



**V. SANKAR AIYAR & CO.**  
CHARTERED ACCOUNTANTS  
Sarojini House (GF), 6, Bhagwan Das Road, New Delhi-110001  
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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Zuari Management Services Limited**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the financial statements of Zuari Management Services Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March, 2023, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31<sup>st</sup> March, 2023, its loss, total comprehensive income, changes in equity and cash flows for the year ended on that date.

**Basis for Opinion**

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

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.



### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of Financial Statements**

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central 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 and the representation obtained from the management, we give in the "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:

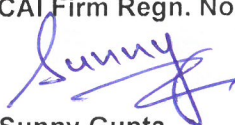
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/ provided any the remuneration to its directors during the year.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;



- 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. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement;
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Since the proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 in respect of use of accounting software for maintaining books of accounts which has a feature of recording audit trail (edit log) facility is applicable to the company w.e.f. April 1, 2023, reporting under rule 11(g) is not applicable for the financial year ending 31st March 2023.

Place: New Delhi  
Dated: 9<sup>th</sup> May 2023

For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W



Sunny Gupta  
Partner  
Membership No. 523969  
UDIN: 3523969BGYSQB640



**“Annexure A” referred to in the Independent Auditors’ report to the shareholders of Zuari Management Services Limited on the accounts for the year ended 31<sup>st</sup> March, 2023.**

- i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- b) Major items of Property, Plant and Equipment were physically verified during the year by the management in accordance with regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. No material discrepancies were noticed on such verification.
- c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- d) The Company has not revalued its property, plant and equipment or intangible assets or both during the year.
- e) Based on the audit procedure performed and the representation obtained from the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) a) The Company’s business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions during the year under audit. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable to the Company.
- iii) The Company, during the year, has not made investment, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties.
- a. Based on the audit procedures carried on by us and as per the information and explanation given to us the company has provided loans to other entities as given below;

Rs. in Lakhs

Particulars	Guarantees	Securities	Loans	Advance in nature of loan
Aggregate Amount granted during the year				
Nil	Nil	Nil	Nil	Nil
Balance outstanding as at the balance sheet date				
-Associates of holding Company	-	-	3,971.49	-
Texmaco Rail & Engineering Limited	-	-	9,350.00	-
Zuari Agro Chemicals Limited (ZACL)	-	-		



- b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of unsecured loans are, prima facie, not prejudicial to the interest of the Company.
- c. According to the information and explanation given to us and on the basis of examination of the records of the company, in the case of loans given, the repayment of principal and payment of interest has been stipulated. However, the repayments or receipts have not been regular as provided in clause 3(d). Further, the company has not given any advance in the nature of loan to any party during the year.
- d. The details of amount overdue for more than ninety days as on 31.03.2023 is mentioned below. Reasonable steps are being taken by the company for recovery of principal and interest.

Rs. in Lakhs

Name	Principal Outstanding as on 31.03.2023	Principal overdue for more than 90 days	Interest Outstanding as on 31.03.2023	Interest overdue for more than 90 days
Zuari Agro Chemicals Limited	9,350.00	-	-	-
Texmaco Rail & Engineering Limited	3,971.49	-	434.93	315.95
<b>Total</b>	<b>13,321.49</b>	<b>-</b>	<b>434.93</b>	<b>315.95</b>

- e. Certain loans which have fallen due during the year have been renewed/ extended as detailed below:

Name of parties	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans and advances in the nature of loans granted during the year
Zuari Agro Chemicals Limited	4800.00	Not applicable as no new loan granted during the year.
Texmaco Rail & Engineering Limited*	3600.00	Not applicable as no new loan granted during the year.

\* Loan (alongwith interest accrued thereon) to Texmaco Rail & Engineering Limited has been further renewed by one year in April 2023.

- f. According to the information and explanations given to us and on the basis of our examinations of records. the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given made any investments, or provided any guarantee or security as specified under Sections 185 and 186 of the Companies Act, 2013 ("Act"). In respect of the loans given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.



- v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and rule framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of Company's activities. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii) a. The Company does not have liability in respect of Service tax, Duty of excise, Sales Tax and Value added Tax during the year. These statutory dues have been subsumed into Goods and Services Tax effective 1st July, 2017.

According to the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including goods and services tax (GST), provident fund, employees' state insurance, income tax, cess and other material statutory dues, as applicable to it with the appropriate authorities. There were no arrears of undisputed statutory dues applicable to the Company as at 31st March, 2023, which were outstanding for a period of more than six months from the date they became payable. The Company does not have any liability with respect to duty of customs for the year under audit.

b. According to the information and explanation given to us, there are no statutory dues referred to in (a) which have not been deposited with the appropriate authorities on account of any dispute.

- viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix) a. The Company does not have any outstanding loans and advance from banks or financial institutions during the year. However, the company has outstanding loans or borrowings from other lenders during the year and there has been no default in repayment of loans or in the payment of interest thereon.
- b. According to the information and explanations given to us and on the basis of our examinations of records, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- c. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- d. On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. The Company has not provided any fresh loans or advances during the year. Hence, reporting under clause 3(ix) (e) of the Order is not applicable.
- f. The Company has not raised any fresh loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- x) a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud by the Company or on the Company has been noticed or reported during the year under audit.

- b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- 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 based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) a. In our opinion and based on our examination, the Company is also not required to appoint an internal auditor as per provisions of the Companies Act, 2013. However, the company has appointed an independent firm of chartered accountants to carry out internal audit during the year which commensurate with the size and nature of its business.
- b. We have considered, the internal audit report for the period under audit, issued to the Company during the year and till date.
- 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 directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- xvi) a. The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- d. There is one Core Investment Company (CIC) as a part of Group which is not required to be registered with Reserve Bank of India. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii) The Company has incurred cash losses of Rs 182.40 Lakhs during the current financial year covered by our audit and cash loss aggregating to Rs 158.58 Lakhs during the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence reporting under clause 3(xviii) of the Order is not applicable.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.





### 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.

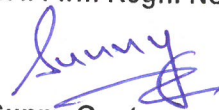
### Inherent Limitations of Internal Financial Controls over Financial Reporting

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.

For V. Sankar Aiyar & Co.

Chartered Accountants

ICAI Firm Regn. No. 109208W



Sunny Gupta

Partner

Membership No. 523969

UDIN: 3523969BGYSQB640

Place: New Delhi  
Dated: 9<sup>th</sup> May 2023



**ZUARI MANAGEMENT SERVICES LIMITED**  
**Statement of Unaudited financial results for quarter ended 31 March 2023**

(Amount in Lakhs)

Particulars	Notes	As at 31-Mar-23	As at 31-Mar-22
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	3.73	1.17
(b) Other Intangible Assets	4	-	-
(c) Financial Assets			
(i) Investments	5	6,155.64	6,812.41
(ii) Loans	6	-	4,550.00
(iii) Others	7	-	0.15
(d) Non Current Tax Assets		251.63	382.66
<b>TOTAL</b>		<b>6,411.00</b>	<b>11,746.39</b>
<b>(2) Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	8	168.81	189.87
(ii) Cash and cash equivalents	9	81.19	126.93
(iii) Loans	10	13,321.49	8,400.00
(iv) Others	11	449.26	625.92
(b) Other current assets	12	1.38	1.12
<b>TOTAL</b>		<b>14,022.13</b>	<b>9,343.84</b>
<b>GRAND TOTAL</b>		<b>20,433.13</b>	<b>21,090.23</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	13	5.00	5.00
(b) Other Equity	14	3,378.84	4,198.35
<b>TOTAL</b>		<b>3,383.84</b>	<b>4,203.35</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
Borrowings	15	8,247.00	8,434.00
(b) Provisions	16	146.63	107.01
<b>TOTAL</b>		<b>8,393.63</b>	<b>8,541.01</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	6,500.00	6,499.71
(ii) Trade payables	18		
Due to micro and small enterprises			
Due to other than micro and small enterprises		138.83	194.60
(iii) Other financial liabilities	19	1,570.44	1,389.50
(b) Other current liabilities	20	275.84	201.03
(c) Provisions	21	170.55	61.04
<b>TOTAL</b>		<b>8,655.66</b>	<b>8,345.87</b>
<b>GRAND TOTAL</b>		<b>20,433.13</b>	<b>21,090.23</b>

Significant accounting policies 1-2

Other notes forming part of the financial statements 31-46

As per our report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

FRN 109208 W

Sunny Gupta

Partner

M No. 523969

Place: New Delhi

Date: 09/05/2023

For and on behalf of the Board

(Nitin Kantak)

Director

DIN: 08029847

(Alok Saxena)

Director

DIN: 08640419

Date: 09/05/2023



**ZUARI MANAGEMENT SERVICES LIMITED**  
**Statement of Profit and Loss for the period ended 31 March 2023**

(Amount in Lakhs)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>I REVENUE</b>			
Revenue From Operations	22	2,912.67	2,221.72
Other Income	23	1,962.32	1,889.07
<b>Total</b>		<b>4,874.99</b>	<b>4,110.79</b>
<b>II EXPENSES</b>			
Employee Benefits Expense	24	2,941.11	2,114.79
Finance Costs	25	2,033.07	2,000.99
Depreciation and amortization expense	26	1.84	1.69
Other Expenses	27	81.69	153.59
<b>Total</b>		<b>5,057.71</b>	<b>4,271.06</b>
<b>III Profit/(Loss) before tax and exceptional items (I-II)</b>		<b>(182.72)</b>	<b>(160.26)</b>
IV Exceptional items	28	(9.21)	(30.51)
<b>V Profit/(Loss) before tax (III-IV)</b>		<b>(191.93)</b>	<b>(190.77)</b>
VI Tax expense:	29		
Current Tax		-	-
Previous Year Tax		1.51	-
Deferred Tax		-	-
<b>VII Profit (Loss) for the period (V-VI)</b>		<b>(193.44)</b>	<b>(190.77)</b>
<b>VIII Other Comprehensive Income</b>		<b>(626.07)</b>	<b>2,199.50</b>
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		21.49	13.03
Net (loss)/gain on FVTOCI equity securities		(647.56)	2,186.47
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>(819.51)</b>	<b>2,008.73</b>
X Earnings per equity share:	30		
(1) Basic		(386.90)	(381.54)
(2) Diluted		(386.90)	(381.54)

**Significant accounting policies** 1-2  
**Other notes forming part of the financial statements** 31-46

As per our report of even date

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



Sunny Gupta  
Partner  
M No.523969

For and on behalf of the Board



(Nitin Kantak )  
Director  
DIN: 08029847



(Alok Saxena)  
Director  
DIN: 08640419

Place: New Delhi  
Date: 09/05/2023

Date: 09/05/2023



**ZUARI MANAGEMENT SERVICES LIMITED**  
Statement of Cash Flows for the period ended 31 March 2023

(Amount in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax & exceptional items.	(182.73)	(160.26)
<u>Adjustment for :</u>		
Depreciation	1.84	1.69
Interest Income	(1,933.69)	(1,888.50)
Interest on Income Tax Refund	(28.62)	-
Interest Expense	2,033.07	2,000.99
Gain on sale of Mutual Fund	-	(0.57)
Actuarial Gain/ Loss through OCI	21.49	13.03
Operating Profit/(Loss) before working Capital Changes	(88.64)	(33.63)
<u>Adjustment for changes in :</u>		
(Decrease)/Increase in Provisions	149.14	1.91
(Decrease)/Increase in Trade payables	(55.77)	48.83
(Decrease)/Increase in Other Current Liabilities	53.76	12.39
(Increase)/ Decrease in Other current Assets	(14.14)	(0.55)
(Increase)/Decrease in Trade Receivables	21.06	(8.11)
<b>Net Cash from Operating Activities before Income Tax</b>	<b>65.41</b>	<b>20.83</b>
Direct taxes paid (net of refund)	158.13	(231.74)
<b>Net cash from operating activities</b>	<b>223.54</b>	<b>(210.92)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets (including intangible assets)	(4.40)	(0.09)
Purchase of Investment	-	(243.00)
Proceeds from Sale of Investment	-	243.57
Interest Income	1,752.90	1,811.33
<b>Net cash used in Investing activities</b>	<b>1,748.50</b>	<b>1,811.80</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loans taken during the year	1,338.00	2,684.00
Repayment of Long-term Borrowings	(1,524.71)	(2,610.36)
Interest Expense	(1,831.07)	(1,717.04)
<b>Net cash used in financing activities</b>	<b>(2,017.78)</b>	<b>(1,643)</b>
<b>Net Changes in Cash and Cash equivalents during the year</b>	<b>(45.75)</b>	<b>(42.52)</b>
Cash and Cash equivalents at the beginning of the year	126.93	169.45
Cash and Cash equivalents at the end of the year	81.19	126.93
<b>Net Increase/(Decrease)</b>	<b>(45.75)</b>	<b>(42.52)</b>

(a) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Particulars	As at 31st March, 2022	Proceeds	Repayment	As at 31st March 2023
Long Term Borrowings (including current portion)	14,933.71	1,338.00	(1,524.71)	14,747.00

As per our report of even date

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

Suuny Gupta  
Partner  
M No.523969

Place: New Delhi  
Date: 09/05/2023



For and on behalf of the Board

(Nitin Kantak)  
Director  
DIN: 08029847

(Alok Saxena)  
Director  
DIN: 08640419

Date: 09/05/2023



**ZUARI MANAGEMENT SERVICES LIMITED**  
Statement Of Changes In Equity for the year ended 31 March 2023

**a. Equity share capital**

(Amount in Lakhs)

Particulars	Amount
Balance at March 31, 2021	5.00
Changes in equity share capital during the year	-
Balance at March 31, 2022	5.00
Changes in equity share capital during the year	-
Balance at March 31, 2023	5.00

**b. Other equity**

Particulars	Reserves and Surplus	OCI*	Total
	Retained earnings	Equity instruments through OCI	
Balance at the end of the reporting period March 31, 2021	(1,122.35)	3,311.97	2,189.61
Total comprehensive income for FY 2021-22	(190.77)	2,186.47	1,995.70
Remeasurement of post employment benefits obligation, net of tax	13.03	-	13.03
Balance at the end of the reporting period March 31, 2022	(1,300.09)	5,498.44	4,198.35
Total comprehensive income for FY 2022-23.	(193.44)	(647.56)	(841.00)
Remeasurement of post employment benefits obligation, net of tax	21.49	-	21.49
Balance at the end of the reporting period 31 March 2023	(1,472.04)	4,850.88	3,378.84

\*Other Comprehensive Income-Items not be reclassified to profit and loss

Note: As per the requirements of Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014, the company is required to create a debenture redemption reserve out of the profits of the company available for payment of dividend. In the absence of profit, no debenture redemption reserve has been created.

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

Sunny Gupta  
Partner  
M No.523969

Place: New Delhi  
Date: 09/05/2023

For and on behalf of the Board

(Nitin Kantak)  
Director  
DIN: 08029847

(Alòk Saxena)  
Director  
DIN: 08640419

Date: 09/05/2023



**ZUARI MANAGEMENT SERVICES LIMITED**  
**Notes forming part of the financial statements as at 31 March 2023**

**1. Corporate information**

The stand-alone financial statements of "Zuari Management Services Limited" ("the Company" or "ZMSL") are for the year ended 31<sup>st</sup> March 2022. The Company is a public company domiciled in India and is incorporated on December 6, 2006 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 management consultancy, manpower outsourcing and related services. The stand-alone financial statements were approved for issue in accordance with a resolution of the Board of directors on 09<sup>th</sup> May 2023.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation of Accounts**

The financial statements of the Company have been prepared in accordance with and to comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules made thereunder.

These are separate financial statement of the Company and the company has availed exemption from preparing consolidated financial statements (CFS) in accordance with section 129(3) of the Companies Act 2013 read with paragraph 4(a) of IND AS 110 i.e. Consolidated Financial Statement. Zuari Industries Limited (ZIL) which is 100% holding company has prepared its CFS as per IND AS and is available for public use.

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).

Company's financial statements are presented in Indian Rupees, which is also its functional currency. All amounts in financial statements and accompanying notes forming part of the financial statements are presented in Lakhs Indian Rupees and have been rounded off to two decimal place in accordance with the provisions of Schedule III, unless otherwise stated.

**2.2 Basis of classification of Current and Non-Current**

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realized within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when

- it is expected to be settled in the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities have been classified as non-current.

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



**ZUARI MANAGEMENT SERVICES LIMITED**  
**Notes forming part of the financial statements as at 31 March 2023**

**2.3 Fair Value Measurement**

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**2.4 Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

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

**Contingent liabilities**

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

**Contingent assets**

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets are not recognised but disclosed in the financial statements, where economic inflow is probable.

**2.5 Significant accounting judgements, estimates and assumptions**

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

**Significant management judgements**

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

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

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

**Significant estimates**

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

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

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



**ZUARI MANAGEMENT SERVICES LIMITED**  
**Notes forming part of the financial statements as at 31 March 2023**

**2.6 Property, plant and equipment**

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

Recognition:

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

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

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

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

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

**2.7 Depreciation, estimated useful life and residual life**

The company is providing depreciation in line with the requirements of part C of schedule II of Companies Act 2013. The company follows straight line method of depreciation. In respect of additions to property, plant and equipment, depreciation is calculated on pro-rata basis from the date on which asset is put to use. Useful life used for different asset classes is as follows:

Sr. No.	Assets Class	Useful Life
1	Furniture and fixture	10 Years
2	Computers and software	3 Years
3	Office Equipments	5 Years

**2.8 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.





## **ZUARI MANAGEMENT SERVICES LIMITED**

### **Notes forming part of the financial statements as at 31 March 2023**

#### **2.9 Impairment of tangible and intangible assets**

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

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

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

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

#### **2.10 Revenue Recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

Income from services rendered is recognised when completed or based on agreements with parties.

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.

#### **2.11 Staff Benefits**

Regular contributions towards government provident fund, family pension are charged to revenue. Provisions for gratuity and leave encashment are made on basis of actuarial valuation of projected unit credit method made at the year end of each financial year.

#### **Re-measurements**

Re-measurements gains and losses arising from experience adjustment and changes in actuarial assumptions 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.

#### **2.12 Income Tax**

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.



**ZUARI MANAGEMENT SERVICES LIMITED**  
**Notes forming part of the financial statements as at 31 March 2023**

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

**2.13 Cash and Cash Equivalents**

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

**2.14 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs include interest and other costs incurred in connection with the arrangement of borrowing.

**2.15 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

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

**2.16 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**ii) Subsequent Measurement**

**Debt Instruments**

**a) Debt instruments at amortised cost**

A 'financial asset' is measured at the amortised cost using the Effective Interest Rate (EIR) method if both the following conditions are met:



## **ZUARI MANAGEMENT SERVICES LIMITED**

### **Notes forming part of the financial statements as at 31 March 2023**

- 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.

#### **b) Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss.

#### **c) 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.

### **Equity Instruments**

Investment in subsidiary is accounted for at cost in standalone financial statements. Investment in associates is accounted for at fair value through OCI. All equity investments are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

#### **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.

### **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.

### **C. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



## **ZUARI MANAGEMENT SERVICES LIMITED**

### **Notes forming part of the financial statements as at 31 March 2023**

#### **2.17 Recent accounting pronouncement**

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- (i) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.
- (ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- (iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

#### **2.18 Rounding of amounts**

All amount disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of schedule III, unless otherwise stated.



**3 Property, Plant and Equipment**

Particulars	Computers	Office Equipment	Total
<b>Cost</b>			
At 31 March 2021	7.06	5.86	12.92
Additions	0.09	-	0.09
<b>At 31 March 2022</b>	<b>7.15</b>	<b>5.86</b>	<b>13.01</b>
Additions	4.40	-	4.40
<b>At 31 March 2023</b>	<b>11.55</b>	<b>5.86</b>	<b>17.41</b>
<b>Accumulated Depreciation</b>			
At 31 March 2021	5.22	5.18	10.40
Charge for the year	1.21	0.23	1.44
<b>At 31 March 2022</b>	<b>6.43</b>	<b>5.41</b>	<b>11.84</b>
Charge for the year	1.61	0.23	1.84
<b>At 31 March 2023</b>	<b>8.04</b>	<b>5.64</b>	<b>13.68</b>
<b>Net Block</b>			
At 31 March 2022	0.72	0.45	1.17
At 31 March 2023	3.51	0.22	3.73

**4 Intangible assets**

Particulars	Software	Total
<b>Cost</b>		
At 31 March 2021	2.86	2.86
Additions	-	-
<b>At 31 March 2022</b>	<b>2.86</b>	<b>2.86</b>
Additions	-	-
<b>At 31 March 2023</b>	<b>2.86</b>	<b>2.86</b>
<b>Accumulated Depreciation</b>		
At 31 March 2021	2.60	2.60
Charge for the year	0.26	0.26
<b>At 31 March 2022</b>	<b>2.86</b>	<b>2.86</b>
Charge for the year	-	-
<b>At 31 March 2023</b>	<b>2.86</b>	<b>2.86</b>
<b>Net Block</b>		
At 31 March 2022	-	-
At 31 March 2023	-	-

1. No assets have been revalued during the year.
2. No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
3. The company does not hold any immovable property so the question of title deed does not arise.



**ZUARI MANAGEMENT SERVICES LIMITED**

Notes forming part of the financial statements as at 31 March 2023

(Amount in Lakhs)

Particulars	(Amount in Lakhs)					
	As at 31-03-2023	As at 31-03-2022				
<b>5 Financial assets</b>						
<b>Investment in fellow subsidiary</b>						
Unquoted: Indian Furniture Products Limited # 24,91,071 (31 March 2023 - 24,91,071) Equity Shares of Rs.10/- each, fully paid up	325.50	325.50				
Provision for Impairment (Refer note-28)	(325.50)	(316.29)				
	<u>-</u>	<u>9.21</u>				
<b>Investment - Associate</b>						
<b>Investments at fair value through OCI:</b>						
Quoted: Zuari Agro Chemicals Limited 50,78,909 (31 March 2023 - 50,78,909) Equity shares of Rs.10/- each fully paid up*	6,155.64	6,803.20				
	<u>6,155.64</u>	<u>6,803.20</u>				
<b>Total</b>	<u>6,155.64</u>	<u>6,812.41</u>				
Aggregate book value of quoted investments	6,155.64	6,803.20				
Aggregate market value of quoted investments	6,155.64	6,803.20				
Aggregate value of unquoted investments	-	9.21				
<b>6 Loans (Non- Current)</b>						
<i>(Unsecured and considered good)</i>						
Loans to Bodies Corporates Zuari Agro Chemicals Limited -Related Party	-	4,550.00				
	<u>-</u>	<u>4,550.00</u>				
<b>7 Other Financial assets (Non-Current)</b>						
<i>(Unsecured and considered good)</i>						
Security Deposits	-	0.15				
	<u>-</u>	<u>0.15</u>				
<b>8 Trade receivables</b>						
<i>(Unsecured and considered good)</i>						
Trade receivables - others	168.81	189.87				
	<u>168.81</u>	<u>189.87</u>				
<b>Trade receivables ageing</b>						
	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 yrs</b>	<b>Total</b>
(i) Undisputed trade receivables - considered good as on 31-03-2023	168.81	-	-	-	-	168.81
(i) Undisputed trade receivables - considered good as on 31-03-2022	189.87		-	-	-	189.87
<b>9 Cash and Cash Equivalent</b>						
<b>Bank Balances:</b>						
-in Current Accounts					81.19	126.93
					<u>81.19</u>	<u>126.93</u>
<b>10 Loans (Current)</b>						
<i>(Unsecured and considered good)</i>						
Loans to Bodies Corporates Texmaco Rail & Engineering Limited # (Carry rate of interest of 13.5% p.a. and is due for receipt on 14th April 2023. The same has been further renewed by one year subsequently).					3,971.49	3,600.00
Zuari Agro Chemicals Limited -Related Party # (Carry rate of interest of 15% p.a. and is due for receipt from Sept 2023 to Jan 2024)					9,350.00	4,800.00
					<u>13,321.49</u>	<u>8,400.00</u>
<b>11 Other Financial assets</b>						
<i>(Unsecured and considered good)</i>						
Interest Accrued on Loans					434.93	625.63
Others					14.33	0.29
					<u>449.26</u>	<u>625.92</u>



**ZUARI MANAGEMENT SERVICES LIMITED**

Notes forming part of the financial statements as at 31 March 2023

(Amount in Lakhs)

Particulars	As at	
	31-03-2023	31-03-2022
<b>12 Other current assets</b>		
Prepaid	0.81	0.55
GST credit receivable	0.57	0.57
	<b>1.38</b>	<b>1.12</b>

**13 Share Capital**

Authorized:

50000 (31 March 2023 - 50,000) Equity Shares of Rs. 10/- each 5.00 5.00

Issued shares :

50000 (31 March 2023 - 50,000) Equity Shares of Rs. 10/- each 5.00 5.00

Subscribed and fully paid-up shares :

50000 (31 March 2023 - 50,000) Equity Shares of Rs. 10/- each 5.00 5.00

**5.00 5.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Equity Shares

At the beginning of the year

-In Numbers 50,000 50,000

- in Rupees 5 5

Outstanding at the end of the year

-In Numbers 50,000 50,000

- in Rupees 5 5

(b) Terms / rights attached to Equity Shares

The Company has issued only one class of shares referred to as equity share having a par value of Rs 10/- per share ranking pari-passu.

(c) Shares held by holding company

Zuari Industries Limited

-In Numbers 50,000 50,000

- In % of holding 100 100

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

Equity shares of Rs. 10 each fully paid

Zuari Industries Limited

-In Numbers 50,000 50,000

- In % of holding 100 100

(e) The entire paid up capital is held by Zuari Industries Limited, the Holding Company & its nominees.

(f) Details of share held by the promoters at the end of the year:

Name of Promoters	31st March 2023		31st March 2022		% change during the year
	No of shares	% of shares	No of shares	% of shares	
Zuari Industries Limited	50,000	100%	50,000	100%	-

**14 Other Equity**

**Retained Earnings**

Balance as per last financial statements (1,300.09) (1,122.35)

Net profit/(Loss) for the year (193.44) (190.77)

Add: Items of other comprehensive income recognised directly in retained earnings

- Remeasurement of post employment benefits obligation, net of tax 21.49 13.03

Net surplus in the statement of profit and loss **(1,472.04) (1,300.09)**

**FVTOCI Reserve**

Balance Bought Forward from Last Year's Account 5,498.44 3,311.97

Add/ Less: Movement during the year (647.56) 2,186.47

Balance carried forward to next year **4,850.88 5,498.44**

**Total**

**3,378.84 4,198.35**

Note: As per the requirements of Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014, the company is required to create a debenture redemption reserve out of the profits of the company available for payment of dividend. In the absence of profit, no debenture redemption reserve has been created.

**15 Borrowings (Non Current)**

Unsecured

Other Loans

From Bodies Corporate

Zuari Industries Limited

(Carry rate of interest of 15% p.a. and is due for repayment on Mar 2025)

8,247.00 8,434.00

**8,247.00 8,434.00**



**ZUARI MANAGEMENT SERVICES LIMITED**

Notes forming part of the financial statements as at 31 March 2023

(Amount in Lakhs)

Particulars	As at	As at
	31-03-2023	31-03-2022
<b>16 Provisions (Non-Current)</b>		
-Gratuity	99.90	81.35
-Sick Leave	3.67	3.27
-Privilege Leave	43.06	22.39
	<b>146.63</b>	<b>107.01</b>
<b>17 Borrowings (Current)</b>		
Secured		
12% Redeemable Non- Convertible Debentures	6,500.00	6,499.71
	<b>6,500.00</b>	<b>6,499.71</b>

#Secured, unrated and unlisted Redeemable Non-Convertible Debentures ('NCDs') aggregating to Rs.6,500.00 Lakhs, comprising of 65 debentures of Rs. 100.00 Lakhs each, bearing interest rate of 12.00% p.a. issued by the Company were redeemable as on 29 April 2022. The terms of NCD were revised in April 2022 with maturity date of April 29 2023. However, the maturity has been further extended subsequently to April 29, 2024.

The NCDs are secured by way of hypothecation of on all present and future rights, title, interests, claims and demands of the company over following loans & advances of the company:

1. Loan amount of Rs.4,800.00 Lakhs given to Zuari Agro Chemicals Limited bearing coupon rate of 15% and due to be received on 14 January 2024.
2. Loan amount of Rs.3,600.00 Lakhs given to Texmaco Rail & Engineering Limited bearing coupon rate of 13.5% and due to be received on 14 April 2023.

The asset cover of the aforementioned NCDs is more than 100% of the principal outstanding as on 31 Mar 2023.

**18 Trade payables (at amortised cost)**

Due to micro and small enterprises (Refer Note 32)\*\*

Due to other than micro and small enterprises

-	-
138.83	194.60
<b>138.83</b>	<b>194.60</b>

Particulars	Less than 1 yr.	1 - 2 Years	2 - 3 Years	More than 3 yrs	Total
(ii) Other than MSME as on 31st March, 2022	194.44	0.00	0.17	-	194.60

\*\* 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.

**19 Other Financial Liabilities**

Interest Accrued on borrowings

Other Payable

1,570.15	1,368.15
0.29	21.35
<b>1,570.44</b>	<b>1,389.50</b>

**20 Other Current Liabilities**

Statutory dues payable

- GST Payable
- Provident Fund Payable
- ESIC Payable
- LWF Payable
- Professional Tax Payable
- TDS Payable

37.49	51.49
34.93	38.80
6.09	5.66
0.09	-
0.68	-
196.56	105.08
<b>275.84</b>	<b>201.03</b>

**21 Provisions (Current)**

Provision for employee benefits

- Gratuity
- Sick Leave
- Variable Pay
- Bonus Payable
- Privilege Leave

8.63	2.33
0.41	0.74
15.79	4.92
120.07	49.13
25.65	3.92
<b>170.55</b>	<b>61.04</b>





**ZUARI MANAGEMENT SERVICES LIMITED**  
Notes forming part of the financial statements as at 31 March 2023

(Amount in Lakhs)

Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
<b>22 Revenue From Operations</b>		
Manpower Services Income	2,869.05	2,203.72
Management Consulting Services/Payroll processing charges/Hiring service	43.62	18.00
	<b>2,912.67</b>	<b>2,221.72</b>
<b>23 Other income</b>		
Interest income on IT Refund	28.62	-
Gain on Sale of Mutual Fund	-	0.57
Interest Income	1,933.69	1,888.50
	<b>1,962.31</b>	<b>1,889.07</b>
<b>24 Employee Benefits Expense</b>		
Salaries, wages and bonus	2,628.98	1,855.66
Contribution to provident & other funds	266.23	223.73
Gratuity	41.06	34.19
Staff welfare	4.84	1.21
	<b>2,941.11</b>	<b>2,114.79</b>
<b>25 Finance Costs</b>		
Interest on inter corporate deposit	1,252.78	1,013.77
Interest on Loan	-	203.40
Interest on Non-Convertible Debenture	780.29	783.82
	<b>2,033.07</b>	<b>2,000.99</b>
<b>26 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	1.84	1.43
Amortisation of intangible assets	-	0.25
	<b>1.84</b>	<b>1.68</b>
<b>27 Other expenses</b>		
Consultancy	40.37	132.75
Legal & Professional Charges	12.42	5.20
ROC Charges & Filing Fees	0.31	0.10
Payment to Auditors (Refer detail below)	3.85	3.00
Travelling & conveyance	1.65	1.19
Vehicle Maintenance	8.84	6.07
Communication	0.61	0.22
Subscription & Renewal Expenses	6.43	2.00
Miscellaneous expenses	7.23	3.06
	<b>81.69</b>	<b>153.59</b>
Payments to the Auditors as		
Audit Fees	2.60	2.60
Quarterly Review Fees	0.75	-
Tax Audit Fees	0.40	0.40
Out of pocket expenses	0.10	-
	<b>3.85</b>	<b>3.00</b>

**28 Exceptional items**

Pertains to write down of cost of investment made in Indian Furniture Products Limited 31st March, 2023 Rs 325.50 Lakhs (31 March 2022 Rs.316.29 Lakhs), based on the internal assessment of diminution in value of investment by the Company's Management.



**ZUARI MANAGEMENT SERVICES LIMITED**

Notes forming part of the financial statements as at 31 Mar 2023

(Amount in Lakhs)

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>29 Income tax expense</b>		
Accounting loss	(193.45)	(190.77)
Applicable tax rate	26%	26%
Expected tax expense	(50.30)	(49.60)
Deferred taxes not recognized on unused tax losses (refer note (ii) below)	(50.30)	(49.60)
<b>Actual tax expense</b>	-	-

**Note:Deferred tax**

The Company has not recognized deferred tax asset on deductible temporary differences and unused tax losses in absence of reasonable certainty and availability of sufficient future taxable profits against which such difference and losses shall be utilized.

The amounts of deductible temporary differences and unused tax losses on which no deferred tax assets are recognised amounted to:

	As at 31 March 2023		As at 31 March 2022	
	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect
Deductible temporary differences				
Book/ Tax WDV difference	3.53	0.92	3.48	0.91
Provision for Leave Encashment / Gratuity	181.31	47.14	114.00	29.64
Unused tax losses	992.64	258.09	1,542.91	401.16
<b>Total</b>	<b>1,177.48</b>	<b>306.15</b>	<b>1,660.39</b>	<b>431.70</b>

**30 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	As at	As at
	31 March 2023	31 March 2022
Net Profit / (Loss) after current and deferred tax (Rs in lacs)	(193.45)	(190.77)
Weighted Average number of equity shares used for computing Earning Per	50,000	50,000
Earning Per Share (Basic and Diluted) (Rs/ share)	(386.90)	(381.54)
Face value per share (Rs)	10	10

**31 Leases**

The Company does not have short term leases and variable lease payment arrangements.

**32 Capital management**

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders, ensure access to external sources of financing, in part by maintaining an adequate rating and reducing cost of capital. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The position on reporting date is summarized in the following table:

Particulars	As at	As at
	31 March 2023	31 March 2022
Long term borrowings		
(excluding current maturities of long-term borrowings)	8,247.00	8,434.00
Short term borrowings	6,500.00	6,499.71
<b>Total Debt (a)</b>	<b>14,747.00</b>	<b>14,933.71</b>
Less: Cash & Cash equivalents	81.19	126.93
<b>Total Net Debt (b)</b>	<b>14,665.81</b>	<b>14,806.78</b>
<b>Total Equity (c)</b>	<b>3,383.83</b>	<b>4,203.35</b>
<b>Debt to Equity ratio (a/c)</b>	<b>4.36</b>	<b>3.55</b>
<b>Gearing Ratio (b/(b+c))</b>	<b>81%</b>	<b>78%</b>



### 33 Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and investments. The Company is not exposed to currency risk/ inventory price risk as it has no foreign currency transactions and inventory.

#### (i) Interest rate risk

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 long-term debt obligations with floating interest rates.

##### Interest rate risk exposure:

Below is the overall exposure of the Company's to interest rate risk:

Type of Exposure	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings (including current maturities of long term borrowings)	8,247.00	8,434.00
Fixed rate borrowings	6,500.00	6,499.71
<b>Total borrowings</b>	<b>14,747.00</b>	<b>14,933.71</b>

##### Interest rate sensitivity:

The Company manages its interest rate risk by having a portfolio of fixed or floating rate loans and borrowings.

Particulars	+ / (-) in basis points	2022-23	2021-22
	+50	41.24	9.67
	-50	(41.24)	(9.67)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

#### (ii) Equity Price Risk

The Company is exposed to equity price risk arising from quoted investments held by the company and classified in the balance sheet at fair value through OCI. Having regard to the nature of securities, intrinsic worth, intent and long term nature of investment in securities, fluctuation in their prices are considered acceptable.

#### (b) 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 loan and advances) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

##### Credit risk exposure:

Type of Exposure	As at 31 March 2023	As at 31 March 2022
Loans	13,321.49	12,950.00
Other financial assets	449.26	625.92
	<b>13,770.75</b>	<b>13,575.92</b>

Note: The Company monitors its trade receivables regularly and there are no old outstanding balances. The loans have been advanced to related parties i.e. associates of Holding company.



(c) **Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the judicious use of equity and debt.

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

	Up to 1 year	1 to 5 years	> 5 years	Total
<b>As at 31 March 2023</b>				
Borrowings	8,070.15	8,247.00	-	16,317.15
Trade & Other Payables	139.14	-	-	139.14
	<b>8,209.29</b>	<b>8,247.00</b>	-	<b>16,456.29</b>
<b>As at 31 March 2022</b>				
Borrowings	7,867.86	8,434.00	-	16,301.86
Trade & Other Payables	215.95	-	-	215.95
	<b>8,083.81</b>	<b>8,434.00</b>	-	<b>16,517.81</b>



## 34 Fair value measurements

## Financial instruments by category

Particulars	Fair value Hierarchy	31 March 2023			31 March 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>							
Investment in quoted equity Instruments	Level-1	-	6,155.64	-	-	6,803.20	-
Investment in unquoted equity Instruments	Level-3	-	-	-	9.21	-	-
Security deposits		-	-	-	-	-	0.15
Trade Receivable		-	-	168.81	-	-	189.87
Cash and cash equivalents		-	-	81.19	-	-	126.93
Loans		-	-	13,321.49	-	-	12,950.00
Other financial assets		-	-	449.26	-	-	625.92
<b>Total financial assets</b>		-	<b>6,155.64</b>	<b>14,020.75</b>	<b>9.21</b>	<b>6,803.20</b>	<b>13,892.87</b>
<b>Financial liabilities</b>							
Borrowings	Level-3	-	-	14,747	-	-	14,934
Trade payables		-	-	139	-	-	195
Other financial liabilities		-	-	1,570	-	-	1,389
<b>Total financial liabilities</b>		-	-	<b>16,456</b>	-	-	<b>16,518</b>

**Financial value hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

**Note:**

Financial instruments measured at amortised cost :

The management assessed that carrying value of financial assets and financial liabilities, carried at amortized cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheets.



**ZUARI MANAGEMENT SERVICES LIMITED**

Notes forming part of the financial statements as at 31 March 2023

(Amount in Lakhs)

**35 Related party disclosures as per Ind AS 24:**
**A. List or related party identified by the management**

Holding Company	Zuari Industries Limited (ZIL) (100%)
	Zuari Finserv Limited (ZFL)
	Simon India Limited (SIL)
Fellow Subsidiaries	Zuari International Limited
	Zuari Sugar & Power Limited
	Zuari Insurance Brokers Limited
	Forte Furniture Products India Private Limited
Joint venture of Group	Zuari Agro Chemicals Limited (ZACL)
	Paradeep Phosphates Limited (PPL)
Associates of Group	Mangalore Chemicals and Fertilisers Limited
	Zuari Farmhub Ltd
	Texmaco Rail & Engineering Limited

**B. Transactions carried out with related parties in the ordinary course of business:**

S.no.	Transaction details	Year ended 31st March 2023	Year ended 31st March 2022
1	<b>Service Charges Incurred</b>		
	-Zuari Finserv Limited.	3.10	1.08
2	<b>Receipts of Inter Corporate Deposits / Loan</b>		
	-Zuari Industries Limited	1,338.00	2,684.00
3	<b>Repayment of Inter Corporate Deposits / Loan</b>		
	-Zuari Industries Limited	1,525.00	635.22
4	<b>Management Consultancy Expense</b>		
	-Mr. R.S. Raghavan	-	130.52
5	<b>Interest expense</b>		
	-Zuari Industries Limited	1,252.71	1,013.77
8	<b>Interest Income</b>		
	-Zuari Agro Chemicals Limited	1,402.50	1,402.50
	-Texmaco Rail & Engineering Limited	531.19	486.00
9	<b>Payroll Services Income</b>		
	-Zuari Finserv Limited.	1.76	1.18
	-Zuari Industries Limited	3.86	1.06
	-Simon India Limited	0.29	0.40
	-Zuari Insurance Brokers Limited	0.60	0.40
10	<b>Manpower Hiring Charges</b>		
	-Zuari Industries Limited	8.98	7.85
	-Simon India Limited	1.49	7.00
	-Zuari Agro Chemicals Limited	3.08	-
	-Forte Furniture Products India Private Limited	-	7.11
11	<b>Learning and Development Charges</b>		
	-Zuari Finserv Limited.	0.62	-
	-Zuari Insurance Brokers Limited	0.18	-
	-Zuari Industries Limited	1.67	-
	-Simon India Limited	0.66	-



<b>12 Manpower Services Income</b>		
-Zuari Agro Chemicals Limited	28.42	131.22
-Mangalore Chemicals and Fertilisers Limited	89.98	112.61
-Paradeep Phosphate Limited	686.60	439.78
-Zuari Farmhub Limited	1,116.04	916.37
-Forte Furniture Products India Private Limited	117.29	116.07
-Zuari Sugar and power Limited	81.60	72.54
-Texmaco Rail & Engineering Limited	15.29	5.25
-Zuari Finserv Limited	14.61	-
-Zuari Insurance Brokers Limited	11.63	-
-Zuari International Limited	0.88	-
-Zuari Industries Limited	-	2.45
<b>13 Management Consultancy Income</b>		
-Zuari Industries Limited	12.87	-
-Simon India Limited	1.67	-

#### Closing Balances

S.no.	Name of the Company		As at 31 March 2023	Dr./ Cr.	As at 31 March 2022
1	-Zuari Industries Limited (ICD)	Cr.	8,247.00	Cr.	8,434.00
2	-Zuari Industries Limited (Trade Receivable)	Dr.	15.04	Cr.	2.57
3	-Zuari Finserv Pvt Ltd (Trade Receivable)	Dr.	1.68	Cr.	0.05
4	-Simon India Limited(Trade Receivable)	Dr.	0.71	Dr.	(0.01)
5	-Zuari Agro Chemicals Limited (ICD)	Dr.	9,350.00	Dr.	9,350.00
6	-Zuari Agro Chemicals Limited (Interest Receivable)	Dr.	-	Dr.	297.28
7	-Zuari Agro Chemicals Limited(Trade Receivable)	Dr.	3.33	Dr.	19.85
8	-Zuari Insurance Brokers Limited	Dr.	2.30	Dr.	0.43
9	-Paradeep Phosphate Limited (Trade Receivable)	Dr.	18.98	Dr.	47.48
10	-Forte Furniture Products India Pvt Ltd. (Trade Receivable)	Dr.	1.08	Dr.	16.44
11	Zuari Farmhub Limited(Trade Receivable)	Dr.	110.65	Dr.	18.80
12	Zuari Sugar and power Limited(Trade Receivable)	Dr.	0.61	Dr.	-
13	Zuari International Limited	Cr.	0.61	Dr.	-
14	Texmaco Rail & Engineering Limited (ICD)	Dr.	3,971.49	Dr.	3,600.00
15	Texmaco Rail & Engineering Limited (Interest Receivable)	Dr.	434.93	Dr.	328.35
16	Texmaco Rail & Engineering Limited (Trade Receivable)	Dr.	1.79	Dr.	1.48

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

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid	-	-
Interest accrued and due thereon remaining unpaid	-	-
Interest paid by the company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act , 2006.	-	-
Interest accrued and remaining unpaid as at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years ,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

#### 37 Segment information

The management of the Company does not separately reviews the different sources of revenues for the Company. Therefore, there are not any reportable segments of the Company as per management of the Company.



**38 Employee benefits**

The Company has obtained valuation report from Actuary. The following data is given from report of the Actuary.

(i) Economic Assumptions:

Particulars	2022-23	2021-22
a) Discount Rate	7.45%	7.26%
b) Future salary increase	5.00%	5.00%

(ii) Changes in the present value of the defined benefit obligation:

	Gratuity		Earned Leave		Sick Leave	
	As at	As at	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
a) Present value of obligation as at the beginning of the period	83.68	62.16	26.31	35.87	4.01	7.95
b) Interest cost	6.07	4.23	1.91	2.44	0.83	0.54
c) Current service cost	34.99	30.32	49.40	8.85	0.29	1.50
d) Acquisition adjustment	5.55	-	4.85	-	1.54	-
e) Benefits paid	(0.27)	-	(0.42)	(4.97)	-	-
f) Actuarial (gain)/loss on obligation	(21.49)	(13.03)	(13.34)	(15.88)	(2.59)	(5.98)
<b>as at the end of closing period</b>	<b>108.53</b>	<b>83.68</b>	<b>68.71</b>	<b>26.31</b>	<b>4.08</b>	<b>4.01</b>

(iii) Expenses recognized in statement of profit and loss account:

	Gratuity		Earned Leave		Sick Leave	
	As at	As at	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
a) Current service cost	34.99	30.32	49.40	8.85	0.29	1.50
b) Interest cost	6.07	4.23	1.91	2.44	0.83	0.54
c) Remeasurements	-	-	(13.34)	(15.88)	(2.59)	(5.98)
<b>Expenses recognized in the statement of profit &amp; loss</b>	<b>41.06</b>	<b>34.55</b>	<b>37.96</b>	<b>(4.59)</b>	<b>(1.47)</b>	<b>(3.94)</b>

(iv) Remeasurements:

	Gratuity	
	As at	As at
	31 March 2023	31 March 2022
a) Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.61)	-
b) Actuarial (gains)/losses arising from changes in financial assumptions	(1.63)	(15.42)
c) Actuarial (gains)/losses arising from experience adjustments	(19.25)	2.39
<b>Components of defined benefit costs recognised in OCI</b>	<b>(21.49)</b>	<b>(13.03)</b>

(v) Sensitivity Analysis

	Gratuity	
	As at	As at
	31 March 2023	31 March 2022
a) Decrease in Defined benefit obligation due to .5% increase in discount rate	(4.20)	(3.29)
b) Increase in Defined benefit obligation due to .5% decrease in discount rate	4.50	3.53
c) Increase in Defined benefit obligation due to .5% increase in Expected Salary Escalation rate	4.58	3.59
d) Decrease in Defined benefit obligation due to .5% decrease in Expected Salary Escalation rate	(4.32)	(3.38)

**Details of Defined Contribution Plan in respect of the Company:**

	2022-23	2021-22
<b>Contribution to Provident Fund</b>	266.17	223.73
<b>Total</b>	<b>266.17</b>	<b>223.73</b>





**39 Going Concern Assumption**

The Company has incurred significant losses in the current year and previous years and has accumulated losses of Rs. 1471.05 lakhs ( PY Rs 1300.09) (excluding OCI) as at the year end. Also, the company has given certain loans to various group companies, which are considered good and recoverable. Having regard to the fact that the net worth of the Company is eroded, the ability of the Company to continue as a going concern is dependent on the improvement of Company's future operations and continued support from the Holding Company. The Holding Company has confirmed to provide such financial support as the need arises.  
The accounts do not include any adjustment relating to valuation and classification that might be necessary should the Company be unable to continue as a going concern.

**40 Commitments and contingencies**

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

**41 Note on Recoverability of Gratuity/ Bonus/ Leave**

The Company has made appropriate provision for gratuity/ bonus/ leave for all the employees who have been outsourced to various companies. Recovery (revenue) would be recognised in the books as and when the right to receive the payment is established and there is no uncertainty regarding the amount.

**42 Details of Loans given, Investments made and Guarantee given covered under section 186(4) of the Companies Act, 2013:**

Name of Loanee	As at		As at		Purpose
	31 March 2022	Loan Given	Loan Repaid	31 March 2023	
Zuari Agro Chemicals Limited	9,350.00	-	-	9,350.00	General Corporate purpose
Texmaco Rail & Engineering Limited	3,971.49	-	-	3,971.49	General Corporate purpose

**43 Additional disclosures:**

**(a) Compliance with number of layers of companies:**

No layers of companies has been established beyond the limits prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

**(b) Relationship with Struck off Companies:**

No transaction has been made with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**(c) Undisclosed income:**

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

**(d) No bank or Financial institutions or other lender has declared the company as "Wilful defaulter".**

**(e) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year 2022-2023.**

**(f) There are no loan taken by the company from banks or financial institution on the basis of security of current assets.**

**(g) No scheme of arrangements have been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.**

**(h) Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:**

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the year
Transactions* where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	The company has outstanding balance of loan taken from Zuari Industries Limited of Rs 8,247 Lakhs at various dates and provided to Zuari Agro Chemicals Limited of Rs 9,350 Lakhs at various dates.

\*The transaction have been done for continuing loan given to Zuari Agro Chemicals Limited of Rs 9,350 Lakhs

**(i) Corporate Social Responsibility:**

The Company is not required to allocate amounts towards the CSR, hence disclosures are not applicable.

**(j) Transaction with respect to crypto currency or virtual currency:**

Particulars	Description
Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year
Amount of currency held as at the reporting date	No transaction during the year
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year



**ZUARI MANAGEMENT SERVICES LIMITED**

**Notes forming part of the financial statements as at 31 March 2023**

- 44 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. Based on an initial assessment by the Company, the additional impact on Provident Fund contributions by the Company is not expected to be material, whereas, the likely additional impact on Gratuity liability/ contributions by the Company could be material. The Company will complete its evaluation once the subject rules are notified and will give appropriate impact in the financial results in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**45 Ratio Analysis**

**a. Current Ratio= Current assets divided by Current Liabilities**

Particulars	31-Mar-23	31-Mar-22
Current Assets	14,022.13	9,343.84
Current Liabilities	8,655.66	8,345.87
Ratio	1.62	1.12
% change from previous Period/ year	45%	

Reason for change: The ratio is increased due to Long term loan given is also reclassified to current assets.

**b. Debt equity ratio= total debt divided by total shareholder's 's equity**

Particulars	31-Mar-23	31-Mar-22
Total Debt	14,747.00	14,933.71
Total equity	3,383.84	4,203.35
Ratio	4.36	3.55
% change from previous period/ year	23%	

Reason for change: Due to Reduction in Equity as Loss in Current FY

**c. Debt service coverage**

Particulars	31-Mar-23	31-Mar-22
Profit/ (loss) after tax	(193.44)	(190.77)
Add: Non cash operating expenses and finance cost		
Depreciation	1.84	1.69
Finance costs	2,033.07	2,000.99
<b>Earnings available for debt service</b>	<b>1,841.48</b>	<b>1,811.90</b>
Interest on borrowings	2,033.07	2,000.99
Principal repayments	1,524.71	2,610.36
<b>Total Interest and principal repayments</b>	<b>3,557.78</b>	<b>4,611.35</b>
Ratio	0.52	0.39
% change from Previous period/ year	32%	

Reason for change: The ratio is increased because of lower debt repayments during the current year.

**d. Return on equity ratio/ return on investment ratio= Net profit after tax divided by Average shareholder's equity**

Particulars	31-Mar-23	31-Mar-22
Net profit(loss) after tax	(193.44)	(190.77)
Average shareholders's equity	3,793.60	3,198.99
Ratio	-5.10%	-5.96%
% change from previous period/ year	0.86%	

Reason for change: Not Applicable

**e. Inventory turnover ratio= Net sales divided by average Inventory**

Particulars	31-Mar-23	31-Mar-22
Sale of services (Net sales)	2,912.67	2,221.72
Average Inventory	-	-
Ratio	NA	NA
% change from previous period/ year		

**f. Trade receivables turnover ratio= Net sales divided by average trade receivables**

Particulars	31-Mar-23	31-Mar-22
Sale of services (Net sales)	2,912.67	2,221.72
average trade receivables	179.34	185.81
Ratio	16.24	11.96
% change from previous period/ year	36%	

Reason for change: Improvement of collection from debtors in current year.



**g. Trade Payables turnover ratio= Net Purchases divided by average trade Payables**

Particulars	31-Mar-23	31-Mar-22
Net purchases	3,022.80	2,268.38
average trade Payable	166.72	170.19
Ratio	18.13	13.33
% change from previous period/ year	36%	

Reason for change: Quicker payment of trade payable.

**h. Net capital turnover ratio= Net sales divided by working capital**

Particulars	31-Mar-23	31-Mar-22
Sale of services (Net sales)	2,912.67	2,221.72
Working Capital	(319.80)	(159.80)
Ratio	(9.11)	(13.90)
% change from previous period/ year	-34%	

Reason for change: The company has minimal working capital cycle due to nature of business.

**i. Net profit turnover ratio= Net profit after tax divided by Net sales**

Particulars	31-Mar-23	31-Mar-22
Net profit/(loss) after tax	(193.44)	(190.77)
Sale of services (Net sales)	2,912.67	2,221.72
Ratio	-6.64%	-8.59%
% change from previous period/ year	1.95%	

Reason for change: Not Applicable

**j. Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed**

Particulars	31-Mar-23	31-Mar-22
Profit/(loss) before tax	(191.93)	(190.77)
Add: finance costs	2,033.07	2,000.99
EBIT	1,841.15	1,810.22
Tangible Net worth (total assets- total liabilities- Intangible assets)	3,383.84	4,203.35
Total debt	14,747.00	14,933.71
Capital Employed	18,130.84	19,137.06
Ratio	10.15%	9.46%
% change from previous period/ year	0.70%	

Reason for change: Not Applicable

46 Previous year figures have been re-grouped wherever necessary to correspond to current year figures.

As per our report of even date

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

Sunny Gupta  
Partner  
M No. 523969

Place: New Delhi  
Date: 09/05/2023

For and on behalf of the Board

(Nitin Kantak )  
Director  
DIN: 08029847

(Alok Saxena)  
Director  
DIN: 08640419

Date: 09/05/2023

