIABILITIES			
(1) Non-current liabilities			
(a) Provisions	1,62,629	-	1,62,629
	1,62,629	**-**	**1,62,629**
(2) Current liabilities			
(a) Financial Liabilities			
Trade payables	5,40,069	-	5,40,069
(b) Other current liabilities	2,07,651	-	2,07,651
(c) Provisions	3,76,551	-	3,76,551
	11,24,271	**-**	**11,24,271**
TOTAL	**2,81,84,496**	**-593**	**2,81,83,903**

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29. Related Party disclosures

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

i) Holding Company:

Zuari Investments Limited

Nature of transaction	Current year (Rs.)	Previous year (Rs.)
Opening balance	Nil	Nil
Rent Paid	23,03,472	7,15,503
Asset transferred	1,67,954	9,060
Purchase of Investments	75,00,000	Nil
Payments made on their behalf	19,33,508	31,996
Depository Expenses	1,551	Nil
Payments made on our behalf	14,14,810	7,37,442
Amount received on their behalf	82,320	Nil
Salary Paid	44,34,790	34,41,921
Closing Balance	Nil	Nil

ii) Ultimate Holding:

Zuari Global Limited

Nature of transaction	Current year (Rs.)	Previous year (Rs.)
Opening Balance	Nil	Nil
Payment made on their behalf	2,303	Nil
Closing Balance	Nil	Nil

iii) Fellow Subsidiaries:

1) Zuari Commodity Trading Limited - No Transaction
2) Gobind Sugar Mills Limited

Nature of transaction	Current year (Rs.)	Previous year (Rs.)
Opening balance	Nil	Nil
Investment made in 7% NCRPS of GSML	Nil	75,00,000
Closing balance	Nil	Nil

iv) Key Management Personnel

1) Mr. R. S. Raghavan
2) Mr. Vijay Kathuria
3) Mr. Alok Banerjee

Nature of transaction	Current year (Rs.)	Previous year (Rs.)
Managerial Remuneration	Nil	Nil
Short-term employee benefits		
Post employment benefits		
Other long-term employee benefits		
Termination benefits		

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ZUARI INSURANCE BROKERS LIMITED
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30. Segment Information

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

31. Disclosure on SBN

	SBNs	Other denomination Notes	Total
Closing Cash in hand as on 8.11.2016	38,000	26,433	64,433
(+) Permitted Receipts	-	14,600	14,600
(-) Permitted Payments	-	-36,765	-36,765
(-) Amount deposited in bank	-38,000	-	-38,000
Closing Cash in hand as on 30.12.2016			**4,268**

As per our report of even date

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

V. Rethinam
Partner
M No.10412

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

For and on behalf of the Board

R. S. Raghavan
Director
(DIN-00362555)

Vijay Kathuria
Director
(DIN-00338125)

Place: New Delhi
Date: 12-05-2017