V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Sarojini House, 6 Bhagwan Das Road, New Delhi – 110001
Tel.(011) 44744643; e-mail: newdelhi@vsa.co.in

SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Zuari Finserv Limited

Report on the Audit of the special purpose Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Zuari Finserv Limited ("the Company"), which comprise the balance sheet as at 31st 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 as requested by Zuari Industries Limited ("the Holding Company") (herein after referred to as "Special Purpose Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS financial statements are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 3013, of the state of affairs of the Company as at 31st March, 2023, its profit (including comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ("ICAI"). 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 ICAI together with the ethical requirements that are relevant to our audit of the financial statements, 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.

Responsibilities of Management for Special Purpose Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the preparation of these special purpose Ind AS 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 Ind AS. This responsibility also includes maintenance of adequate accounting records 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 special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the special purpose Ind AS financial statements, the management and Board of Directors are 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.

The 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 special purpose Ind AS 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 special purpose Ind AS 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. 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.

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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.

Other Matters

This report is issued at the request of the Company and is intended for the information and use of the holding company and auditors of the holding company of the Company to prepare their consolidated financial statements and should not be circulated to any other person for any other purpose without our prior written consent.

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

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

Place: New Delhi
Dated: 9 May 2023
ICAI UDIN: 23514998BGXEPH6369

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

Audited Financial Statements:
ZUARI FINSERV LIMITED
As at 31st March, 2023
FY 2022-23
Approved on: 9th May, 2023

Compiled by:
Alok Kr. Srivastava & Team

Audited by:
M/s V. Sankar Aiyar & Co.
Chartered Accountants
Mr. Karthik Srinivasan
Partner

Contents:

ZUARI FINSERV LIMITED
New Delhi

Zuari Finserv Limited
CIN: U45400GA2013PLC007383
Balance Sheet as at 31 March, 2023

(All amounts in Lacs)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	22.98	25.95
Right-of-use assets	29	498.37	452.40
Other intangible assets	5	11.06	3.31
Financial assets			
(i) Other financial assets	6	809.21	233.86
Non-current tax assets (net)		62.18	120.48
Deferred tax assets (net)	24	107.19	118.13
		1,510.99	**954.13**
Current assets			
Financial assets			
(i) Trade receivables	7	361.88	344.70
(ii) Cash and cash equivalents	8	38.52	36.33
(iii) Other bank balances	9	904.43	2,002.19
(iv) Loans	10	829.54	855.45
(v) Other financial assets	6	1,361.64	2,127.07
Other current assets	11	48.14	32.18
		3,544.15	**5,397.92**
TOTAL		**5,055.14**	**6,352.05**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,393.81	2,352.11
Other equity	13	957.12	870.98
		3,350.93	**3,223.09**
Liabilities			
Non-current liabilities			
Provisions	14	127.82	115.71
Financial liabilities			
Lease liabilities	29	458.75	406.78
		586.57	**522.49**
Current liabilities			
Financial liabilities			
(i) Trade payables	15		
-Total outstanding due of micro enterprises and small enterprises		2.25	0.01
-Total outstanding due of creditors other than micro enterprises and small enterprises		105.58	109.25
(ii) Other financial liabilities	16	883.10	2,392.63
(iii) Lease liabilities	29	74.93	48.52
Other current liabilities	17	47.78	52.42
Provisions	14	4.00	3.64
		1,117.64	**2,606.47**
TOTAL		**5,055.14**	**6,352.05**

The accompanying notes 1 to 38 form an integral part of the Financial Statements.

As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

Place: New Delhi
Date: 09-05-2023

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

For and on behalf of the Board
Zuari Finserv Limited

Athar Shahab
Director
(DIN-01824891)

Place: Gurugram
Date: 09-05-2023

Ranjan Kumar
Whole Time Director
(DIN-09496534)

Place : New Delhi
Date: 09-05-2023

Alok Kr. Srivastava
Chief Financial Officer
(PAN: CANPS0898B)

Place: New Delhi
Date: 09-05-2023

Mayank Sharma
Company Secretary
(Membership No. 55646)

Place: New Delhi
Date: 09-05-2023

ZUARI FINSERV LIMITED
New Delhi

Zuari Finserv Limited
CIN: U45400GA2013PLC007383
Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Lacs)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	18	1,129.61	1,309.64
Other income	19	104.53	88.37
Total income		**1,234.14**	**1,398.01**
Expenses			
Employee benefits expense	20	740.53	673.41
Finance costs	21	46.85	18.04
Depreciation and amortization expense	22	115.11	56.45
Other expenses	23	292.35	383.06
Total expenses		**1,194.84**	**1,130.96**
Profit before tax		**39.30**	**267.05**
Tax expense:	24		
Current tax		-	-
Tax Expenses (Prior periods)		0.04	3.24
Deferred tax expense/(credit)		11.09	64.25
		11.13	**67.49**
Profit for the year		**28.17**	**199.56**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit plans		(0.55)	19.04
Income tax effects thereon		0.14	(4.95)
Other comprehensive income for the year		**(0.41)**	**14.09**
Total comprehensive income for the year		**27.76**	**213.65**
Earnings per equity share:	25		
Basic		0.12	0.87
Diluted		0.12	0.87

The accompanying notes 1 to 38 form an integral part of the Financial Statements.

As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

Place: New Delhi
Date: 09-05-2023

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

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ZUARI FINSERV LIMITED New Delhi

Zuari Finserv Limited
CIN: U45400GA2013PLC007383
Cash Flow Statement for the year ended 31 March 2023

(All amounts in Lacs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A Cash flow from operating activities		
(Loss)/profit before tax	39.30	267.05
Adjustments for :		
Depreciation and amortisation expense	115.11	56.45
Finance costs	46.85	18.04
Interest income	(61.91)	(36.41)
Interest Income on lease liabilities	(1.37)	0.00
Excess provision written back	(2.11)	(1.51)
Profit on sale of property, plant and equipment	0.05	-
Bad debts	-	0.85
Provision for Gratuity & Leave Encashment	11.92	
Loss allowance against credit impaired debtors	-	0.00
Operating profit before changes in working capital	147.84	304.47
Changes in working capital		
(Increase)/Decrease in trade receivables	(17.18)	(341.70)
(Increase)/Decrease in other assets	9.95	1.57
(Increase)/Decrease in other financial assets	197.46	849.41
Increase/(Decrease) in Trade payable and other payables	(1,513.49)	1,120.90
Increase/(Decrease) in provision	-	4.00
Cash flow generated from/(used in) operations	(1,175.42)	1,938.65
Income taxes (paid) / Refund Received (net)	58.26	(32.05)
Net cash flow generated from/(used in) operations	(1,117.16)	1,906.60
B Cash flow from investing activities		
Purchase of property, plant and equipment	(7.84)	(13.42)
Purchase of intangible assets	(13.64)	(2.79)
Proceeds from sale of property, plant and equipment,	0.15	(9.66)
Deposits made during the year	0.00	(876.71)
Interest received	61.91	32.94
Net cash flow used in investing activities	40.58	(869.64)
C. Cash flow from financing activities		
Proceeds from issue of Shares & Deposits	100.08	224.98
Payment of lease liabilities	(117.42)	(31.43)
Dividend Paid	-	(224.98)
Finance costs paid	(1.65)	(6.82)
Net cash flow (used in)/generated from financing activities	(18.99)	(38.25)
Net increase in cash and cash equivalents (A+B+C)	(1,095.57)	998.71
Cash and cash equivalents as at the beginning of the year	2,038.52	1,039.81
Cash and cash equivalents as at the end of the year	942.95	2,038.52
Reconciliation of cash and cash equivalents		
Cash on hand & 'Balances with bank:'In current accounts (refer Note 8)	38.52	36.33
Other bank balances(refer note 9)	904.43	2,002.19
Cash and cash equivalents (total)	942.95	2,038.52
Balances as per cash flow statement above	942.95	2,038.52

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.

2 Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

3 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activites.

The accompanying notes 1 to 38 form an integral part of the Financial Statements.

As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

Place: New Delhi
Date: 09-05-2023

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

For and on behalf of the Board
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Company Secretary
(Membership No. 55646)

Place: New Delhi
Date: 09-05-2023

ZUARI FINSERV LIMITED New Delhi

Zuari Finserv Limited
CIN: U45400GA2013PLC007383
Statement of Changes in Equity as at 31 March 2023

(All amounts in Rs. Lacs)

(a) Equity share capital

Equity shares of INR 10/- each issued, subscribed and fully paid	Number of shares	Amount
As at 31 March 2021	2,24,98,426	2,249.84
Addition during the year	10,22,656	102.27
As at 31 March 2022	**2,35,21,082**	**2,352.11**
Addition during the year	4,17,000	41.70
As at 31 March 2023	**2,39,38,082**	**2,393.81**

(b) Other equity	Retained earnings	Securities Premium	Total
For the year ended 31 March 2022			
As at 01 April 2021	**509.60**	**250.00**	**759.60**
(Loss)/Profit for the year	199.56	-	199.56
Dividend Paid	(224.98)		(224.98)
Other comprehensive loss	14.09	-	14.09
Security Premium	-	122.72	122.72
Total comprehensive Profit / (Loss)	**(11.33)**	**122.72**	**111.39**
As at 31 Mar 2022	**498.27**	**372.72**	**870.98**
For the year ended 31 March 2023			
As at 01 April 2022	498.27	372.72	870.98
(Loss)/Profit for the year	28.17	-	28.17
Dividend Paid	-	-	-
Other comprehensive Profit	(0.41)	-	(0.41)
Security Premium	-	58.38	58.38
Total comprehensive Profit / (Loss)	**27.76**	**58.38**	**86.14**
As at 31 March 2023	**526.03**	**431.10**	**957.12**

The accompanying notes 1 to 38 form an integral part of the Financial Statements.
As per our report of even date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998
Place: New Delhi
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Place: New Delhi
Date: 09-05-2023

ZUARI FINSERV LIMITED New Delhi

Zuari Finserv Limited
Summary of significant accounting policies and other explanatory information's for the year ended March 31, 2023.

1. Corporate information

Zuari Finserv Limited (the "Company") is a public Company domiciled in India an incorporated under the provisions of the Companies Act, 1956. The Company is in the business of stock broking, depository participant, mutual fund broking, registrar and share transfer agent, real estate agent and mortgage agent.

The Board of Directors of the Company in their meeting held on 9 February 2019 approved the Scheme of Arrangement ("the Scheme") between the Company with Zuari Commodity Trading Limited (ZCTL) with an appointed date being 1 April 2018 in the Scheme which got confirmed with order of Scheme of Merger of ZCTL with the Company dated 9 May 2019 received from Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai and was filed with Registrar of Companies on 8 June 2019 (being effective date).

2. Application of Indian Accounting Standards

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

3. Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended time to time) notified under section 133 of the Companies Act, 2013 (the "Act").
The financial statements of the Company have been prepared on a historical cost basis., except for certain financial assets measured at fair value or net realizable value as applicable.

b) Current versus non-current classification

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

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

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

The Company classifies all other liabilities as non-current.

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

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ZUARI FINSERV LIMITED
New Delhi

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

c) Revenue recognition

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

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

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

Identifying the performance obligations

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

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

Determining the transaction price

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

Allocating the transaction price to the performance obligations

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

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

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

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

Revenue from the sale of goods was recognized when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. The company recognizes revenue from the following major sources: -

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NEW DELHI
FRN 109208W
CHARTERED ACCOUNTANTS

Rendering of services:

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

Interest income:
For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). Refer note k for the same.

d) Taxes

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

Current income tax

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

Deferred tax

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

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

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

e) Borrowing costs

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

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NEW DELHI
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CHARTERED ACCOUNTANTS

ZUARI FINSERV LIMITED
New Delhi

their intended use or sale.

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

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

f) 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.

Depreciation, estimated useful life and residual life

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

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

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

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ZUARI FINSERV LIMITED
New Delhi

g) Intangible assets

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

Recognition:

The costs of intangible asset is 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.

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

Gains/(losses) arising from 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 recognized in the statement of profit or loss when the asset is derecognized.

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

h) 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.

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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.

i) Leases

As a lessee

As inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.
At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet. Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the comparative period, as a lessee, the lease payments in respect of assets taken on operating lease are charged to the profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increase.

j) Post-employment and other employee benefits

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

Gratuity liability being a defined benefit obligation is provided for on the basis of estimation on projected unit credit method made at the end of period. The gratuity plan of the Company has been funded by policy taken from Life Insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognized in

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partly for the period in which they occur in the statement of profit and loss.

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

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

•The date of the plan amendment or curtailment, and

•The date that the Company recognizes related restructuring costs

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

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

•Net interest expense or income

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

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

k) Financial instruments

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

Financial assets:

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

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Amortized cost

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

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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

Financial liabilities:

Financial liabilities are subsequently carried at 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 the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

l) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of equity shares outstanding during the period.

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

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m) 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.

n) 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.

o) Significant accounting judgements, estimates and assumptions

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

Significant management judgements

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

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

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors,

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including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset. The Company has also factored in overall time period of rent agreements to arrive at lease period to recognize rental income on straight line basis.

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

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.
Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

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

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

p) 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
ii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
iii. Ind AS 12 – Income Taxes

Application of above standards are not expected to have any significant impact on the company's financial statements.

q) Rounding of amounts

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

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(All amounts in Lacs)

4 Property, plant and equipment

Particulars	Furniture and fixtures	Office equipments	Total
Year ended 31 March 2022			
Gross carrying amount			
As at 01 April 2021	39.33	63.88	103.21
Additions	-	13.42	13.42
Disposals	0.16	4.93	5.09
As at 31 March 2022	39.17	72.37	111.54
Accumulated depreciation			
As at 01 April 2021	25.20	50.09	75.29
Depreciation charge during the year	1.10	13.77	14.87
Adjustment for disposals	0.16	4.41	4.57
As at 31 March 2022	26.14	59.45	85.59
Net carrying amount	13.03	12.92	25.95
Year ended 31 March 2023			
Gross carrying amount			
As at 01 April 2022	39.17	72.37	111.54
Additions	-	7.84	7.84
Disposals	-	0.92	0.92
As at 31 March 2023	39.17	79.29	118.46
Accumulated depreciation			
As at 01 April 2022	26.14	59.45	85.59
Depreciation charge during the year	1.10	9.51	10.61
Adjustment for disposals	-	0.72	0.72
As at 31 March 2023	27.24	68.24	95.48
Net carrying amount	11.93	11.05	22.98

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(All amounts in Lacs)

5 Other intangible assets

Particulars	Softwares
Year ended 31 March 2022	
Gross carrying amount	
As at 01 April 2021	12.32
Additions	2.79
As at 31 March 2022	**15.11**
Accumulated amortisation	
As at 01 April 2021	9.17
Amortisation during the year	2.63
As at 31 March 2022	**11.80**
Net carrying amount	**3.31**
Year ended 31 March 2023	
Gross carrying amount	
As at 01 April 2022	15.11
Additions	13.64
As at 31 March 2023	**28.75**
Accumulated amortisation	
As at 01 April 2022	11.80
Amortisation during the year	5.89
As at 31 March 2023	**17.69**
Net carrying amount	**11.06**

Note:

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 at end of year.
3. Title deeds of Immovable Properties: The Company does not have any Immovable property, hence the disclosures are not applicable.
4. Ageing of capital work in progress and intangible assets under development: The Company does not have any Capital Work in Progress or intangible assets under development, hence the disclosures are not applicable.

6 Other Financial assets

Particulars	Non- current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Measured at amortised cost:				
(unsecured, considered good)				
Balances with banks - in deposit accounts*	599.12	44.12	-	-
Interest accrued on deposits	-	-	30.55	28.71
Other Security deposits	40.32	189.74	-	-
Security deposit with stock exchanges	169.77	-	-	-
Margin deposits with stock exchange	-	-	1,331.09	2,098.36
Total	**809.21**	**233.86**	**1,361.64**	**2,127.07**

* Under lien - includes INR 500.00 Lacs (P.Y. INR Nil) to HDFC Bank Limited, INR 1.12 Lacs (P.Y. INR 1.12 Lacs) to ISSL, INR 10.00 Lacs (P.Y. INR 10.00 Lacs) to BSE Limited, INR 8.00 Lacs (P.Y. INR 8.00 Lacs) to National Stock Exchange India Limited, INR 25.00 Lacs (P.Y. INR 25.00 Lacs) to National Securities Clearing Corporation Ltd. Considering the compulsion to renew the deposits, they are treated as non-current.

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(All amounts in Lacs)

Particulars		As at 31 March 2023	As at 31 March 2022
7 Trade receivables			
Measured at amortised cost:			
Secured, considered good		315.85	141.60
Unsecured, considered good		46.03	203.10
Unsecured which have significant increase in credit risk		13.76	-
		375.64	344.70
Less: allowabces for doubtful trade receivables		(13.76)	-
	Total	**361.88**	**344.70**

Note:- No trade and other receivables are due from directors of the company either serverally and jointly with any other person. Nor any trade or other receivables are due from firm or private companies is effectively. In which any director is a partner, a director or a member

*Refer note 30 for receivables towards related parties.

Trade receivables ageing

S. No.	Particulars	Outstanding for the year ended 31 March 2023						
		Unbilled revenue	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - considered good	-	71.09	50.23	51.12	33.06	156.38	361.88
(ii)	Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	13.76	13.76
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	-	**71.09**	**50.23**	**51.12**	**33.06**	**170.14**	375.64
	Less: Provision for Doubtful Receivables							(13.76)
	Total							361.88

S. No.	Particulars	Outstanding for the year ended 31st March 2022						
		Unbilled revenue	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - considered good	-	73.23	38.43	50.50	33.19	149.35	344.70
(ii)	Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	-	**73.23**	**38.43**	**50.50**	**33.19**	**149.35**	344.70
	Less: Provision for Doubtful Receivables							-
	Total							344.70

8 Cash and cash equivalents

Cash on hand		0.19	0.36
Balances with bank:			
In current accounts		38.33	35.97
	Total	**38.52**	**36.33**

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(All amounts in Lacs)

Particulars		As at 31 March 2023	As at 31 March 2022
9 Other bank balances			
In Current accounts - exchanges		904.43	2002.19
	Total	**904.43**	**2,002.19**
10 Loans			
At amortised cost			
Margin trade funding - Secured		829.54	855.45
	Total	**829.54**	**855.45**

(1) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(2) There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(3) There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or year of repayment

11 Other Current assets			
Other advances recoverable in cash or in kind		15.17	14.59
Prepaid expenses		32.97	17.59
	Total	**48.14**	**32.18**
12 Equity share capital			
Authorised:			
30,010,000 (30,010,000) equity shares of INR 10/- each		3,001.00	3,001.00
Issued shares:			
2,39,38,082 (2,35,21,082) Equity shares of INR 10/- each		2,393.81	2352.11
Subscribed and fully paid-up shares:			
2,39,38,082 (2,35,21,082) Equity shares of INR 10/- each		2,393.81	2352.11

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

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount in Lacs	No. of shares	Amount in Lacs
Equity shares capital				
Outstanding at the beginning of the year	2,35,21,082	2,352.11	2,24,98,426	2,249.84
Addition during the year	4,17,000	41.70	10,22,656	102.27
Outstanding at the end of the year	**2,39,38,082**	**2,393.81**	**2,35,21,082**	**2,352.11**

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(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential commitments and statutory obligations. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

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

Name of the shareholder	As at 31 March 2023 No. of shares	As at 31 March 2023 %age of shares held	As at 31 March 2022 No. of shares	As at 31 March 2022 %age of shares held
Equity shares of INR 10 each fully paid				
Zuari Industries Limited	2,39,38,082	100%	2,35,21,082	100%

(iv) As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(v) The Company has neither issued/ alloted any shares for consideration other than cash, nor has issued bonus shares during the year of five years immediately preceeding the balance sheet date. Further, no shares have been reserved for issue under options and contracts/ commitments for sales of shares/ disinvestment by the Company.

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

Shares held by promoters at the end of the year 31st March 2023			% Change during the year
Promoter Name	No of Shares	% of total Shares	
Zuari Industries Limited	2,39,38,082	100	-

Shares held by promoters at the end of the year 31st March 2022			% Change during the year
Promoter Name	No of Shares	% of total Shares	
Zuari Industries Limited	2,35,21,082	100	-

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13 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings#		
Opening balance	498.26	509.59
Profit for the year	28.17	199.56
Dividend Paid	-	(224.98)
Other comprehensive income	(0.41)	14.09
	526.02	**498.26**
Securities premium account*		
Opening balance	372.72	250.00
Received/(utilized) during the year	58.38	122.72
	431.10	**372.72**
Closing balance	**957.12**	**870.98**

#Retained earnings is created from profit for the year of the Company as adjusted for distribution to owners, transfer to other reserves, etc.

* Nature and purpose:
Security premium reserve is created when the Company issues shares at premium. The aggregate amount of premium received on the shares is transferred to a separate account called "security premium reserve". The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions.

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Particulars	As at 31 March 2023	As at 31 March 2022

14 Provisions

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for Employee Benefits				
- Gratuity	79.55	72.59	1.89	1.52
- Leave Encashment	48.27	43.12	2.11	2.12
Total	127.82	115.71	4.00	3.64

15 Trade payables

	As at 31 March 2023	As at 31 March 2022
Trade payables:		
-Total outstanding due of micro enterprises and small enterprises	2.25	0.01
-Total outstanding due of creditors other than micro enterprises and small enterprises	105.58	109.25
Total	107.83	109.26

*Refer note 34 for details of dues to micro and small enterprises.

*Refer note 30 for payable towards related parties.

Trade Payable ageging :

Particulars	Outstanding for the year ended 31 March 2023					Total
	Unbilled dues	Less than 1 yr.	1-2 years	2-3 years	More than 3 yrs	
(i) MSME	-	-	2.16	0.08	0.01	2.25
(ii) Other than MSME	65.47	40.05	-	-	0.06	105.58
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-
Total	65.47	40.05	2.16	0.08	0.07	107.83

Particulars	Outstanding for the year ended 31 March 2022					Total
	Unbilled dues	Less than 1 yr.	1-2 years	2-3 years	More than 3 yrs	
(i) MSME	-	0.01	-	-	-	0.01
(ii) Other than MSME	75.27	33.88	0.10	-	-	109.25
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-
Total	75.27	33.89	0.10	-	-	109.26

16 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Security deposits received from:		
Depository clients	224.47	215.87
Others	5.36	5.36
Client money	653.27	2,160.18
Unaccrued Income	-	11.22
Total	883.10	2,392.63

17 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues	20.35	27.31
Accrued Salary and Benefits	27.43	25.11
Total	47.78	52.42

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18 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Disaggregated revenue from contracts with customers		
Depository operations	153.47	170.13
Brokerage income from:		
Stock broking and commodity operations	767.47	972.11
Mutual funds	141.53	109.74
Real estate	(5.74)	7.09
Loans facilitation	1.81	-
Registrar and share transfer agents	71.07	50.57
Total	**1,129.61**	**1,309.64**

19 Other income

Interest on deposits from:		
Deposits with exchanges	55.60	34.84
Security deposits	1.37	1.57
Income Tax Refund	6.31	-
Excess provisions written back	2.11	1.51
Rental income	29.03	25.80
Profit on sale of property, plant and equipment	-	0.50
Recovery of Bad Debts	1.94	21.66
Miscellaneous income	8.17	2.49
Total	**104.53**	**88.37**

20 Employee benefits expense

Salaries, wages and bonus	715.64	664.63
Contribution to provident fund	41.41	37.57
Staff welfare expenses	38.24	19.95
Gratuity Exp.	14.75	14.63
	810.04	**736.78**
Less: Cost allocated to related parties	69.51	63.37
Total	**740.53**	**673.41**

21 Finance costs

Interest expense on borrowings	0.40	0.14
Interest expense on lease liabilities (refer note 29)	45.20	17.69
Other borrowing costs	1.25	0.21
Total	**46.85**	**18.04**

22 Depreciation and amortization expenses

Depreciation of property, plant and equipment	10.61	14.87
Depreciation of right-of-use assets (refer note 29)	98.61	38.95
Amortisation of intangible assets	5.89	2.63
Total	**115.11**	**56.45**

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23 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Advertisement	0.02	0.23
Depository charges and brokerage	33.39	34.10
Computer repair and maintenance	40.91	20.98
Fees and subscription	4.00	8.58
Insurance	2.59	1.96
Legal and professional	10.62	15.68
Auditors remuneration*	6.00	4.47
Office maintenance	32.96	32.86
Rates and taxes	6.89	0.11
Printing and stationery	4.72	4.52
Directors sitting fees	1.50	3.40
Rent	-	59.69
Communication	24.55	24.52
Travelling and conveyance	22.96	16.98
Provision for Doubtful Receivables	13.76	-
Bad debts	1.96	0.85
Loss on sale of property, plant and equipment	0.05	-
Commission paid	45.81	114.35
Business Support Expencess	38.77	36.80
Miscellaneous expenses	0.89	2.98
Total	**292.35**	**383.06**

* Auditors remuneration		
Audit fees	3.00	2.00
Tax audit fees	0.75	0.75
Certification fees/Other Matters Exp.	2.25	1.55
Reimbursement of expenses	-	0.17
	6.00	**4.47**

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	Year ended 31 March 2023	Year ended 31 March 2022
24 Income tax expense		
Amount Recognised in the Statement of Profit and Loss		
Current tax expense	-	-
Tax adjustment of earlier years	0.04	3.24
Deferred tax expense/(credit)	11.09	64.25
Total Tax Expense	**11.13**	**67.49**
Amount Recognised in the OCI		
Current Income Tax on Re-measurement of Defined Benefit Plan	**0.14**	**(4.95)**
Reconciliation of Effective Tax Rate on Profit before Income Tax		
Enacted Income Tax rate	**25.17%**	**25.17%**
Accounting Profit Before Income Tax	39.31	267.06
Current tax as per enacted tax rate	9.88	67.21
Tax adjustment of earlier years	0.04	3.24
Tax Effect of Permanent Differences	(4.29)	(0.27)
Earlier year difference & losses	5.45	(2.69)
Current Tax Expense (A)	**11.09**	**67.49**
Effective income tax rate	**28.22%**	**25.27%**
Accounting profit	39.31	267.06
Applicable tax rates	25.17%	25.17%
Expected tax expense	9.88	67.23
Impact of tax losses on which no deferred tax was recognised	1.21	(2.97)
Deferred tax created for earlier years	-	(2.98)
Actual tax expense	**11.09**	**64.25**
Tax expense comprises:		
Current tax expense		-
Deferred tax expense/(credit)	11.09	64.25
MAT credit	-	-
	11.09	**64.25**

Notes:

(i) The Company has recognised deferred tax asset on unused tax losses considering expansion plans of business and expected improved profitability of the Company (including taxable profits) to the extent, the management of the Company expects to generate sufficient taxable profits in the near future.

(ii) The Company elected to exercise the option of reduced income-tax rates permitted under section 115BBA of the Income-tax Act 1961 ("the Act"), as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and has accordinglt adopted lower income tax rates w.e.f year ended 31 March 2021 onwards.

Deferred tax assets:

	As at 31 March 2021	(Charged)/ Credited to Profit or Loss	OCI	As at 31 March 2022	(Charged)/ Credited to Profit or Loss	OCI	As at 31 March 2023
Deferred tax liability:	-	-	-	-	-	-	-
Investment in preference shares fair valued	-	-	-	-	-	-	-
Deferred tax liability (A):	-	-	-	-	-	-	-
Deferred tax assets:							
Depreciation	12.73	(0.15)	-	12.58	0.02	-	12.59
Provision for gratuity	20.12	3.49	(4.95)	18.65	1.70	0.14	20.50
Provision for leave encashment	13.71	(2.32)	-	11.39	1.29	-	12.68
Provision for bonus	1.49	(0.11)	-	1.39	(0.14)	-	1.24
Loss allowance against credit impaired debtors	-	-	-	-	3.46	-	3.46
Carry forward losses	138.10	(64.70)	-	73.40	(27.72)	-	45.68
MAT credit entitlement	-	-	-	-	-	-	-
MAT credit entitlement*	-	-	-	-	-	-	-
Lease liabilities	1.19	(0.46)	-	0.73	10.30	-	11.03
Total (B)	**187.33**	**(64.25)**	**(4.95)**	**118.13**	**(11.09)**	**0.14**	**107.19**
Deferred tax asset/(liability) (B - A)	**187.33**	**(64.25)**	**(4.95)**	**118.13**	**(11.09)**	**0.14**	**107.19**

* (additions pursuant to merger)

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

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25 Earnings per share (EPS)

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

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(Loss)/profit attributable to equity holders	28.17	199.56
Weighted average number of equity shares used for computing EPS (Basic and Diluted)	2,38,56,967	2,28,31,840
Face value per share (INR per share)	10.00	10.00
(Loss)/earning per share (basic and diluted) (INR)	**0.12**	**0.87**

26 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for is ` Nil (March 31, 2022: ` Nil).

27 Contingent liabilities

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

(b) The Hon'ble Supreme Court (SC) has, vide its decision dated 28 February 2019 ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution.

Consequent to the above SC decision, the management implemented necessary changes to comply with the judgement prospectively. While the above SC decision is applicable retrospectively, there is uncertainty with respect to the manner in which it needs to be applied for the earlier year. Accordingly, no provision has been recognized in the financial statements in respect of year prior to the judgement.

28 Capital management

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

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Trade payables	107.83	109.26
Less: Cash and cash equivalents	(942.95)	(2,038.52)
Net debt	**(835.12)**	**(1,929.26)**
Total Capital	**3,350.93**	**3,223.09**
Capital and net debt	**2,515.81**	**1,293.83**
Gearing ratio	**Not Applicable**	**Not Applicable**

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

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29 Leases

Where Company is a lessee

The Company leases several buildings in form of corporate & registered office:

Lease term is:	(In Years)
Corporate offices	2 to 9

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

As on 1 April 2019, the Company has recognized "right of use asset" at an amount equivalent to the lease liability and consequently, there is no adjustment in the opening standalone retained earnings.

i. Right of use assets

Right-of-use assets related to leased buildings that do not meet the definition of investment property are presented as property, plant and equipment below:

	As at 31 March 2023	As at 31 March 2022
Recognised as at 1 April 2022	**452.40**	78.48
Additions	72.28	412.87
Adjustment	108.02	
Derecognition	(35.72)	-
Impairment	-	-
Depreciation	(98.61)	(38.95)
Closing balance as on 31 March 2023	**498.37**	**452.40**

ii. Lease liabilties

	As at 31 March 2023	As at 31 March 2022
Recognised as at 1 April 2022	**455.30**	83.22
Addition	71.57	403.52
Adjustment	114.65	-
Deletion	(35.62)	-
Interest accured	45.20	17.69
Payments	(117.42)	(49.13)
Closing balance as on 31 March 2023	**533.68**	**455.30**
Current (Current Maturities of lease liabilties)	74.93	48.52
Non Current	**458.75**	**406.78**

iii. Amount recognised in statement of profit and loss

	As at 31 March 2023	As at 31 March 2022
Depreciation (refer note 22)	98.61	38.95
Interest on lease liabilties (refer note 21)	45.20	17.69
Expenses relating to short-term leases	-	59.69
Net Impact on Statement of Profit and Loss	**143.81**	**116.33**

iv. Amount recognised in Cash Flow Statement

	As at 31 March 2023	As at 31 March 2022
Payment of finance cost	45.20	17.69
Payment of lease liabilties	72.00	31.00
Total cash outflows	**117.20**	**48.69**

v. Extension and termination options are included in a leases of building in the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension and termination options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.
The Company has estimated that the potential future lease payments when the Company is reasonably certain of exercising the extension and not exercising the termination options and the impacts of the same have been captured while calculating lease liabilities under Ind AS 116.

vi. Payments associated with short term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

vi. The Company does not have any variable lease payment arrangements.

Where Company is a Lessor

The Company has not sub-leased any of its leased properties.

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30 Related party disclosures as per Ind AS 24:

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

i) Holding Company: Zuari Industries Limited^ **(earlier known as Zuari Global Limited)**

Nature of transaction	As at 31 March 2023	As at 31 March 2022
Amount Paid on their behalf	1.14	-
Share capital issued	41.70	-
Share Security premium issued	58.38	-
Depository/brokerage income	7.97	19.53
RTA Income	6.80	-
Support Services charged	0.09	-
Brokerage income	-	2.82
Dividend paid	-	224.98
Closing balance*	2.30	29.22

* Closing balances shown under trade receivables/other current assets/ trade payables

^ Gobind Sugar Mills Limited (GSML) has been merged with Zuari Global Limited (now known as Zuari Industries Limited) through the approval of the Scheme of Amalgamation received from the National Company Law Tribunal ('the NCLT'), Mumbai Bench and Delhi Bench, vide their orders dated 20th April 2022 and 28th March 2022 respectively, with the appointed date of 1st April 2020.

ii) Fellow subsidiaries:

Indian Furniture Products Limited (IFPL)
Simon India Limited (SIL)
Zuari International Limited (ZITL)
Zuari Sugar & Power Limited (ZSPL)
Zuari Insurance Brokers Limited (ZIBL)
Zuari Management Services Limited (ZMSL)
Zuari Infraworld India Limited (ZIIL)
Zuari Envien Bioenergy Private Limited (ZEBPL)

As at 31 March 2023

Nature of transaction	IFPL	SIL*	ZITL*	ZSPL*	ZIBL*	ZMSL	ZIIL*	ZEBPL*
Property, plant and equipment (office equipment transferred)		-	0.31	-	-	-	-	-
Amount paid on their behalf	-	-	5.01	-	0.18	-	-	-
Amount paid on our behalf		-	0.48	-	33.00	-	-	-
Support Services charged	-	-	0.18	-	11.21	-	-	-
RTA / DP / Brokerage income	0.11	0.85	0.64	0.11	0.10	3.10	0.75	0.05
Payroll Processing Charges	-	-	-	-	-	1.76	-	-
Emplyoee Transfer Cost	-	-	-	-	61.50	-	-	-
Manpower Processing Charges	-	-	-	-	-	14.61	-	-
Learning and Development Charges	-	-	-	-	-	0.62	-	-
Retiral Received	-	-	1.24	-	-	-	-	-
Depository participant income	-	-	-	-	0.01	-	-	-
Deputation Income	-	-	8.02	-	-	-	-	-
Rental income	-	-	2.42	-	26.62	-	-	-
Closing balance *	0.01	0.21	-	5.10	1.63	(1.68)	1.42	0.05

Year ended 31 March 2022

Nature of transaction	IFPL	SIL*	ZITL*	ZSPL*	ZIBL*	ZMSL	ZIIL*	ZEBPL*
Amount paid on their behalf	-	-	-	0.96	0.01	-	-	-
Support Services charged	-	-	0.27	0.17	10.91	-	-	-
RTA / DP / Brokerage income	0.02	2.71	0.49	4.72	0.10	0.68	0.45	-
Payroll Processing Charges	-	-	-	-	-	1.18	-	-
Emplyoee Transfer Cost	-	-	-	-	54.23	0.64	-	-
Depository participant income	-	-	-	-	0.01	-	-	-
Deputation Income	-	-	7.06	2.08	-	-	-	-
Rental income	-	-	2.10	0.30	23.40	-	-	-
Closing balance *	0.02	1.19	0.11	4.98	0.21	0.02	0.50	-

* Closing balances shown under trade receivables/other current assets/ trade payables

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30 Related party disclosures as per Ind AS 24:

iii) Joint Venture of Holding Company:
Forte Furniture Products India Private Limited

Nature of transaction	As at 31 March 2023	As at 31 March 2022
Brokerage income	-	-
RTA Income	0.25	0.20
Closing balance (shown under head trade receivables)	-	-

iv) Associates of Holding Company
1) Texmaco Infrastructure and Holdings Limited (TIHL)
2) Zuari Agro Chemical Limited (ZACL)
3) New Eros Tradecom Limited (NETL)
4) Zuari Marco Phosphates Private Limited (ZMPPL)
5) Brajbhumi Nirmaan Private Limited (BNPL)

As at 31 March 2023

Nature of transaction	TIHL	ZACL	NETL	ZMPPL	BNPL
Brokerage income	-	2.39	-	-	-
Depository income	0.01	8.63	0.01	0.84	-
RTA Income	-	-	0.10	0.20	-
Amount Paid.on their behalf	-	-	8.82	-	-
Closing balance*	0.01	7.89	0.02	0.26	2.50

* Closing balances shown under trade receivables/other current assets/ trade payables

As at 31 March 2022

Nature of transaction	TIHL	ZACL	NETL	ZMPPL	BNPL
Brokerage income	2.67	6.76	-	-	-
Depository income	0.12	17.54	0.01	0.08	-
RTA Income	-	-	0.10	0.20	-
Closing balance*	0.00	30.24	0.01	0.11	2.50

* Closing balances shown under trade receivables/other current assets/ trade payables

v) Directors/Key Management Personnel
Mr. Ranjan Kumar (Manager/Whole Time Director)
Mr. Alok Kumar Srivastava (Chief Financial Officer)
Mr. Mayank Sharma (Company Secretary)
Mr. Rajkumar Tanwar (Company Secretary) (upto FY2021-22)

Nature of transaction	As at 31 March 2023	As at 31 March 2022
Mr. Ranjan Kumar	55.05	50.78
Mr. Alok Kumar Srivastava	19.35	19.59
Mr. Mayank Sharma	5.73	-
Mr. Rajkumar Tanwar	-	5.39

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ZUARI FINSERV LIMITED
New Delhi

Zuari Finserv Limited
CIN: U45400GA2013PLC007383
Notes forming part of the financial statements as at 31 March 2023

(All amounts in Lacs)

31 Fair value measurements

31.1 Financial instruments by category

		Carrying value	
		As at 31 March 2023	As at 31 March 2022
	Financial assets		
A	Investment in unquoted equity shares [refer note (i) below]	-	-
B	**Amortised cost:** [refer note (ii) below]		
	Security deposits & Fixed deposits	2,140.30	2,332.22
	Trade receivables	361.88	344.70
	Loans	829.54	855.45
	Other bank balances	904.43	2,002.19
	Cash and cash equivalents	38.52	36.33
	Total	**4,274.67**	**5,570.89**
	Financial liabilities		
A	**Amortised cost:** [refer note (ii) below]		
	Lease liabilities	533.68	455.30
	Trade payables	107.83	109.26
	Other financial liabilities	883.10	2,392.63
	Total	**1,524.61**	**2,957.19**

Notes:

(i) The Company holds investments in equity shares of its subsidiary companies. These are recorded at cost in the Company's financial statements.

(ii) The management of the Company assessed that carrying value of financial assets and financial liabilities, carried at amortised 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.

31.2 Fair 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

However, as on reporting dates, the Company does not have any financial assets required to measured at fair value either on recurring basis or on non recurring basis.

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(All amounts in Lacs)

32 Financial risk management objectives and policies

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

The Company is exposed to **market risk, credit risk and liquidity risk.** The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **interest rate risk, currency risk and other price risk,** such as **equity price risk**. Financial instruments affected by market risk include loans and investments. The Company is not exposed to currency risk and price risk as it has not foreign currency transactions and no market exposures. The Company has short term loan facility which is having fixed rate of interest. Therefore, risk of exposure to interest rates is considered insignificant.

Equity price risk

Applicability

Investment in un-quoted equity shares

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

Credit risk

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

Applicability	**As at 31 March 2023**	**As at 31 March 2022**
Security deposits (current and non- current)	2,140.30	2,332.22
Trade receivables	361.88	344.70
Loans	829.54	855.45
Cash and cash equivalents	942.95	2,038.52
	4,274.67	**5,570.88**

Note:

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

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

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(ii) Trade receivables

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

Summary of trade receivables:

Particulars	0-90 days	91-180 days	More than 180 days
Carrying amounts as on 31 March 2022	40.55	32.67	271.48
Carrying amounts as on 31 March 2023	62.12	6.63	293.13

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

Liquidity risk

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

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

Particulars	Within 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2023				
Trade payables	107.83	-	-	**107.83**
Lease liabilities (including current maturities)	74.93	390.71	68.04	**533.68**
Other financial liabilities	883.10	-	-	**883.10**
	1,065.86	**390.71**	**68.04**	**1,524.61**
As at 31 March 2022				
Trade payables	109.26	-	-	**109.26**
Lease liabilities (including current maturities)	48.52	315.71	91.07	**455.30**
Other financial liabilities	2,392.63	-	-	**2,392.63**
	2,550.41	**315.71**	**91.07**	**2,957.19**

No changes were made in the objectives, policies or processes of managing capital during the year ended 31 March 2023.

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33 Employee benefit obligations:

A Gratuity

Particulars	As at 31 March 2023	As at 31 March 2022
Plans		
- Gratuity (not funded)	81.44	74.12
	81.44	**74.12**

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

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

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Current service cost	9.48	9.19
Net interest cost	5.27	5.43
	14.75	**14.63**

Amount recognised in other comprehensive income for the year ended :

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Actuarial (losses)/gains on obligations	(0.55)	19.04
	(0.55)	19.04

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening defined obligations	74.12	79.93
Current service cost	9.48	9.19
Interest cost	5.27	5.43
Benefits paid	(8.23)	(1.39)
Actuarial gain on obligations	0.55	(19.04)
Transfer In / (Out)	0.25	-
Defined benefit obligation	**81.44**	**74.12**

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

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (in %)	7.45%	7.11%
Salary Escalation (in %)	5%	5%
Retirement Age	60 Years	60 Years

Gratuity Plan

Particulars	As at 31 March 2023			
Assumptions	Discount rate		Future salary increases	
Sensitivity level (in basis point)	50 basis point increase	50 basis point decrease	50 basis point increase	50 basis point decrease
Impact on defined benefit obligation (INR)	(4.60)	4.96	5.06	(4.72)

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Particulars	As at 31 March 2022			
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level (in basis point)	50 basis point increase	50 basis point decrease	50 basis point increase	50 basis point decrease
Impact on defined benefit obligation (INR)	(4.45)	4.83	4.91	(4.56)

Note -
1) Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.
2) Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Less than a year	1.89	1.52
Between 1 - 2 years	1.96	1.23
Between 2 - 5 years	10.20	6.34
Over 5 years	67.39	65.03
Total	**81.44**	**74.12**

The average duration of the defined benefit plan obligation at the end of the reporting year is 12 years (31 March 2022: 15.93 years).

B Leave encashment

Particulars	As at 31 March 2023	As at 31 March 2022
Provisions	48.76	45.24
	48.76	**45.24**
Amount recognised in the statement of profit and loss is as under:		
Current service cost	7.93	8.39
Interest cost	3.21	3.70
Actuarial loss recognised during the year	17.51	(0.19)
	28.65	**11.90**

C Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by government of India. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognised during the year towards defined contribution plan is INR 34.67 lacs (31 March 2022 - INR 37.57 lacs).

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34 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	2.25	0.01
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 year 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.	-	-

35 **Segment information**

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

36 **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:**

The company has not made any transactions with struck off companies 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 for the year ended 31 March 2023 and for the year ended 31 March 2022.

(d) No bank or Financial institutions 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 of charge is pending for the year ended 31 March 2023 and for the year ended 31 March 2022.

(f) No loan has been taken from banks or financial institution by the company where it has secured its 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.	No such transaction has taken place during the year

(i) **Corporate Social Responsibility:**

Company is not required to allocate the amount 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

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(k) Ratio Analysis

1 **Current Ratio= Current assets divided by Current Liabilities**

Particulars	31-Mar-23	31-Mar-22
Current Assets	3,544.15	5,397.92
Current Liabilities	1,117.64	2,606.47
Ratio	3.17	2.07
% change from previous year/ year	53%	

The ratio has been increased from 2.07 to 3.23 in FY 2022-23 due to decrease in advances from clients.

The ratio has decreased in FY 2020-21 and further not ascertainable due to permanent decrease in borrowings.

2 **Debt service coverage ratio= earnings available for debt services divided by total interest and principal repayments**

Particulars	31-Mar-23	31-Mar-22
Profit(loss) after tax*	28.17	199.56
Add: Non cash operating expenses and finance cost		
Depreciation and other non cash operating expenses	115.11	56.45
Finance costs	46.85	18.04
Earnings available for debt service	190.13	274.04
Interest on borrowings	46.85	18.04
Principal repayments	-	-
Total Interest and principal repayments	46.85	18.04
Ratio	4.06	15.19
% change from Previous year/ year	-73%	

The ratio has been decreased from 15.19 to 4.06 in FY 2022-23 due to decrease in earnings available for debt service and increase in interest servicing on borrowings.

3 **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*	28.17	199.56
Average shareholder's equity	3,287.01	3,116.26
Ratio	0.01	0.06
% change from previous year/ year	-87%	

The ratio has decreased year on year from .06 to .01 due to variations in PAT.

4 **Inventory Turnover Ratio= Net sales divided by average Inventory (NOT APPLICABLE)**

% change from previous year/ year		

Reason for change more than 25% :

5 **Trade receivables turnover ratio= Net Turnover divided by average trade receivables**

Particulars	31-Mar-23	31-Mar-22
Sale of Services	1,129.61	1,309.64
Average trade receivables	353.29	1,028.97
Ratio	3.20	1.27
% change from previous year/ year	151%	

The ratio has been increased year on year from 1.27 to 3.15 due to variation in turnover as well as debtors collection.

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6 **Trade Payables turnover ratio= Net Direct Expenses divided by average trade Payables**

Particulars	31-Mar-23	31-Mar-22
Net Direct Expenses	292.35	383.06
Average trade Payable	107.42	126.36
Ratio	2.72	3.03
% change from previous year/ year	-10%	

Reasoning: Not Applicable as variations arr less than 25%

7 **Net capital turnover ratio= Net sales divided by working capital**

Particulars	31-Mar-23	31-Mar-22
Sale of Services	1,129.61	1,309.64
Average shareholder's equity	3,287.01	3,116.26
Ratio	0.34	0.42
% change from previous year/ year	-18%	

Reasoning: Not Applicable as variations arr less than 25%

8 **Net profit turnover ratio= Net profit after tax divided by Net sales**

Particulars	31-Mar-23	31-Mar-22
Net profit/(loss) after tax *	28.17	199.56
Sale of Services	1,129.61	1,309.64
Ratio	0.02	0.15
% change from previous year/ year	-84%	

The ratio has been decreased from .15 to .03 due to variations in PAT.

9 **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 *	39.30	267.05
Add: finance costs	46.85	18.04
EBIT*	86.15	285.09
Tangible Net worth (total assets- total current liabilities- Intangible assets)	3,926.44	3,742.27
Total debt	-	-
Capital Employed	3,926.44	3,742.27
Ratio	0.02	0.08
% change from previous year/ year	-71%	

The ratio has been decreased from .08 to .02 year on year due to decrease in EBIT.

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37 Previous Figure have been regrouped/rearranged to make it comparable with Current year figure.
In light of guidance and principals elaborated in " Guidance Note on "Division II~ Ind AS-Schedule III to the companies Act,2013",issued by The Institute of Chartered Accountant of India,the company has changed classification of certain items in Current year from one head to another head of financials statements and also reclassified previous year figures in line with current year presentation and classification.This reclassification is not having any financials impact over finanacials results and state of affair as on 31.03.2023. Summary of reclassifiation of items has been given below:

S. No	Particulars	Classified under Broad heads of Financials statements in F.Y 2021-22	Reclassification of items uner the Broad head of Fianancials statemnts in F.Y 2022-23	Amount Reclassified (Rs. In lakhs)
1	Margin trade funding - Secured	Currents Assets-Trade receivables (Note no 8)	Currents Assets-Loan (Note no. 10)	855.45
2	Accrued Salary and Benefits-Payable	Current Liabilites-Trade Payable (Note no 14)	Current Liabilites-Other current liabilities (Note no 17)	25.11
3	Advance from Customers(Client money)	Current Liabilites-other current liabilities (Note no 15)	Current Liabilites-Other Financials liabilities (Note no 16)	2160.18
			Current Liabilites-Trade Payable (Note no 15)	18.90

38 The financial statements were approved for external issue by the board of directors on 9th May, 2023.

As per our report of even date.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.: 109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998
Place: New Delhi
Date: 09-05-2023

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For and on behalf of the Board of Directors of
Zuari Finserv Limited

Athar Shahab
Director
(DIN-01824891)
Place: Gurugram
Date: 09-05-2023

Ranjan Kumar
Whole Time Director
(DIN-09496534)
Place : New Delhi
Date: 09-05-2023

Alok Kr. Srivastava
Chief Financial Officer
(PAN: CANPS0898B)
Place: New Delhi
Date: 09-05-2023

Mayank Sharma
Company Secretary
(M No. 55646)
Place: New Delhi
Date: 09-05-2023

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