

10th August, 2019

BSE Limited
Floor 25, P.J. Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza, Sandra Kurla Complex,
Sandra East
Mumbai- 400051

Dear Sirs,

Sub: Submission of 51st Annual Report for the year 2018-19

Pursuant to Reg 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, the 51st Annual Report of the Company for the year 2018-19.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Zuari Global Limited



Sachin Patil
Asst. Company Secretary

Encl: As above

ZUARI GLOBAL LIMITED

(Formerly known as Zuari Industries Limited)

CIN No.: L65921GA1967PLC000157

Registered Office: Jaikisaan Bhawan, Zuarinagar, Goa - 403726, India

Tel: +0832 259 2180, 259 2181 Fax: +0832 255 5279

www.adventz.com



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016				
I	Sl. No.	Particulars	Audited Figures (Rs in Lakhs) (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total income	87,401.93	Impact of qualifications cannot be assessed as of now.
	2.	Total Expenditure	92,669.14	
	3.	Net Profit/(Loss)	(10,987.37)	
	4.	Earnings Per Share	(30.79)	
	5.	Total Assets	4,46,461.73	
	6.	Total Liabilities	2,24,803.35	
	7.	Net Worth	2,21,963.11	
	8.	Any other financial item(s) (as felt appropriate by the management)	None	

II Audit Qualification(each audit qualification separately)	
a.	<p>Details of Audit Qualification: In respect of Zuari Agro Chemicals Limited ('ZACL'), an associate of Zuari Global Limited-</p> <p>a) In respect of consolidation on the basis of unaudited financial results of one joint venture of the company located outside India, whose financial statements have been compiled and approved by the management.</p> <p>b) In respect of impairment of Company's investment of INR 119.43 Crores in the rock phosphate mining project at Peru (which is under development) through its JV company MCA Phosphates Pte. Limited</p>



b.	<p>Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion</p> <p>Qualified Opinion</p>
c.	<p>Frequency of qualification: Whether appeared first time/repetitive/since how long continuing</p> <p>a) First time b) Repeated since March 2018</p>
d.	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>a) & b) The impact is not quantified</p>
e.	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>i) Managements estimation on the impact of audit qualification:</p> <p>Not applicable</p>
	<p>ii) If Management is unable to estimate the impact, reasons for the same:</p> <p>a) The matter being under arbitration, any impact on account of audited financial statements in respect of the JV cannot be ascertained as of now.</p> <p>b) The matter being under litigation with ICC international court of arbitration, the accounting treatment is given based on independent valuer's report. Any impact due to arbitration order cannot be estimated as of now.</p>
	<p>iii) Auditors' Comments on (i) or (ii) above:</p> <p>Auditors' comments are self explanatory in the audit report</p>



	<p>Signatories:</p> <ul style="list-style-type: none">• Managing Director <i>Suresh Krishna</i>• CFO <i>[Signature]</i>• Audit Committee Chairman <i>M. R. R. Rao</i>• Statutory Auditor <i>[Signature]</i>
	<p>Place: Gurugram Date: 24 May 2019</p>





51st Annual Report 2018-19

Zuari Global Limited

DIRECTORS	:	Mr. Saroj Kumar Poddar, Chairman Mr. N. Suresh Krishnan, Managing Director Mrs. Jyotsna Poddar, Whole Time Director Mr. J. N. Godbole, Independent Director Mr. Marco Wadia, Independent Director Mr. K. K. Gupta, Independent Director
CHIEF FINANCIAL OFFICER	:	Mr. Vijay Kathuria
ASST. COMPANY SECRETARY	:	Mr. Sachin Patil
BANKERS	:	State Bank of India Indusind Bank Limited
LEGAL ADVISERS	:	Khaitan & Co, Kolkata
STATUTORY AUDITORS	:	Walker Chandiook & Co LLP, Chartered Accountants, Gurugram
REGISTERED OFFICE	:	Jai Kisaan Bhawan, Zuarinagar, Goa 403 726 Tel: (0832) 2592180/81 CIN - L65921GA1967PLC000157 Website: www.adventz.com

Notice of the Annual General Meeting is being sent separately through permitted mode as required under the Companies Act, 2013 and Rules made thereunder.

Directors' Report 2018-19

To the Members,

1. Your Directors place before you the Fifty-First Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2019.

2. Financial Results and Appropriation:

(₹ In lakhs)

Particulars	Standalone		Consolidated	
	Current Year 2018-19	Previous Year 2017-18	Current Year 2018-19	Previous Year 2017-18
Profit for the year before depreciation and taxation	3284.09	2027.07	(3174.93)	(5443.85)
Less: Depreciation for the year	15.92	15.81	(2092.28)	(1998.94)
Profit/(loss) before tax	3268.17	2011.26	(5267.21)	(7442.79)
Less: Tax Expense				
a) Current Tax (Including adjustment of earlier years)	(837.95)	169.19	(828.58)	267.80
b) Deferred Tax Charge	78.42	45.62	(913.29)	60.61
Profit/(loss) after tax	4027.70	1796.45	(3525.34)	(7771.20)
Add: Share in profit/(losses) from Associates	-	-	(7462.03)	3664.22
Profit/(loss) for the year before Minority Interest	4027.70	1796.45	(10987.37)	(4106.98)
Less: Share of Minority interest in profits/(losses)	-	-	(1923.40)	(1002.56)
Profit/(loss) for the year	4027.70	1796.45	(9063.97)	(3104.42)
Add : Balance of profit brought forward	64080.79	62798.19	88504.45	91706.14
Less: Other adjustments	202.67	-	1106.05	63.52
Add: Reclassification from OCI to retained earnings on disposal of investments.	(2051.29)	(155.47)	(2880.06)	185.02
Add: Other comp. income on defined benefit	5.85	(4.04)	9.85	135.57
Less : Transfer to general reserve	-	-	-	-
Less : Dividends paid	294.41	294.41	294.41	294.41
Less : Tax on dividend (Including Surcharge)	60.52	59.93	60.52	59.93
Balance of profit carried forward	65505.45	64080.79	75089.60	88504.45
Earnings per share(EPS)	₹ 13.68	₹ 6.10	(₹ 30.79)	(₹ 10.54)

* Previous year figures have been reclassified/ regrouped, wherever necessary to make them comparable.

A. Review of Operations:

The revenue from operations (Standalone) for the year ended 31st March, 2019 was ₹ 247.69 lakhs as compared to ₹ 1656.37 Lakhs for the year ended 31st March 2018.

The Profit before tax for the year ended 31st March, 2019 was ₹ 3268.17 lakhs as compared to ₹ 2011.26 lakhs for the year ended 31st March, 2018. The Profit after tax stood at ₹ 4027.70 lakhs for the year ended 31st March, 2019 as compared to ₹ 1796.45 lakhs for the previous year ended 31st March, 2018.

The revenue from operations (Consolidated) for the year ended 31st March, 2019 was ₹ 77418.90 lakhs as compared to ₹ 55496.59 lakhs for the previous year.

The Consolidated Loss before tax for the year ended 31st March, 2019 was ₹ 12729.24 lakhs as compared to a loss of ₹ 3778.58 lakhs for the year ended 31st March, 2018. The Loss after tax stood at ₹ 10987.37 lakhs for the year ended 31st March, 2019 as compared to loss of ₹ 4106.98 lakhs for the previous year.

There were no material changes and commitments affecting the financial position of the Company from the end of the financial year till the date of the Director's Report.

B. Reserves:

During the year, amount transferred to General Reserves is Nil. An amount of ₹ 65505.45 lakhs shall be retained as surplus in the Profit and Loss account.

3. Dividend:

The Directors recommend a dividend of Re. 1/- per equity share of ₹ 10/- each (Re. 1/- per equity share in the previous year).

4. Conservation of Energy / Technology Absorption / Foreign Exchange earnings and outgo:

The Company is not engaged in manufacturing activities; hence no information on Conservation of Energy is required to be provided. Similarly, no new technology was absorbed during the year.

The details of Foreign exchange earnings and outgo are given below:

Expenditure in Foreign Currency	-	₹ 11.21 Lakhs
Earnings in Foreign Currency	-	₹ 44.74 Lakhs

5. Industrial Relations:

The industrial relations with the employees continue to be harmonious.

6. Extract of the Annual Return:

The Annual Return referred to in Section 92(3) of the Companies Act, 2013 of the Company has been placed on the website of the Company and can be accessed at www.adventz.com

7. Related Party Transactions:

All related party transactions that were entered into during the financial year were at arm's length basis. All related party transactions are approved by the Audit Committee and the Board of Directors. There were no materially significant related party transactions entered into by the Company with the promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. All the transactions are under threshold limit. The details of related party transactions as per Form AOC-2 is enclosed as **Annexure 'K'**.

8. Particulars of Loans, Guarantees or Investments:

The details of Loans, Corporate Guarantees and Investments made during the financial year under the provisions of Section 186 of the Companies Act, 2013 are given in Note No.42 to the Financial Statements.

9. Nomination and Remuneration Policy and Disclosures on Remuneration:

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and employees in the Senior Management. More details of the same including the composition of the Committee are given in the Report on Corporate Governance enclosed as **Annexure 'A'** to this report.

The nomination and remuneration policy is displayed on the Company's website. The weblink for the same is: <http://www.adventz.com/html/pdfs/Nomination-and-Remuneration-Policy-ZGL-3419.pdf>

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is enclosed as **Annexure 'I'**.

The disclosures related to employees under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure 'H'** to this Report.

10. Risk Management:

The Company has constituted Risk Management Committee with the objective to monitor and review the risk management plan for the Company including identification therein of elements of risks if any, which may threaten the existence of the Company and such other functions. During the year under review, 1 meeting of the Committee was held on 24th May, 2018.

The Risk Management Committee consists of the following members:

J. N. Godbole
N. Suresh Krishnan
Marco Wadia

11. Vigil Mechanism / Whistle Blower Policy:

The Company in accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 has established a vigil mechanism for Directors and employees to report genuine concerns to the management viz. instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. The Company has also formulated Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimization of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Company has not denied any person from having access to the Chairperson of the Audit Committee.

12. Corporate Social Responsibility ('CSR'):

The Board of Directors has constituted a CSR Committee and also approved the CSR Policy. CSR Committee comprises of two Non-Executive Independent Directors and one Executive Director. The Board has designated Mr. Sachin Patil, Asst. Company Secretary as the Secretary of the Committee. During the Financial Year 2018-19, only one meeting of the Committee was held on 24th May, 2018.

The Composition of Committee & their attendance at the meetings are as follows:

Name of the member	Status	Nature of Directorship	No. of meetings attended
K K Gupta	Chairman	Non-Executive Independent Director	1
N.Suresh Krishnan	Member	Managing Director	1
Marco Wadia	Member	Non-Executive Independent Director	1

The Corporate Social Responsibility Policy is displayed on the Company's website. The weblink for the same is http://www.adventz.com/html/pdfs/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY_2.pdf

The CSR Committee formulates and recommends to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013. The Committee also recommends the amount of expenditure to be incurred on the CSR activities and monitors the CSR Policy of the Company from time to time.

The detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure 'G'** to this report.

13. Directors and Key Managerial Personnel:

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

In accordance with the provisions of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company organizes familiarization programme for Independent Directors as and when required.

Ms. Jyotsna Poddar retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. A brief profile and details of other Directorships of Ms. Jyotsna Poddar, are given in the Report on Corporate Governance enclosed as **Annexure 'A'** to this report.

Mr. N. Suresh Krishnan has been re-appointed as Managing Director of the Company for a further period of 3 years w.e.f 1st April, 2018.

Mr. Marco Wadia has been re-appointed as Independent Director for a further period of 3 years w.e.f. 1st April, 2019, subject to the approval of the shareholders. Brief profile along with other particulars of Mr. Marco Wadia as required under Regulation 36(3) of SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 are disclosed in the 51st Annual General Meeting Notice.

Approval of shareholders for continuation of current term of Mr. Krishan Kumar Gupta, Independent Director as required under Reg 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained through Postal Ballot passed on 24th April, 2019.

Corporate Governance Report also contains other information on the Directors, Board and Committee Meetings.

Mr. N. Suresh Krishnan, Managing Director, Mr. Vijay Kathuria, Chief Financial Officer and Mr. Sachin Patil, Asst. Company Secretary, have been designated as Key Managerial Personnel in accordance with provisions of Section 203(1) of the Companies Act, 2013.

14. Performance Evaluation:

Pursuant to the provisions of the Section 134, 178 and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the following performance evaluations were carried out;

- Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;
- Performance evaluation of the Board, its Committees and Independent Directors by the Board of Directors; and
- Performance evaluation of every director by the Nomination and Remuneration Committee.

The details of Annual Performance evaluation carried out are given in the Corporate Governance Report attached as **Annexure 'A'** to this report.

15. a. Board Meetings:

During the year under review, Six Board meetings were held on : 25th May, 2018, 1st August, 2018, 10th September, 2018, 1st November, 2018, 8th February, 2019 and 18th March, 2019. The details of the composition of the Board and the attendance of the Director at the Board meetings are provided in the Corporate Governance Report.

b. Audit Committee:

During the year under review four Audit Committee Meetings were held and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report.

16. Fixed Deposits:

As reported in the year 2008-09, the Fixed Deposit Scheme of the Company was discontinued. During the year, the Company has transferred an amount of Rs 30,000 towards unclaimed deposits to "The Investor Education and Protection Fund", pursuant to Section 125 of the Companies Act, 2013.

17. Details of significant and material orders passed by the regulators or courts:

There are no significant material orders passed by the courts/regulators or tribunals impacting the going concern status and Company's operations in future. The details pertaining to various demand notices from various statutory authorities are disclosed in Note No. 35 of Financial Statements under the heading – Contingent liabilities.

18. Adequacy of internal financial controls with reference to financial statements:

The Company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. The Company has designed and put in place adequate Standard Operating Procedures and limits of Authority Manuals for conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The Company uses a state-of-the-art ERP (SAP) system to record data for accounting and managing information with adequate security procedure and controls.

19. Disclosure Requirement:

Your Company has complied with all the mandatory requirements of Schedule V of SEBI (LODR) Regulations, 2015. The Report on Corporate Governance pursuant to Schedule V of SEBI (LODR) Regulations, 2015 is enclosed as **Annexure 'A'** to this report. The Practising Company Secretary's Certificate on compliance of Corporate Governance is enclosed as **Annexure 'B'**. Declaration by the Managing Director is enclosed as **Annexure 'C'** and the Management Discussion and Analysis is enclosed as **Annexure 'E'** to this report and Secretarial Audit Report is enclosed as **Annexure 'F'** to this report.

20. Statutory Auditors:

M/s. Walker Chandiook & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the 49th Annual General Meeting held on 28th September, 2017 to hold office from the conclusion of the 49th Annual General Meeting till the conclusion of the 54th Annual General Meeting.

The auditors report on Consolidated Financial Statements, contained qualified opinion summarized below:

In respect of Zuari Agro Chemicals Limited ('ZACL'), an associate of Zuari Global Limited

- a) In respect of consolidation on the basis of unaudited financial results of one joint venture of ZACL located outside India, whose financial statements have been complied and approved by the management.
- b) In respect of impairment of ZACL investment of INR 119.43 Crores in the rock phosphate mining project at Peru (which is under development) through its JV company MCA Phosphates Pte. Limited

Comment by the Board of Directors on the Audit Report :-

The matter being under litigation with ICC international court of arbitration, the accounting treatment is given based on independent valuer's report. Any impact due to arbitration order cannot be estimated as of now.

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

21. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Sadashiv V. Shet, Practising Company Secretary as Secretarial Auditor, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor for the Financial Year 2018-19 is enclosed as **Annexure 'F'** to this report. The report does not contain any qualification.

22. Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment. There were no complaints/cases filed/pending with the Company during the financial year.

23. Employees' Stock Option (ESOP) Scheme:

The Company has not issued any ESOP to its employees during the year.

24. Consolidated Financial Statements under Section 129 of the Companies Act, 2013:

The consolidated financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016 which forms part of this Annual Report.

The Company will make available the financial statements of subsidiaries, upon request by any member of the Company interested in receiving this information. The Annual Accounts of the Subsidiary Companies will also be available for inspection by any investor at the Registered Office of the Company and its Subsidiaries.

25. Compliance of Secretarial Standards:

The Company has complied with all the applicable mandatory Secretarial Standards issued by Institute of Company Secretaries of India.

26. Subsidiaries:

A brief review of the subsidiaries of the Company is given below:-

A. Zuari Infraworld India Limited(ZIIL):

A wholly owned subsidiary of your Company represents the group's foray into Real Estate Sector with projects across different cities in India & Outside.

The residential real estate market performance for the year 2018-19 was satisfactory overall. The first half of year 2018-19 saw not much of sales/new launches as the continued effect of GST & RERA implementations played on the mind of the developers and buyers alike; however during the second half of 2018-19 much improvement were observed in terms of increase in sales & new launches across major cities in India. The market dynamics has now been shifted to end user purchases with focus on affordable segment (Property valued between ₹ 25Lakhs – ₹ 50Lakhs). Sale has grown by 5% during year 2018-19 compared to year 2017-18 across major cities in India with maximum sales done in Hyderabad, NCR regions. New Launches have seen a substantial growth of 80% Y-o-Y lead by Pune, Bangalore & Ahmedabad. On the other hand, the commercial real estate market performance was very strong in year 2018-19 as the transaction volume (Mn Sqft) shown a growth of 12% on Y-o-Y basis with Bangalore, Hyderabad & NCR leading the pack. Office rentals have shown a

growth of 10% on Y-o-Y basis thereby making Office transactions the most lucrative business proposition for the builders. Retail sector has also seen high growth due to the ease of restrictions on FDI policy and other government initiatives taken during the last few years. Approx. 10 Mn Sqft of Strategic Investment has been done by key Private Equity players across various Malls in India in Year 2018-19 – Blackstone in Westend Mall, Seawoods Grand Central, CPPIB in Phoenix Market City, GIC in Viviana Mall etc.

Outlook for FY2019-20 is positive across both residential & commercial real estate markets on account of buoyed demands for Affordable properties coupled with the recent Government initiative of declaring reduced GST rates for under-construction properties in addition to the ever increasing demand of office spaces across major cities in India.

ZIIL, a subsidiary of your company is in the midst of hectic growth with various projects in all categories i.e. Residential, Office, Retail, Museum etc that are at various stages of design & approval. The details of the projects managed by ZIIL is provided in Management Discussion and Analysis.

Standalone

ZIIL's total revenue for the year ended 31st March, 2019 was ₹ 3329.84 Lakhs as compared to ₹ 1,296.12 Lakhs for the year ended 31st March, 2018. The Profit before tax for the year ended 31st March, 2019 was ₹ 175.52 lakhs as compared to ₹ 94.65 lakhs for the year ended 31st March, 2018. The Profit/(Loss) after tax for the year ended 31st March, 2019 was ₹ 29.52 lakhs as compared to Rs (18.74) lakhs for the year ended 31st March, 2018.

Consolidated

ZIIL's total revenue for the year ended 31st March, 2019 was ₹ 2691.86 Lakhs as compared to ₹ 1,180.47 lakhs for the year ended 31st March, 2018.

The Loss before tax for the year ended 31st March, 2019 was ₹ 548.27 Lakhs as compared to ₹ 195.29 lakhs for the year ended 31st March, 2018.

The Loss after tax for the year ended 31st March, 2019 was ₹ 694.28 Lakhs as compared to ₹ 308.68 lakhs for the year ended 31st March, 2018.

B. Simon India Limited (SIL) :

Simon India Limited (SIL), a wholly owned subsidiary of your Company, was engaged in the execution of following projects in 2018-19:

- **2000 TPD Sulphuric Acid Plant stream C along with its captive 23 MW power plant based on heat recovery from Sulphur burning gases and auxiliary systems like cooling water and demineralized water and retrofit of two existing sulphuric acid streams A and B with new heat recovery system for Paradeep Phosphates Limited on EPC basis.** The plant SAP-C along with its new additional proprietary heat recovery system with MECS USA and auxiliary systems is operating satisfactorily. The Plant has been commissioned successfully with project and site closure in progress.
 - **1.34 MMTPA LPG Terminal for Mundra LPG Terminal Limited (MLTPL), Mundra Port, Kutch, Gujarat -** The project was awarded in May, 2017 and is in advanced stage of completion. Engineering and Procurement activities are complete and construction work at site is going on in full swing and is in advanced stage of completion. The project is scheduled for shipping in May, 2019.
 - **Spent Caustic Wash Project for SABIC, KSA on EPC basis -** The engineering activities of the project are almost complete with all IFC package from engineering disciplines submitted to SABIC. Construction work at site has already started. Expected date of project completion is revised to 12th Sept, 2019 with a notification to the client for approval which is awaited. Efforts are on with SABIC to expedite Change Order closure.
 - **Di Calcium Phosphate Project, Ecophos GNFC India Limited (EGIL), Dahej.** Ecophos GNFC India Limited awarded an Engineering & Procurement project to Simon India on cost plus basis in April' 2018 and contract has been signed in Nov'2018. Procurement activities are ongoing albeit with some delay as client is still working on financial closure. Discussions and negotiations with client for converting the job to EPC basis is currently in progress.
 - **Nitric Acid Concentration and Ammonia Plant Upgradation by Gujarat Narmada Valley Fertilisers & Chemicals (GNFC).** LOI issued by the Client in June, 2018 for the work of Consultancy Services for 1) 150MTD Capacity Concentrated Nitric Acid plant and 2) Ammonia Revamp Syngas make up gas Converter loop at Bharuch . SIL submitted final Techno Economic Feasibility Report (TEFR) for concentrated nitric acid plant project and draft TEFR for Ammonia Plant Revamp . Final TEFR of ammonia plant revamp is delayed due to pending inputs from Client as GNFC has not received final negotiated price from the Licensor (i.e. HTAS). Client has given extension till June, 2019.
 - **10,000 MT Phosphoric Acid Tank for GSFC at Sikka Shore Terminal.** LOI for this EPC project received in March, 2019. Subcontractor for Soil Investigation and Civil works identified/works awarded. Geo tech investigations and civil works commenced at site. Ordering of LLI is currently in progress.
 - **Engineering Services for OSBL Facilities Of 2x15 TPH New Gypsum Granulation Plant at Paradeep.** LOI for this Engineering services job for OSBL facilities receipt from PPL in March'2019. Detail engineering commenced for Layouts, General Arrangement Drawings of sheds etc.

SIL's revenue from operations for the year ended 31st March, 2019 was ₹ 25168.14 lakhs as compared to ₹ 19007.02 lakhs for the year ended 31st March, 2018.

The total Revenue for the year ended 31st March, 2019 was ₹ 26020.22 lakhs as compared to ₹ 20284.91 lakhs for the year ended 31st March, 2018. The Loss before tax for the year ended 31st March, 2019 was ₹ 989.51 lakhs as compared to ₹ 2760.09 lakhs for the year ended 31st March, 2018.

The Loss after tax for the year ended 31st March, 2019 was ₹ 700.05 lakhs as compared to ₹ 2100.41 lakhs for the year ended 31st March, 2018.
- C. Indian Furniture Products Limited (IFPL):**
- Your, Company holds 72.45% share in IFPL.
- IFPL is into the business of manufacturing of particle board furniture and also into retail/wholesale trade of furniture.
- IFPL's revenue from operations for the year ended 31st March, 2019 was ₹ 1750.04 Lakhs as compared to ₹ 4378.40 Lakhs for the year ended 31st March, 2018.
- The Loss before tax for the year ended 31st March, 2019 was ₹ 2007.09 Lakhs as compared to ₹ 304.15 Lakhs for the year ended 31st March, 2018.
- The Loss after tax for the year ended 31st March, 2019 was ₹ 2005.00 Lakhs as compared to ₹ 302.08 Lakhs for the year ended 31st March, 2018.
- Soundaryaa IFPL Interiors Limited.(SIFPL):**
- SIFPL is a subsidiary of IFPL, which is a highly reputed Company in commercial interiors business. It has executed several projects for many multinational companies in India. IFPL holds 50.01% share in SIFPL.
- SIFPL, in its first venture executed an interior fit-out contracting activity for Shell India's new Technology

Centre in Bengaluru, as a duly nominated subcontractor of L&T which was the main contractor for the entire project. The total value of this Project was approximately ₹ 52 Crore which was successfully completed and handed over during March 2017. Aside of the quality of interior fit-out, a significant factor was accident free contracting period of almost 18 months.

Drawing from this successful execution, the company now plans to expand its footprint into other verticals of interior fit-out contracting of which the Hospitality Sector has been identified as a significant potential. The operations of SIFPL will be currently limited to Southern Part of the Country in which Karnataka and Andhra Pradesh are contributing majorly.

Soundaryaa IFPL 's total revenue for the year ended 31st March, 2019 was ₹ 15.13 Lakhs as compared to ₹ 69.56 Lakhs for the year ended 31st March, 2018. The Profit /(loss) before tax for the year ended 31st March, 2019 was ₹ (5.82) Lakhs as compared to ₹ 28.67Lakhs for the year ended 31st March, 2018. The Profit/(Loss) after tax for the year ended 31st March, 2019 was ₹ (5.81) Lakhs as compared to ₹ 23.33 Lakhs for the year ended 31st March, 2018.

D. Zuari Investments Limited (ZIL):

Zuari Investments Limited, a wholly owned subsidiary of Zuari Global Limited, is engaged in the business of strategic investments.

During the period under review, the Company had filed an application to the Reserve Bank of India (RBI) for registration of the Company as Non-Banking Financial Company (NBFC) under the category of Systemically Important Core Investment Company (CIC-ND-SI).

Standalone

ZIL's Total Revenue for the year ended 31st March, 2019 was ₹ 495.34 Lakhs as compared to ₹ 124.01 Lakhs for the year ended 31st March, 2018.

The Loss before tax for the year ended 31st March, 2019 was ₹ 504.57 Lakhs as compared to ₹ 395.55 Lakhs for the year ended 31st March, 2018.

The Loss after tax for the year ended 31st March, 2019 was ₹ 504.57 Lakhs as compared to ₹ 338.94 Lakhs for the year ended 31st March, 2018.

i. Gobind Sugar Mills Limited :

Gobind Sugar Mills Limited (GSML), a subsidiary of Zuari Investments Limited (ZIL), belongs to the Adventz Group.

During the year under review, GSML crushed 126.20 Lakhs Qtls (previous year 123.35 Lakhs Qtls) of sugar cane achieving sugar recovery rate of 11.66% (Previous year 10.42%). Sugar production was 14,71,172 Qtls (previous year 12,84,776 Qtls) and Molasses production was 5,83,087 Qtls (Previous year 6,16,305 Qtls). On 06th March 2019, the Company reached a milestone of crossing 12% sugar recovery first time in the history of Company

The Gross Sales (inclusive of Excise Duty) of the Company for the year ended 31st March, 2019 increased by 57.60% (Approx) to ₹ 46384.92 lakhs from ₹ 29432.87 lakhs for the period 2017-18. The Company recorded a Net Loss after tax of ₹ 3582.47 lakhs for the year ended 31st March, 2019.

E. Zuari Sugar & Power Limited (ZSPL):

Zuari Sugar & Power Limited (ZSPL), a wholly owned subsidiary of Zuari Global limited, is a registered trader to deal in agri related commodities. The company is procuring sugar from sugar manufacturing units for trading on wholesale basis, to build as a volume trader, which shall strengthen the business position of the Company.

ZSPL's total revenue for the year ended 31st March, 2019 was ₹ 17491.64 Lakhs as compared to ₹ 989.87 Lakhs for the year ended 31st March, 2018. The loss before tax for the year ended 31st March, 2019 was 1607.39 Lakhs as compared to ₹ 1119.53 Lakhs for the year ended 31st March, 2018. The Loss after tax for the year ended 31st March, 2019 was ₹ 1607.39 Lakhs as compared to ₹ 1119.53 Lakhs for the year ended 31st March, 2018.

F. Zuari Management Services Limited (ZMSL):

Zuari Management Services Limited (ZMSL), a wholly owned subsidiary of your Company, is engaged in the business of rendering management services. The services to Group Companies include in the areas of human resource, internal audit, corporate communication, etc.

ZMSL's total revenue for the year ended 31st March, 2019 was 1839.03 lakhs as compared to ₹ 406.02 Lakhs for the year ended 31st March, 2018.

The Loss before tax for the year ended 31st March, 2019 was 391.57 lakhs as compared to ₹ 23.34 Lakhs for the year ended 31st March, 2018.

The Loss after tax for the year ended 31st March, 2019 was 391.57 lakhs as compared to ₹ 83.34 Lakhs for the year ended 31st March, 2018.

G. Zuari Finserv Limited (ZFL):

Zuari Finserv Limited (Formerly known as Zuari Finserv Private Limited, initially known as Horizonview Developers Private Limited), a wholly owned subsidiary of Zuari Global Limited, engaged in the distribution of financial products and is focused to be a single window offering complete bouquet of all financial products/ services under one roof.

ZFL is a member of both, National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE), for cash, derivative and currency segments and providing trading services to its clients. It is a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and providing depository services to its clients.

Besides being empaneled with Association of Mutual Fund of India for distribution of Mutual Fund products and a Category - II, Registrar and Share Transfer Agent registered with Securities and Exchange Board of India.

During the period under review, ZFL along with Zuari Commodity Trading Limited (ZCTL), its wholly owned subsidiary, had filed an application under fast track route before the Hon'ble Regional Director, Western Region, Mumbai Bench for merging of entire business and whole of the undertaking of Zuari Commodity Trading Limited into ZFL.

Standalone

ZFL's total revenue for the year ended 31st March, 2019 was ₹ 910.59 Lakhs as compared to ₹ 1074.57 Lakhs for the year ended 31st March, 2018. The Profit before tax for the year ended 31st March, 2019 was ₹ 30.44 Lakhs as compared to ₹ 25.00 Lakhs for the year ended 31st March, 2018. The Profit after tax for the year ended 31st March, 2019 was ₹ 24.36 Lakhs as compared to ₹ 255.79 Lakhs for the year ended 31st March, 2018.

Consolidated

ZFL's total Revenue for the year ended 31st March, 2019 was ₹ 1225.95 lakhs as compared to ₹ 1349.30 lakhs for the year ended 31st March, 2018. The Profit before tax for the year ended 31st March, 2019 was ₹ 111.83 lakhs as compared to ₹ 54.48 lakhs for the year ended 31st March, 2018. The Profit after tax for the year ended 31st March, 2019 was ₹ 82.78 lakhs as compared to ₹ 258.93 lakhs for the year ended 31st March, 2018.

i. Zuari Insurance Brokers Limited (ZIBL):

Zuari Insurance Brokers Limited (ZIBL), a wholly owned subsidiary of Zuari Finserv Limited is registered

with the Insurance Regulatory and Development Authority (IRDA) and provides complete Insurance solutions to individuals & Corporates as an Insurance Broker. The Company also caters to the entire in-house insurance requirements of the group.

ZIBL's total revenue for the year ended 31st March, 2019 was ₹ 302.42 Lakhs as compared to ₹ 260.35 Lakhs for the year ended 31st March, 2018. The Profit before tax for the year ended 31st March, 2019 was ₹ 88.35 Lakhs as compared to ₹ 45.08 Lakhs for the year ended 31st March, 2018. The Profit after tax for the year ended 31st March, 2019 was ₹ 65.38 Lakhs as compared to ₹ 32.54 Lakhs for the year ended 31st March, 2018.

ii. Zuari Commodity Trading Limited (ZCTL):

Zuari Commodity Trading limited (ZCTL), a wholly owned subsidiary of Zuari Finserv Limited (ZFL) is a member of National Commodity Derivative Exchange Limited (NCDEX) and Multi Commodity Exchange Limited (MCX), providing commodity trading services to the clients.

During the period under review, ZCTL, wholly owned subsidiary of Zuari Finserv Limited (ZFL) along with ZFL, had filed an application under fast track route before the Hon'ble Regional Director, Western Region, Mumbai Bench for merging of entire business and whole of the undertaking of ZCTL into ZFL.

ZCTL's total revenue for the year ended 31st March, 2019 was ₹ 13.44 Lakhs as compared to ₹ 15.69 Lakhs for the year ended 31st March, 2018. The loss before tax for the year ended 31st March, 2019 was ₹ 6.93 Lakhs as compared to ₹ 15.58 Lakhs for the year ended 31st March, 2018. The Loss after tax for the year ended 31st March, 2019 was ₹ 6.93 Lakhs as compared to ₹ 29.39 Lakhs for the year ended 31st March, 2018.

27. Joint Ventures:**Zuari Indian Oiltanking Private Limited:**

Zuari Indian Oiltanking Private limited (ZIOPL), has state-of-the art terminalling facility for handling petroleum products namely Naphtha, Motor Spirit, High Speed Diesel & Superior Kerosene.

The Company provides terminalling services to Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited & Indian Oil Corporation Limited as a Common User Terminal(CUT)facility.

Products currently handled are Motor Spirit, High Speed Diesel & Ethanol.

For the year, 2018-19, the Oil Terminal has achieved a throughput of 605139kl

ZIOTL's revenue from operations for the year ended 31st March, 2019 was ₹1528.74 lakhs as compared to 1,546.28 lakhs for the year ended 31st March, 2018. The Profit after tax for the year ended 31st March, 2019 was ₹ 77.20 lakhs as compared to ₹ 145.38 lakhs for the year ended 31st March, 2018.

Forte Furniture Products India Private Limited (FFIPL):

IFPL has formed a Joint Venture Company with Fabryki Mebli "Forte" S.A ("Forte"), which is a highly reputed Company situated at Poland and engaged in the business of manufacturing, selling furniture and furniture related products in Europe.

During the year, the Company has acquired 1,37,20,000 equity shares of face value ₹ 10 each constituting around 48.98 % of FFIPL.

FFIPL's total revenue for the year ended 31st March, 2019 was ₹ 8941.39 lakhs as compared to ₹ 5141.24 lakhs for the year ended 31st March, 2018. The loss before tax for the year ended 31st March, 2019 was ₹ 1550.42 lakhs as compared to ₹ 3138.53 lakhs for the year ended 31st March, 2018. The Loss after tax for the year ended 31st March, 2019 was ₹ 1550.42 lakhs as compared to ₹ 3138.53 lakhs for the year ended 31st March, 2018.

28. Associates:

Zuari Agro Chemicals Limited (ZACL):

Your Company holds 20% shares and the subsidiary Zuari Management Services Limited holds 12.08% shares of Zuari Agro Chemicals Limited (ZACL).

ZACL's revenue from operations (Standalone) for the year ended 31st March, 2019 was ₹ 5,12,654.69 Lakhs as compared to ₹ 4,64,995.68 Lakhs for the previous year ended 31st March, 2018. The Loss before tax for the year ended 31st March, 2019 was ₹ 22,281.20 Lakhs as compared to a profit of ₹ 3,912.63 lakhs for the year ended 31st March, 2018. The Loss after Tax adjustment stood at ₹ 21,114.90 lakhs for the year ended 31st March, 2019 as compared to profit of ₹ 3,033.41 lakhs for the previous year.

The Gross revenue from operations (Consolidated) for the year ended 31st March, 2019 was ₹ 8,10,290.01 lakhs as compared to ₹ 7,27,085.57 lakhs for the previous year. The Consolidated Loss before tax for the year ended 31st March, 2019 was ₹ 14,824.81 lakhs as compared to profit of ₹ 16,908.11 lakhs for the year ended 31st March, 2018. The Loss after Tax adjustment stood at ₹ 15,513.80 lakhs for the year ended 31st March, 2019 as compared to Profit of ₹ 14,582.45 lakhs for the previous year.

The statement containing salient features of the financial statement of subsidiaries/associates/joint ventures is attached as **Annexure 'J'** to this report.

29. Cost Records & Cost Audit :

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

30. Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of provisions of Section 134 (5) of the Companies Act, 2013, and hereby confirm that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively .

31. Acknowledgements:

Your Directors wish to place on record their appreciation for the dedication, commitment and contribution of all the stakeholders and employees of your Company.

For and on behalf of the Board

S.K. Poddar

Chairman

DIN:00008654

Place : Gurugram

Date : 24th May, 2019

Annexure 'A' to the Directors' Report

Report on Corporate Governance

1. Company's Philosophy on the Code of Corporate Governance:

The Company's Philosophy on Corporate Governance envisages an attainment of the highest level of transparency and accountability. It is aimed at safeguarding and adding value to the interests of various stakeholders. The Company is committed to the best Corporate Governance and continues with its initiatives towards the best Corporate Governance practices.

2. Board of Directors:

The Board of Directors of the Company comprises six members including Managing Director, a Whole Time Director and four Non-Executive Directors. Half of the Board comprises of Independent Directors. The other related information concerning the Board is given hereunder.

During the year under review, Six Board meetings were held on: 25th May, 2018, 1st August, 2018, 10th September, 2018, 1st November, 2018, 8th February, 2019, 18th March, 2019.

Attendance of each Director at the Board of Directors' meetings and at the last Annual General Meeting (AGM) along with the directorships in other Companies and number of Committees where the Director is a Chairman / Member is given hereunder:

Name of Director	Category of Directorship #	No. of Directorships in other companies as on 31.03.2019*	No. of Board Meetings Attended	No. of shares held	Attendance at last AGM	No. of Board Committees of other companies** as on 31.03.2019	
						Chairman	Member
S.K. Poddar \$	Promoter Group / Chairman-NED	11	4	1483446	No	-	-
N. Suresh Krishnan	Managing Director	9	5	NIL	Yes	1	4
J.N. Godbole	NED / I	7	6	NIL	Yes	2	5
Jyotsna Poddar +	Promoter Group / Whole Time Director	10	3	71621	No	-	-
Marco Wadia	NED / I	12	6	2,811	Yes	4	4
K.K. Gupta	NED/I	1	4	NIL	No	-	1

I- Independent, NED-Non-Executive Director

* The number of directorships in other Public and Private Limited Companies

** Includes Audit Committee and Stakeholders Relationship Committee in Public Companies

\$ shares include held in individual capacity, Karta and as a trustee

+Wife of Mr. S.K.Poddar, Chairman

Name of the Director	Name of the Listed Entities where the Director of the Company is Director as on 31.03.2019	Category of Directorship of the listed Entities where the Director of the Company is Director as on 31.03.2019
Saroj Kumar Poddar	Chambal Fertilisers And Chemicals Limited	Chairman- Non-Executive - Non Independent Director
	Texmaco Infrastructure & Holdings Limited	Chairman- Non Executive Director
	Texmaco Rail & Engineering Limited	Chairman- Executive
	Zuari Agro Chemicals Limited	Chairman - Non Executive Director
N. Suresh Krishnan	Gobind Sugar Mills Limited	Non- Executive Director- Chairman
	Mangalore Chemicals & Fertilizers Limited	Executive Director, Managing Director
	Texmaco Infrastructure & Holdings Limited	Non-Executive & Non-independent Director
	Zuari Agro Chemicals Limited	Non -Executive Director

Name of the Director	Name of the Listed Entities where the Director of the Company is Director as on 31.03.2019	Category of Directorship of the listed Entities where the Director of the Company is Director as on 31.03.2019
Marco Wadia	Gobind Sugar Mills Limited	Non Executive Independent Director
	Chambal Fertilisers And Chemicals Limited	Non-Executive Independent Director
	Josts Engineering Company Limited	Non-Executive Independent Director
	Stovec Industries Limited	Non-Executive - Independent Director
	Zuari Agro Chemicals Limited	Non- Executive Independent Director
Jayant Narayan Godbole	J. K. Cement Limited.	Non-Executive - Independent Director
	Emami Paper Mills Limited	Non-Executive - Independent Director
	Gujarat Alkalies And Chemicals Limited	Non-Executive - Independent Director
	Saurashtra Cement Limited	Non-Executive - Independent Director
	Kesar Terminals & Infrastructure Limited	Non-Executive - Independent Director
	Zuari Agro Chemicals Limited	Non-Executive Independent Director
Jyotsna Poddar	Ronson Traders Ltd	Non-Executive Director
	Texmaco Infrastructure & Holdings Limited	Non-executive & Non independent Director
K.K. Gupta	-	-

3. Retirement of Directors by rotation and re-appointment:

Mrs. Jyotsna Poddar retires by rotation and is eligible for re-appointment.

As per Section 152(6) of the Companies Act, 2013, brief profile and information about Mrs. Jyotsna Poddar is given below:

Mrs. Jyotsna Poddar :

Mrs. Jyotsna Poddar, aged 68 years, a Psychology Honors student from Loreto House, Kolkata, is the Chairperson of Lionel India Limited. She is the wife of Mr. Saroj Kumar Poddar, who is the Chairman of the renowned "Adventz" Group of Companies and daughter of Late Dr. K.K. Birla, one of India's leading industrialists.

Mrs. Poddar is the Wholetime Director of Zuari Global Ltd., and is also on the Board of Nilgiri Plantations Ltd., Sangha Shree Investment & Trading Co. Ltd., Yashovardhan Investment & Trading Co. Ltd., Ronson Traders Ltd. and Syndak Teatech Ltd.

A person with wide and diverse interests, Mrs. Poddar has a passion for cricket and runs a trust - Young Cricketer's Organization. This trust promotes young cricketing talent and supports former cricketers. Mrs. Poddar has authored a book - Cricketing Memories, the foreword for which was written by Sir Don Bradman. In 1987, she was a member of the Reliance World Cup Organizing Committee.

Mrs. Poddar is an active social worker, and she runs a private trust - Jeevan Jyoti Medical Society, which provides free medical facilities to the economically disadvantaged.

Mrs. Poddar is also an active Rotarian.

Names of the other Companies in which Mrs. Jyotsna Poddar is a Director as on 31st March, 2019 is given below:

Sr. No.	Names of the Companies/Bodies Corporate/Firms
1	Lionel Edwards Ltd.
2	Lionel India Ltd.
3	Nilgiri Plantations Ltd.
4	Ronson Traders Ltd.
5	Sangha Shree Investment & Trading Co. Ltd.
6	Syndak Teatech Ltd.
7	Yashovardhan Investment & Trading Co. Ltd.
8	Texmaco Infrastructure & Holdings Ltd.
9	Adventz Homecare Pvt. Ltd.
10	Abhishek Holdings Pvt. Ltd.
11	Adventz Developers LLP

4. The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board;

Sr. No.	Name of Director	Expertise in Specific Functional Areas
1	Saroj Kumar Poddar	Business Management
2	N.Suresh Krishnan	Corporate Finance, Corporate Strategy, Project Planning, Operations and Business Development.
3	Jyotsna Poddar	Strategic & Business Leadership skill. She is the Chairperson of Lionel India Limited

Sr. No.	Name of Director	Expertise in Specific Functional Areas
4	J.N. Godbole	Financial Management
5	Marco Wadia	Legal profession having specialised in corporate matters and mergers and acquisitions.
6	K.K.Gupta	B.Sc. Engg. (Mech.) Graduate from Punjab University, India. He served as Managing Director in various large manufacturing Companies. He has vast Corporate experience of 51 years.

5. Confirmation as regards Independence of Independent Directors

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and are independent of the management.

The Independent Directors have also confirmed that they have complied with the Code for Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

6. Board Agenda:

The Board meetings are scheduled well in advance and the Board members are generally given notice at least 7 days prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

7. Formal letter of appointment to Independent Directors:

The Company has issued a formal letter of appointment to all Independent Directors at the time of appointment in accordance with the provisions of the Companies Act, 2013 and Schedule IV (Section 149(8)) of the Companies Act, 2013. The terms and conditions of appointment of independent Directors is uploaded on the Company's website.

8. Annual Performance Evaluation:

Pursuant to the provisions contained in Companies Act, 2013 and Schedule IV (Section 149(8)) of the Companies Act, 2013 the annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings,

etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc.

The performance evaluation of the Board and the Committees, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman and Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction over the entire evaluation process.

9. Independent Directors' Familiarization Programme:

The Company in compliance with Regulation 25(7) of SEBI (LODR) Regulations, 2015 has formulated a programme to familiarize the Independent Directors with the Company, their roles, responsibilities. The Independent Directors are given detailed presentation on the operations of the Company on quarterly basis at the meetings of the Board/Committees. The details of the familiarization programme has been disclosed on the Company's website. The weblink for accessing the familiarization policy is <http://www.adventz.com/html/pdfs/Familiarization-Programme.pdf>

10. Board Diversity Policy:

The Company in compliance with Regulation 19(4) of SEBI (LODR) Regulations, 2015 with Stock Exchanges has formulated policy on Board Diversity which sets out the frame work to promote diversity on Company's Board of Directors. The policy was recommended by Nomination and Remuneration Committee and approved by the Board.

11. Independent Directors Meeting:

During the year under review, the meeting of the Independent Directors was held on 24th May, 2018 without the attendance of Non-Independent directors and members of management, inter alia, to discuss the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairman of the Company, taking in to account the views of the Managing Director and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

12. Board Committees:

The Committees of the Board are as follows:

a) Audit Committee:

The Audit Committee comprises of three Non-Executive Independent Directors and Managing Director. The permanent invitee includes Head of internal audit. The Company Secretary is the Secretary of the Committee.

The Committee met 4 times during the financial year ended 31st March, 2019 on : 25th May, 2018, 1st August, 2018, 1st November, 2018, 8th February, 2019.

Terms of Reference

As per Regulation 18(3) of SEBI (LODR) Regulations, 2015 and Schedule II the terms of reference and role of the Audit Committee includes among other things, review of the Company's financial reporting process and its financial statements, review of the accounting and financial policies and practices, the internal control and internal audit systems (including review and approval of internal Audit plan, appointment of internal Auditors and review of internal audit reports), risk management policies and practices, review the functioning of the Whistle Blower mechanism, etc. The role also includes making recommendations to the Board, re-appointment of Statutory Auditors/Secretarial Auditors and fixation of audit fees.

Besides above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes reviewing and monitoring auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditor's report thereon; approval or any subsequent modification of transactions of the company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary.

The Composition of Committee & their attendance at the meetings are as follows:

Name of the member	Status	Nature of Directorship	No. of meetings attended
Marco Wadia	Chairman	Non- Executive Independent Director	4
K.K. Gupta	Member	Non- Executive Independent Director	4
J.N. Godbole	Member	Non- Executive Independent Director	4
N. Suresh Krishnan	Member	Managing Director	4

b) Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee comprises three Non-Executive Independent Directors and Managing Director. The Board has designated Asst. Company Secretary, as the Secretary to the Committee. The Committee met 4 times during the financial year ended 31st March, 2019 on 25th May, 2018, 1st August 2018, 1st November, 2018 and 8th February, 2019.

Terms of Reference:

The Board has constituted Stakeholders' Relationship Committee which oversees the performance of the share transfer work and recommends measures to improve the level of investor services. In addition, the Committee looks into investors' grievances such as non receipt of dividend, Annual Reports and other complaints related to share transfers.

There were 19 complaints received from the shareholders during the year, out of which 16 were duly addressed and 3 complaints were pending as on 31st March, 2019.

The attendance of the members at the meeting was as follows:-

Name of the member	Status	Nature of Directorship	No. of meetings attended
J.N. Godbole	Chairman	Non- Executive Independent Director	4
Marco Wadia	Member	Non- Executive Independent Director	4
N. Suresh Krishnan	Member	Managing Director	4
K.K. Gupta	Member	Non- Executive Independent Director	4

c) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises three Non-Executive Independent Directors and one Non Executive Non Independent Director. The Board has designated Asst. Company Secretary as the Secretary to the Committee. The Committee met 2 times during the financial year ended 31st March, 2019 on: 24th May, 2018 and 8th February, 2019.

Terms of Reference:

The Board has constituted the Nomination & Remuneration Committee, as required under the Companies Act, 2013. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other

employees. The Nomination & Remuneration Committee shall also formulate criteria for evaluation of Independent Directors and the Board and devise a policy on Board diversity. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and for removal.

The Composition of Committee & their attendance at the meetings are as follows:

Name of the member	Status	Nature of Directorship	No. of meetings attended
J.N. Godbole	Chairman	Non- Executive Independent Director	2
Marco Wadia	Member	Non- Executive Independent Director	2
K.K. Gupta	Member	Non- Executive Independent Director	2
Saroj Kumar Poddar	Member	Non- Executive Non Independent Director	2

Details of remuneration to all the Directors for the year:

Payment of remuneration to the Whole Time Director and Managing Director is as approved by the Remuneration Committee, the Board and the Shareholders. The remuneration comprises salary, incentives, perquisites, contribution to the Provident Fund, Superannuation Fund and Gratuity.

(₹ in Lakhs)

Executive Directors	Salary	Retirement benefits	Variable pay	Total
Jyotsna Poddar	63.60	4.75	-	68.35
Suresh Krishnan	122.83	39.47	67.05	229.35

The term of appointment of the Whole Time Director is for a period of five years w.e.f. 1st April, 2017 and of Managing Director is 3 years w.e.f. 1st April, 2018. The notice period for the termination of the appointment of the Whole Time Director and Managing Director is three months and six months from either side respectively.

- a. No severance pay is payable on termination of the appointment of the Whole Time Director and Managing Director.

- b. Payment of remuneration to the Whole Time Director / Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders.

Sitting fees paid to Non-Executive Directors

The Non-Executive Directors of the Company receive remuneration by way of sitting fees. The details of sitting fees paid to Non-Executive Directors during the financial year 31.03.2019 for attending the meetings of the Board and the Committees thereof is given below:

Sr. No.	Name of Director	Amount (₹)
1.	S.K. Poddar	2,30,000
2.	Marco Wadia	5,20,000
3.	K.K. Gupta	4,05,000
4	J.N. Godbole	5,05,000

Pecuniary relationship of Directors:

During the financial year, none of the Directors of the Company had any material pecuniary relationship(s) or transaction(s) with the Company, its Promoters, its Senior management, its Subsidiary or Associate Company apart from the following:

- Remuneration paid to the Managing Director, Whole-time Director and Sitting Fees paid to the Non - Executive Directors;
- Reimbursement of expenses incurred by the Directors in discharging their duties;
- Professional fees of ₹ 3.61 lakhs paid to Crawford Bayley & Co during the year. Mr. Marco Wadia is a partner in Crawford Bayley & Co, Solicitors & Advocates, which has professional relationship with the Company. However, this is not considered material enough to infringe independence of Mr. Marco Wadia;
- Mr. Saroj Kumar Poddar, Mrs. Jyotsna Poddar and Mr. Marco Wadia are holding equity shares of the Company, details of which are given in this Report.

d) Other Committees:

Apart from above, the Board has constituted other committees including Banking and Finance Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Committee meetings are held as and when the need arises and at such intervals as may be expedient.

13. Annual General Meetings

Details of the last three Annual General Meetings are as follows:

Year	Location	Date	Time	Particulars of special resolutions passed
2017-18	Jai Kisaan Bhawan, Zuarinagar, Goa-403726	10-09-2018	2.30 p.m.	1 Re-appointment and remuneration payable to Mr. N. S. Krishnan as Managing Director of the Company. 2 Reclassification of Pileri Investment and Industries Corporation Limited from "Promoter and Promoter Group" Category to "Public" Category 3 Enhancement in the Limits of Investments/Loans and Guarantees.
2016-2017		28-09-2017	10.00 a.m.	N.A
2015-2016		30-09-2016	10.30 a.m.	1. Re-classification of shareholder, SIL Investments Limited, which holds 9.48% of the issued and paid-up share capital of the Company from Promoter Group Category to Public Category

Special Resolutions Passed through Postal Ballot

The Company has not passed any special resolution through Postal Ballot during the year ended March 31, 2019. However details of Postal Ballot resolutions passed on 24th April 2019 of the Postal ballot Notice dated 18th March, 2019 are mentioned below. None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot.

Brief procedure for postal Ballot	Postal Ballot conducted as per Sec. 110 of Companies Act, 2013 and Companies (Management and Administration Rules), 2014
Type of meeting	Postal Ballot
Date of Postal Ballot Notice	18 th March, 2019
Type of Resolution	Special resolutions
Details of voting pattern	1. Votes in favour : 11803437 (99.99%)
	Votes against : 470 (0.004%)
	Invalid votes : 37
	2. Votes in favour : 14899760 (99.99%)
	Votes against : 322 (0.02%)
	Invalid votes : 37
Name of Scrutinizer for conducting Postal Ballot	Mr. Shivaram Bhat, Practicing Company Secretary
Date of declaration of result and date of approval	25 th April, 2019 , 24 th April, 2019
Items of Resolution passed through the Postal Ballot	Giving Guarantee or Security under Section 185 of Companies Act, 2013 Continuation of Directorship of Mr. Krishan Kumar Gupta, Independent Director

14. Disclosures:

A) Mr. Marco Wadia, Partner of Crawford Bayley & Co., Solicitors & Advocates, has a professional relationship

with the Company. The professional fees of ₹ 3.61 lakhs paid to Crawford Bayley & Co. during the year is not considered material enough to infringe on the independence of Mr. Wadia. Accordingly, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives having potential conflict with the interest of the Company.

- B) There were no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority or any matter related to capital markets during the last three years.
- C) The Company has put in place a Vigil mechanism and adopted the Whistle Blower Policy and affirms that no person has been denied access to the Audit Committee. The information on Vigil mechanism is placed on the website of the Company. The information on Vigil mechanism is placed on the website of the Company. The weblink for accessing the policy is <http://www.adventz.com/html/pdfs/WhistleBlowerPolicyZGLa17619.pdf>.
- D) The Company has formulated a policy for determining material subsidiaries and the policy is disclosed on the Company's website. The weblink for accessing the policy is <http://www.adventz.com/html/pdfs/SUBSIDIARY-POLICY-ZGL-3419.pdf>
- E) The Company has formulated a policy on dealing with Related Party transactions and the same is disclosed on the Company's website. The weblink for accessing the Related Party Transaction Policy is <http://www.adventz.com/html/pdfs/RELATED-PARTY-POLICY-ZGL-3419.pdf>.
- F) The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of LODR Regulation, 2015. The Company has also adopted Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

15. Means of communication:**a. Half-yearly Unaudited Financial Results:**

Unaudited financial results for the half-year ended 30th September, 2018 were sent to each household of shareholders, apart from publishing in one English National Daily and Local dailies, published in the language of the region where the registered office of the Company is located.

b. Quarterly Results:

Quarterly results are published in one English National Daily and Local dailies, published in the language of the region where the registered office of the Company is located.

c. Website on which the results are displayed:

www.adventz.com.

d. The company does not publish official new-releases on its website. The presentations made to institutional investors and analyst are uploaded on the company website.**16. Code of Conduct:**

The Company has adopted a 'Code of Conduct' for the Directors and Senior Executives of the Company. The code promotes conducting business in an ethical, efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders. The code has set out a broad policy for one's conduct in dealing with the Company, fellow Directors and employees and the external environment in which the Company operates.

The declaration given by the Managing Director of the Company with respect to the affirmation of compliance of the code by the Board of Directors and Senior Executives of the Company is enclosed as **Annexure 'C'** to this report.

17. Code of internal procedures and conduct for trading in securities of the Company:

The Company has adopted a Code of Prevention of Insider Trading in securities of the Company, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board has designated Mr. Sachin Patil, Asst. Company Secretary as the Compliance officer and has authorized Managing Director to monitor compliance of said Regulation.

18. General Shareholders Information:**a. Annual General Meeting:**

The Annual General Meeting will be held on Friday, 6th September, 2019 at Jai Kisaan Bhawan, Zuarinagar, Goa-403726 at 2.30P.M.

b. Financial Year : 1st April to 31st March**c. Financial calendar (Tentative)**

Results for the quarter ended 30th June, 2019- on or before 2nd week of August, 2019

Results for the half-year ended 30th September, 2019-on or before 2nd week of November, 2019

Results for the quarter ended 31st December, 2019- on or before 2nd week of February, 2020

Audited Annual Results 2019-20 - on or before 30th May, 2020.

d. Date of book closure:

20th July, 2019 to 27th July, 2019 (inclusive of both days).

e. Dividend payment date:

The Dividend payment date is on or after 10th September, 2019 but within the stipulated time under the Companies Act, 2013.

f. Management Discussion and Analysis forms part of this Report as Annexure 'E'.**g. Listing on Stock Exchanges:**

Company's shares are listed on:

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

The National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

The Company has paid the annual listing fees to the Stock Exchanges for the Financial Year 2018-19.

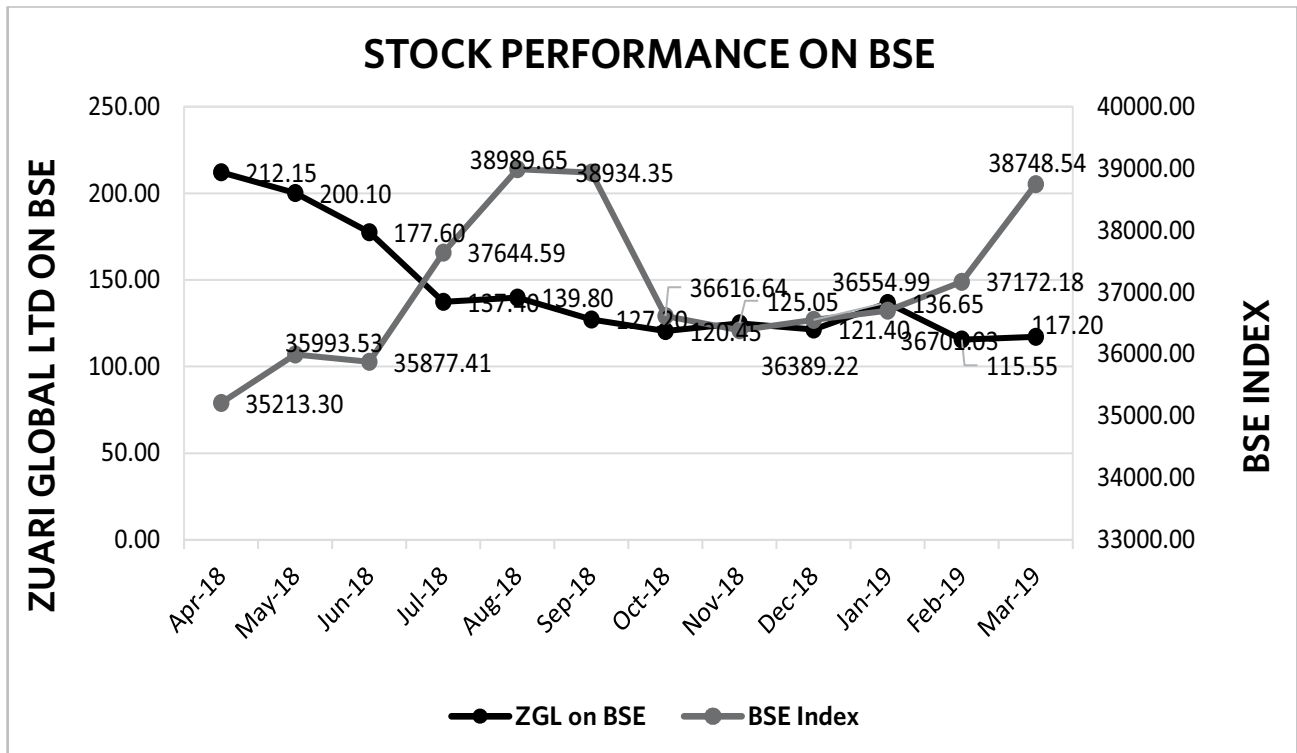
h. Stock Code:

1. BSE Limited, Mumbai: 500780
2. The National Stock Exchange of India Limited, Mumbai: ZUARIGLOB
3. International Standard Identification Number (ISIN): INE217A01012

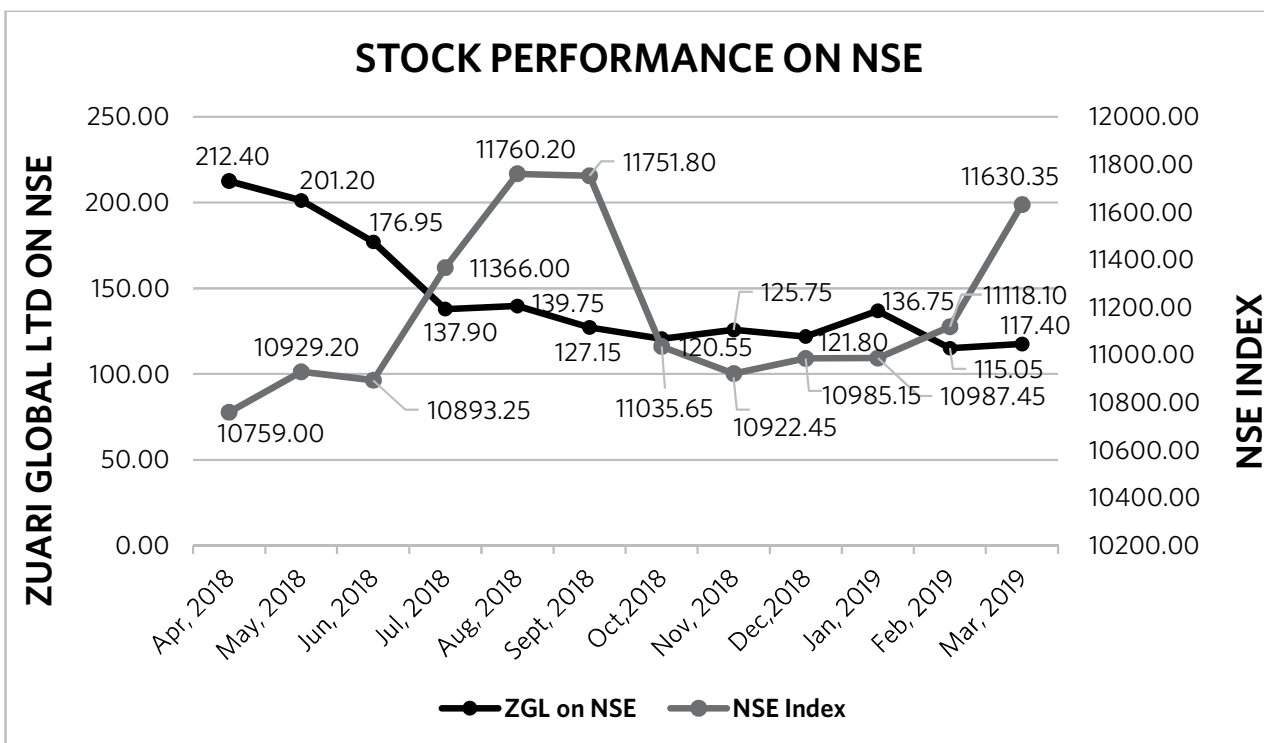
i. Stock Market Data:

High/Low share prices during the period 1st April, 2018 to 31st March, 2019

	ZGL on BSE		BSE Index	
	High	Low	High	Low
April, 2018	212.15	172.95	35213.30	32972.56
May, 2018	200.10	154.70	35993.53	34302.89
June, 2018	177.60	128.35	35877.41	34784.68
July, 2018	137.40	114.65	37644.59	35106.57
August, 2018	139.80	117.00	38989.65	37128.99
September, 2018	127.20	98.85	38934.35	35985.63
October, 2018	120.45	98.20	36616.64	33291.58
November, 2018	125.05	107.15	36389.22	34303.38
December, 2018	121.40	102.00	36554.99	34426.29
January, 2019	136.65	107.70	36701.03	35375.51
February, 2019	115.55	94.00	37172.18	35287.16
March, 2019	117.20	92.00	38748.54	35926.94



	ZGL on NSE		NSE Index	
	High	Low	High	Low
April, 2018	212.40	171.50	10759.00	10111.30
May, 2018	201.20	155.75	10929.20	10417.80
June, 2018	176.95	126.70	10893.25	10550.90
July, 2018	137.90	114.00	11366.00	10604.65
August, 2018	139.75	117.70	11760.20	11234.95
September, 2018	127.15	97.95	11751.80	10850.30
October, 2018	120.55	96.15	11035.65	10004.55
November, 2018	125.75	105.20	10922.45	10341.90
December, 2018	121.80	101.00	10985.15	10333.85
January, 2019	136.75	107.60	10987.45	10583.65
February, 2019	115.05	95.50	11118.10	10585.65
March, 2019	117.40	101.75	11630.35	10817.00



j. Share Transfer System

The Share Transfers in physical mode above 1000 equity shares are approved by Stakeholders' Relationship Committee.

The Company has authorized the Asst. Company Secretary to approve share transfers involving up to 1000 shares with a view to expedite the process of share transfers.

k. Address of the Registrar and Share Transfer Agent:

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (W)
Mumbai - 400 083
Tel: 022 - 49186000, Fax: 022 - 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.com

l. The Company maintains an exclusive email id, investor_redressal@adventz.com to redress the Investor's Grievances as required under Regulation 13 of SEBI (LODR) Regulations, 2015. The correspondence received under this email id are monitored and addressed on a daily basis.

m. The securities were not suspended from trading during the year.

n. Shareholding:

The distribution of shareholding as on 31st March, 2019 was as follows:

No. of shares	No. of shareholders	% of shareholders
Upto 500	21180	91.95
501 - 1000	899	3.90
1001 - 2000	457	1.98
2001 - 3000	157	0.68
3001 - 4000	71	0.31
4001 - 5000	53	0.23
5001 - 10000	95	0.41
10001 and above	123	0.54
Total	23035	100.00

Shareholding Pattern as on 31st March, 2019:

Category	No. of shares held	% shareholding
Promoters & Promoter Group	16143659	54.83
Banks/Financial Institutions and Insurance Companies/NBFCs	2218577	7.54
Foreign Institutional Investors	217760	0.74

Category	No. of shares held	% shareholding
Mutual Funds	1205211	4.09
NRIs/OCBs	219478	0.75
Bodies Corporate	3246174	11.03
Public	6189745	21.02
TOTAL	29440604	100.00

o. Dematerialization of shares and liquidity:

29145567 equity shares (99%) have been dematerialized as on 31st March, 2019.

p. The Company has not issued GDRs/ADRs/Warrants or convertible Instruments during the Financial Year.

q. Commodity price risk or foreign exchange risk and hedging activities:

As the Company is not engaged in the business of commodities which are traded in recognized commodity exchanges, commodity risk is not applicable.

r. The Address for correspondence is:

Zuari Global Limited
Jai Kisaan Bhawan, Zuarinagar, Goa- 403 726.
Tel: 91-0832-2592180
E- mail: shares@adventz.com and/or
investor_redressal@adventz.com
Website: www.adventz.com

s. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor Walker Chandio & Co. LLP, for FY 2018-19 and all entities in the network firm/network entity of which the statutory auditor is a part.

Fees paid by subsidiaries to Walker Chandio & Co. LLP.

Particulars	Fee (₹ In Lakhs)
Audit Fee (Including tax audit fees)	63.95
Certificate Fees	4.28
Reimbursement of Expenses	1.73
Total	69.96

Fees paid by the Company to Walker Chandio & Co. LLP

Particulars	Fee (₹ In Lakhs)
Audit Fee (Including tax audit fees)	13.00
Limited Review Fees	12.00
Certificate Fees	0.25
Reimbursement of Expenses	2.05
Total	27.30

t. Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment. There were no complaints/cases filed/pending with the Company during the financial year.

- u.** A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is enclosed as **Annexure 'D'**.
- v.** The Board has accepted all the recommendations of the various committees of the Board, in the relevant financial year.

w. There are no shares in the demat suspense account or unclaimed suspense account.

x. Credit Rating for debt instrument is not applicable to the Company.

y. The Company has not raised any funds through preferential allotment & qualified institutional placement.

z. Non mandatory Requirement

The Company has complied with the following non mandatory requirements:

- Providing half yearly unaudited financial results of the Company to each household of the shareholder.
- Sharing the expenses for maintaining the Chairman's Office.
- Internal Auditor reports directly to the Audit Committee

Annexure 'B' to the Directors' Report

Certificate on Compliance Of Conditions of Corporate Governance

To

The Members

Zuari Global Limited

I have examined the compliance of conditions of Corporate Governance by **ZUARI GLOBAL LIMITED** (the Company), for the financial year ended on 31st March, 2019, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Panaji, Goa

Date : 24th May, 2019

Sadashiv V. Shet

Practising Company Secretary

CP No.: 2540; Membership No.: 2477

Annexure 'C' to the Directors' Report

Declaration by the Managing Director

Pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015, I, N. Suresh Krishnan, Managing Director of Zuari Global Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the financial year 2018-19.

Place : Gurugram

Date : 24th May, 2019

N. Suresh Krishnan

Managing Director

DIN:00021965

Annexure 'D' to the Directors' Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
ZUARI GLOBAL LIMITED
JAI KISAAN BHAWAN,
ZUARINAGAR, GOA, 403726

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Zuari Global Limited having CIN L65921GA1967PLC000157 and having registered office at Jai Kisaan Bhawan, Zuarinagar, Goa, 403726, [hereinafter referred to as 'the Company'], produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number [DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Saroj Kumar Poddar	00008654	15/05/1993
2.	Mr. Narayanan Suresh Krishnan	00021965	21/01/2011
3.	Mr. Krishan Kumar Gupta	00024221	30/07/2014
4.	Ms. Jyotsna Poddar	00055736	15/05/2009
5.	Mr. Jayant Narayan Godbole	00056830	09/09/2016
6.	Mr. Marco Philippus Ardeshir Wadia	00244357	15/05/1993

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Panaji, Goa
Date : 24th May, 2019

Sadashiv V. Shet
Practising Company Secretary
CP No.: 2540; Membership No.: 2477

Annexure 'E' to the Directors' Report

Management Discussion and Analysis

The Board of Directors is pleased to present the business analysis and outlook for Zuari Global Limited (ZGL) based on the current Government policies and market conditions.

REAL ESTATE OVERVIEW

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial.

The sector has seen some remarkable changes in recent times post the completion of De-monetization exercise & the implementation of GST (Goods & Services taxes) regime and RERA (Real Estate Regulatory Authority) Act where majority of the un-organized/non corporate Real Estate Developers have left the sector being unable to cope up with the new rules & regulations and the liquidity crunch/ cash flow issues faced due to non-availability of Finance from lending banks & NBFCs. This leaves the sector to corporate real estate developers who will be able to abide the rules & regulations set by the authorities and ensure quality delivery of products on time.

The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralized processes to source material and organize manpower and hiring qualified professionals in areas like project management, architecture and engineering.

MARKET SIZE

- Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025.
- Sectors such as IT & ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times.
- Commercial office stock in India is expected to cross 600 Mn Sqft by 2019; new supply in Q4 of FY18-19 has increased by 23% compared to Q3 of FY18-19 while leasing has crossed 12 Mn Sqft during Q4 of FY18-19 led by Bangalore, Hyderabad, Mumbai & NCR (covering 75% of leasing activities).
- Office space leasing in the top eight cities is expected to cross 100 Mn Sqft before 2020.
- Co-working space across top cities has increased sharply in 2018-19 (Q4 of FY18-19), reaching 2.9 million square feet, compared to 1.7 million square feet in Q1 of FY18-19). The co-working space requirement is expected to touch 10 Mn Sqft by 2020 as increased rent in major cities are forcing companies to go for co-working spaces.

INVESTMENTS

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential

spaces. Since 2008 till Q4 2018-19, Indian real estate sector attracted PE investments worth US\$ 53 billion with 59% of the total invested between years 2014 to 2019.

Some of the major investments which happened during recent times:

- Brookfield acquired Projects (Portfolio of Assets) from Hiranandani for around US\$ 1000 million
- Brookfield acquired Commercial Project (Equinox Business Park) from Equinox Business Park for around US\$ 360 million
- Embassy Office Parks, India's first real estate investment trust (REIT) went public as joint venture between Embassy Group & Blackstone Group.

GOVERNMENT INITIATIVES

The Government of India's "The Smart City Project", where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. GOI's another initiative of "Housing for all" has generated ample opportunity for the real estate companies to deliver housing requirements by 2022; some of the information about this initiative is provided below:

- Under the Pradhan Mantri Awas Yojana (PMAY) Urban, 6.85 Mn houses have been sanctioned up to Dec'2018.
- GOI's Housing for All initiative to bring US\$ 1.3 trillion investments in Housing Sector by 2025.

Road Ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth Rs 1.25 trillion (US\$ 19.65 billion) in the Indian market over the years.

References: Media Reports, Press releases, Knight Frank India, CBRE, JLL Research etc.

Zuari Infraworld - Managing Real Estate Vertical of Zuari Global Limited

- Zuari Global Limited is the holding company of the group of entities who deal with real estate activities such as Texmaco Infrastructure & Holdings, Zuari Infraworld etc.
- Zuari Infraworld has been entrusted the responsibility to delivery & manage all real estate projects of the group through a capable and efficient team of professionals.
- Zuari Infraworld is an ISO9001:2015 & OHSAS18001:2007 certified company having efficient processes to deliver real estate projects on time with quality; New ERP software is being implemented now to ensure the processes become more robust, trackable and easily reportable and value for customer gets increased on regular basis.

- Zuari Infracore intends to ensure growth of real estate business by engaging with direct private equity funds, by inviting joint ventures/joint developments with various capable partners of repute to monetize the land bank of the group

The below projects managed by Zuari Infracore are in different stages of execution:

1. Zuari Garden City Project, Mysore

This project is the flagship project for the group. The integrated township spread over 73.5 acres with the distinction of being the First Integrated Township in Mysore, is located on KRS Road, in the outskirts of the city of Mysore.

The project is situated just 3 Kms away from the famous Brindavan Gardens. The project is planned to have residential, retail, commercial and office spaces. Development has been divided into phases as explained hereunder:

a) Phase I Villas:

- Zuari Garden City Mysore project was launched with Villa construction on 18 acres. Total of 217 villas have been constructed on an area of 5.65 lakh Sft.
- The clubhouse with snooker, Table Tennis, Party hall etc & the Indoor Badminton court, Basket Ball Area & Children's Park has been commissioned and are being used actively by the residents on a daily basis.
- This phase continues to win accolades and has become a landmark development in Mysore. It has won the prestigious landscape award instituted by the Mysore District Authorities for the last five years consecutively.

b) Phase II Apartments:

- A total of 3 towers of G+12 floors are being constructed with a built up area of 3 lakh sft.
- The project has been RERA approved & Construction work is progressing at a brisk pace.
- The Project is expected to be delivered by mid of 2020.

c) Phase III Villaments:

- Brindavan Serenity offers premium villaments with all the modern amenities. Spread across 23 full and 2 half blocks in the 3.5 acres (1.5Lakh Sqft) land and interspaced with abundant greens in its lush landscape, these villaments present an epitome of affordable housing.
- The villaments are compact in size, are eligible under PMAY (Pradhan Mantri Awas Yojana) and is ideally suitable for MIG (Middle Income Group) buyers.
- A total of 192 villaments with all being road facing are available.
- The project has been RERA approved. Construction work has already started while sales (80% Sold) are happening at a brisk pace.
- The Project will be delivered by 2nd Quarter of 2020.

2. Luxury Residential Tower – Downtown, Dubai

- This project is located in the heart of Dubai in close proximity to Dubai mall and the iconic Burj Khalifa. This is a 50% Joint Venture project with Zuari Infracore being the Managing partner.
- The project has been co-branded with St. Regis – The top notch brand within the Marriott's family of brands thereby giving access to Marriott's HNI database and marketing tools to increase efficiency in sales.
- The project is going to be unique in the sense that all apartments will have their private pool and garden.
- The project has won the Best design award for upcoming multi-unit building in Dubai, Arabia and in the World.
- The built-up area is 8.27 lacs Sqft with 178 uniquely designed uber-luxury Apartments.
- All approvals have been received. RERA registration is under progress. Construction has commenced with shoring & piling works being completed.
- This project has planned outlay of Rs.1300Cr & is expected to complete by 2022.

3) Goa Residential Project:

- This project is located in Zuari Nagar in close proximity to the airport.
- The Land belongs to Zuari Global Ltd and is being managed by Zuari Infracore on a fee basis.
- The total land area is 37 acres and the first phase of the project is on 6.8 acres with built up area of 1.67 lakh Sqft comprising of Villas and Apartments, along with large fun pool and clubhouse.
- Sales is almost over with only last few units left which will be sold while the project is being delivered as per plan.
- Construction work is in full progress and the project is planned to be delivered by Sep/Oct' 2019.

Upcoming Projects/Land Sales:

1. Delhi:

- ✓ The project in Delhi having luxury residential towers along with modern mall with all amenities is coming up on 3.5 Mn Sqft of Built-up area on the Birla Mill Complex land on G. T. Road, Kamlanagar.
- ✓ Layout plan is submitted to Authorities and Approval is expected by Aug'19, subsequently building plan will be submitted along with environmental & other clearances to authorities and Approval is expected by 4th Quarter of FY19-20 with project completion planned by 3rd Quarter of 2025-26.
- ✓ An outlay of Rs.1400Cr has been identified to complete this project.

2. Goa – Retail:

- ✓ The biggest destination/themed mall in Goa is coming up on 0.5 Mn Sqft of Built-up Area near BITS Pilani campus adjoining National Highway 17B.

- ✓ M/s Anarock has been appointed as Retail Transaction Advisor to get a strategic partner for this project & subsequently complete all the leasing of spaces in a time bound manner.
- ✓ LOI has already been signed with INOX to setup multiplex Cinema in the mall while expression of interests have been received from all top brands of the country including Shoppers Stop, Lifestyle, Westside, Max, Spar etc.
- ✓ An outlay of Rs.200Cr has been identified to complete this project.

3. Land Sales:

To create liquidity in the business the following lands have been sold and negotiations are on to sale further land parcels to bring more liquidity in the business.

- Delhi:
 - 1.2 Acres of litigated property along with 325 Sqm of land parcel have been successfully sold in Kamlanagar at a good price. Money is being received in tranches as per the terms.
 - 5.5 Acres of Land in KilonawalaBagh is under negotiation for sale.
- Uttar Pradesh:
 - 22 Acres of land parcel near Vrindavan is under negotiation for sale.
- Goa
 - MOU for sale of 15.5 Acres of land parcel has been executed.

RISKS & CONCERNS

Anticipating the risks in the business, the company has set up adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorization coupled with ensuring compliance of corporate policies.

THREATS & CHALLENGES

- Regulatory Hurdles:
 - Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedure delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.
- Shortage of manpower & Technology
 - Despite being the second largest employer in the country the construction sector as a whole faces a manpower shortage. Further the sector is heavily dependent on manual labour which

increases the timelines for projects and results in supply getting deferred. Hence less labour intensive alternative methods of construction need to be adopted on a large scale besides institutions for training and development of manpower to enhance skill levels is necessary.

● Liquidity Crunch in the Market

Several NBFCs (Non – Banking Finance Corporations) have faced liquidity issues during 2018-19 with no relief expected during the last quarters of 2019 as developers fail to repay the loans extended to them. As the source of funds from NBFCs have almost dried up, many developers are feeling the pinch and are forced to go slow or stop construction in different parts of India thereby incurring the risk of delayed project completion and RERA penalties.

BUSINESS PLAN

1. Project Feasibility and Management

- Leverage the Group's formidable technical expertise, together with its vast land holdings & highly skilled team of professionals to ensure holistic living & work spaces for the community at large.
- Demonstrate differentiation and a competitive edge in the Service & Management Sector by strategic alliances with acclaimed partners.
- Deploy end-to-end lifecycle management in the infrastructure and real estate sector.
- Deploy its triple advantage - harnessing excellence in all aspects of human endeavor, deploying world-best technological expertise and buttressing projects with its formidable financial prowess across all spheres.

2. Expand Business Domain - New Initiatives toward Growth Acceleration

- Firmly establish the position as an urban developer with its business structuring power capable of forming a diversified product lineup.
- Realize revenue growth through the ongoing supply of new products in existing development of Zuari Rain Forest & Zuari Garden City.
- Devotes itself to the development and enhancement of both residential and commercial projects by making sure that investor confidence is boosted and returns are better than promised.
- Enter into JV/JD with landowners in Tier I cities given the opportunity that will crop up due to the industry consolidations that are underway at present.

3. Increase in business volume

- Realize growth in the housing sales through existing extensive product categories in Zuari Rain Forest, Goa and Zuari Garden City in Mysore & Delhi.
- Stable rental revenue for stakeholders from Retail/ Commercial segment.
- Expand into Bangalore and International locations through partnerships.

4. Environment Consciousness

- Every project development of ZILL ensures sustainable approach in all our project design approach which comes from minimal impact to the surrounding environment and reducing energy consumption.
- Environment friendly constructions find their fullest expression in the form of energy efficient glass and natural stone, designed for the highest Green rating.
- The control over quality and providing environment friendly buildings that are both durable and sustainable is combined with Zuari Infracoreworld conforming to the ISO 9001:2015 and OHSAS 18001:2007 certifications for its quality, safety and environment management systems.

5. Commitment

- In the domain where customer confidence is nil, we are committed for timely possession.
- Ensuring value and fairness in all transactions.
- Commitment to uphold Investor concerns at all times.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The revenue from operations (Standalone) for the year ended 31st March, 2019 was ₹ 247.69 lacs as compared to ₹ 1656.37 Lacs for the year ended 31st March 2018.

The Profit before tax for the year ended 31st March, 2019 was ₹3268.17 lacs as compared to ₹ 2011.26 lacs for the year ending 31st March, 2018. The Profit after tax stood at ₹ 4027.70 lacs for the year ending 31st March, 2019 as compared to ₹ 1796.45 lacs for the previous year ending 31st March, 2018.

The revenue from operations (Consolidated) for the year ended 31st March, 2019 was ₹ 77418.90 lakhs as compared to ₹ 55496.59 lakhs for the previous year.

The Consolidated Loss before tax for the year ended 31st March, 2019 was ₹ 12729.24 lakhs as compared to a loss of ₹ 3778.57 lakhs for the year ended 31st March, 2018. The Loss after tax stood at ₹ 10987.37 lakhs for the year ended 31st March, 2019 as compared to loss of ₹ 4106.98 lakhs for the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

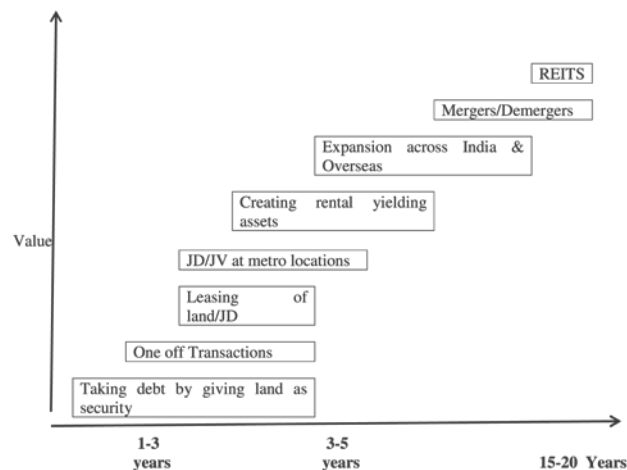
The company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorisation coupled with ensuring compliance of corporate policies through documented Standard Operating Procedure (SOP) and Limits of Financial Authority Manual (LOAM).

The company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorisation coupled with ensuring compliance of corporate policies through documented Standard Operating Procedure (SOP) and Limits of Financial Authority Manual (LOAM).

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the Corporate Governance Report. The Audit Committee of the Board reviews the Audit Reports submitted by the Internal Auditors along with the recommendations of the Management Committee. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of the corrective actions. The implementation status of the directions is placed before the Audit Committee periodically, confirming the actions undertaken. The Committee also meets the Company's statutory auditors on a periodic basis to ascertain, inter alia, their views on the adequacy of the internal control systems in the Company and keeps the Board of Directors informed about its major observations from time to time.

FUTURE OUTLOOK/STRATEGY

The chart representing the company growth plan and a model that will be self-sustaining.



The company is in progress to monetize its land bank across group companies where it is possible. This will not only unlock value for the shareholders but also help the company's other business to grow. The company has concentrated on development of Affordable Housing segment which is supported by Government of India's PMAY (Pradhan Mantri Awas Yojana) scheme and has come up as the most promising segment in recent times across India. The company's real estate strategy is thus in line with current market scenario and would reap great benefits in the years to come.

ENTERPRISE RISK MANAGEMENT (ERM)

The Risk Management Committee of the Board has approved a Risk Management Policy which has been formulated in accordance with the provisions of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligation and Disclosure Regulation) Regulation 2015.

Our ERM framework encompasses practices relating to identification, assessment, monitoring and mitigation of strategic, operational, financial and compliance related risks. The coverage includes both internal and external factors. The risks identified are prioritised based on their potential impact and likelihood of occurrence. Risk register and internal audit findings also provide input for risk identification and assessment. The prioritised risks along with the mitigation plan are discussed with the Risk Management Committee on periodic basis.

The Company has, during the year internally conducted the Risk Assessment exercise for reviewing the existing processes of identifying, assessing and prioritizing risks. Mitigation plans have been defined for the prioritised risks and same are being reviewed for adherence periodically.

The Risk Management Committee shall periodically review the risks and report to the Board of Directors from time to time.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

This year, the emphasis was on workforce enhancement. Employees were engaged at all levels to find better ways of doing work. Employees were urged to communicate and give their ideas and suggestions on any area of work that they felt could improve performance. Enhancing the effectiveness of the salesforce was another key intervention that was taken up on priority.

Employees at all units and functions have been empowered to take decisions around their area of work. They have been advised to make these decisions with the customer in mind. There has been a lot of emphasis on agility and in order to achieve it, the organizational structure, hierarchy and work practices have been modified wherever necessary to make it more agile and nimble.

Over and above all this, development of employees has been taken up through specialized training modules and programs that focus on soft skills. Progressive steps have been further taken to inculcate a performance oriented culture.

KEY FINANCIAL RATIOS:

The ratios for Financial Year 2018-19 and 2017-18 are not comparable due to applicability of IND AS 115 and reversal of Income tax provision and Interest income booked on such refund.

CAUTIONARY STATEMENT:

There are certain statements in this report which the Company believes are forward looking. The forward looking statements stated in this report could significantly differ from the actual results due to certain risks and uncertainties, including but not limited to economic developments, Government actions, etc.

Annexure 'F' to the Directors' Report

FORM NO. MR- 3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Zuari Global Limited
Jai Kisaan Bhawan ,
Zuarinagar ,Goa, 403726

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ZUARI GLOBAL LIMITED, (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the ZUARI GLOBAL LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**Not applicable to the Company during the period under review.**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**Not applicable to the Company during the period under review.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; **Not applicable to the Company during the period under review.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**Not applicable to the Company during the period under review.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ;**Not applicable to the Company during the period under review.**
- (vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The following other Laws applicable specifically to the Company are:

1. The Real Estate (Regulation and Development) Act, 2016;
2. The Building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996;
3. Town and Country Planning Acts and Development Control Regulations & Building Byelaws as applicable at various locations.
4. Trademarks Act, 1999.

I further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance

report by the respective departmental heads / Company Secretary / Executive Director/ Internal Auditor, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws and other legislations.

I further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, GST and others detailed under Tax Legislations, have not been reviewed and I have relied on the representations made by the Company, its Officers and Reports issued by the Statutory Auditors.

I have also examined compliance with the applicable clauses of the:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has ventured into the real estate and construction business and other than this there are no instances of major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. during the year under review

Date : 24th May, 2019
Place : Panaji-Goa

Sadashiv V Shet
Practicing Company Secretary
FCS No. 2477
C P No.: 2540

Annexure 'G' to the Directors' Report

Format of reporting of Corporate Social Responsibility(CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Driven by our passion to make a difference to society, Adventz Group Companies are committed to upholding the highest standards of corporate social responsibility, and have continued its progress on community initiatives with renewed vigour and devotion.

With the commencement of the Companies Act, 2013, the CSR activities of the Company were re-visited and re-aligned as per the CSR provisions contained in Companies Act, 2013 and rules made there under. Company's CSR projects and initiatives are guided by our CSR Policy, and reviewed closely by the CSR Committee institutionalized and adopted by the Board of Directors as per the "Section 135 of the Companies Act, 2013".

As a responsible business corporation, our companies have built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal need gaps in the communities we operate in. We also believe that we have a

larger responsibility towards making a difference within our industry and also society at large.

Weblink to CSR Policy: http://www.adventz.com/html/pdfs/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY_2.pdf

2. The Composition of the CSR Committee:

K.K. Gupta - Chairman
Marco Wadia - Member
N. Suresh Krishnan - Member

3. Average net profit of the Company for last three financial years:

Average of profit (in lakhs) ₹ 2589.73

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

2% of Profit before tax (in lakhs) ₹ 51.79

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year (in lakhs) ₹ 51.79
- Total amount spent during the financial year (in lakhs) ₹ 75.55

6. Manner in which the amount spent during the financial year is detailed below:

The two percent of the average net profit of the last three financial years for the Company is ₹ 51.79 Lakhs.

Sl. No	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs 2. Overheads	Amount spent: Direct or through implementing agency
1	Support to Old Age Homes for improving living conditions of residents by provisioning of necessary furniture	iii) setting up old age homes, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Tamil Nadu, Maharashtra, Delhi NCR	₹ 51.99 Lakhs	₹ 51.99 lakhs	₹ 51.99 lakhs
2	Drinking water facility at Village level, in Bendurde and Balli Villages, in Goa	I & XII	Goa	₹ 23.56 Lakhs	₹ 23.56 Lakhs	₹ 23.56 Lakhs

The Company supported twenty (20) resource poor Old Age Homes for improving living conditions of old age residents by provisioning of necessary furniture for their use, in three regions (Tamil Nadu, Maharashtra, and Delhi NCR). The identification and need assessment of Old Age Homes was conducted with support from Helpage India.

The company also installed the drinking water facility for community of forty households belonging schedule tribe in Bendurdem & Barcem Village of Quepem taluka of South Goa. For years, the community faced shortage of drinking water due to irregular supply of water from the existing water source, and was dependent on tanker water supplied during summers. The water supply system installed by ZGL pumps the water from a natural source to a storage tank with the help of a motor, and subsequently water is distributed in the community through common taps. There are eight water storage tanks attached with feeder water pipes and taps installed at various points within the community. With

these CSR initiatives of ZGL, Zuari Agro Chemicals Limited will continue to work closely with the farmers under GAIN (Goa Agri Initiative), another initiative for promoting precision agriculture among the farming community in Goa.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

N. Suresh Krishnan

Managing Director

DIN: 00021965

K. K. Gupta

Chairman of

CSR Committee

DIN: 00024221

Place: Gurugram

Date: 24th May, 2019

Annexure 'H' to the Directors' Report

Statement of particulars pursuant to the provisions of section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

Sr. No.	Name of the Director	Ration of the remuneration to the median remuneration of the employees
1.	S.K.Poddar-Chairman*	NIL
2.	N.Suresh Krishnan-Managing Director	1:24
3.	Jyotsna Poddar-Whole Time Director	1:7.26
4.	J N Godbole-Independent Director*	NIL
5.	Marco Wadia-Independent Director*	NIL
6.	K.K.Gupta-Independent Director*	NIL

*Were paid sitting fees for attending meetings

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year;

Sr. No.	Name of the Director	Percentage increase in remuneration
1.	S.K.Poddar-Chairman*	NIL
2.	N.Suresh Krishnan-Managing Director	NIL
3.	Jyotsna Poddar-Whole Time Director	NIL
4.	J N Godbole-Independent Director*	NIL
5.	Marco Wadia-Independent Director*	NIL
6.	K.K.Gupta-Independent Director*	NIL
7.	Vijay Kathuria	10%
8.	Sachin Patil	12%

*Were paid sitting fees for attending meetings

- (iii) The percentage increase in the median remuneration of employees in the financial year:

12%

- (iv) The number of permanent employees on the rolls of Company:

There are 15 permanent employees on the rolls of the Company.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration to employees other than Managerial Personnel was 5%

- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

On behalf of the Board of Directors

Place: Gurugram
Date: 24th May, 2019

S. K. Poddar
Chairman
DIN:00008654

Annexure 'I' to the Directors' Report

Statement of Particulars of Employees of Zuari Global Limited Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Designation	Remuneration received; (₹ In lakhs)	Nature of employment, whether contractual or otherwise;	Qualifications and experience of the employee;	Date of commencement of employment; (DOJ)	The age of such employee; DOB	The last employment held by such employee before joining the company;	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) Of Rule 5	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
N Suresh Krishnan	Managing Director	229.35 lakhs	Permanent	B.E (Hons.), MSc 30 years	1 April 2015	3.6.1964 54 years	Zuari Agro Chemicals Limited	Nil	N.A.

On behalf of the Board of Directors

Place: Gurugram
Date: 24th May, 2019

S. K. Poddar
Chairman
DIN:00008654

Annexure 'J' to the Directors' Report

Statement containing salient features of the Financial Statement of Subsidiaries Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014
Form AOC-1(PART-'A')

(All amounts in ₹ lakhs, unless stated otherwise)

Sl. No.	Name of the subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of share-holding	Country
Indian Subsidiaries															
1	Zuari Infraworld India Limited	INR	NA	4,655.00	10,238.35	47,309.61	32,416.26	11,419.48	2,185.30	175.52	(146.00)	29.52	-	100%	INDIA
2	Indian Furniture Products Limited	INR	NA	7,009.95	(2,481.47)	18,939.35	14,410.87	41.00	1,750.04	(2,007.09)	2.09	(2,005.00)	-	72.45%	INDIA
	Soudayaa IFPL Interiors Limited (Subsidiary of Indian Furniture Products Limited)	INR	NA	25.00	69.77	142.82	48.05	-	-	(5.82)	0.01	(5.81)	-	NA	INDIA
3	Forté Furniture Products India Private Limited	INR	NA	2,801.00	(4,740.13)	5,618.68	7,557.81	-	8,736.72	(1,550.42)	-	(1,550.42)	-	48.98%	INDIA
4	Simon India Limited	INR	NA	500.00	9,237.53	23,584.20	13,846.67	4,772.18	25,168.14	(989.51)	289.46	(700.05)	-	100%	INDIA
5	Zuari Management Services Limited	INR	NA	5.00	7,894.85	11,028.43	3,128.58	9,759.57	1,838.00	(391.57)	-	(391.57)	-	100%	INDIA
6	Zuari Investments Limited	INR	NA	1,945.74	24,120.76	40,782.85	14,716.36	33,075.17	-	(504.57)	-	(504.57)	-	100%	INDIA
	a) Gobind Sugar Mills limited (Subsidiary of Zuari Investments limited)	INR	NA	373.09	(2,325.24)	111,634.39	113,586.54	133.15	46,384.92	(2,628.17)	(954.30)	(3,582.47)	-	NA	INDIA
7	Zuari Finserv Limited (Formerly known as Zuari Finserv Pvt. Ltd.)	INR	NA	1,999.84	270.51	4,851.42	2,581.07	460.00	846.20	30.44	(6.08)	24.36	-	100%	INDIA
	a) Zuari Commodity Traders Limited (Subsidiary of Zuari Finserv Limited)	INR	NA	185.00	(80.16)	147.02	42.19	-	8.07	(6.93)	-	(6.93)	-	NA	INDIA
	b) Zuari Insurance Brokers limited (Subsidiary of Zuari Finserv Limited)	INR	NA	275.00	177.93	497.49	44.56	42.79	279.53	88.35	(22.97)	65.38	-	NA	INDIA
8	Zuari Sugar & Power Limited	INR	NA	2,990.00	(2,849.72)	12,470.82	12,330.54	3,356.79	17,455.30	(1,607.39)	-	(1,607.39)	-	100%	INDIA
Foreign Subsidiaries															
1	Zuari Infra Middle East Limited (Subsidiary of Zuari Infraworld India Ltd.)	AED	18.8275	0.10	20.31	188.83	168.42	1.47	11.50	(7.95)	-	(7.95)	-	NA	UAE
2	Zuari Infra World SJM Properties L.L.C. (formerly know as SJM Elysium Properties LLC (Subsidiary of Zuari Infra Middle East Ltd.)	AED	18.8275	3.00	(35.26)	1,473.93	1,506.19	-	-	(13.46)	-	(13.46)	-	NA	UAE

Note 1 : Figures of Foreign Subsidiaries are reported in AED Lakhs
Note 2 : Subsidiary which are yet to commence operations- Nil
Note 3 : Subsidiary which have been sold during the year- Nil

S. K. PODDAR

Chairman
DIN : 00008654

VIJAY KATHURIA

Chief Financial Officer

N. SURESH KRISHNAN

Managing Director
DIN : 00021965

SACHIN PATIL

Asst. Company Secretary
ACS: 31286

MARCO WADIA

Director
DIN: 00244357

PART - B

Statement containing salient features of the Financial Statement of Joint Venture & Associates
(Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

₹ in Lakhs

Name of the Company		Joint Venture	Associate
		Zuari Indian Oiltanking Private Limited	Zuari Agro Chemicals Limited
1.	Latest audited Balance sheet	31 st March, 2019	31 st March, 2019
2.	Shares of Joint Ventures/Associates held by the Company on the year end		
	No.(No. of Shares)	1,00,20,040	1,34,90,510
	Amount of Investment in Joint Venture/Associates	1002.00	2145.92
	Extend of Holding	50.00%	32.08%
3.	Description of how there is significant influence	Based on the percentage of Holding in the Joint Venture Company	Based on the percentage of Holding in the Associate Company
4.	Reason why the Joint Venture/Associates is not consolidated	Not Applicable	Not Applicable
5.	Networth attributable to Shareholding as per latest audited Balancesheet	1786.29	40739.73
6.	Profit/(Loss) for the year {Profit/(Loss) after Tax}	77.20	(17058.29)
	i. Considered in Consolidation	38.60	(5472.30)
	ii. Not Considered in Consolidation	38.60	(11585.99)

Note 1 : Associates or Joint Ventures which are yet to commence operations-NIL

Note 2 : Joint Ventures/Associates which have been sold during the year-NIL

S. K. PODDAR

Chairman
DIN: 00008654

N. SURESH KRISHNAN

Managing Director
DIN : 00021965

MARCO WADIA

Director
DIN: 00244357

VIJAY KATHURIA

Chief Financial Officer

SACHIN PATIL

Asst. Company Secretary
ACS: 31286

Place: Gurugram

Date: 24th May 2019

Annexure 'K' to the Directors' Report

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which were not at arm's length basis during the year ended March 31, 2019.

2. Details of material contracts or arrangements or transactions at arm's length basis:

There were no material contracts / arrangements or transactions entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013. However, the Company has entered into transactions with related parties at arm's length, the details of which are given in the notes to financial statements.

On behalf of the Board of Directors

Place: Gurugram
Date: 24th May, 2019

S. K. Poddar
Chairman
DIN:00008654

Independent Auditor's Report

To the Members of Zuari Global Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Zuari Global Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') 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 Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Implementation of new IND AS 115, "Revenue from Contracts with Customer" ('IND AS 115')</p> <p>We refer to summary of significant accounting policies and note 44 of the standalone financial statements of the Company for the year ended 31 March 2019 disclosures related to first time application of Ind AS 115 and impact of transition from previous standards to the new one.</p> <p>The Company has adopted the new Ind AS 115 which is applicable from 01 April 2018 and replaces Ind AS 11, Construction Contracts, Ind AS 18, Revenue and Guidance Note on Accounting of Real Estate Transactions ("the Guidance Note"). The application of this accounting standard is complex as it establishes a comprehensive framework for determining whether, how much and when the revenue is recognized and requires significant judgments to be applied particularly in determining whether the amount of revenue is to be recognised over time or in time involves various judgments such as whether the Company has enforceable right to payment or performance completed to date or the customer controls as the assets is created etc. Significant judgements are also involved in estimating the amount of significant financing component from the total contract value.</p>	<p>Our audit procedures included but were not limited to, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of management's processes and internal controls around adoption of Ind AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess their appropriateness; • We tested the operating effectiveness of internal controls established by management to ensure completeness, accuracy and timing of revenue (point in time or over time, as applicable) recognized during the year as well as for adjustments made on transition; • We obtained a schedule of contracts with customers that were in progress as on the date of transition to Ind AS 115, from the Company and evaluated the completeness of that population; • We evaluated the completeness and mathematical accuracy of the cumulative adjustments on transition to Ind AS 115 by assessing whether the schedule of adjustments is complete and reflects appropriate consideration for the changes in the revenue accounting under Ind AS 115;

<p>The Company has applied the modified retrospective approach of transitioning to Ind AS 115 and has recognized the cumulative effects of initially applying Ind AS 115 as an adjustment to the opening balance of equity at the date of initial application.</p> <p>Considering the significance of the above transition with respect to the standalone financial statements, the underlying complexities and efforts involved, this matter has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • We analyzed a sample of existing and new contracts with customers from each revenue stream and considered whether the revenue recognition policy determined in the current period in respect of those revenue streams was in accordance with the principles of Ind AS 115 and applied consistently; • We ensured that all the transition adjustments have been recognised appropriately; • We evaluated the methodology used by the Company to determine whether the transaction price included a significant financing component and the method of calculation of the significant financing component in the transaction price; and • We evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the financial statements in accordance with Ind AS 115
<p>Income tax provisions/(reversal)</p> <p>We refer to the note 21 and 35A of the standalone financial statements of the Company for the year ended 31 March 2019 disclosures related to current tax expense, deferred tax and contingent liabilities.</p> <p>The Company has significant litigations outstanding as at 31 March 2019 which includes income tax and wealth tax.</p> <p>The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>Key judgments are also made by the management in estimating the amount of liabilities, provisions and/or contingent liabilities related to aforementioned litigations.</p> <p>Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the management process for: <ul style="list-style-type: none"> - identification of legal and tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - for measurement of amounts involved. • We evaluated the design and tested the operating effectiveness of key controls around above process; • We obtained an understanding of the nature of litigations pending against the company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company. Tested the independence, objectivity and competence of such management experts involved; • On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and / or disclosure of contingent liabilities in respect of each such litigation selected for testing. We focused on the developments in the existing litigations and new litigations, which could have materially impacted the amounts recorded as provisions or disclosed as contingent liability in the financial statements; • We obtained independent opinion/confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims; • We reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements;

	<ul style="list-style-type: none"> • We assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations; • We involved auditor's expert to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents; and • We tested the disclosures made relating to the provisions and contingent liabilities for their appropriateness.
<p>Impairment assessment of non-current investments in subsidiaries and joint venture</p> <p>We refer to summary of significant accounting policies and note 6A and note 33B(iii) of the financial statements of the Company for the year ended 31 March 2019 for the carrying value of the non-current investments in subsidiaries and joint venture and key estimates respectively.</p> <p>The Company has aggregate investment in subsidiaries and Joint ventures of INR 23,601.59 lakhs. Impairment assessment of these investments is considered as a key audit matter since recoverability of the investments could not be established, and potential impairment charge might be required to be recorded in the standalone financial statements. The recoverability of these investments is inherently subjective due to reliance on net worth of investee, valuations of the assets held and cash flow projections of these investee companies. The key assumptions underpinning management's assessment of the valuation model includes, but are not limited to future growth rates, discount rates, estimated future operating and capital expenditure.</p> <p>Moreover, due to their materiality in the context of the Company's financial statements as a whole, this is considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p> <p>Accordingly, assessment of impairment losses to be recognised, if any, on the carrying value of investment made in the subsidiary and joint venture has been considered as be a key audit matter for current year's audit.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Company's policies and procedures to identify impairment indicators and performed the following procedures in relation to management's impairment assessments; • We evaluated design and operating effectiveness of controls implemented for identification of impairment indicators and measurement of impairment provisions; • We have verified underlying supporting documents for all significant additions made during the year to ensure that the transaction has been accurately recorded in the standalone financial statement; • We have obtained independent confirmation of shares held in Dematerialised form from the broker, and for others shares, verify share certificates of material subsidiaries; • We have compared the carrying value of all investments to the net assets of the underlying entity, to identify whether the net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount; • Wherever the net assets were lower than the recoverable amount, for material amounts: <ul style="list-style-type: none"> i. We assessed the appropriateness of valuation methodology used for the fair valuation computation and tested the mathematical accuracy of management's model; ii. We reconciled the cash flow projections to the business plans approved by the Company's board of directors; iii. We challenged the management's analysis around key drivers of cash flows forecasts including price increases, short term and long term volume growth and the level of input costs by comparing them with either the historical information or market data, as appropriate, of respective investments; iv. We tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate; v. We have reconciled input data to supporting evidences such as approved budgets, inflation rates; vi. We have evaluated management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would be required; and vii. We tested arithmetic accuracy of cash flows projections and sensitivity analysis. • We evaluated the appropriateness of disclosures in relation to investments in subsidiaries and joint ventures.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company

or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 May 2019 as per Annexure B expressed an unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 35A to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 24 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of Zuari Global Limited, on the standalone financial statements for the year ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in the nature of property, plant and equipment and intangible assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular; and
- (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of Dues	Amount (INR in lakhs)	Amount paid under protest (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax act, 1961	Income tax	148.29	102.41	1994-95	Hon'ble High Court of Bombay
Income tax act, 1961	Income tax	65.01	14.79	1995-96	Hon'ble High Court of Bombay
Income tax act, 1961	Income tax	45.87	Nil	1996-97	Hon'ble High Court of Bombay
Income tax act, 1961	Income tax	31.02	Nil	1997-98	Hon'ble High Court of Bombay
Income tax act, 1961	Income tax	114.58	Nil	1998-99	Assistant Commissioner of Income Tax
Income tax act, 1961	Income tax	5,156.14	3,438.99	2000-01	Honorable High Court of Bombay
Income tax act, 1961	Income tax	43.35	Nil	2001-02	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income tax	16.41	Nil	2005-06	Honorable High Court of Bombay

Name of the statute	Nature of Dues	Amount (INR in lakhs)	Amount paid under protest (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax act, 1961	Income tax	256.74	256.74	2006-07	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income tax	469.24	Nil	2007-08	Honorable High Court of Bombay
Income tax act, 1961	Income tax	331.79	Nil	2008-09	Honorable High Court of Bombay
Income tax act, 1961	Income tax	436.67	Nil	2009-10	Honorable High Court of Bombay
Income tax act, 1961	Income tax	360.00	Nil	2010-11	Honorable High Court of Bombay
Income tax act, 1961	Income tax	954.50	954.50	2011-12	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income tax	79.26	79.26	2012-13	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income tax	80.00	80.00	2013-14	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income tax	268.80	53.79	2015-16	Commissioner of Income Tax (Appeals)
Wealth tax act, 1957	Wealth tax	565.78	283.00	2005-06 to 2009-10	Commissioner of Income Tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank and financial institution. The Company did not have any outstanding debentures and loan from government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 24 May 2019

Annexure B to the Independent Auditor's Report of even date to the members of Zuari Global Limited on the standalone financial statements for the year ended 31 March 2019

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Zuari Global Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: 24 May 2019

Standalone Balance Sheet as at 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

	Note no.	As at 31 March 2019	As at 31 March 2018
I ASSETS			
Non-current assets			
Property, plant and equipment	3	124.22	214.00
Investment properties	4	228.56	160.50
Other intangible assets	5	2.08	0.22
Financial assets			
i. Investments	6A	156,110.18	177,895.57
ii. Loans	6B	6,883.24	959.34
iii. Other financial assets	6C	1.22	0.97
Non-current tax assets (net)	21A	1,643.89	3,363.38
Total non-current assets		164,993.39	182,593.98
Current assets			
Inventories	7	25,862.91	23,555.56
Financial assets			
i. Investments	6A	65.03	-
ii. Trade receivables	8	4.51	31.81
iii. Cash and cash equivalents	9	231.44	994.88
iv. Bank balances other than (iii) above	10	20.40	22.79
v. Loans	6B	13,036.58	8,610.21
vi. Other financial assets	6C	567.08	237.83
Other current assets	11	462.10	284.35
		40,250.05	33,737.43
Assets classified as held for sale	12	979.83	979.83
Total current assets		41,229.88	34,717.26
Total assets		206,223.27	217,311.24
II EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,944.11	2,944.11
Other equity	14	181,093.57	203,499.75
Total equity		184,037.68	206,443.86
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	7,132.72	-
Provisions	20	226.56	245.10
Deferred tax liabilities (net)	21	55.92	55.25
Other non-current liabilities	19	1,708.35	2,533.85
Total non-current liabilities		9,123.55	2,834.20
Current liabilities			
Financial liabilities			
i. Borrowings	16	3,500.00	2,470.00
ii. Trade payables			
(a) total outstanding due to micro enterprise and small enterprise;	17	-	-
(b) total outstanding due to creditors other than micro enterprise and small enterprise	17	449.21	438.76
iii. Other financial liabilities	18	2,084.17	1,040.35
Other current liabilities	19	6,948.56	4,013.81
Provisions	20	76.37	70.26
Current tax liabilities (net)	21A	3.73	-
Total current liabilities		13,062.04	8,033.18
Total equity and liabilities		206,223.27	217,311.24

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the standalone financial statements

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

For and on behalf of board of directors of

Zuari Global Limited

S. K. Poddar

Chairman

DIN No: 00008654

N Suresh Krishnan

Managing Director

DIN: 00021965

Marco Wadia

Director

DIN: 00244357

Place: Gurugram

Date: 24 May 2019

Vijay Kathuria

Chief Financial Officer

Sachin Patil

Asst. Company Secretary

Membership No. 31286

Standalone Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

	Note no.	For the year ended 31 March 2019	For the year ended 31 March 2018
I Revenue			
Revenue from operations	22	247.69	1,656.37
Other income	23	4,812.01	2,424.57
Total revenue (I)		5,059.70	4,080.94
II EXPENSES			
Project expenses	24	1,170.53	1,340.34
Changes in inventories of work-in-progress	25	(1,170.53)	(337.13)
Employee benefits expense	26	523.51	546.28
Finance costs	27	805.65	57.55
Depreciation and amortization expense	28	15.92	15.81
Other expenses	29	446.45	446.83
Total expenses (II)		1,791.53	2,069.68
III Profit before tax (I-II)		3,268.17	2,011.26
IV Tax expense:	21A		
Current tax expense/(reversals) (including adjustments for earlier years)		(837.95)	169.19
Deferred tax		78.42	45.62
Total tax expense/(credit)		(759.53)	214.81
V Profit for the year (III-IV)		4,027.70	1,796.45
VI Other comprehensive income/(loss)		(25,876.28)	60,152.82
Items that will not be reclassified to profit or loss			
Re-measurement gain/(losses) on defined benefit plans		8.26	(5.68)
Income tax effect of above item		(2.41)	1.64
Net gain on equity instruments		(25,882.13)	60,156.86
VII Total comprehensive income/(loss) for the year (V + VI)		(21,848.58)	61,949.27
VIII Earnings per equity share {nominal value of shares of INR 10, (31 March 2018 : INR 10)} :			
Basic (INR)	31	13.68	6.10
Diluted (INR)	31	13.68	6.10

Summary of significant accounting policies

2.1

The accompanying notes forms an integral part of the standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors of

Zuari Global Limited

Neeraj Goel

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Place: Gurugram

Date: 24 May 2019

Vijay Kathuria

Chief Financial Officer

Sachin Patil

Asst. Company Secretary
Membership No. 31286

Standalone Statement of Cash Flows for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash Flow from operating activities		
Profit before tax	3,268.17	2,011.26
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	15.92	15.81
Unclaimed balances written back	(39.75)	(21.18)
Gain arising on financial assets as at fair value through profit and loss	(38.94)	(34.43)
Finance costs	805.65	57.55
Interest income	(1,609.14)	(669.58)
Dividend income	(1,188.72)	(1,291.45)
Income from financial guarantee	(213.60)	(96.69)
Operating (loss)/ profit before working capital changes	999.59	(28.71)
Movements in working capital:		
Movement in trade payables	50.20	(79.09)
Movement in provisions	(4.17)	28.60
Movement in other current liabilities	600.61	(193.32)
Movement in other financial liabilities	6.56	(20.12)
Movement in trade receivables	(4.51)	(31.81)
Movement in Inventories	(1,164.52)	(289.89)
Movement in loans and advances	3.80	4.98
Movement in other current assets	(386.21)	(29.71)
Cash flow from/(used) in operations	101.35	(639.07)
Income tax (paid)/ refunds (net)	2,561.17	(86.58)
Net cash flow (used in)/from operating activities (A)	2,662.52	(725.65)
B Cash Flow from Investing Activities:		
Purchase of Property, plant and equipment ('PPE') including intangible assets	(2.05)	(0.74)
Proceeds from sale of non-current investments	88.00	31.83
Purchase of non-current investments	(4,092.05)	(361.69)
Purchase of current investments	(5,908.62)	(2,217.64)
Proceeds from sale/ maturity of current investments	5,843.59	2,217.64
Receipt from interest warrants accounts	0.06	0.84
Fixed deposits matured/Investments	(0.29)	(0.04)
Dividends received on investments	1,188.72	1,291.45
Loans given	(27,586.00)	(5,032.00)
Loans received back	17,244.38	2,671.90
Interest received	1,596.71	682.71
Net cash flow used in investing activities (B)	(11,627.55)	(715.74)

Standalone Statement of Cash Flows for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
C Net Cash Flow From Financing Activities:		
Proceeds from borrowings (non-current) (net of processing charges)	8,315.00	-
Repayment of borrowings (current)	(3,470.00)	(975.00)
Proceeds from borrowings (current)	4,500.00	3,445.00
Repayment of unclaimed deposits	(0.55)	(1.77)
Dividend paid on equity shares	(294.41)	(294.41)
Tax on equity dividend paid	(60.52)	(59.93)
Finance costs paid	(787.93)	(65.76)
Net cash flow from financing activities (C)	8,201.59	2,048.13
D Net (Decrease)/ Increase in cash and cash equivalents (A + B + C)	(763.44)	606.74
Cash and cash equivalents (Opening)	994.88	388.14
Cash and cash equivalents (Closing)	231.44	994.88

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
CASH AND CASH EQUIVALENTS		
Cash on hand	0.06	0.04
Balance with banks		
- on current accounts	231.38	44.84
- on deposit accounts	-	950.00
Total cash and cash equivalents	231.44	994.88

Summary of significant accounting policies

2.1

This is the Standalone Statement of Cash Flows referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors of

Zuari Global Limited

Neeraj Goel

Partner

Membership No.: 099514

S. K. Poddar

Chairman

DIN No: 00008654

N Suresh Krishnan

Managing Director

DIN: 00021965

Marco Wadia

Director

DIN: 00244357

Place: Gurugram

Date: 24 May 2019

Vijay Kathuria

Chief Financial Officer

Sachin Patil

Asst. Company Secretary

Membership No. 31286

Standalone Statement of Changes in Equity for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

(a) Equity share capital

	Number of shares	INR in lakhs
Equity shares of INR 10 each issued, subscribed and fully paid		
As at 31 March 2017	29,440,604	2,944.06
Issue of share capital	-	-
As at 31 March 2018	29,440,604	2,944.06
Issue of share capital	-	-
As at 31 March 2019	29,440,604	2,944.06

(b) Other equity

For the year ended 31 March 2019:

	Reserves and surplus		Items of OCI	Total
	General reserve	Surplus in the statement of profit and loss	Equity instruments through OCI	
As at 1 April 2017	3,700.00	62,798.19	75,406.63	141,904.82
Profit for the year	-	1,796.45	-	1,796.45
Reclassification from OCI to retained earnings on disposal of investments	-	(155.47)	155.47	-
Other comprehensive income	-	(4.04)	60,156.86	60,152.82
Total comprehensive income	3,700.00	64,435.13	135,718.96	203,854.09
Dividends paid (refer note 30)	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (refer note 30)	-	(59.93)	-	(59.93)
As at 31 March 2018	3,700.00	64,080.79	135,718.96	203,499.75
As at 1 April 2018	3,700.00	64,080.79	135,718.96	203,499.75
Change in accounting policy*	-	(202.67)	-	(202.67)
As at 1 April 2018 (revised)	3,700.00	63,878.12	135,718.96	203,297.08
Profit for the year	-	4,027.70	-	4,027.70
Other comprehensive income	-	5.85	(25,882.13)	(25,876.28)
Reclassification from OCI to retained earnings on disposal of investments	-	(2,051.29)	2,051.29	-
Total comprehensive income	3,700.00	65,860.38	111,888.12	181,448.50
Dividends paid (refer note 30)	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (refer note 30)	-	(60.52)	-	(60.52)
At 31 March 2019	3,700.00	65,505.45	111,888.12	181,093.57

*see note 44 for details about changes in accounting policies consequent to adoption of IND AS 115, "Revenue from Contracts with Customers"

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors of

Zuari Global Limited

Neeraj Goel

Partner

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Director

DIN: 00244357

Place: Gurugram

Date: 24 May 2019

Vijay Kathuria

Chief Financial Officer

Sachin Patil

Asst. Company Secretary

Membership No. 31286

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

1. Corporate information

The standalone financial statements of Zuari Global Limited ('the Company' or 'ZGL') are for the year ended 31 March 2019. Zuari Global Limited ("the Company") is a Public Company domiciled in India. Its shares are listed on two recognized stock exchanges in India viz National Stock Exchange and Bombay Stock Exchange. The registered office of the Company is located at Jai Kisaan Bhawan, Zuari Nagar, Goa 403 726, India.

The Company's primary business activity is acquisition and development of land. The Company has acquired land with the objective of developing the land.

The standalone financial statements were approved for issue in accordance with a resolution of the directors dated 24 May 2019.

2. Basis of preparation

The separate 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 and other relevant provisions of the Act. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on a historical cost basis, except for the assets and liabilities which have been measured at fair value, as applicable.

The financial statements of the Company are presented in Indian Rupees (INR), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless otherwise stated.

2.1 Summary of significant accounting policies

a. Basis of classification of current and non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer

settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

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

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

b. Property, plant and equipment ('PPE')

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognised as an asset if, and only if:

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

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Name of the asset	Useful live considered
Other buildings (RCC structures)	60 years
Porta cabins (Classified under building)	5 years
Furniture and fixtures	10 years
Office equipment	3 to 5 years
Vehicles	8 years

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

c. 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 are 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 five years.

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

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

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

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

d. Leases (other than land leases)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 01 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

e. 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

f. Impairment of contract assets

The allowance for expected credit losses for contract assets are calculated at individual level when there is an indication of impairment. For contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information in macroeconomic factors effecting the credit risk.

g. 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 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.

h. Foreign currency translation

Functional and presentation currency

The Company's financial statements are presented in Indian Rupee (INR), which is also its functional currency.

Initial recognition

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount the spot rate between the functional currency and the foreign currency at the date the transaction first qualifies for recognition.

Conversion

Foreign currency monetary items are translated using the spot exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the

date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income (OCI) or profit and loss are also recognized in OCI or profit and loss, respectively).

i. Investments

Investment in subsidiaries and joint ventures are accounted for at cost in standalone financial statements. Investment in associates is accounted for at fair value through OCI.

Quoted investments of the Company are accounted for at fair value through OCI at the reporting date.

j. Inventories

- The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued at the lower of Cost and Net Realizable Value.

The Cost is determined as follows:

Stock in trade including Land: Valued at lower of cost and net realizable value

Stock in Trade (others): The cost is determined on First in First Out Method.

Net Realizable Value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

- Construction work-in-progress of constructed properties projects includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials and is valued at lower of cost/estimated cost and net realisable value.
- Cost of construction/development material is valued at lower of cost or net realisable value.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

k. Provisions, contingent liabilities and capital commitments

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

l. Revenue recognition

The Company has applied Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 "Revenue". The impact of change in accounting policy is disclosed in note 44.

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.

Identify the Contract with Customer

Under Ind AS 115, the Company evaluates whether a valid contract is satisfying all the following conditions:

- All parties have approved the agreement (may be oral or written)
- All parties are committed to approve their obligations.
- Each party's rights are identifiable.
- The contract has commercial substance.
- Collectability is probable.

Identifying the performance obligations

Under Ind AS 115, the Company evaluates 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 considers 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.

Where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance completed to date (for example, charges per case/pallet), the Company recognizes revenue in the amount to which it has a right to invoice.

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 (in case of storage and distribution contracts where the customer pays a fixed rate per item for all the services provided). 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The company recognizes revenue when it transfers control of a product or service to a customer. The company recognizes revenue from the following major sources:

Revenue from sale of constructed properties

Revenue from sale of flats and villas is measured based on the consideration specified in a contract with a customer. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognizes revenue when it transfers control over flats and villas to a customer which is done after completion of the project, i.e. revenue is recognised based on completed contract method.

In obtaining these contracts, the Company incurs number of incremental costs, such as commissions paid to sales staff, agents etc. The Company has recognise as an asset (prepaid expense) against the incremental costs of obtaining a contract with a customer as same is expected to be recovered. These are recognised in the statement of profit and loss when revenue corresponding to such cost has been recognised.

Rental income through investment properties

Another source of income is rental income against investment property. Customers are invoiced periodically (generally on monthly basis). Income in respect of service contracts are recognised in statement of profit and loss when control of respective service has been transferred to customer.

Interest income

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

Dividend income

Dividend is recognized when the Company's' right to receive payment is established by the balance sheet date.

Other

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

m. Taxes on income

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealized tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Un-recognized deferred tax assets are re-assessed 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 tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit or Loss (either in other comprehensive income or in equity).

n. Retirement and other employee benefits

Provident fund and family pension fund

Retirement benefits in the form of Provident Fund is defined benefit obligation and is provided for on the basis of actuarial valuation of projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952. Any excess of plan asset over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

Retirement benefit in the form of pension fund and National Pension Scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. The Company recognizes contribution payable to the pension fund scheme as expenditure, 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company operates one defined benefit plan for its employees viz. gratuity liability. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for each plan using the projected unit credit method. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Leave encashment

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 purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Re-measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. Re-measurements are not classified to the profit or loss in subsequent periods.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Superannuation and contributory pension fund

Retirement benefit in the form of Superannuation Fund and Contributory Pension Fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Company recognizes contribution payable to the Superannuation Fund and Contributory Pension Fund scheme as expenditure, 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.

Payments made/to be made under the voluntary retirement scheme are charged to the Statement of Profit and Loss immediately.

Re-measurements

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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.

o. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified at following categories:

- Debt instruments at amortized cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by - instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an

associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

p. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

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

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash

equivalents consist of cash and short-term deposits, as defined above.

r. Dividend to equity holders

The Company recognizes a liability to make dividend distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year.

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

t. Investment property

The Company has elected to continue with the carrying value for all of its investment property as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property as per Schedule II as mentioned in the policy of Depreciation, and in certain cases based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

u. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where ever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level

input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

v. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

w. Recent accounting pronouncements

Ind AS 116, Leases

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest

for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

x. Amended standards adopted by the Company

The Company has applied newly effective Ind AS 115 "Revenue from Contracts with Customers" for the first time in the financial year 31 March 2019 which requires to recognize revenue when customer has transferred control of goods or service rather than transfer of risks and rewards. The Company had to change its accounting policies and make adjustment in opening retained earnings. Refer note 32 and 44 for further details.

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Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

3. Property, plant and equipment

Particulars	Buildings	Furniture and fixtures	Office equipment	Vehicles	Total
Gross block					
As at 1 April 2017	181.77	1.42	7.86	66.63	257.68
Additions	-	0.21	0.23	-	0.44
Disposals	-	-	-	-	-
As at 31 March 2018	181.77	1.63	8.09	66.63	258.12
As at 1 April 2018	181.77	1.63	8.09	66.63	258.12
Additions	-	-	-	-	-
Transfer to Investment property (refer note 3.1(ii))	76.84	-	-	-	76.84
As at 31 March 2019	104.93	1.63	8.09	66.63	181.28
Accumulated depreciation					
As at 1 April 2017	5.95	0.22	1.87	18.02	26.06
Depreciation charge during the year	7.91	0.11	0.96	9.08	18.06
Disposals	-	-	-	-	-
As at 31 March 2018	13.86	0.33	2.83	27.10	44.12
As at 1 April 2018	13.86	0.33	2.83	27.10	44.12
Depreciation charge during the year	7.26	0.13	0.99	9.08	17.46
Transfer to investment property (refer note 3.1(ii))	4.52	-	-	-	4.52
As at 31 March 2019	16.60	0.46	3.82	36.18	57.06
Net block					
As at 31 March 2019	88.33	1.17	4.27	30.45	124.22
As at 31 March 2018	167.91	1.30	5.26	39.53	214.00

3.1 Notes

- i) Refer note 35C for the information on plant, property and equipment pledged as security by the Company.
- ii) With effect from 1 October 2018, the Company has given two apartments classified under Buildings on lease to Zuari Agro Chemicals Limited (an Associate of the Company). Since, apartments are now held to earn rentals, hence, during the year the same has been transferred from Buildings to Investment properties.

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Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

4. Investment property

Particulars	As at 31 March 2019
Opening balance at 1 April 2017	171.39
Additions	-
Closing balance at 31 March 2018	171.39
Opening balance at 1 April 2018	171.39
Transferred from property, plant and equipment (refer note 3.1(ii) above)	76.84
Closing balance at 31 March 2019	248.23
Depreciation	
Opening balance at 1 April 2017	7.26
Depreciation charge during the year	3.63
Closing balance at 31 March 2018	10.89
Opening balance at 1 April 2018	10.89
Depreciation charge during the year	4.26
Transferred from Property, Plant and Equipment (refer note 3.1 (ii) above.)	4.52
Closing balance at 31 March 2019	19.67
Net block	
As at 31 March 2019	228.56
As at 31 March 2018	160.50

4.1 Notes

(i) Refer note 35C for the information on investment property pledged as security by the Company.

(ii) Amount recognised in Statement of Profit and Loss for investment properties

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rental income derived from investment properties	247.69	230.78
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	247.69	230.78
Less: depreciation	4.26	3.63
Profit arising from investment properties before indirect expenses	243.43	227.15

(iii) **Leasing arrangements**

The Company's investment property consist of land and building owned by the Company let out to other group companies, outside party for business purpose and also to an educational institution. All lease arrangements are cancellable operating lease agreements.

(iv) **Fair value**

Particulars	As at 31 March 2019	As at 31 March 2018
Investment properties	16,791.28	16,652.36

Continued

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Fair value hierarchy and valuation technique

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including-

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All the resulting fair value estimates for investment properties are included in level 3.

These valuations are based on valuations performed by S V Kushte, an accredited independent valuer. He is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Company has entered into an agreement to sell land and building to a group company, Zuari Agro Chemicals Limited for a value of INR 3,209.13 lakhs (carrying value as on 31 March 2019: INR 979.83 lakhs).

(v) Reconciliation of fair value:

Particulars	Amount
Opening balance as on 1 April 2017	14,484.75
Fair value differences	2,167.61
Purchases/Transfer of investment property from PPE	-
Opening balance as on 1 April 2018	16,652.36
Fair value differences	5.10
Purchases/Transfer of investment property from PPE	133.82
Closing balance as on 31 March 2019	16,791.28

5. Other intangible assets

Particulars	Softwares
Gross block	
As at 1 April 2017	-
Additions	0.30
Disposals/adjustments	-
As at 31 March 2018	0.30
As at 1 April 2018	0.30
Additions	2.05
Disposals/adjustments	-
As at 31 March 2019	2.35
Accumulated amortisation	
As at 1 April 2017	-
Additions	0.08
Disposals/adjustments	-
As at 31 March 2018	0.08
As at 1 April 2018	0.08
Amortisation charge for the year	0.19
Disposals/adjustments for the year	-
Balance as at 31 March 2019	0.27
Net block as at 31 March 2019	2.08
Net block as at 31 March 2018	0.22

5.1 Intangible assets pledged as security

- i) Refer note 35C for the information on intangible assets pledged as security by the Company.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Financial assets

6A: Investments

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
I) Investment in equity instruments carried at cost				
<u>Unquoted equity instruments</u>				
Investment in subsidiaries				
50,785,794 (31 March 2018: 50,785,794) equity shares of INR 10 each fully paid up of Indian Furniture Products Limited	5,103.34	5,103.34	-	-
5,000,000 (31 March 2018: 5,000,000) equity shares of INR 10 each fully paid up of Simon India Limited	350.01	350.01	-	-
50,000 (31 March 2018: 50,000) equity shares of INR 10 each fully paid up of Zuari Management Services Limited	5.00	5.00	-	-
46,550,000 (31 March 2018: 46,550,000) equity shares of INR 10 each fully paid up of Zuari Infraworld India Limited	5,482.82	5,482.82	-	-
19,457,364 (31 March 2018: 19,457,364) equity shares of INR 10 each fully paid up of Zuari Investments Limited	3,258.99	3,258.99	-	-
29,900,000 (31 March 2018: 14,900,000) equity shares of INR 10 each fully paid up of Zuari Sugar and Power Limited	3,139.00	1,639.00	-	-
19,998,426 (31 March, 2018 : 17,998,426) equity shares of INR 10 each fully paid up of Zuari Finserv Limited	1,999.84	1,799.84	-	-
Equity portion of redeemable convertible non cumulative preference shares: Investment in subsidiary:				
Indian Furniture Products Limited	771.69	771.69	-	-
Investment in equity instruments - joint venture				
Unquoted				
10,020,000 (31 March 2018: 10,020,000) equity shares of INR 10 each fully paid up of Zuari Indian Oil tanking Private Limited	1,002.00	1,002.00	-	-
13,720,000 (31 March 2018: Nil) equity shares of INR 10 each fully paid up of Forte Furniture Products India Private Limited	1,385.72	-	-	-
Equity portion of corporate guarantees given				
Gobind Sugar Mills Limited	680.94	652.13	-	-
Simon India Limited	199.94	199.94	-	-
Indian Furniture Products Limited	172.53	172.53	-	-
Zuari Infraworld India Limited	42.05	17.04	-	-
Zuari Sugar and Power Limited	7.72	7.72	-	-
Sub total (i)	23,601.59	20,462.05	-	-

Continued

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
II) Investment in equity instruments carried at Fair value through OCI				
Investment in equity instruments - associate				
Quoted				
8,411,601 (31 March 2018: 8,411,601) equity shares of INR 10 each fully paid up of Zuari Agro Chemicals Limited	15,624.55	40,543.92	-	-
Investment in equity instruments - others				
Unquoted				
100,000 (31 March 2018: 1,00,000) equity shares of INR 10 each fully paid up of Biotech Consortium of India Limited	60.23	55.00	-	-
258,250 (31 March 2018: 2,58,250) equity shares of INR 100 each fully paid up of Lionel India Limited	258.25	258.25	-	-
Less: Impairment in value of investments	(258.25)	(258.25)	-	-
Quoted				
59,015,360 (31 March 2018: 59,015,360) equity shares of INR 10 each fully paid up of Chambal Fertilisers and Chemicals Limited	98,585.16	97,168.79	-	-
26,480,712 (31 March 2018: 24,760,712) equity shares of INR 1 each fully paid up of Texmaco Infrastructure and Holdings limited	15,014.56	15,203.08	-	-
4,035,000 (31 March 2018: 4,035,000) equity shares of INR 1 each fully paid up of Texmaco Rail and Engineering Limited	2,784.15	3,365.19	-	-
Nil (31 March 2018: 9,030,095) equity shares of INR 1 each fully paid up of Nagarjuna Oil Refinery Limited	-	316.05	-	-
277,777 (31 March 2018: 277,777) equity shares of USD 0.01 each fully paid up of Synthesis Energy System Inc.	103.73	484.22	-	-
Sub total (ii)	132,172.38	157,136.25	-	-
III) Investment in preference shares				
Investments at fair value through profit or loss				
Unquoted preference shares				
Investment in subsidiaries				
1,000,000 (31 March 2018: 1,000,000) 7% redeemable convertible non-cumulative preference shares of INR 100 each fully paid up of Indian Furniture Products Limited ('IFPL')	336.21	297.27	-	-
Sub total (iii)	336.21	297.27	-	-
IV) Investment in mutual funds				
Quoted				
Investments at fair value through profit or loss				
6,427 units (31 March 2018: Nil) of INR 1,012 of L&T liquid fund - regular daily dividend reinvestment plan	-	-	65.03	-
Sub total (iv)	-	-	65.03	-
Total (i+ii+iii+iv)	156,110.18	177,895.57	65.03	-
Aggregate amount of quoted investments	132,112.15	157,081.25	-	-
Aggregate market value of quoted investments	132,112.15	157,081.25	65.03	-
Aggregate amount of unquoted investments	24,256.28	21,072.57	-	-
Aggregate amount of impairment in value of investments	258.25	258.25	-	-

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

6B: Loans

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Security deposits	0.24	0.24	2.45	2.45
Loans and advances to related parties (refer note 6.1(i) below)	6,876.46	946.45	13,029.12	8,603.78
Other loans and advances				
Loans to -				
- Related parties (refer note 6.1(ii) below)	-	-	-	3.60
- Employees (secured)	1.49	1.69	0.20	0.19
Interest accrued on loans to employees -				
- Related parties (refer note 6.1(iii) below)	5.00	10.90	4.80	-
- Others	0.05	0.06	0.01	0.01
Interest accrued and due -				
- Others	-	-	-	0.18
	6,883.24	959.34	13,036.58	8,610.21

6.1 Notes

- Refer note 41 for details of loans given to related parties.
- Loans to employees include amount due from an officer of the Company (Managing Director) Nil as on 31 March 2019 and the same is not included in loans to employees. (31 March 2018: INR 3.60 lakhs). Refer note 41 for related party disclosure.
- Interest accrued on employees' loan includes amount due from officers of the Company (Managing Director) INR 9.80 lakhs as on 31 March 2019 (31 March 2018: INR 10.90 lakhs). Refer note 41 for related party disclosure.
- Break-up for security details:

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Secured - considered good	6.54	12.65	5.01	3.80
Unsecured - considered good	6,876.70	946.69	13,031.57	8,606.41
Trade receivables which have significant increase in credit risk	-	-	-	-
Unsecured - credit impaired	-	-	-	-
	6,883.24	959.34	13,036.58	8,610.21
Less : Loss allowance	-	-	-	-
	6,883.24	959.34	13,036.58	8,610.21

6C: Other financial assets

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Non-current bank balances (refer note 6.2(i) below)	1.22	0.97	-	-
Contract assets				
Unbilled revenue (refer note 6.2(ii) below)	-	-	-	18.75
Other receivables				
Related parties (refer note 41 for related party disclosure)	-	-	567.08	219.08
Total	1.22	0.97	567.08	237.83

6.2 Notes

- This balance includes amount pledged with banks and sales tax authorities of INR 1.22 lakhs (31 March 2018: INR 0.97 lakhs).
- Refer note 32 for details of significant changes in contract assets.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

7: Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Land (refer note 7.1 below)	21,936.04	21,936.04
Project work in progress	3,926.87	1,619.52
Total inventory (at cost or NRV whichever is lower)	25,862.91	23,555.56

7.1 Inventory pending to be registered in the company's name

Land of INR 16,359.32 lakhs (31 March 2018: INR 16,359.32 lakhs) is pending to be registered in the Company's name. Further, refer note 15 and 35C for the information on Inventory pledged as security by the Company.

8: Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables		
- Related parties (refer note 8.1 below)	4.51	-
- Others	-	31.81
	4.51	31.81

Break-up for security details:

Particulars	As at 31 March 2019	As at 31 March 2018
Secured - considered good	-	-
Unsecured - considered good (refer note 8.1 below)	4.51	31.81
Trade receivables which have significant increase in credit risk	-	-
Unsecured - credit impaired	-	-
	4.51	31.81
Less : Loss allowance	-	-
	4.51	31.81

8.1 INR 4.51 lakhs (31 March 2018: Nil) receivable from Zuari Agro Chemicals Limited for rental receipts. No other trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Refer note 41 for related party disclosure.

9: Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Balances with banks (refer note 9.1 below)		
- On current accounts	231.38	44.84
- On deposit accounts	-	950.00
Cash on hand	0.06	0.04
	231.44	994.88

9.1 Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day to 3 months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

10: Other bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks - on interest warrants accounts	-	0.06
Balance with banks - on unpaid dividend account	19.82	22.19
Balance with banks - on fixed deposit account with remaining maturity period for less than 12 months	0.58	0.54
	20.40	22.79

11: Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	4.97	5.15
Contract assets:		
Cost incurred to obtain a contract (refer note 11.1 below)	178.61	-
Balance with statutory authorities	109.29	133.24
Advances to		
- other vendors	169.23	145.96
	462.10	284.35

11.1 Refer note 32 for details of significant change in contract assets and note 44 for details about change in accounting policies consequent to adoption of Ind AS 115.

12: Assets held for sale

Particulars	As at 31 March 2019	As at 31 March 2018
Assets held for sale (refer note 12.1 below)	979.83	979.83
	979.83	979.83

12.1 The Company has entered into an agreement to sell land and building to an associate, Zuari Agro Chemicals Limited for a value of INR 3,209.13 lakhs (Carrying value as on 31 March 2018 979.83 lakhs). Such sale is expected to be concluded before the end of March 2020.

13: Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised :		
115,000,000 (31 March 2018: 115,000,000) equity shares of INR 10 each	11,500.00	11,500.00
Issued :		
29,448,655 (31 March 2018: 29,448,655) equity shares of INR 10 each fully paid	2,944.87	2,944.87
Subscribed and paid-up		
29,440,604 (31 March 2018: 29,440,604) equity shares of INR 10 each fully paid	2,944.06	2,944.06
Add: 1,100 (31 March 2018: 1,100) forfeited shares (amount paid-up) fully paid-up	0.05	0.05
	2,944.11	2,944.11

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

A. Reconciliation of shares outstanding at the beginning and end of the reporting year

Equity Shares	As at 31 March 2019		As at 31 March 2018	
	In Numbers	INR in lakhs	In Numbers	INR in lakhs
At the beginning of the year	29,440,604	2,944.06	29,440,604	2,944.06
Issued during the year	-	-	-	-
Outstanding at the end of the year	29,440,604	2,944.06	29,440,604	2,944.06

B. Terms/Rights attached to equity shares

- The Company has only one class of equity shares having a par value of INR 10 per share. Each share holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- During the year 31 March 2019, the amount of per share dividend proposed for distribution to equity share holders was INR 1 per share, subject to approval of shareholders (31 March 2018: INR 1 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

C. Details of Shareholders holding more than 5% of equity shares in the Company

Name of Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% Holding in class	No. of shares held	% Holding in class
Globalware Trading and Holdings Limited	7,491,750	25.45	7,491,750	25.45
Texmaco Infrastructure and Holdings Limited	2,757,941	9.37	2,757,941	9.37
Adventz Finance Private Limited	2,294,491	7.79	2,294,491	7.79
Reliance Capital Trustee Co Limited A/c - Reliance Regular Savings Fund Equity Option	1,190,761	4.04	1,932,756	6.56

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

D. Aggregate number of shares issued for consideration other than cash

Particulars	As at 31 March 2019	As at 31 March 2018
Shares issued for consideration other than cash	Nil	Nil

13A: Preference share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised :		
2,075,000 (31 March 2018: 2,075,000) redeemable cumulative preference shares of INR 100 each	2,075.00	2,075.00
Issued, subscribed and paid-up :		
Nil (31 March 2018: Nil) redeemable cumulative preference shares of INR 100 each	-	-

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

14: Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Balance brought forward from last year	64,080.79	62,798.19
Less: Effect due to change in accounting policy(refer note 14.1(i) below)	(202.67)	-
Balance brought forward from last year (revised)	63,878.12	62,798.19
Add: Profit for the year	4,027.70	1,796.45
Less: Reclassification from OCI to retained earnings on disposal of investments	(2,051.29)	(155.47)
Less: Dividends paid (refer note 14.1(ii) below)	(294.41)	(294.41)
Less: Dividend distribution tax (DDT) (refer note 14.1(ii) below)	(60.52)	(59.93)
Less: Re-measurement losses on defined benefit plans	5.85	(4.04)
	65,505.45	64,080.79
General reserve	3,700.00	3,700.00
FVTOCI reserve		
Balance brought forward from last year	135,718.96	75,406.63
Add/Less: Reclassification from OCI to retained earnings on disposal of investments	2,051.29	155.47
Add/less: Movement during the year	(25,882.13)	60,156.86
	111,888.12	135,718.96
	181,093.57	203,499.75

14.1 i) Refer note 44 for details about change in accounting policies consequent to adoption of Ind AS 115.

ii) Refer note 30 for the details of dividend paid by the company.

iii) **Nature and purpose of other reserve**

a) General reserve

The Company has transferred a portion of the net profit kept separately for future purpose is disclosed as a general reserve.

b) FVTOCI reserve

The company has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These are accumulated in fair value through OCI reserve in OCI within the equity. The company transfers this reserves to retained earnings when relevant equity investments are derecognised.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

15. Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured at amortised cost		
Rupee term loan from financial institution (refer note 15.1 below)	8,332.72	-
Less: current maturities of non-current borrowings	1,200.00	-
	7,132.72	-

15.1 Rupee term loan from financial institution (Secured)

Facility of INR 8,500.00 lakhs (31 March 2018: Nil) [(including current maturities INR 1,200.00 lakhs (31 March 2018: INR Nil)] bearing interest rate 11.85% p.a. The loan is repayable in 6 annual installments commencing from 31 October 2019 and ending on 31 October 2024. The loan is secured by first mortgage/charge on equitable mortgage over non-agricultural land admeasuring 100 acres located in village panchayat of Sancoale of Mormugao Taluka consisting of survey no. 111/1 in Goa which is standing in the Inventory of the Company and hypothecation and escrow of "dividend receivable" by the borrower from the investee companies. The outstanding balance of loan as at 31 March 2019 is INR 8,500.00 lakhs and carrying value of loan after adjustment of processing fees paid for obtaining the loan is INR 8,332.72 lakhs (31 March 2018: Nil).

16. Borrowings (Current)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
Rupee term loans from banks (refer note 16.1.A (i), (ii) and (iii) below)	3,000.00	2,470.00
Rupee term loans from others (refer note 16.1.B (i) below)	500.00	-
	3,500.00	2,470.00

16.1 A. Rupee term loans from banks (Unsecured)

- The Company has taken unsecured loan of of INR 3,000.00 lakhs (31 March 2018: Nil) in October 2018 for general business purposes from ICICI Bank Limited , carried an Interest rate of MCLR-6M +Spread of 2% and the same will be payable within 6 months from the date of receipt of proceedings. The amount outstanding as on 31 March 2019 of INR 3,000 lakhs (31 March 2018: Nil).
- The Company had taken an unsecured loan of Nil (31 March 2018: INR 1,500 lakhs) in March 2018 for general business purposes from ICICI Bank Limited, carried an Interest rate of MCLR-6M +Spread of 2% and the same had been paid within 6 months from the date of receipt of proceedings. The amount outstanding as on 31 March 2019 of Nil (31 March 2018: INR 1,500 lakhs).
- The Company had taken an unsecured short term working capital demand loan of Nil (31 March 2018: INR 1,000.00 lakhs) for general business purposes from Federal Bank Limited, carried an Interest rate of 10.35% annually and the same had been paid within 6 months from the date of receipt of proceedings. The amount outstanding as on 31 March 2019 of Nil (31 March 2018: INR 970.00 lakhs).

B. Rupee term loans from others (Unsecured)

- The Company has taken unsecured loan of of INR 500 lakhs (31 March 2018 of Nil) for general business purposes from Vinayak Dealers Private Limited as unsecured short term loan, carried an Interest rate of 13% per annum and the same will be payable within 193 days from the date of receipt of proceedings. The amount outstanding as on 31 March 2019 is of INR 500 lakhs.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

16.2 Changes in liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

Particulars	Non-Current borrowings (including current maturities)	Current borrowings
As at 1 April 2017	-	-
Cash adjustments		
Proceeds from borrowings	-	3,445.00
Repayment of borrowings	-	(975.00)
Interest payments	-	(57.55)
Non-cash adjustments		
Interest expense	-	57.55
As at 31 March 2018	-	2,470.00
As at 1 April 2018	-	2,470.00
Cash adjustments		
Proceeds from borrowings (net of processing charges)	8,315.00	4,500.00
Repayment of borrowings	-	(3,470.00)
Interest payments	(434.31)	(353.62)
Non-cash adjustments		
Interest expense	434.31	353.62
Effective interest rate adjustments	17.72	-
As at 31 March 2019	8,332.72	3,500.00

17. Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
Due to related parties (refer note 41 for related party disclosure)	140.42	74.84
Due to others	308.79	363.92
	449.21	438.76

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
i) Principal amount due to suppliers under MSMED Act	-	-
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
iv) Interest paid to suppliers under MSMED Act	-	-
v) The amount of 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.	-	-
vi) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the accounting year	-	-
viii) The amount of 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.	-	-
	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

18. Other financial liabilities

Particulars	Current	
	As at 31 March 2019	As at 31 March 2018
Other financial liabilities at amortised cost		
Current maturities of long term borrowings (refer note 15 above)	1,200.00	-
Payable towards voluntary retirement scheme	-	4.60
Employee benefits payable (refer note 18.1 below)	97.01	85.85
Statutory liabilities to be credited to 'Investor's Education and Protection Fund' as and when due:		
- Unclaimed deposits	1.00	1.55
- Unclaimed dividends	19.82	22.19
- Unclaimed Interest warrants	0.00	0.06
	1,317.83	114.25
Financial guarantee contracts	766.34	926.10
	2,084.17	1,040.35

18.1 INR 67.05 lakhs (31 March 2018: INR 64.65 lakhs) pertains to employee related payable to the officer of the Company (Managing Director). Refer note 41 for related party disclosure.

19. Other current liabilities

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Statutory liabilities	-	-	93.52	30.12
Advance towards sale of land/Investments (refer note 4) Investment property for INR 3,209.13 lakhs advance)	-	-	3,209.13	3,209.13
Amount received on account of amount deposited under litigation (refer note 19.1(iii) below)	1,708.35	2,533.85	-	-
Contract liabilities				
Advances received from customers and others				
- Related parties (refer note 19.1(ii) below)	-	-	107.38	34.66
- Others	-	-	3,538.53	739.90
	1,708.35	2,533.85	6,948.56	4,013.81

- 19.1 i) Refer note 32 for details of significant change in contract assets.
 ii) Include advance received against sale of flat from Mrs. Rekha Krishnan (wife of Mr. N. Suresh Krishnan) INR 53.37 lakhs (31 March 2018 INR 17.28 lakhs) and Mr. Krishnan Kumar Gupta for INR 54.01 Lakhs (31 March 2018: INR17.38 Lakhs). Refer note 41 for related party disclosure.
 iii) INR 1,708.35 lakhs (31 March 2018: INR 2,533.85 lakhs) pertains to amount received from Zuari Agro Chemicals Limited related to tax litigation. Refer note 41 for related party disclosure and note 46 for further details.

20. Provisions

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits				
Gratuity (funded) (refer note 20.1 below)	-	-	40.87	37.29
Compensated absences (refer note 20.1 below)	226.56	245.10	35.50	32.97
	226.56	245.10	76.37	70.26

20.1 Refer note 40 for details of Ind AS 19 "Employee Benefits" disclosures.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

21. Deferred tax

Particulars	As at 01 April 2017	Charged/(credited)		As at 31 March 2018	Charged/(credited)			As at 31 March 2019
		to profit and loss	to other comprehensive income		to profit and loss	to other comprehensive income	Due to change in accounting policy	
Deferred tax liability:								
Fixed assets Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	73.35	(7.02)	-	66.33	0.34	-	-	66.67
Fair valuation of investment in preference shares	11.95	8.13	-	20.08	11.34	-	-	31.42
Amortisation of financial guarantee liability	9.19	26.70	-	35.89	62.20	-	-	98.09
Total deferred tax liability (A)	94.49	27.81	-	122.30	73.88	-	-	196.17
Deferred tax assets:								
Expenses allowable in income tax on payment basis and deposition of statutory dues	83.22	(17.81)	1.64	67.05	(4.54)	(2.41)	-	60.10
Impact due to change in accounting policies (refer note 21.1 (i) below)	-	-	-	-	-	-	80.16	80.16
Total deferred tax assets (B)	83.22	(17.81)	1.64	67.05	(4.54)	(2.41)	80.16	140.25
Deferred tax liability (net) (A - B)	11.27	45.62	(1.64)	55.25	78.42	2.41	(80.16)	55.92

- 21.1 i) Refer note 44 for details for change in accounting policies consequent to adoption of Ind AS 115.
- ii) 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.
- iii) An deductible temporary difference exists on investment in equity shares held as fair value through other comprehensive income ('FVTOCI'). The management has reviewed the same and determined that there is no probability for its reversal in the foreseeable future. As a consequence, no deferred tax asset is recognised for the same as on 31 March 2019.

The amount of deductible temporary differences on which no deferred tax assets are recognised amounted to:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Temporary difference relating to investment in equity shares held as FVTOCI on which deferred tax asset have not being recognised	26,692.80	2,679.86	1,092.13	109.44

- iv) The Company has also not recognised deferred tax assets on unused capital losses in absence of reasonable certainty and availability of sufficient future taxable income against which such losses shall be utilised.

The amount of unused capital tax losses on which no deferred tax assets are recognised amounted to:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unused capital tax losses	14,343.09	1,440.05	12,291.80	1,234.10

The unused capital tax losses for which no deferred tax assets are recognised are as follow:

Year of expiry	As at 31 March 2019	As at 31 March 2018
Financial year ending 31 March		
2019-20	11,909.93	11,909.93
2022-23	373.63	373.63
2023-24	8.24	8.24
2026-27	2,051.29	-

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

21A: Income Tax

Profit and loss section

Particulars	As at 31 March 2019	As at 31 March 2018
Tax expense:		
Current tax (A)	344.80	164.80
Income tax adjustment for earlier years (B) (refer note 45)	(1,182.75)	4.39
Current tax including adjustment for earlier years C=(A+B)	(837.95)	169.19
Deferred tax (D)	78.42	45.62
Income tax expense reported in the statement of profit or loss (C+D)	(759.53)	214.81

OCI section

Particulars	As at 31 March 2019	As at 31 March 2018
Re-measurement gain/(losses) on defined benefit plans	8.26	(5.68)
Income tax effect	(2.41)	1.64

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2019 and 31 March 2018

Particulars	As at 31 March 2019	As at 31 March 2018
Accounting profit	3,268.17	2,011.26
Tax at the applicable tax rate of 29.12% (31 March 2018: 28.84%)	951.69	580.05
Tax effect of income that are not taxable in determining taxable profit:		
Dividend income	(346.16)	(372.45)
Finance cost reversal pursuant to order giving effects of Income tax	(194.84)	-
Other adjustments	(9.91)	-
Tax effect of expenses that are not deductible in determining taxable profit:		
Disallowance u/s 14A	2.26	1.66
Other adjustments	(5.46)	2.17
Wealth tax refund	-	(5.18)
Donation and CSR expense	25.64	3.04
Interest on delayed payment of taxes and other disallowances	-	1.13
Previous year tax adjustment	(1,182.75)	4.39
Tax expense	(759.53)	214.81

An explanation of changes in the applicable tax rate(s) compared to the previous accounting period

In 2018-19, the Government enacted a change in the national income tax rate from 28.84% to 29.12%. In 2017-18, the Government enacted a change in the national income tax rate from 34.61% to 28.84%.

Income tax assets (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax assets (net)	1,643.89	3,363.38
	1,643.89	3,363.38

Current tax liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current tax payable	3.73	-
	3.73	-

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

22. Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from contracts with customers		
Revenue from real estate project under development (refer note 22.1)	-	1,425.59
Rental income from investment properties (refer note 41 for details of related parties)	247.69	230.78
	247.69	1,656.37

22.1 Refer note 44 for details about change in accounting policies consequent to adoption of Ind AS 115.

23. Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on:		
Bank deposits	1.97	0.33
Intercompany loans (refer note 41 for interest earned on loans given to related parties)	1,607.17	669.25
Income tax refunds (refer note 45 for further details)	809.45	49.45
Employee loans	0.21	2.27
Dividend from:		
Investments mandatorily measured at FVTPL	7.82	2.64
Equity investments designated at FVTOCI	1,180.90	1,288.81
Reversal of finance cost of previous year (refer note 45 for further details)	669.09	-
Income from financials guarantee	213.60	96.69
Management consulting income (refer note 41 for details of related parties)	195.75	210.00
Gain arising on financial assets as at fair value through profit and loss	38.94	34.43
Balances written back (refer note 41 for details of related parties)	39.75	21.18
Exchange fluctuation (net)	0.08	-
Miscellaneous income (refer note 41 for details of related parties)	47.28	49.52
	4,812.01	2,424.57

24. Project expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Architect fees	16.98	40.30
Consultancy expenses	25.13	170.77
Civil work	688.74	873.46
Development management cost (refer note 41 for details of related parties)	93.52	219.01
Interest expense (refer note 24.1 (i))	297.04	-
Miscellaneous expenses	49.12	36.80
	1,170.53	1,340.34

24.1 i) The amount pertains to financing component on advance from customer due to change in policy. Refer note 44 for details of change in accounting policies consequent to adoption of Ind AS 115.

ii) Project expenses above are in relation to real estate development project which are currently undertaken by the Company.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

25. Changes in inventories of work-in-progress

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Stock in trade		
Closing stock	21,936.04	21,936.04
Opening stock	21,936.04	21,936.04
(Increase) / decrease (A)	-	-
Project work in progress		
Closing stock	3,926.87	1,619.52
Opening stock	1,619.52	1,282.39
Adjustment on account of IND AS 115 (refer note 25.1 below)	1,136.82	-
(Increase) / decrease (B)	(1,170.53)	(337.13)
Total (A+B)	(1,170.53)	(337.13)

25.1 Adjustment of IND AS 115 is in respect of transfer of project cost booked in statement of profit and loss till last year and financing component adjustment related to previous years. Refer note 44 for details of change in accounting policies consequent to adoption of Ind AS 115.

26. Employee benefit expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	454.71	448.02
Contribution to provident and other funds (refer note 40 for Ind AS 19 disclosures)	62.35	49.73
Gratuity (refer note 40 for Ind AS 19 disclosures)	8.61	2.13
Leave encashment (refer note 40 for Ind AS 19 disclosures)	(10.53)	40.95
Staff welfare expenses	8.37	5.45
	523.51	546.28

27. Finance costs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	795.61	45.05
Financing component on advance from customer	297.04	-
Other borrowing costs	10.04	12.50
	1,102.69	57.55
Less: Transferred to project expense	297.04	-
	805.65	57.55

28. Depreciation and amortization expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	17.46	18.06
Amortisation of intangible assets	0.19	0.08
Depreciation of investment property	4.26	3.63
	21.91	21.77
Less: Transferred to project expense	5.99	5.96
	15.92	15.81

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

29. Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rates and taxes	16.61	6.38
Insurance	2.74	2.82
Repairs and maintenance - Others	4.23	9.00
Payments to auditors (refer note 29(i) below)	27.30	34.18
Corporate social responsibility expense (refer note 29(ii) below)	75.56	-
Exchange fluctuation (net)	-	0.73
Consultancy charges	149.13	119.42
Advertising and sales promotion	18.87	33.28
AGM expenses	34.77	45.50
Brokerage and commission	-	115.14
Donation	25.00	21.10
Directors sitting fees (refer note 41 for details of related parties)	16.60	13.69
Travelling and conveyance	32.68	32.12
Miscellaneous expenses	42.96	13.47
	446.45	446.83

(i) Details of payments to auditors

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditors:		
Audit fees	11.00	11.00
Tax audit fee	2.00	1.91
Limited review fees	12.00	9.65
In other capacity		
Certification fees, etc.	0.25	9.66
Reimbursement of expenses	2.05	1.96
	27.30	34.18

(ii) Disclosure relating to corporate social responsibility (CSR) expenditure

In light of Section 135 of the Companies Act 2013, the Company has incurred INR 75.56 lakhs during the current year on Corporate Social Responsibility (CSR) against gross amount required to be spent INR 51.00 lakhs (31 March 2018: INR 61.45 lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Gross amount required to be spent by the Company during the year	51.00	61.45
(ii) Amount spent during the year on the following		
1. Making available safe drinking water	23.57	-
2. Donating furniture for setting up old age homes (refer note 41 for details of related parties)	51.99	-
	75.56	-

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

30. Dividends paid

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividends on equity shares declared and paid:		
Final equity dividends: INR 1 per equity share (31 March 2018: INR 1 per equity share)	296.78	298.08
Dividend distribution tax on final dividend	60.52	59.93
	357.30	358.01
Proposed dividends on equity shares:		
Proposed final equity dividends: INR 1 per equity share (31 March 2018: INR 1 per equity share)	294.41	294.41
Tax on proposed equity dividend	60.52	59.93
	354.94	354.34

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March.

31. 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	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit after taxation as per statement of profit and loss (INR in lakhs)	4,027.70	1,796.45
Weighted average number of shares used in computing earnings per share - basic and diluted	29,440,604	29,440,604
Earnings per share - basic and diluted (in INR) (annualised)	13.68	6.10
Face value per share (in INR)	10.00	10.00

32. Disclosures of revenue recognition as per IND AS 115

Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a five step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Significant changes in contract assets and liabilities

Contract liabilities - Advance from customers	31 March 2019
Opening balance of Contract liabilities	774.56
Less: Amount of revenue recognised against opening contract liabilities	(36.62)
Add: Addition in balance of contract liabilities for current year	2,907.97
Closing balance of Contract liabilities	3,645.91

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Contract assets - unbilled revenue		31 March 2019
Opening balance of contract assets		18.75
Less: Amount of unbilled revenue transferred to advance from customer (refer note 44)		18.75
Add: Addition in balance of contract assets for current year		-
Closing balance of contract assets		-

Contract assets - Cost Incurred to obtain a contract		31 March 2019
Opening balance of contract assets		-
Less: Amount of prepaid expense recorded as expense in statement of profit & loss in current year		-
Add: Addition in balance of prepaid expenses in current year (refer note 44)		178.61
Closing balance of contract assets		178.61

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Refer table below for further details.

Description	Year ended 31 March 2019
Amounts included in contract liabilities at the beginning of the year	36.62
Performance obligations satisfied in previous years	Nil

Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by segment and type

Revenue by type	For the year ended 31 March 2019
Revenue from real estate project under development	-
Rental income from investment properties	247.69
	247.69

Transaction price allocated to the performance obligation (yet to complete)

The aggregate amount of transaction price allocated to the performance obligations (yet to complete) as at 31 March 2019 is INR 3,645.91 lakhs. This balance represents the advance received from customers (gross) against real estate properties under development. The management expects to further bill and collect the remaining balance of total consideration in the coming years. These balances will be recognised as revenue in future years as per the policy of the Company. Further, as permitted under the transitional provisions of Ind AS 115, the transaction price allocated to the unsatisfied performance obligations as at 31 March 2018 is not disclosed.

There is no adjustment has been made in the contracted price to recognise revenue in the statement of profit and loss.

Assets and liabilities related to contracts with customers

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Contract assets				
Unbilled revenue	-	-	-	18.75
Cost Incurred to obtain a contract	-	178.61	-	-
Contract liabilities				
Advance from customers	-	3,645.91	-	774.56

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Reconciliation of revenue from Ind AS 18 to Ind AS 115

Description	Amount
Revenue from operations as per Ind AS 18	1,244.30
Adjustment related to Ind AS 115	
Adjustment on account of change in revenue recognition from over time to point in time	(996.61)
	247.69

Revenue from operations as per Ind AS 115

Performance obligation of the Company

The agreement to sell states that the Customer is entitled to a fully developed residential apartments and villas. There can be various goods like labour, building materials, etc. and construction services that are integrated to construct and provide a built up apartments and villas. However, the ancillary services like parking lot, gymnasium, club membership etc., do not affect the benefits that customer may obtain from the apartment individually. The Company is providing a significant integration service of combining the material and construction services for the overall promise is to deliver the fully built apartment/villa/floor in a township together with ancillary parking space. On the other hand, facilities like gymnasium and club membership separately identifiable and the intent Company does not really integrate them with construction service to deliver a combined output.

Based on above analysis, the performance obligation is identified as:

- A fully developed apartment/villa in the township
- Ancillary amenities like: club membership, gymnasium membership etc.

The price charged from the customer shall be allocated on respective obligations based on their standalone selling price. Further, there is a significant time gap between the payments received from customers and the point of revenue recognition. Hence, it is concluded by the Company that there is a financing component on funds received from customer as the Company uses such advances for funding its construction per the guidance of IND AS 115.

33. 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 accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements:

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

ii) 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 financial assets.

iii) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

iv) Revenue recognition

Revenue is recognized and requires significant judgments to be applied in determining whether the amount of revenue is to be recognised over time or in time involves various judgments such as whether the Company has enforceable right to payment or performance completed to date or the customer controls as the assets is created etc. Significant judgements are also involved in estimating the amount of significant financing component from the total contract value.

B. Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

i) Useful life of property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date.

ii) Valuation of investment property

Investment property is stated at cost. However, as per Ind AS 40, there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

iv) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 40.

v) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

1) Disclosure of Interest in the following categories of joint ventures:

Name	Method used to account for investments	Country of incorporation / principal place of business	Ownership interest of ZGL (%)	
			As at 31 March 2019	As at 31 March 2018
1 Zuari Indian Oiltanking Private Limited	Cost	India	50.00%	50.00%
2 Forte Furniture Products India Private Limited	Cost	India	48.98%	-

2) Disclosure of Interest in the following subsidiaries:

Name	Method used to account for investments	Country of Incorporation / Principal place of business	Ownership interest of ZGL (%)	
			As at 31 March 2019	As at 31 March 2018
1 Indian Furniture Products Limited	Cost	India	86.05%	86.05%
2 Simon India Limited	Cost	India	100.00%	100.00%
3 Zuari Management Services Limited	Cost	India	100.00%	100.00%
4 Zuari Infracore India Limited	Cost	India	100.00%	100.00%
5 Zuari Investments Limited	Cost	India	100.00%	100.00%
6 Zuari Sugar and Power Limited	Cost	India	100.00%	100.00%
7 Zuari Finserv Limited	Cost	India	100.00%	100.00%

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

3) Disclosure of Interest in the following associates:

	Name	Method used to account for investments	Country of incorporation / principal place of business	Ownership interest of ZGL (%)	
				As at 31 March 2019	As at 31 March 2018
1	Zuari Agro Chemicals Limited	Fair value through OCI	India	32.08%	32.08%

35. Contingencies

A Contingent liabilities

a) Litigations

Particulars	As at 31 March 2019	As at 31 March 2018
i) Tax demands in excess of provisions (pending in appeals):		
- Income taxes	3,407.83	1,496.96
- Wealth taxes	565.78	565.78

Further, the Company has certain litigations involving employees. Based on management assessment and in-house legal team advice, the management believes that the Company has reasonable chances of succeeding before the courts/appellate authorities and does not foresee any material liability. Pending the final decision on the matters, no further provisions has been made in financial statements.

- b) The Hon'ble Supreme Court (SC) has, in a recent decision ('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.

As the above said ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for contribution has been recognised in the financial statements for the year ended 31 March 2019.

B Corporate guarantees given in favour of banks / others on behalf of :

Particulars	As at 31 March 2019	As at 31 March 2018
Simon India Limited	12,500.00	12,500.00
Indian Furniture Products Limited	8,000.00	22,755.00
Gobind Sugar Mills Limited	43,091.93	35,091.93
Zuari Infracworld India Limited	21,000.00	15,000.00
Zuari Infra Middle East Limited	-	10,596.49
Zuari Sugar & Power Limited	10,000.00	10,000.00
Zuari Infracworld SJM Properties LLC	13,676.00	-
	108,267.93	105,943.42

- B.1** The Company, during the year, has provided the Corporate guarantee of INR 20,000.00 lakhs to LIC Housing Finance Limited for extending the term loan of INR 20,000.00 lakhs to Zuari Infracworld India Limited (ZIIL), wholly owned subsidiary of the Company. As on 31 March 2019, loan disbursement amount is of INR 15,287.95 lakhs (31 March 2018: Nil).
- B.2** The Company, during the year, has provided the Corporate guarantee of INR 1,000.00 lakhs to Yes Bank for extending term loan of INR 1,000.00 lakhs to Zuari Infracworld India Limited (ZIIL), Wholly owned subsidiary of the Company. As on 31 March 2019, loan disbursement amount is of INR 1,000.00 lakhs (31 March 2018: Nil).
- B.3** The Company, during the year, has provided the Corporate guarantee of INR 8,000.00 lakhs to IREDA for extending term loan to Gobind Sugar Mills Limited (GSML), stepdown subsidiary of the Company. The Corporate guarantee is to be released only upon atleast 2 years of completion of the project and achievement of atleast 80% of the envisaged operation performance to the satisfaction of Indian Renewable Energy Development Agency Limited ('IREDA'). As on 31 March 2019, loan disbursement amount is of INR 2,500.00 lakhs (31 March 2018: Nil)

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

- B.4** The Company, during the year, has provided Corporate guarantee of USD 20.00 million {INR 13,676.00 lakhs at closing rate of 1 USD = INR 68.38 (31 March 2018: Nil)} and security to Yes bank for extending term loan to Zuari Infracore SJM Properties LLC, step down overseas subsidiary of the Company. As on 31 March 2019, loan disbursement amount is of USD 30.00 million (31 March 2018: Nil). Further, the Company has provided mortgage on land having survey no. 178/1 admeasures 167,990 square meter, survey no. 195/1 admeasures 32,090 square meter, survey no. 251/1 admeasures 30,275 square meter, survey no. 252/1 admeasures 9,514 square meter, survey no. 188/1 admeasures 27,283 square meter and survey no. 189/1 admeasures 117,783 meter square located in Goa owned by Zuari Global limited and Zuari Agro Chemicals Limited.
- B.5** The Company has provided following securities to Indusind Bank for extending loan to Zuari Sugar and power Limited (ZSPL), wholly owned subsidiary of the Company. As on 31 March 2019, loan disbursement amount is of INR 8,997.75 lakhs (31 March 2018: INR 9,997.50 lakhs)
- Exclusive charge on immovable fixed assets owned by the Company.
 - The land collateral include of 6.89 acre for phase I residential development and 16 acre for phase II residential project being executed by the Company in Goa.
 - Exclusive charge by way of hypothecation over all present and future current and movable property, plant and equipment of the Company excluding all land (being carried as inventory) other than land to be mortgaged to Indusind bank Limited and excluding non-current investment of Synthesis Energy System Inc.
- B.6** The Company, in previous year ended 31 March 2018, has provided the following security to Nederlandse Financierings - Maatschappij Voor Ontwikkelingslanden N.V (FMO) for extending loan to Gobind Sugar Mills Limited (GSML), stepdown subsidiary of the Company.
- Exclusive charge on Immovable property having survey No 119/1 admeasures 51,425 sq. mtrs, survey No 120/1 admeasures 8,075 sq. mtrs, survey No 121 admeasures 32,239 sq. mtrs, survey No 129/1 admeasures 24,625 sq. mtrs, survey No 130/1 admeasures 86,175 sq. mtrs and survey No 131/1 admeasures 19,050 sq. mtrs situated at Sancoale within the limits of Village panchayat of Sancoale Goa, Mormugao Taluka, Sub District of Registration District of State of Goa.

C Assets pledged as security

The carrying amounts of asset pledged as security for contingent liabilities are:

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Financial assets		
i) Investment	65.03	-
ii) Trade receivables	4.51	31.81
iii) Cash and cash equivalents	231.44	994.88
iv) Other bank balances	20.40	22.79
v) Loans	13,036.58	8,610.21
vi) Other financial assets	567.08	237.83
Other current assets	462.10	284.35
Non-financial assets		
i) Inventories	16,868.53	6,303.38
Total current assets pledged as security	31,255.67	16,485.25
Non-current assets		
i) Property, plant & equipment	124.22	214.00
ii) Investment property	228.56	160.50
iii) Other intangible assets	2.08	0.22
Total non-current assets pledged as security	354.86	374.72
Total assets pledged as security	31,610.53	16,859.97

- D.** The Company has undertaken to provide continued financial support to Indian Furniture Products Limited and Zuari Sugar & Power Limited, as and when required. As per the latest audited financial statements of these subsidiaries, they have accumulated losses which have resulted in erosion of substantial portion of its net worth.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

36. 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 and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. All financial assets and financial liabilities affected by market risk include loans and borrowings, deposits and FVTOCI investments.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations, if any as at 31 March 2019.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.
- The sensitivity of equity is calculated at 31 March 2019 and 31 March 2018 for the effects of the assumed changes of the underlying risk.

(i) Interest rate risk

Applicability - Financial liabilities

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations with floating interest rates. The Company always try to ensure minimal cash outflows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility.

Interest rate exposure

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

Particulars	31 March 2019	31 March 2018
Variable rate borrowings	3,000.00	1,500.00
Fixed rate borrowings	9,000.00	970.00

Interest rate sensitivity

Particulars	Effect on profit before tax	Effect on pre-tax equity
31 March 2019		
Interest rate- increased by 50 basis points	(6.33)	(6.33)
Interest rate- decreased by 50 basis points	6.33	6.33
31 March 2018		
Interest rate- increased by 50 basis points	(0.06)	(0.06)
Interest rate- decreased by 50 basis points	0.06	0.06

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

(ii) Foreign currency risk

Applicability -

Company operating activities (when revenue or expense is denominated in foreign currencies)

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has one international transactions and is exposed to foreign exchange risk arising from that foreign currency transactions (guarantee commission). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets.

	Change in AED rate	Effect on profit before tax	Effect on pre-tax equity
As at 31 March 2019	+5%	0.74	0.74
	-5%	(0.74)	(0.74)
As at 31 March 2018	+5%	0.67	0.67
	-5%	(0.67)	(0.67)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
As at 31 March 2019	+7%	1.75	1.75
	-7%	(1.75)	(1.75)
As at 31 March 2018	+5%	-	-
	-5%	-	-

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in USD and AED where the functional currency of the entity is a currency other than USD and AED.

(iii) Equity price risk

Applicability

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

Exposure

The exposure of equity securities price risk arises from investment FVTOCI held by the company. At the reporting date, the exposure to listed equity securities at fair value was INR 132,112.15 lakhs (31 March 2018 : INR 157,081.25 lakhs) and unlisted equity securities at fair value is INR 60.23 lakhs (31 March 2018: INR Nil), which are classified at FVTOCI and to current investments (i.e. mutual funds) of INR 65.03 lakhs (31 March 2018: INR 55.00 lakhs) classified at FVTPL. Refer note 38 Fair values measurement.

Equity price sensitivity

The table below summarises the impact of increase/decrease of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Impact on profit after tax	Impact on other components of equity
31 March 2019		
NSE Nifty - increases by 5%	3.25	6,605.61
NSE Nifty - decreases by 5%	(3.25)	(6,605.61)
31 March 2018		
NSE Nifty - increases by 5%	-	7,854.06
NSE Nifty - decreases by 5%	-	(7,854.06)

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Credit risk

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

A) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances	12 month expected credit loss/Life and other time expected credit loss
B: Moderate credit risk	Loans and other financial assets	12 month expected credit loss

In respect of trade receivables, the Company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Company deals with highly rated banks and financial institution. Loans and other financial assets measured at amortized cost includes unbilled revenue, long-term bank deposits, security deposits and other receivables. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits. Credit risk is considered low because the Company is in possession of the underlying asset. Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

ii) Concentration of financial assets

The Company's principal business activities are development of real estate projects and rental income. Loans and other financial assets majorly represents money advanced for business purposes. The Company's exposure to credit risk for trade receivables is presented below.

Particulars	31 March 2019	31 March 2018
Real estate receivables	-	31.81
Rental receivables	4.51	-

B) Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets

As at 31 March 2019

Particulars	Estimated Gross carrying amount	Expected credit losses	Carrying amount net of impairment loss
Cash and cash equivalent	231.44	-	231.44
Other bank balances	20.40	-	20.40
Loans	19,919.82	-	19,919.82
Other financial assets	568.30	-	568.30

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

As at 31 March 2018

Particulars	Estimated Gross carrying amount	Expected credit losses	Carrying amount net of impairment loss
Cash and cash equivalent	994.88	-	994.88
Other bank balances	22.79	-	22.79
Loans	9,569.55	-	9,569.55
Other financial assets	238.80	-	238.80

Expected credit loss for trade receivables under simplified approach

a) Real estate business receivables

The Company considers provision for lifetime expected credit loss. Given the nature of business operations, the Company's receivables from real estate business does not have any expected credit loss as transfer of legal title of properties sold is generally passed on to the customer, once the Company receives the entire consideration and hence, these are been considered as low credit risk assets. Further, during the periods presented, the Company has made no write-offs of receivables.

b) Rental business receivables

The Company considers provision for lifetime expected credit loss. Given the nature of business operations, the receivables from rental business has low credit risk as the Company always obtain advance rentals for premises given on rentals.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

Contractual maturity of Financial Liabilities	Less than 1	1 to 5 years	> 5 years	Total
Year ended 31 March 2019				
Borrowings	5,708.26	7,172.50	2,673.69	15,554.45
Trade payables	449.21	-	-	449.21
Other financial liabilities	1,317.83	-	-	1,317.83
Financial guarantee contracts*	766.34	-	-	766.34
	8,241.65	7,172.50	2,673.69	18,087.84
Year ended 31 March 2018				
Borrowings	2,470.00	-	-	2,470.00
Trade payables	438.76	-	-	438.76
Other financial liabilities	114.25	-	-	114.25
Financial guarantee contracts*	926.10	-	-	926.10
	3,949.11	-	-	3,949.11

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Company has accessed to following financing facilities which were undrawn as at the end of reporting periods mentioned :-

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured working capital facilities		
Amount used	3,500.00	2,470.00
Amount unused	-	30.00
Total	3,500.00	2,500.00

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

37. Capital management

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. 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 may adjust the 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 includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	At 31 March 2019	At 31 March 2018
Borrowings	11,832.72	2,470.00
Trade payables	449.21	438.76
Less: Cash and cash equivalents	231.44	994.88
Net debts	12,050.49	1,913.88
Total Capital	184,037.68	206,443.86
Capital and net debt	196,088.17	208,357.74
Gearing ratio (%)	6.15%	0.92%

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

38. Fair values measurements

Financial instruments by category

	31 March 2019			31 March 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Quoted equity shares (refer note (i) below)	-	132,112.15	-	-	157,081.25	-
- Un-quoted equity shares	-	60.23	-	-	55.00	-
- Redeemable convertible non-cumulative preference shares of IFPL	336.21	-	-	297.27	-	-
- Mutual funds	65.03	-	-	-	-	-
Trade receivable	-	-	4.51	-	-	31.81
Cash and cash equivalents	-	-	231.44	-	-	994.88
Other bank balances	-	-	20.40	-	-	22.79
Loans	-	-	19,919.82	-	-	9,569.55
Others financial assets	-	-	568.30	-	-	238.80
Total financial assets	401.24	132,172.38	20,744.47	297.27	157,136.25	10,857.83
Financial liabilities						
Borrowings (including current maturities of long term borrowings)	-	-	11,832.72	-	-	2,470.00
Financial guarantee liability	-	-	766.34	-	-	926.10
Trade payables	-	-	449.21	-	-	438.76
Other financial liability	-	-	117.83	-	-	114.25
Total financial assets	-	-	13,166.10	-	-	3,949.11

Notes

- (i) The equity securities for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit and loss are investments which are not held for trading purposes.
- (ii) Investment in subsidiaries and joint ventures are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

39. Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value (31 March 2019)				
A. FVTOCI financial instruments				
Quoted equity shares	1,32,112.15	1,32,112.15	-	-
Unquoted equity shares	60.23	-	-	60.23
B. FVPL financial Instruments				
Redeemable convertible non-cumulative preference shares of IFPL	336.21	-	-	336.21
Mutual funds	65.03	65.03	-	-
Financial assets measured at fair value (31 March 2018)				
A. FVTOCI financial Instruments				
Quoted equity shares				
Quoted equity shares	1,57,081.25	1,57,081.25	-	-
Unquoted equity shares	55.00	-	-	55.00
B. FVPL financial instruments:				
Redeemable convertible non-cumulative preference shares of IFPL	297.27	-	-	297.27
Mutual funds	-	-	-	-

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

There are not any non-recurring fair value measurements.

i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include -

- The fair values of the unquoted equity shares and preference shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments and preference shares.
- Difference between the fair value of investments in preference shares of IFPL (the subsidiary company) and its transaction price is recorded as deemed investment in IFPL.
- The fair value of the equity instruments is sensitive to a reasonably possible change in the discount rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below in point (iv). Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair value of Mutual Funds is determined using the NAV at the balance sheet date.
- The fair values of the quoted equity shares are based on price quotations at the reporting date.

ii) The following table presents the changes in level 3 items for the period ended 31 March 2019 and 31 March 2018

	Redeemable convertible non-cumulative preference shares	Investment in Unquoted equity shares	Total
As at 1 April 2017	262.84	50.00	312.84
Additions	-	-	-
Gains recognised in statement of profit and loss	34.43	-	34.43
Gains recognised in other comprehensive income	-	5.00	5.00
As at 31 March 2018	297.27	55.00	352.27
Gains recognised in statement of profit and loss	38.94	-	38.94
Gains recognised in other comprehensive income	-	5.23	5.23
As at 31 March 2019	336.21	60.23	396.44

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

(iii) Financial instruments measured at amortised cost

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

(iv) The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019 and 31 March 2018 are as shown below:

Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Biotech Consortium of India Limited	DCF method	Long-term growth rate for cash flows for subsequent years	31 March 2019: 4.5% - 5.5% (5.0%) 31 March 2018: 4.5% - 5.5% (5.0%)	0.5% (31 March 2018: 0.5%) increase in the growth rate would increase in fair value by INR 0.38 lakhs (31 March 2018: INR 0.19 lakhs) and 0.5% (31 March 2018: 0.5%) decrease in the growth rate would decrease in fair value by INR 0.33 lakhs (31 March 2018: INR 0.87 lakhs).
Investment In Preference Shares of Indian Furniture Products Limited	DCF method	Cost of equity	31 March 2019: 11.50% - 13.50% (12.50%) 31 March 2018: 11.50% - 13.50% (12.50%)	1.0% increase in the discount rate would decrease in the fair value of equity instrument by INR 27.63 lakhs (INR 25.05 lakhs as on 31 March 2018) 1.0% decrease in the discount rate would increase the fair value of equity instrument by INR 30.18 lakhs (INR 28.21 lakhs as on 31 March 2018).

40. Employee benefits

Defined contribution plan

Contribution to defined contribution plans, recognised as cash expense for the year ended is as under:

Particulars	31 March 2019	31 March 2018
Employer's contribution to provident fund	27.62	26.62
Employer's contribution to superannuation fund	16.00	4.00
Employer's contribution to labour welfare fund	0.02	0.02
Employer's contribution to contributory provident fund	3.02	5.16
Employer's contribution to national pension scheme	15.69	13.92
	62.35	49.73

Defined benefit plans

The Company has the following Defined Benefit Plans:

a) Compensated absences (Unfunded)	(10.53)	40.95
b) Gratuity (Funded)	8.61	2.13

These plans typically expose the company to following actuarial risks:

Salary increases

Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk

If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Discount Rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

a) Compensated absences (Unfunded)

The leave obligations cover the company's liability for permitted leaves. The amount of provision of INR 35.50 lakhs (31 March 2018: INR 32.97 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligations 9.35 years (31 March 2018: 10.60 years).

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

Particulars	31 Mach 2019	31 March 2018
Total service cost	17.81	33.79
Net interest cost	21.55	18.87
Net actuarial (gain)/loss for the year	(49.89)	(11.71)
Expense recognized in the statement of profit and loss	(10.53)	40.95

Actuarial gain/(loss) on obligation

Particulars	31 Mach 2019	31 March 2018
Actuarial (gain)/loss arising from the change in demographic assumption	-	-
Actuarial (gain)/loss arising from the change in financial assumption	-	(2.99)
Actuarial (gain)/loss arising from experience adjustment	(49.89)	(8.72)

Movement in the liability recognized in the balance sheet is as under:

Particulars	31 Mach 2019	31 March 2018
Present value of defined benefit obligation at the beginning of the year	278.07	251.59
Acquisition adjustment	3.12	(6.66)
Current service cost	17.81	33.79
Interest cost	21.55	18.87
Actuarial (gain) on obligation	(49.89)	(11.71)
Benefits paid	(8.60)	(7.81)
Present value of defined benefit obligation at the end of the year	262.06	278.07

Bifurcation of projected benefit obligation at the end of the year in current and non-current

Particulars	31 Mach 2019	31 March 2018
a) Current liability (amount due within one year)	35.50	32.97
b) Non - current liability (amount due over one year)	226.56	245.10
Total projected benefit obligation at the end of the year	262.06	278.07

For determination of the liability of the Company, the following actuarial assumptions were used:

Particulars	31 Mach 2019	31 March 2018
Discount rate	7.75%	7.75%
Salary escalation rate	9% for first 2 years and 7.5% thereafter	9% for first 2 years and 7.5% thereafter
Mortality table	100%	100%

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

As the company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Maturity plan of Defined Benefit Obligation	31 March 2019	31 March 2018
a) 0 to 1 year	35.50	32.97
b) 2 to 5 year	165.87	4.09
c) 6 to 10 year	52.86	4.17
d) More than 10 years	7.83	236.84
	262.06	278.07

Sensitivity analysis for compensated absences liability

Particulars	31 March 2019	31 March 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	262.06	278.07
a) Impact due to increase of 0.50 %	(4.12)	(5.39)
b) Impact due to decrease of 0.50 %	4.26	5.58
Impact of the change in salary increase		
Present value of obligation at the end of the year	262.06	278.06
a) Impact due to increase of 0.50 %	4.24	5.55
b) Impact due to decrease of 0.50 %	(4.14)	(5.42)

b) Gratuity (funded)

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policies.

Particulars	31 March 2019	31 March 2018
Plans		
- Gratuity (funded)	(40.87)	(37.29)
Total	(40.87)	(37.29)

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

Net employee benefit expense (recognized in employee cost) for the year ended 31st March 2019

Particulars	31 March 2019	31 March 2018
Current service cost	5.72	(0.08)
Net interest cost	2.89	2.21
Total	8.61	2.13

Amount recognised in other comprehensive income for the year ended 31 March 2019

Particulars	Gratuity	
	31 March 2019	31 March 2018
Actuarial (gain)/ loss on obligations	(3.30)	5.58
Return on plan assets (excluding amounts included in net interest expense)	(4.96)	0.10
Total	(8.26)	5.68

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Changes in the present value of the defined benefit obligation for the year ended 31 March, 2019 are as follows:

Particulars	Gratuity	
	31 March 2019	31 March 2018
Opening defined obligation	71.46	72.00
Current service cost	5.72	4.94
Acquisition adjustment	3.25	-
Interest cost	5.54	5.40
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumption	-	-
- change in financial assumptions	-	(0.77)
- experience variance (i.e. actual experiences assumptions)	(3.32)	6.35
Benefits paid	-	(11.45)
Past services cost including curtailment gains/losses	-	(5.01)
Defined benefit obligation	82.65	71.46

Changes in the fair value of plan assets are as follows:

Gratuity

Particulars	31 March 2019	31 March 2018
Fair value of plan assets	34.17	42.53
Interest income	7.61	3.19
Return on plan assets (excluding amounts included in net interest expense) - OCI	-	(0.10)
Benefits paid	-	(11.45)
Closing fair value of plan assets	41.78	34.17

The company expects to contribute INR 19.02 lakhs (31 March 2018: INR 12.53 lakhs) towards gratuity during the year 2019-20.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2019	31 March 2018
Investment with insurer (Life Insurance Corporation of India)	41.78	34.17

Breakup of actuarial (gain)/loss:

Particulars	31 March 2019	31 March 2018
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	-	(0.77)
Actuarial (gain)/loss from experience adjustment	(3.30)	6.35
Withdrawal rate (per annum)	-	-
Total actuarial (gain)/loss	(3.30)	5.58

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

Particulars	31 March 2019	31 March 2018
Discount rate (in %)	7.75%	7.75%
Salary escalation (in %)	9% for first 2 years and 7.5% thereafter	9% for first 2 years and 7.5% thereafter
Mortality rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	1% - 3%	1% - 3%
Weighted average duration	10.60	9.35

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Assumptions	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity level				
Impact on defined benefit obligation	(1.49)	1.56	1.04	(0.99)

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Assumptions	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity level				
Impact on defined benefit obligation	(1.49)	1.57	0.97	(0.92)

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

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

Maturity profile of defined benefit obligation

Expected cash value over the next 10 years (valued on undiscounted basis)

Particulars	31 March 2019	31 March 2018
Within the next 12 months (next annual reporting period)	19.02	12.53
Between 2 and 5 years	4.60	37.22
Between 5 and 10 years	6.17	13.80
Beyond 10 years	52.86	7.91
	82.65	71.46

41. Related party disclosures

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

i) Subsidiaries and stepdown subsidiaries of the Company:

- 1) Zuari Infracore India Limited
- 2) Zuari Infra Middle East Limited, a subsidiary of Zuari Infracore India Limited
- 3) Zuari Infracore SJM Properties LLC (Formerly known as SJM Elysium Properties LLC), a subsidiary of Zuari Infra Middle East Limited
- 4) Zuari Management Services Limited
- 5) Indian Furniture Products Limited
- 6) Simon India Limited
- 7) Zuari Investments Limited
- 8) Zuari Finserv Limited (Formerly known as Zuari Finserv Private Limited)
- 9) Zuari Sugar & Power Limited
- 10) Gobind Sugar Mills Limited, a subsidiary of Zuari Investments Limited
- 11) Zuari Insurance Brokers Limited, a subsidiary of Zuari Finserv Limited (Formerly known as Zuari Finserv Private Limited)
- 12) Zuari Commodity Trading Limited, a subsidiary of Zuari Finserv Limited (Formerly known as Zuari Finserv Private Limited)

ii) Joint Ventures of the Company:

- 1) Zuari Indian Olitanking Private Limited, a Joint venture of Zuari Global Limited
- 2) Forte Furniture Products India Private Limited, a Joint venture of Zuari Global Limited
- 3) Soundaryaa IFPL Interiors Limited, a Joint venture of Indian Furniture Products Limited

iii) Associates of the Company:

- 1) New EROS Tradecom Limited, an associate of Zuari Investments Limited
- 2) Zuari Agro Chemicals Limited, an associate of Zuari Global Limited

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

- 3) Mangalore Chemicals and Fertilisers Limited, a subsidiary of Zuari Agro Chemicals Limited
- 4) Adventz Trading DMCC, a subsidiary of Zuari Agro Chemicals Limited
- 5) Zuari Maroc Phosphates Private Limited, a joint venture of Zuari Agro Chemicals Limited
- 6) Paradeep Phosphates Limited, a subsidiary of Zuari Maroc Phosphates Private Limited
- 7) MCA Phosphates Pte. Limited, a joint venture of Zuari Agro Chemicals Limited
- 8) Fosfatos del Pacifico S.A, an associate of MCA Phosphates Pte. Limited
- 9) Zuari Yoma Agri Solutions Limited an associate of Paradeep Phosphates Limited
- 10) Brajbhumi Nirmaan Private Limited, an associate of Zuari Infracore India Limited
- 11) Pranati Niketan Private Limited, an associate of Zuari Infracore India Limited
- 12) Darshan Nirmaan Private Limited, an associate Zuari Infracore India Limited
- 13) Rosewood Agencies Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 14) Neobeam Agents Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 15) Mayapur Commercial Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 16) Nexus Vintrade Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 17) Bahubali Tradecomm Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 18) Hopeful Sales Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 19) Divine Realdev Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 20) Kushal Infracore Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 21) Beatle Agencies Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 22) Suhana Properties Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
- 23) Saket Mansions Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited

iv) A. Enterprises having significant influence:

Globalware Trading and Holdings Limited

B. Enterprises where the Company is having significant influence:

1. Zuari Industries Limited Employees Provident Fund
2. Zuari Industries Limited Sr. Staff Superannuation Fund
3. Zuari Industries Limited Non Management Employees Pension Fund
4. Zuari Industries Limited Gratuity Fund

v) Key Management Personnel

- 1) Mr. S. K. Poddar, Chairman
- 2) Mr. N Suresh Krishnan, Managing Director
- 3) Mrs. Jyotsna Poddar, Executive director
- 4) Mr. Marco Wadia - Independent and Non-Executive Director
- 5) Mr. Krishan Kumar Gupta - Independent and Non-Executive director
- 6) Mr. Jayant N Godbole-Independent and Non-Executive director

vi) Relative of key management personnel

- 1) Mrs. Rekha Krishnan - wife of Mr. N. Suresh Krishnan.
- 2) Mr. Akshay Poddar, son of Mr. S.K Poddar

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

S. No.	Transaction details	Year ended 31 March 2019						Year ended 31 March 2018							
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
1	Payment made on their behalf: - Zuari Management Services Limited - Zuari Infraworld India Limited - Zuari Indian Oilbanking Private Limited - Gobind Sugar Mills Limited - Zuari Investments Limited - Indian Furniture Products Limited - Simon India Limited - Zuari Sugar and Power Limited - Zuari Maroc Phosphates Limited - Zuari Insurance Broking Limited - Zuari Commodity Trading Limited - Zuari Finserve Limited	9.62 10.77 - 0.77 0.19 6.39 1.78 0.19 - 0.19 0.19 0.19	- - - - - - - - - - - -	- - - - - - - - 0.75 - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	14.16 2.85 - 20.66 2.85 1.10 521.73	- - 0.89 - - - - - - - - -	- - - - - - - - 0.03 - - -	- - - - - - - - - - -	- - - - - - - - - - -	- - - - - - - - - - -	- - - - - - - - - - -
2	Payment made on our behalf: - Zuari Agro Chemicals Limited - Simon India Limited - Zuari Finserve Limited	- 0.05 0.01	- - -	- - -	- - -	- - -	- - -	- - -	- 0.17 -	- - -	- - -	- - -	- - -	- - -	- - -
3	Service charges / Brokerage paid / Development fees / Purchase of furniture - Zuari Finserv Limited (refer note 3) - Zuari Infraworld India Limited - Indian Furniture Products Limited	8.19 139.51 44.06	- - -	- - -	- - -	- - -	- - -	- - -	114.59 217.66 0.21	- - -	- - -	- - -	- - -	- - -	- - -
4	Inter-corporate deposits / loans / Advances / Deposits given - Zuari Finserve Limited - Zuari Investments Limited - Zuari Sugar and Power Limited - Simon India Limited - Zuari Management Services Limited - Zuari Infraworld India Limited	1919.50 12,428.72 4,996.00 3,680.00 217.50 4,358.00	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	1,339.00 2,078.00 200.00 307.00 1,108.00	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -
5	Receipt - repayment of CDs / loans / advances / deposits - Zuari Infraworld India Limited - Zuari Sugar and Power Limited - Zuari Investments Limited - Zuari Management Services Limited - Simon India Limited - Zuari Finserve Limited	4,256.01 2,314.10 3,600.52 1,999.95 3,880.00 1,193.80	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	148.00 1,165.00 1,293.90 65.00	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -

B. Related party transaction for Zuari Global Limited

Following transactions were carried out with related parties in the ordinary course of business

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

S.no.	Transaction details	Year ended 31 March 2019						Year ended 31 March 2018							
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
6	Managerial Remuneration# - N. Suresh Krishnan - Jyotsna Poddar #Entirely in the nature of short term employee benefits and does not include compensated absence expense and gratuity expense (being a termination benefit) as the same is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be determined.	-	-	-	-	-	229.35 68.35	-	-	-	-	-	-	238.73 68.35	-
7	Interest Income - Zuari Investments Limited - Simon India Limited - Zuari Sugar and Power Limited - Zuari Infraworld India Limited - Zuari Management Services Limited - Zuari Finserve Limited	844.81 97.00 301.03 201.65 148.53 14.14	-	-	-	-	-	-	-	364.21 0.26 56.32 120.82 127.64	-	-	-	-	-
8	Dividend received - Zuari Agro Chemicals Limited - Zuari Indian Oilbanking Private Limited	-	-	-	-	-	-	-	25.00	-	84.12	-	-	-	-
9	Lease rental income - Zuari Indian Oilbanking Private Limited - Zuari Agro Chemicals Limited	-	156.14	-	-	-	-	-	44.43	-	-	-	40.64	-	-
10	Corporate Guarantee issued - Gobind Sugar Mills Limited - Indian Furniture Products Limited - Zuari Infraworld India Limited - Zuari Infraworld SJM Properties LLC	8,000.00 - 21,000.00 13,676.00	-	-	-	-	-	-	-	14,304.93 8,000.00	-	-	-	-	-
11	Sitting fees payment - S. K. Poddar - Marco Wadia - Krishan Kumar Gupta - Mr. Jayant N Godbole	-	-	-	-	-	2.30 5.20 4.05 5.05	-	-	-	-	-	-	2.23 4.23 3.18 4.06	-
12	Management consultancy income - Zuari Indian Oilbanking Private Limited - Zuari Investments Limited (refer note 5) -- Simon India Limited -- Gobind Sugar Mills Limited	- 185.00 60.00 120.00	15.75	-	-	-	-	-	-	-	30.00	-	-	-	-
13	Corporate guarantee cancelled/transferred - Gobind Sugar mills Limited - Indian Furniture Products Limited - Zuari Infraworld India Limited --Zuari Infra Middle East Limited	- 14,755.00 15,000.00 10,596.49	-	-	-	-	-	-	-	-	-	-	-	-	-

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

S.no.	Transaction details	Year ended 31 March 2019						Year ended 31 March 2018						
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel
14	Dividend payment - Globalware Trading and Holdings Limited - New Eros Tradecom Limited - S. K. Poddar - Akshay Poddar - Jyotsna Poddar	-	-	11.97	74.92	-	-	-	-	-	74.92	-	-	-
15	Deposit given for appointment of director/key managerial person - Simon India Limited - Indian Furniture Products Limited - Zuari Management Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Guarantee commission received - Zuari Infra Middle East Limited - Zuari Infraworld SIM Properties LLC	19.68 25.06	-	-	-	-	-	-	-	-	-	-	-	-
17	Payment of amount received on account of amount deposited under litigation - Zuari Agro Chemicals Limited	-	825.50	-	-	-	-	-	-	-	-	-	-	-
18	Purchase of investment - Zuari Sugar and Power Limited - Zuari Finserve Limited - Zuari Investments Limited - Indian Furniture Products Limited	1500.00 200.00 1,385.72	-	-	-	-	-	-	-	-	-	-	-	-
19	Advance for sale of flat - Mrs. Rekha Krishnan - Mr. K. K. Gupta	-	-	-	-	-	-	-	-	-	-	-	-	24.02
20	Payment received on their behalf - Zuari Agri Sciences Limited	-	-	-	-	-	-	-	-	3.00	-	-	-	22.92
21	Income from financial guarantee (refer note 6) - Gobind Sugar Mills Limited - Simon India Limited - Indian Furniture Products Limited - Zuari Sugar and Power Limited - Zuari Infraworld India Limited	153.49 43.97 153 14.62	-	-	-	-	-	-	-	-	-	-	-	-
22	Gain arising through financial asset (notional income (refer note 7)) - Indian Furniture Products Limited	38.94	-	-	-	-	-	-	-	-	-	-	-	-
23	Deposit of Provident Fund - Zuari Industries Limited Employees Provident Fund	-	-	-	-	85.65	-	-	-	-	-	83.73	-	-
24	Deposit of Superannuation Fund - Zuari Industries Limited Sr. Staff Superannuation Fund	-	-	-	-	16.00	-	-	-	-	-	4.00	-	-
25	Deposit of Non Management Employees Pension Fund - Zuari Industries Limited Non Management Employees Pension Fund	-	-	-	-	3.02	-	-	-	-	-	5.51	-	-
26	Payment received on our behalf - Zuari Infraworld India Limited	55.13	-	-	-	-	-	-	-	-	-	-	-	-
27	Interest expense - Zuari Agro Chemicals Limited	-	-	133.61	-	-	-	-	-	-	-	-	-	-
28	Balances written back - N. Suresh Krishnan	-	-	-	-	-	-	-	-	-	-	-	-	34.65

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

S. No.	Balance Outstanding	As at 31 March 2019						As at 31 March 2018								
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	
1	Loan and advances receivable - Zuari Infravorld India Limited - Zuari Investments Limited - Simon India Limited - Zuari Management Services Limited - Zuari Sugar and Power Limited - Zuari Finserv Private Limited - N. Suresh Krishnan	2,309.99 13,244.98 - - 3,624.90 725.70 -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	2,208.00 4,416.78 200.00 1,782.45 943.00 -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	
2	As trade payables - Zuari Infravorld India Limited - Zuari Agri Science Limited - Zuari Agro Chemicals Limited - Zuari Finserv Private Limited (refer note 3 below)	140.42 - - -	- - - -	- - - -	- - - -	- - - -	- - - -	65.49 - - -	- - - -	4.90 0.03 -	- - - -	- - - -	- - - -	- - - -	- - - -	
3	Managerial remuneration payable - N. Suresh Krishnan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	As Advances or deposits recoverable / as debtor - Simon India Limited - Zuari Indian Oilbanking Private Limited - Indian Furniture Products Limited - Zuari Sugar and Power Limited - Zuari Infravorld India Limited - Zuari Investments Limited - Zuari Infra Middle East Limited - Zuari Infravorld SIM Properties LLC - Gobind Sugar Mills Limited - Zuari Maroc Phosphates Limited - Zuari Insurance Broking Limited - Zuari Finserv Private Limited - Zuari Commodity Trading Limited	1.67 - 6.31 0.21 - 200.01 14.80 25.03 307.45 0.89 0.21 2.68 0.21 -	7.60 - - - - - - - - - - - - -	- - - - - - - - - - - - -	- - - - - - - - - - - - -	- - - - - - - - - - - - -	- - - - - - - - - - - - -	- - - - - - - - - - - - -	- - 3.08 - 2.85 - 13.48 - 177.02 - - - - -	- - - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -
5	Trade receivable - Zuari Agro Chemicals Limited	-	-	4.51	-	-	-	-	-	-	-	-	-	-	-	
6	Corporate guarantee - Indian Furniture Products Limited - Simon India Limited - Gobind Sugar Mills Limited - Zuari Infravorld India Limited - Zuari Infra Middle East Limited - Zuari Sugar & Power Limited - Zuari Infravorld SIM Properties LLC	8,000.00 12,500.00 43,091.93 21,000.00 - 10,000.00 13,676.00	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	22,755.00 12,500.00 35,091.93 15,000.00 10,596.49 10,000.00	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	

Balance Outstanding For The Period Ended 31st March 2019

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

S. No.	Balance Outstanding	As at 31 March 2019					As at 31 March 2018								
		Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP	Subsidiaries	Joint Ventures	Associates	Enterprises having Significant Influence	Enterprises where the Company is having significant influence	Key Management Personnel	Relatives of KMP
7	Interest on loans and advances given - N Suresh Krishnan	-	-	-	-	-	9.80	-	-	-	-	-	-	-	-
8	Advance against purchase of land/investments - Zuari Agro Chemicals Limited	-	-	3,209.13	-	-	-	-	-	3,209.13	-	-	-	10.90	-
9	Amount received on account of amount deposited under litigation - Zuari Agro Chemicals Limited	-	-	1,708.35	-	-	-	-	-	2,533.85	-	-	-	-	-
10	Advance received against sale of flat (refer note 2 below) - Rekha Krishnan - Krishan Kumar Gupta	-	-	-	-	-	54.01	53.38	-	-	-	-	-	17.38	17.28
11	Deposit of provident fund - Zuari Industries Limited Employees Provident Fund	-	-	-	-	-	-	-	7.21	-	-	-	-	-	-
12	Deposit of superannuation fund - Zuari Industries Limited Sr. Staff Superannuation Fund	-	-	-	-	-	-	-	1.33	-	-	-	-	-	6.76
13	Deposit of non-management employees pension fund - Zuari Industries Limited Non Management Employees Pension Fund	-	-	-	-	-	-	-	0.28	-	-	-	-	-	1.33
14	Financial support (refer note 4 below) - Indian Furniture Products Limited - Zuari Sugar & Power Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	0.27

Notes:

- For details of corporate guarantees given to and land mortgaged on behalf of related parties, refer note 35 C to 35 F. Commitments and contingencies to financial statements.
- Sale of flat to following KMP (or relative of KMP)-
 - Rekha Krishnan - wife of Mr. N. Suresh Krishnan - Sale of flat for the amount of INR 77.40 lakhs against which net advance received is for INR 53.38 lakhs (31st March 2018 of INR 17.28 lakhs) after adjustment of taxes deposited on customer's behalf
 - Krishan Kumar Gupta - Sale of flat for the amount of INR 77.40 lakhs against which net advance received is for INR 54.01 lakhs (31st March 2018 of INR 17.38 lakhs) after adjustment of taxes deposited on customer's behalf
- The company has sold/purchased its shares through its transfer agent i.e. Zuari Finserv Private Limited. The company has paid commission for the shares related transactions.
- The Company has undertaken to provide continued financial support, as and when required. As per the latest audited financial statements of these subsidiaries, they have accumulated losses which have resulted in erosion of substantial portion of its net worth.
- Processing income has been netted off with the loan given to Zuari Investment Limited pursuant to the guidance mentioned of IND AS.
- These are notional income on financial guarantees given for loans to subsidiaries companies per guidance of IND AS 109, Financial Instruments.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

42. Disclosure required under section 186(4) of Companies Act 2013

A. Disclosure of loan given:

S. No	Name of Loanee	Opening balance	Loan given	Loan repaid	Outstanding balance	Purpose
1	Zuari InfraWorld India Limited	2,208.00	4,358.00	4,256.01	2,309.99	General business purpose
2	Zuari Investment Limited*	4,416.78	12,428.72	3,600.52	13,244.98	General business purpose
3	Zuari Management Services Limited	1,782.45	217.50	1,999.95	-	General business purpose
4	Zuari Sugar & Power Limited	943.00	4,996.00	2,314.10	3,624.90	General business purpose
5	Simon India Limited	200.00	3,680.00	3,880.00	-	General business purpose
6	Zuari Finserv Limited	-	1,919.50	1,193.80	725.70	General business purpose
		9,550.23	27,599.72	17,244.38	19,905.58	

*Amount given to Zuari Investment Limited is netted off with processing fees taken for loan of INR 185.00 lakhs and further, amortisation of processing fees from loan of INR 13.72 lakhs till the year ended 31 March 2019 pursuant to the guidance mentioned of IND AS.

B. Particulars of guarantee given:

S. No	Name of Entity	Opening balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	Indian Furniture Products Limited	22,755.00	-	14,755.00	8,000.00	General business purpose
2	Gobind Sugar Mills Limited	35,091.93	8,000.00	-	43,091.93	General business purpose
3	Simon India Limited	12,500.00	-	-	12,500.00	General business purpose
4	Zuari InfraWorld India Limited	15,000.00	21,000.00	15,000.00	21,000.00	General business purpose
5	Zuari Infra Middle East Limited	10,596.49	-	10,596.49	-	General business purpose
6	Zuari Sugar & Power Limited	10,000.00	-	-	10,000.00	General business purpose
7	Zuari Infracworld SJM Properties LLC	-	13,676.00	-	13,676.00	General business purpose
		105,943.42	42,676.00	40,351.49	108,267.93	

C. Particulars of investment made during the year

S. No	Name of the Investee	Investment made 31 March 2019	Investment made 31 March 2018	Purpose
1	Texmaco Infrastructure and Holdings Limited	1,006.33	361.69	Strategic investment
2	Zuari Finserv Limited	200.00	-	Strategic investment
3	Zuari Sugar and Power Limited	1,500.00	-	Strategic investment
4	Forte Furniture Products India Private Limited	1,385.72	-	Strategic investment
		4,092.05	361.69	

43: Disclosure Under Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans to Subsidiaries

S No	Name of Loanee	Status	Outstanding balance on		Maximum balance during the year	
			31 March 2019	31 March 2018	31 March 2019	31 March 2018
1	Zuari InfraWorld India Limited	Subsidiary	2,309.99	2,208.00	3,560.99	2,208.00
2	Zuari Investments Limited	Subsidiary	13,244.98	4,416.78	13,721.61	5,458.68
3	Zuari Management Services Limited	Subsidiary	-	1,782.45	1,860.45	1,782.45
4	Zuari Sugar & Power Limited	Subsidiary	3,624.90	943.00	4,461.00	1,016.00
5	Simon India Limited	Subsidiary	-	200.00	2,099.49	200.00
6	Zuari Finserv Limited	Subsidiary	725.70	-	1,025.50	200.00
			19,905.58	9,550.23	26,729.04	10,865.13

There are no transactions of loans and advances to subsidiaries/ associates/ firms/ joint ventures/ others in which Directors are interested other than as disclosed above.

There are no loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 186 of the Act.

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

44. Change in accounting policies

The Company applied IND AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the Company recognised the cumulative effect of initially applying IND AS 115 as an adjustment to the opening balance of retained earnings as at 1 April 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The impact on the Company's retained earnings as at 1 April 2018 is as follow

Particulars	Notes	1 April 2018
Retained earnings		203,499.75
Adjustment on account of change in revenue recognition from over the time to point in time	(i)	(422.38)
Recognition of assets for cost incurred to obtain a contract	(ii)	139.55
Increase in deferred tax assets (net)	(i) & (ii)	80.16
Sub-total		(202.67)
Retained earnings		203,297.08

The following table presents amounts by which each financial statement line item is affected in the current year ended 31 March 2019 by the application of IND AS 115 as compared with the previous revenue recognition requirement. Line item that were not affected by the change have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance sheet (extract)	Amount 31 March 2019 without adoption of IND AS 115	Adjustment as per Ind AS 115	Amount 31 March 2019 as reported
Current assets			
Trade receivable	71.44	(66.93)	4.51
Inventories	23,684.42	2,178.49	25,862.91
Other financial assets	601.58	(34.50)	567.08
Other current assets	283.49	178.61	462.10
		2,255.67	
Equity			
Other equity	181,447.16	(353.59)	181,093.57
Non-current liabilities			
Deferred tax liabilities	136.08	(80.16)	55.92
Current liabilities			
Other current liabilities	4,197.14	2,751.42	6,948.56
Current tax liabilities	65.73	(62.00)	3.73
		2,255.67	

Statement of Profit and Loss (extract)	31 March 2019 without adoption of IND AS 115	Adjustment as per Ind AS 115	31 March 2019 as reported
Revenue from operations	1,244.30	(996.61)	247.69
Total expenses	2,575.21	(783.68)	1,791.53
Profit before tax	3,481.10	(212.93)	3,268.17
Tax expense	(697.53)	(62.00)	(759.53)
Profit for the year	4,178.63	(150.93)	4,027.70
Earnings per equity share			
Basic earnings for share	14.19		13.68
Diluted earnings for share	14.19		13.68

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

(i) Accounting of real estate projects

Under the previous revenue standards, the Company apply percentage of completion method to recognise revenue from real estate projects. However, post adoption of IND AS 115 it is concluded that the Company does not have a right to legally enforce payment for dues payable for entire work done from customers. Hence, the revenue from real estate shall be recognised when the property will be delivered to customers i.e. completed method accounting. Accordingly, the revenue and cost incurred for the project under construction amounting to INR 422.38 lakhs has been adjusted to retained earning and a deferred tax assets has been recognised on the such adjustment.

(ii) Recognition of assets for costs incurred to obtain a contract

Under the previous revenue standards, the Company booked commission paid to the brokers on successful execution of agreement to sell with its customers in books. However, these costs is an integral part of its product's pricing model and these are critical to the contract and it will not be in existence if these commission costs will not be incurred. Hence, pursuant to adoption of IND AS 115, the such cost amounting to INR 139.55 lakhs has been recognised as an assets to obtain a contract. A deferred tax liability has been recognised, resulting in net adjustment to retained earnings.

IND AS 115 require to amortise these cost on systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Therefore, the same will be recognised as an expense on the date of transfer of control i.e. delivery of Apartment or villa.

(iii) Accounting of financial component

Post adoption of Ind AS 115 "Revenue from Contracts with Customers", the Company concluded to recognize revenue when it transfers control over flats and villas to a customer, which is done after completion of the project, i.e. revenue is recognised based on completed contract method. Therefore, there is a significant time gap between the payments received and the point of revenue recognition. Hence, there is a financing component on these funds as the Company uses such advances for funding its construction per the guidance of IND AS 115. Therefore, an imputed interest adjustment has been made for this financing component. The same has been added to advance from customers with the corresponding impact on the inventory.

45. Under section 133A of the Income Tax Act, 1961, the income tax department carried out a survey at the company's premises in February, 2014. Pursuant to the discussion during the survey, the Company had deposited a sum of INR 5,500 lakhs towards income tax demand mainly towards disallowance under section 14A of the Income Tax Act, 1961, disallowance for diminution in value of fertilizer bonds and disallowance under Section 36(1)(iii) of the Income Tax Act, 1961. The Company had made income tax provision including interest thereon provided in an earlier year for various assessment years. However, subsequently, Income Tax Appellate Tribunal (ITAT) in March 2017, had issued favourable decisions for some assessment years such as 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12 and, in current year, pursuant to order giving effect ('OGE') of ITAT order and corresponding receipt of refunds from income tax department by the Company. Other income for the year ended 31 March 2019 includes interest income on income tax refunds amounting to INR 809.45 lakhs and reversal of finance cost (interest on income tax liability recorded in earlier years) amounting to INR 669.09 lakhs, and Tax expense/(credit) for the year ended 31 March 2019 includes income tax provision reversals amounting to INR (1,182.75) lakhs. Moreover, the Hon'ble High Court has accepted the appeal of department for these year against ITAT order in the financial year ended 31 March 2019, however, under the given circumstance the Company has favourable decision from ITAT, the management believe there is remote chances of unfavourable decision from the Hon'ble High Court.
46. The Company had demerged its fertilizer undertaking to Zuari Agro Chemicals Limited (ZACL) with effect from 1 July 2011. The Company has, during the financial year ended 31 March 2017, based on Hon'ble High Court Order on demerger of fertilizer undertaking, identified the amount of income tax paid or payable under protest pertaining to fertilizer undertaking demerged into ZACL. The Company has exchanged letter of mutual understanding with ZACL, wherein, ZACL has paid such amount of tax paid or payable under protest by the Company. During the year ended 31 March 2017, the Company had received INR 2,533.85 lakhs from ZACL on this account. During the year ended 31 March 2019, pursuant to the aforesaid OGE of ITAT order (as explained in note 45), the management has carried out the exercise to finalize an amount and repaid an amount of INR 825.50 lakhs to ZACL, out of the receipts of income tax refund. The carrying value of such advance is INR 1,708.35 lakhs and classified under non-current liability.
47. In line with the provisions of Ind AS 108 - "Operating Segments", the Company is engaged in real estate development, which constitute single reportable business segment. The Company is operating only in India and there is no other significant geographical segment.
48. Under instructions from Special Court (trial of offences relating to transactions in securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of deposits, mistakes, discrepancy in holdings etc., 8,051 (31 March 2018: 8,051) right's equity shares entitlement have been kept in abeyance pursuant to Section 126 of the Companies Act, 2013

Summary of standalone significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

49. During the year ended 31 March 2019, the Company reclassified/regrouped certain previous year's numbers i.e. 31 March 2018. Considering the nature of these reclassification/regrouping, the Company does not intend to present opening balance sheet of previous year reported. Refer below for the same.

As on 31 March 2018	Amount	Earlier reported grouping	Revised groupings
Other receivables	5.94	Other current assets	Financial asset - Current
Amount received on account of amount deposited under litigation	2,533.85	Non-current tax assets (net)	Other non-current liabilities
Rental income from investment properties	230.78	Other income	Revenue from operations

This is the standalone summary of significant accounting policies and other explanatory information referred to in our report of even date.

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

Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 24 May 2019

For and on behalf of board of directors of
Zuari Global Limited

S. K. Poddar
Chairman
DIN No: 00008654

Vijay Kathuria
Chief Financial Officer

N Suresh Krishnan
Managing Director
DIN: 00021965

Sachin Patil
Asst. Company Secretary
Membership No. 31286

Marco Wadia
Director
DIN: 00244357

Independent Auditor's Report

To the Members of Zuari Global Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Zuari Global Limited ('the Holding Company' or 'the Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the consolidated significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') 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 Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive loss), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As described in Note 56(a) and 56(b) to the accompanying consolidated financial statements, the following matters have been reported under the 'Basis of Qualified Opinion' paragraph in the audit report on the consolidated financial statements of Zuari Agro Chemicals Limited ('ZACL'), an Associate of the Holding Company, issued by an independent firm of Chartered Accountants vide its report dated 15 May 2019, which is relevant to our opinion on the accompanying consolidated financial statements, and reproduced by us as under:

"Attention is drawn to the note XX to the consolidated Ind AS financial statements explaining that the Consolidated Ind AS financial statements include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of INR 309.94 lakhs for the year ended 31 March 2019, in respect of one joint venture, located outside India, whose financial statements and other financial information have not been subject to an audit and has been compiled and approved by the management. The Company's management has converted such unaudited financial statements of such joint venture located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India. Accordingly, we are unable to comment on the financial impact, if any, on the Consolidated Ind AS financial statements if the same had been audited.

"Attention is drawn to Note XX of the consolidated Ind AS financial statements explaining the evaluation of recoverable amount

as required under Ind AS 36 "Impairment of Assets" to assess impairment provision, if any, on the Holding Company's investment of INR 11,943.47 lakhs in the rock phosphates mining project through MCA Phosphates Pte Ltd, a joint venture company. The joint venture company has provided for diminution in the entire value of the said investment which is under arbitration. The Holding Company has, based on valuation carried by an external valuer, assessed that the indicative value is higher than its carrying amount. However, complete details used in such valuation were not made available to us and we were unable to review the valuation report and pending such review and in absence of other sufficient appropriate audit evidence, we are unable to comment on the adjustments, if any, required to be made to the consolidated Ind AS financial statements, in this regard."

In the absence of quantification of the impact of above matters by the auditors of ZACL, we are unable to comment on the impact of the same on share of profit/(loss) of an associate and joint venture recorded in the total comprehensive income and its consequential impact on the accompanying consolidated financial statements.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to:
 - A) Note 53 and 56(b) to the accompanying consolidated financial statements, relating to restatement of the consolidated financial statements of ZACL, resulting in consequential restatement of the accompanying consolidated financial statements for the year ended 31 March 2018, the impact of which on total shareholder's equity is INR 296.81 lakhs (net of tax impacts) as at 31 March 2018. The following emphasis of matter has been included in the audit report on the consolidated financial results of ZACL, issued by an independent firm of Chartered Accountants, vide its audit report dated 15 May 2019, for the the same matter, which is reproduced by us as under:

"We draw attention to Note XX of the consolidated Ind AS financial statements, which describes the impact of INR 1,161.76 lakhs as an adjustment related to assessment of the impairment of investment in MCA Phosphates Pte Ltd, a joint venture company, which has led to a restatement of the consolidated Ind AS financial statements for the year ended 31 March 2018."

- B) Note 56 (c) and Note 56 (d) of the accompanying consolidated financial statements and the following Emphasis of Matter

paragraphs included in the aforesaid audit report on the consolidated financial statements of ZACL, issued by an independent firm of Chartered Accountants, which is relevant to our opinion on the accompanying consolidated financial statements, and reproduced by us as under:

- (i) "We draw attention to Note XX of the consolidated financial statements, wherein the Holding Company is carrying a receivable of INR 1,949.03 lakhs in relation to the subsidy income accrued during the year ended 31 March 2013. Based on the legal opinion obtained by the holding Company, the amount is fully recoverable from the department of fertilizers. Pending settlement of the differential subsidy amount as more fully explained in note, the Holding Company has not made any provision in this regard in the financial statements.
- (ii) We draw attention to Note XX of the consolidated financial statements, regarding Goods and Services Tax ('GST') credit on input services recognized by the Group based on its assessment and on a legal opinion obtained by the Holding Company and a subsidiary and reliance placed on an order of High Court of Gujarat providing interim relief in a similar matter. The Holding Company has also filed a writ petition in the High Court of Bombay at Goa and is confident of matter being to be decided in its favour. "

C) Note 57 to the accompanying consolidated financial statements and the following Emphasis of Matter paragraph included in the

7. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

audit report on the consolidated financial statements of Zuari Infracore India Limited ('ZUIL'), issued by an independent firm of Chartered Accountants, vide its audit report dated 20 May 2019, which is relevant to our opinion on the accompanying consolidated financial statements, and reproduced by us as under:

"We draw attention to Note XX of the consolidated financial statements regarding the advances paid to a sub-contractor aggregating to INR 2,246.49 lakhs and interest accrued on the same INR 33.72 lakhs in respect of which the Management is in negotiation with that party for its recovery. The Management of the Company is confident that this advance will be fully recovered and hence no provision is considered necessary at this stage."

Our opinion is not modified in respect of the above matters.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Implementation of new IND AS 115, "Revenue from Contracts with Customer"</p> <p>We refer to summary of significant accounting policies and note 50 of the consolidated financial statements of the Group for the year ended 31 March 2019 for disclosures related to first time application of Ind AS 115 and impact of transition from previous standards to the new one.</p> <p>The Group has applied Ind AS 115, Revenue from Contracts with Customers for recognition and measurement of its Revenue. Ind AS 115 has superseded Ind AS 11, Construction Contracts, Ind AS 18, Revenue and Guidance note on Accounting of Real Estate Transactions ('the Guidance note'). The application of this accounting standard is complex as it establishes a comprehensive framework for determining whether, how much and when the revenue is recognized.</p> <p>The Group has applied the exemption provided by Ind AS 115, Revenue from Contracts with Customers not to restate the comparative periods as a result of the application of Ind AS 115. Two of the businesses of the Group require significant assessment for recognition of revenue under Ind AS 115:</p> <p>A) Real Estate Business</p> <p>For real estate business of the group, namely the Holding Company and one of its subsidiaries - Zuari Infracore India Limited, the revenue was recognized on 'percentage of completion method' as per Ind AS 18 and Guidance Note till the previous year. However, due to the application of Ind AS 115, revenue is recognized on 'completed contract method'. Thus, the entire revenue recognized till previous year has been reversed and revenue has been recognized as per the guidance of Ind AS 115.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls around adoption of Ind AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness. complex judgements or interpretations to assess its appropriateness. • Obtained a schedule of cumulative effect adjustments as at 1 April 2018 from the management of the Group and evaluated the completeness and mathematical accuracy of the schedule by assessing whether the schedule of adjustments is complete and reflects appropriate consideration for the changes in the revenue accounting under Ind AS 115. • Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the financial statements in accordance with Ind AS 115. • We reassessed management's judgement on recognition of revenue at a "point of time" instead of the "over time" approach followed under the extant standards. • Obtained a schedule of contracts with customers from the management of the Group and evaluated the existence and completeness of that population, subject to transition adjustments, based on our knowledge of the Group and experience of the industry in which it operates.

In determining whether the amount of revenue is to be recognised over time or in time involves various judgments such as whether the Group has enforceable right to payment or performance completed to date or the customer controls as the assets is created etc. Hence, application of Ind AS 115 is an area of focus in the audit.

B) Engineering, Procurement and Construction business

A significant portion of the Group's total revenue comes from one of the subsidiaries namely Simon India Limited (hereinafter referred to as 'Simon') which is involved in 'Engineering, Procurement and Construction business'. The revenue in the said Subsidiary Company is recognised on 'Percentage of Completion Method' (hereinafter referred to as 'PoCM') as per Ind AS 11, which requires management judgement to estimate the stage of completion and profitability of contracts, to determine the amount of revenue and profit to be recorded for projects in progress at the year end.

The recognized revenue and costs in ongoing projects are based on assumptions and estimates as documented in the project forecasts. These forecasts include, as applicable, the Group's best estimate of the probable outcome of claims by customers relating to deficiencies in the work performed. The elements of assumptions and estimates mean that final results may deviate from those reported.

Given the size of the amounts involved combined with management judgements and estimates involved in determining the key assumptions, we have identified this matter as a Key Audit Matter for the current period audit.

Revenue recognition

Other auditors of the components of the Group have reported KAMs in their respective auditor's reports on revenue recognition which are reproduced below:

A) In relation to ZACL, an associate of the Holding Company, vide report dated 15 May 2019:

For the year ended 31 March 2019 the Group has recognized revenue from sale of products of INR 441,554.49 lakhs.

Revenue from sale of products is recognized when the significant risk and rewards of ownership of the goods have been transferred to the customer which generally coincide with the delivery of goods, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The Holding Company considers estimated time of delivery of goods and this has an impact on the timing and extent of revenue recognition from sale of products. The varied terms that define when title, risk and rewards are transferred to the customer, as well as the high volume of transactions, give rise to the risk that revenue could be recognized in the incorrect period for sales transactions occurring on and around the year end.

Accordingly, due to the significant risk associated with revenue recognition, it has been determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.

- Ensured management's calculations for recognition of revenue at a point of time are accurate.
- Evaluated the methodology used by the Group to determine whether the transaction price included a significant financing component and the method of calculation of the significant financing component in the transaction price.

- We reassessed management's judgement on recognition of revenue "over time" approach followed under the extant standards.
- In performing our audit procedures, we assessed the estimates applied within the percentage of completion calculation by verifying the work undertaken at the year end and the estimated costs to completion. In assessing the estimated costs to completion, we considered the historical accuracy of management's forecasts in previous years and made enquiries with technical team responsible for entire cost estimation process.
- We obtained and reviewed project source documents such as contracts, budgets and project costs calculations.
- We tested the calculation of stage of completion including testing the costs incurred and recorded against the contract for occurrence and accuracy, assessing the basis for determining the costs to complete and total contract cost and then re-performed/checked the arithmetical accuracy of the percentage of completion calculation.
- We re-evaluated management's assumption in respect of the reasonableness of judgements made regarding the cost to complete estimate and the timing of recognition of change orders.
- We re-evaluated management's assessments around projects behind schedule and the adequacy of contingency provisions to mitigate contract specific risks.
- We also assessed whether management's policies and processes for making these estimates continue to be appropriate and are applied consistently overtime and to contracts of similar nature.

Our audit procedures included the following:

- Evaluated the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.
- Understood and tested the operating effectiveness of internal controls as established by the management in relation to revenue recognition.
- Performed sales transactions testing based on a representative sampling and traced to sales invoices and other related documents to ensure that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the agreements with customers, including the shipping terms.
- Tested sales transactions made near the year end by agreeing a sample of sales transactions occurring around the year end to supporting documentation including customer confirmation of receipt of goods to establish that sales and corresponding trade receivables are properly recorded in the correct period.
- Performed monthly analytical review of revenue from sale of goods by streams to identify any unusual trends.
- Assessed the relevant disclosures made within the consolidated Ind AS financial statements.

B) In relation to Mangalore Chemicals and Fertilizers Limited, a subsidiary company of ZACL, an associate of the Holding Company:

Revenue from concession receivable from the Government of India ('GOI') is recognized when control of the products has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Concessions in respect of urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard.

Revenue from urea concession income of INR 3,050.79 lakhs has been recognized during the year ended 31 March 2019. The Subsidiary Company recognizes urea concession income from the GOI based on estimates determined as per the GOI notification dated June 17, 2015 and changes, if any, are recognized in the year of finalization of the prices by the GOI under the scheme. Considering significant estimates involved, as mentioned above, revenue and profit may deviate on account of change in such judgements and estimates. Accordingly, this has been determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.

C) In relation to Forte Furniture Products India Private Limited, a joint venture of the Holding Company

Revenue from sale of goods is recognized when control has been transferred to the buyer; and is measured net of pricing allowances, other trade discounts and price promotions to customers. Judgements are made by the management for estimation of pricing allowances, discounts and rebates which are as per the varying contractual terms.

Revenue recognition is inherently an area which we substantially focus on. The timing of recognition of revenue is considered crucial in view of the varying contractual terms.

Contingencies

We, as the auditors of the Holding Company, and other auditors of one of the components of the Group in their auditor's report, have reported KAMs on contingencies which are produced/reproduced, as the case may be, below:

A) In relation to the Holding Company:

The Holding Company has significant litigations outstanding as at 31 March 2019 which includes income tax and wealth tax, amounting to INR 3,973.61 lakhs, as included in Note 42A of the consolidated financial statements

The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position.

The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.

Our audit procedures included the following:

- Assessed the Subsidiary Company's revenue recognition policy for urea concession income.
- Assessed design, implementation and operative effectiveness of management's key internal controls over revenue recognition.
- Performed test of details, on a sample basis and evaluated the underlying documents relating to urea concession income.
- Read relevant notifications issued by the GOI and discussed with the management of the subsidiary company, to understand the underlying matters and basis for management judgement and estimates including necessary changes made in estimates to address variations noted in past.
- Reviewed the calculation of urea concession income including escalation/de-escalation adjustments as per known policy parameters in this regard.
- Assessed the adequacy of the disclosures in the consolidated Ind AS financial statements in this regard.

Our procedures, designed to be responsive to the risk identified, included the following:

- Assessing the appropriateness of the Company's revenue recognition accounting policies and its implementation under Ind AS 115, including those relating to discounts, incentives and rebates by comparing with applicable accounting standards.
- Testing the effectiveness of the Company's controls over the calculation of discounts and correct timing of revenue recognition.
- Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognised in the correct period.
- Critically assessing manual journals posted to revenue to identify unusual or irregular items.
- Considering the adequacy of disclosures in respect of revenue.

Our audit procedures included, but were not limited to, the following:

- We obtained an understanding of the management process for:
 - ✓ identification of legal and tax matters initiated against the Company,
 - ✓ assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and
 - ✓ for measurement of amounts involved.
- We evaluated the design and tested the operating effectiveness of key controls around above process.
- We obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company. Tested the independence, objectivity and competence of such management experts involved.
- On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and / or disclosure of contingent liabilities in respect of each such litigation selected for testing. We focused on the developments in the existing litigations and new litigations, which could have materially impacted the amounts recorded as provisions or disclosed as contingent liability in the financial statements.

<p>Key judgments are also made by the management in estimating the amount of liabilities, provisions and/or contingent liabilities related to aforementioned litigations.</p> <p>Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.</p> <p>B) In relation to ZACL, an associate of the Holding Company:</p> <p>The Group has received income tax demand orders and notices relating to disallowance of certain deductions, expenses, etc. and has also received various indirect tax demand orders and notices, which are under litigation amounting to INR 13,914.90 lakhs (as included under Note 37(ii) of the consolidated financial statements). The Group is contesting these demands and has made provision where the outflow of resources embodying economic benefits is considered to be probable.</p> <p>Significant judgements and estimates are required to assess impact of aforesaid litigations on the financial position, results of operations and cash flows. Accordingly, this matter has been determined to be a key audit matter in our audit of the consolidated Ind AS financial statements</p> <p>Litigation, claims and other contingencies of INR 34,216.09 lakhs</p> <p>Other auditors of one of the components of the Group have reported KAM in their auditor's report on litigation, claims and other contingencies, which is reproduced below:</p> <p>In relation to ZACL, an associate of the Holding Company:</p> <p>As indicated in Note 37(ii)(a) to (d) and Note 56(b), the Group is involved in various litigations and claims including court and arbitration proceedings.</p> <p>This risk of litigations and claims would have a significant financial impact if the potential exposures were to materialize.</p> <p>Accordingly, unexpected adverse outcomes of such litigations and claims could materially impact the Group as the outcome of such legal actions is uncertain and the positions taken by the management are based on the legal opinions obtained by the Group.</p> <p>The amounts of claims may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgement.</p> <p>This matter has been determined to be a key matter, since the aforementioned cases requires significant judgements by management, including that obtained from its legal advisors.</p>	<ul style="list-style-type: none"> • We obtained independent opinion/confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims. • We reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. • We assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations. • We involved auditor's expert to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. • We tested the disclosures made relating to the provisions and contingent liabilities for their appropriateness. <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process and tested the operative effectiveness of management's key internal controls over recognition / disclosure of tax provisions and contingencies. • Obtained confirmations from the Group's external legal counsel on significant tax litigations and evaluated the independence, objectivity and competency of the Group's specialists involved. • Read relevant tax laws and discussed with the management, to understand the underlying matters in demand orders / notices and basis for management judgement and estimates. • Involved specialists to perform an evaluation of assumptions used and relevant judgements passed by the authorities. • Assessed the related disclosures in the consolidated Ind AS financial statements. <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of identification process relating to litigations and claims and contingent liabilities and evaluated the design and tested the operating effectiveness of controls in respect of process. • Assessed the progress of all significant contingencies, consideration of any evidence of legal disputes. • Evaluated management's assessment of the likely outcome and potential exposures arising from significant contingencies subject to ongoing court and arbitration proceedings and considered the requirements for any provision. • Inquired with both legal and finance personnel in respect of ongoing litigations or claims proceedings, inspected relevant correspondence and requested a confirmation letter from the Group's in-house legal counsel. Also, obtained legal confirmation letters on sample basis from external legal counsels. • Assessed the related disclosure of litigations, claims and other contingencies as described in note to the Consolidated IND AS financial statements.
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<p>Allowance for trade receivables (including government receivables for subsidy) of INR 156,448.07 lakhs</p> <p>Other auditors of one of the components of the Group have reported KAM in their auditor's report on allowance for trade receivables which is reproduced below:</p> <p>In relation to Mangalore Chemicals and Fertilizers Limited, a subsidiary company of ZACL, an associate of the Holding Company:</p> <p>Trade receivable balances of subsidiary company, represent significant portion of the total assets as at 31 March 2019. Trade receivables of INR 156,448.07 lakhs as at 31 March 2019 (as included under Note 37(i)(a) of the consolidated financial statements) include dues from government and dealers. The subsidiary company creates allowance for unsecured trade receivables based on management estimates. Timing of collection of dues from the non-government customers may differ from the actual credit period. Significant judgment is required by the management to estimate the amounts unlikely to be ultimately collected.</p> <p>For government receivables, area of judgement includes certainty around satisfaction of conditions specified in the notifications/policies issued by the Department of Fertilizers, collections and provisions thereof.</p> <p>Impact of government policies/ notifications on recognition of subsidy accruals/claims and their recoverability</p> <p>Other auditors of one of the components of the Group have reported KAM in their auditor's report on impact of government policies/ notifications on recognition of subsidy accruals/claims and their recoverability, which is reproduced below:</p> <p>In relation to ZACL, an associate of the Holding Company:</p> <p>The Group recognises concession (subsidy) income receivable from the Department of Fertilizers, Government of India as per the New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic (P&K) fertilizers at the time of sale of goods to its customers.</p> <p>During the year, the Group has recognised concession income of INR 367,635.27 lakhs and as at 31 March 2019, the Group has receivables of INR 281,034.93 lakhs relating to concession income (as included under Note 37(i)(a) of the consolidated financial statements).</p> <p>We focused on this area because recognition of concession income and assessment of its recoverability is subject to significant judgement of the management and various notifications from the Department of Fertilizers.</p> <p>The area of judgement includes certainty around the satisfaction of conditions specified in the notifications and policies, collections and provisions thereof, likelihood of variation in the related computation rates and basis for determination of accruals of concession income. Accordingly, this matter has been determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p> <p>Impairment assessment of non-current investments in subsidiaries, joint venture and goodwill</p> <p>We, as the auditors of the Holding Company and other auditors of one of the components of the Group in their auditor's report, have reported KAMs on Impairment assessment of non-current investments in subsidiaries, joint venture and goodwill which are produced/reproduced, as the case may be, below:</p> <p>A) Impairment of goodwill:</p> <p>We refer to the Summary of significant accounting policies and other explanatory information for accounting policy for Impairment of Goodwill and note 38 of the consolidated financial statements of the Holding Company for the year ended 31 March 2019, disclosures related to carrying value and impairment of Goodwill.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Performed audit procedures on existence of trade receivables, which included circulating balance confirmations, testing subsequent receipts and sales transactions for audit samples. Evaluated the assumptions used to calculate the allowance for trade receivables (both for government and non-government) through analysis of ageing and past trend of write offs. Discussed and reviewed management assessment for receivables which were due for more than their respective credit periods and any overdue subsidy balances. Considered the relevant notifications/ policies issued by the Department of Fertilizers to ascertain the basis and adequacy of accruals/claims recognised; and adjustments (if any) to accruals/ claims already recognised pursuant to changes in the rates. Evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections. Assessed the adequacy of the disclosures in the consolidated Ind AS financial statements in this regard. <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the process and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the concession income. Evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications and policies and collections of concession income. Read all the notifications issued by Department of Fertilizers applicable for concession income recognized during the year. Considered the relevant notifications and policies issued by Department of Fertilizers to ascertain the recognition of concession income, adjustments thereto recognised pursuant to changes in the rates and basis for determination of concession income. Tested the ageing analysis and assessed the information used by the management to determine the recoverability of the concession income by considering collections against historical trends, the level of credit loss charged over time and provisions made. Assessed the related disclosure in consolidated Ind AS financial statements. <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> We evaluated the appropriateness of management's identification of the Group's CGU's and allocation of goodwill. We evaluated the process by which management prepared the CGU value-in-use calculations/ determination of fair value less cost to sell. We assessed the Group's budgeting review and approval procedures upon which the cash flows forecasts are based. We challenged the management's analysis around key drivers of cash flows forecasts including price increases, short term and long term volume growth and the level of input costs by comparing them with either the historical information or market data, as appropriate, of respective companies.
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<p>The Group has goodwill balance of INR 14,565.67 lakhs relating to the real estate business, furniture business and sugar business.</p> <p>For the purpose of performing impairment assessment, goodwill has been allocated to group of cash generating units ('CGUs') and management has determined the recoverable amount of the CGUs to which the goodwill belongs.</p> <p>In assessing whether the carrying amount of goodwill has been impaired, the management considers forecasted cash flows of the individual CGUs which are identified on a market sector or geographical basis.</p> <p>Management's impairment assessment involves significant estimation, principally relating to short and long term revenue growth, future profitability and discount rates. Due to the magnitude of the aggregate goodwill, together with the subjectivity of the principal assumptions, a significant amount of audit effort was required, particularly as some of these assumptions are dependent on economic factors and trading conditions specific to overseas territories.</p> <p>We have considered impairment testing of goodwill as a key audit matter due to the importance of management's estimation and judgment involved and the materiality of amounts.</p>	<ul style="list-style-type: none"> • We worked with our valuation specialists in order to compare the Group's assumptions to externally derived data in relation to key inputs such as projected economic growth, competition and discount rates. To challenge the reasonableness of the assumptions, we also assessed the historical accuracy of the Group's forecasting. • We have tested the mathematical accuracy of the cash flow models and agreeing relevant data to board approved long range plan; and • Sensitivity analysis: Performing scenario-specific models including changes to and breakeven analysis on, the discount rate, long term growth rates and forecasted cash flows • Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill.
<p>B) In relation to the impairment of investment in Mangalore Chemicals and Fertilizers Limited, a subsidiary of ZAFL, an associate of the Holding Company:</p> <p>During the current year, impairment indicators were identified by the management on the investment in a subsidiary company, Mangalore Chemicals and Fertilizers Limited, of INR 53,521.45 lakhs. As a result, an impairment assessment was required to be performed by the Holding Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognised.</p> <p>For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows.</p> <p>Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.</p> <p>Further, the determination of the recoverable amount of the investment in Mangalore Chemicals and Fertilizers Limited involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of the investment.</p> <p>Accordingly, the impairment of investment in Mangalore Chemicals and Fertilizers Limited has been determined to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the analysis of internal and external factors impacting Holding Company's investment, whether there were any indicators of impairment in line with Ind AS 36 "Impairment of Assets". • Gained an understanding of the impairment assessment process, and evaluated the design and tested the operating effectiveness of controls in respect of process of comparing the carrying value of the investments to their recoverable amount to determine whether an impairment was required to be recognized. • Assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we obtained and evaluated the valuation models used to determine the recoverable amount by challenging the key assumptions used by management including: <ul style="list-style-type: none"> ➤ Assessing management's forecasting accuracy by comparing prior year forecasts to actual results and assessing the potential impact, if any of such variances. ➤ Assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used in association with our valuation experts. Corroborating the price assumptions used in the models against analyst consensus. ➤ Tested the weighted average cost of capital used to discount the impairment models through engaging valuation experts. ➤ Discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. ➤ Testing the integrity of the models together with their clerical accuracy. • Assessed the recoverable value by performing sensitivity testing of key assumptions used. • Assessed the competence and objectivity of the external experts, to satisfy ourselves that these parties are appropriate in their roles within the estimation process. • Assessed the related disclosures in this regard.

Deferred tax assets

We, as auditors of two of the components of the group, and other auditors of one of the components of the Group in their auditor's report, have reported KAMs on deferred tax assets which are produced/reproduced, as the case may be, below:

A) For two of the subsidiaries of the Group, namely Gobind Sugar Mills Limited and Simon India Limited, recoverability of deferred tax assets has been considered as key audit matter:

Refer Summary of significant accounting policies and other explanatory information and the note 17B of the consolidated financial statements of the Company for the year ended 31 March 2019.

At the balance sheet date 31 March 2019, deferred tax assets(net) including deferred tax asset recognised for carried forward tax losses and unabsorbed depreciation amounted to INR 8,680.07 lakhs (31 March 2018: INR 9,385.41 lakhs).

During the year ended 31 March 2019, the Company has incurred losses after tax (total comprehensive loss) of INR 4,204.40 lakhs (31 March 2018: INR 2,579.55 lakhs).

The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets within the period prescribed under the tax laws involves use of significant assumptions and estimates. Determining forecasts of future results and taxable profits include key assumptions such as future growth rate and market conditions. The projected cash flows are assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. These changes mainly relate to variations in expected selling prices of the sugar and by products, expected costs of production of sugar, expected days of operation of sugar mills and estimations of budgeted cost of projects under progress and timing of completion of the projects under progress.

Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions, including industry focused trade policies of the government, materialization of the Company's expansion plans and quality services.

Owing to the significance of the balances and complexities involved as described above, we have considered recoverability of such deferred tax assets recognised on carried forward tax losses and unabsorbed depreciation as a key audit matter.

B) In relation to ZACL, an associate of the Holding Company:

As at 31 March 2019, the Group has recognized deferred tax assets of INR 8,895.14 lakhs in the consolidated Ind AS financial statements.

Deferred tax assets are recognized on carried forward tax losses and MAT credit entitlement when it is probable that taxable profit will be available against which the carried forward tax losses and MAT credit entitlement can be utilized. The Company's ability to recognize deferred tax assets on carried forward tax losses is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are determined by management.

Given the degree of estimation based on the projection of future taxable profits, management's decision to create deferred tax assets on tax losses has been identified to be a key audit matter.

Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:

- Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws.
- Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors.
- Tested and challenged management's judgements relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on historical data trends.
- Tested the mathematical accuracy of the projections including sensitivity analysis performed by management and performed independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections.
- Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes.
- Re-computed the amount of deferred tax assets as appearing in the financial statements confirming the amounts of carried forward tax losses and unabsorbed depreciation.
- Assessed the appropriateness of the disclosures included in note 17B in respect of deferred tax balances.

Our audit procedures included the following:

- Gained an understanding of the deferred tax assessment process, and evaluated the design and tested the operating effectiveness of controls in respect of process of recognizing deferred tax on carried forward tax losses and MAT credit entitlement.
- Evaluated management's assumptions and estimates like projected revenue growth etc. in relation to the probability of generating future taxable income to support the recognition of deferred income tax asset with reference to forecast taxable income.
- Assessed the consistency of business plan with the latest management estimates as calculated during the budget process and the reliability of the process by which the estimates were calculated and assessed reasons for differences between projected and actual performances.
- Tested the arithmetical accuracy of the model.
- Assessed the related disclosures in respect of the assumptions supporting the deferred tax asset recognition.

Carrying value of inventories

We, as the auditors of one of the components of the Group and other auditors of one of the components of the Group in their auditor's report, have reported KAMs on carrying value of inventories which are produced/reproduced, as the case may be, below:

A) In relation to Gobind Sugar Mills Limited, a subsidiary of Group.

Refer to Summary of significant accounting policies and other explanatory information for accounting policy for valuation of Inventory and significant accounting judgements, estimates and assumptions related thereto and the note 7 of the consolidated financial statements of the Company for the year ended 31 March 2019.

At the balance sheet date 31 March 2019, the Company held INR 46,006.49 lakhs of Inventories. Inventories mainly consists of finished goods - Sugar and by products - Molasses.

Manufacturing of Sugar is complex process which leads to generation of many by products some of which are used for generation of other products which are sold in the market as well as used as input in the manufacturing of Sugar. The valuation requires use of management's judgements and assumptions regarding elimination of inter-divisional profits and calculation of net realisable value (NRV) which is further dependent upon the market conditions, subsequent inventory sale data and sale price and incremental cost of products manufactured using by-products. These assumptions are subject to inherent uncertainties and are difficult to ascertain since they are likely to be influenced by political and economic factors including uncertainties that may affect the industry on the whole.

Owing to the significance of the carrying value of inventories, the complexities discussed above and the fact that any changes in the management's judgement or assumptions is likely to have a significant impact on the ascertainment of carrying values of inventories, we have considered this area as a key audit matter.

B) In relation to Zuari Infraworld India Limited, a subsidiary of Group:

Carrying value of inventory was a key matter of our audit, since it affects a very significant amount of total assets and requires the Management estimates/ forecasts.

Inventory represents the capitalised construction/ development costs upto the reporting date less amounts expensed on sales with reference to the forecasts. Inventories are held at the lower of cost and net realisable value, the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can significantly impact the assessment of the carrying value of inventories.

Forecasts are dependent on various external and internal factors, market conditions which can be difficult to predict and be influenced by political and economic factors. These forecasts, judgements and estimates are made by the persons in-charge of the construction works and are subsequently reviewed at the various levels of the organisation.

Our audit procedures in relation to valuation of inventory included, but were not limited to, the following:

- Tested the design and operating effectiveness of the general IT control environment and the manual controls for inventory valuation.
- Assessed the appropriateness of the principles used in the valuation of Inventory and analysed the reasonableness of significant judgements/assumptions used by the management in their valuation models along with their consistency based on historical data trends such as sugar recovery rates, generation of Molasses, fixed and planned storage facilities of Molasses and capacity utilisations of the plant.
- Verified net realisable value of baggase and molasses based on market quotation obtained by the management in case of baggase and contracts for sale of ethanol.
- Reviewed cost sheets prepared by the management for manufacturing of ethanol (used for determination of NRV of molasses) for reasonableness and corroborated the same with projects reports submitted to lenders banks.
- Reviewed the process of inventory valuation comprising of identification of NRV of Sugar based on subsequent selling prices of Sugar upto balance sheet date, sale orders in hand as on that date, minimum selling prices introduced by the government and prices prevailing in exchange market.
- We also assessed the appropriateness of the disclosures included in note 7 in respect of valuation of inventories.

Our audit procedures included, but were not limited to, the following :

- We reviewed the minutes of the meetings. This included assessing whether the appropriate individuals attended the meetings and assessing that the forecast costs for developments were discussed and the valuations updated as appropriate.
- We reviewed the whole project forecasts on a sample basis and challenged the inputs and assumptions wherever considered necessary by performing test checking of :
- Tests of detail: sample of forecast/ budgeted costs to purchase contracts, supplier agreements or tenders, and agreeing a sample of costs incurred in the year to invoice and/or payment, including checking that they were allocated to the appropriate projects.
- Recalculation: Recalculated the costs of sales amount recognised on unit taken to sale in the current year based upon the unit sales price and gross margin percentages.
- Benchmarking assumptions: Assessed based on the risks highlighted by the Company in the budgets and discussed in the cost review meetings, the appropriateness of allowances made for cost increases and long term development risks as well as contingencies.
- Used our experience to consider the appropriateness of the forecast assumptions. Compared forecast sales prices against recent prices achieved in the local market, historical sales prices, and considered factors that may influence the achievable price on future sales.
- We discussed with the Management the impact of varying changes in sales prices and costs including interest, on the forecast margin and considered whether this indicated a risk of impairment of the inventory balance in the year.
- We also considered the adequacy of the Company's disclosures in the financial statements with regard to the degree of judgement and estimation involved in arriving at the forecast and resultant carrying value of inventory.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated loss (consolidated financial performance including other comprehensive loss), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. 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.
15. 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.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

17. We did not audit the financial statements of four subsidiaries and one branch, whose separate financial statements reflect total assets of INR 89,643.69 lakhs and net assets of INR 22,570.01 lakhs as at 31 March 2019, total revenues of INR 5,378.20 lakhs and net cash outflows amounting to INR 166.87 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of INR 8,524.36 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of 23 associates and three joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, branch, associates and joint ventures, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17, on separate financial statements of the subsidiaries and associates, we report that the Holding Company, three subsidiary companies and four associate companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that seven subsidiary companies, one associate companies and one joint venture companies covered under the Act have not paid or provided for any managerial remuneration during the year and the provision of section 197 read with Schedule V to the Act are not applicable to 14 associate companies and two joint venture companies covered under this Act, since none of such companies is a public company as defined under section 2(71) of the Act.
19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:
- a) we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion paragraph with respect to the consolidated financial statements of the ZACL, an associate of the Holding Company;
 - c) The reports on the accounts of the branch office of its subsidiary company, covered under the Act, audited under Section 143(8) of the Act by branch auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report;
 - d) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- e) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- f) The matters described in paragraph 3 and paragraph 5 of the Basis for Qualified Opinion and Emphasis of Matters paragraphs respectively, in our opinion, may have an adverse effect on the functioning of the Holding Company, ZACL and ZIII;
- g) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- h) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion paragraph with respect to ZACL, an associate of the Holding Company;
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- j) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 36A(ii), 37(ii), 42A and 59 to the consolidated financial statements;
 - ii. The Holding Company, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, associate companies and joint venture companies of the Holding Company covered under the Act, during the year ended 31 March 2019; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 24 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of Zuari Global Limited on the consolidated financial statements for the year ended 31 March 2019

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Zuari Global Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the "the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on the Audit of Internal Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India ('ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and

appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanation given to us and based on the consideration of the reports of the other auditors, the following material weakness has been identified as at 31 March 2019 with respect to an associate and a subsidiary company of the Holding Company. The possible effects of the following material weakness have been assessed as material but not pervasive to these consolidated financial statements:

- a. On the IFCoFR of Zuari Agro Chemicals Limited ('ZACL'), an associate of the Holding Company, issued by an independent firm of Chartered Accountants vide their report dated 15 May 2019, reproduced by us as under:

"ZACL's internal financial controls over evaluation of provision for impairment in the value of investments were not operating effectively which could potentially result in the Company recognising provision for impairment in the value of investments.

This is a matter continuing from the previous year."

- b. Because of the following matter, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as at 31 March 2019, on the IFCoFR of Indian Furniture Products Limited ('IFPL'), a subsidiary of the Holding Company, issued by us vide our audit report dated 20 May 2019 reproduced by us as under:

“The system of internal financial controls over financial reporting with regard to IFPL were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at 31 March 2019.

This is a matter continuing from the previous year.”

9. A ‘material weakness’ is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, associate companies and joint venture companies, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on “the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.”
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company as at and for the year ended 31 March 2019, and only a material weakness stated in para 8(a) above has affected our opinion on the consolidated financial statements of the Holding Company, accordingly, we have issued a qualified opinion on the consolidated financial statements.

Other Matter

12. We did not audit the IFCoFR in so far as it relates to two subsidiaries, which are companies covered under the Act, whose financial statements reflect total assets of INR 58,338.04 lakhs and net assets of INR 22,793.20 lakhs as at 31 March 2019, total revenues of INR 5,168.87 lakhs and net cash outflows amounting to INR 166.76 lakhs for the year ended on that date; 20 associate companies and 3 joint venture companies, which are companies covered under the Act, in respect of which, the Group’s share of net loss (including other comprehensive loss) of INR 8,524.36 lakhs for the year ended 31 March 2019 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, under Section 143(3)(i) of the Act in so far as it relates to the aforesaid subsidiaries, associates and jointly controlled companies, which are companies covered under the Act, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm’s Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: 24 May 2019

Consolidated Balance Sheet as at 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018 (Restated)*	As at 31 March 2017 (Restated)*
I ASSETS				
Non-current assets				
Property, plant and equipment	3A	38,934.21	39,616.81	39,067.97
Capital work-in-progress	3A	7,142.03	757.26	1,207.55
Investment properties	4	791.80	748.87	164.13
Goodwill	38	14,565.67	14,565.67	14,565.67
Other intangible assets	3B	77.27	68.29	56.50
Investments accounted for using the equity method	36A,37	47,548.12	56,487.83	52,783.38
Financial assets				
i. Investments	5A	157,740.96	164,004.90	107,223.86
ii. Loans	5B	701.60	1,842.93	583.59
iii. Other financial assets	5C	1,413.16	1,086.43	480.00
Deferred tax assets (net)	17B	12,865.17	12,553.27	11,203.95
Non-current tax assets (net)	17C	3,682.69	5,225.94	5,139.41
Other non-current assets	6	6,148.03	5,532.99	2,861.69
Total non-current assets		291,610.71	302,491.19	235,337.70
Current assets				
Inventories	7	116,532.58	85,354.85	59,467.03
Financial assets				
i. Investments	5A	798.03	616.00	-
ii. Trade receivables	8	10,431.96	13,022.31	9,287.83
iii. Cash and cash equivalents	9	3,282.97	3,126.62	4,013.95
iv. Bank balances other than (iii) above	10	1,243.36	776.76	804.75
vi. Loans	5B	1,796.02	1,612.87	2,290.35
vi..Other financial assets	5C	12,046.02	4,336.58	6,682.35
Other current assets	6	7,740.25	7,476.02	7,075.75
Current tax assets (net)		-	-	46.19
		153,871.19	116,322.01	89,668.20
Assets classified as held for sale	11	979.83	979.83	979.83
Total current assets		154,851.02	117,301.84	90,648.03
Total assets		446,461.73	419,793.03	325,985.73
II EQUITY AND LIABILITIES				
Equity				
Equity share capital	12A	2,944.11	2,944.11	2,944.11
Other equity	12C	219,019.00	237,757.91	188,035.37
Equity attributable to equity holders of the Holding Company		221,963.11	240,702.02	190,979.48
Non-controlling interests	35	(304.73)	1,098.77	2,377.10
Total equity		221,658.38	241,800.79	193,356.58

Consolidated Balance Sheet as at 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018 (Restated)*	As at 31 March 2017 (Restated)*
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	13A	102,884.49	68,976.68	43,027.36
ii. Trade payables				
(A) Total outstanding due to micro enterprise and small enterprise	14	-	-	-
(B) Total outstanding due to creditors other than micro enterprise and small enterprise	14	39.01	199.57	397.14
iii. Other financial liabilities	15	253.68	623.90	4.60
Provisions	16	1,123.50	907.09	451.95
Deferred tax liabilities (net)	17B	95.73	1,384.04	-
Other non-current liabilities	18	5,109.29	4,959.08	4,766.75
Total non-current liabilities		109,505.70	77,050.36	48,647.80
Current liabilities				
Financial liabilities				
i. Borrowings	13B	30,932.28	41,046.04	34,048.64
ii. Trade payables				
(A) Total outstanding due to micro enterprise and small enterprise	14	494.01	963.31	154.48
(B) Total outstanding due to creditors other than micro enterprise and small enterprise	14	39,152.40	37,960.04	27,217.80
iii. Other financial liabilities	15	17,044.02	7,951.99	9,015.50
Provisions	16	2,686.38	1,305.35	12,318.28
Other current liabilities	18	24,984.83	11,715.15	1,226.65
Current tax liabilities (net)	17D	3.73	-	-
Total current liabilities		115,297.65	100,941.88	83,981.35
Total equity and liabilities		446,461.73	419,793.03	325,985.73

*Adjusted in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 103 'Business Combinations'.

Summary of significant accounting policies 2.3

The accompanying notes forms an integral part of the financial statements

This is the Consolidated Balance Sheet referred to in our report of even date.

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

For and on behalf of board of directors of
Zuari Global Limited

Neeraj Goel
Partner
Membership No.: 099514

S. K. Poddar
Chairman
DIN: 00008654

N. Suresh Krishnan
Managing Director
DIN: 00021965

Marco Wadia
Director
DIN: 00244357

Place: Gurugram
Date: 24 May 2019

Vijay Kathuria
Chief Financial Officer

Sachin Patil
Company Secretary
Membership No. 31286

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(All amounts in INR lakhs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018 (Restated)*
I Revenue			
Revenue from operations	19	77,418.90	55,496.59
Other income	20	9,983.03	7,046.68
Total income (I)		87,401.93	62,543.27
II EXPENSES			
Cost of material consumed	21	43,279.27	42,680.25
Purchases of stock-in-trade	22	1,492.76	851.72
Project expenses	23	36,857.81	26,420.58
Change in inventories of work-in-progress, stock-in-trade and finished goods	24	(21,658.76)	(26,309.89)
Excise duty on sales of goods	25	-	530.11
Employee benefits expense	26	7,868.83	6,267.24
Finance costs	27	11,318.49	9,214.85
Depreciation and amortization expense	28	2,092.28	1,998.94
Other expenses	29	11,418.46	8,332.26
Total expenses (II)		92,669.14	69,986.06
III Loss before share of net profit/(loss) of investment accounted for using equity method and tax (I-II)		(5,267.21)	(7,442.79)
IV Share of profit/ (loss) of associates and joint ventures accounted for using the equity method	36,37	(7,462.03)	3,664.22
V Loss before tax (III-IV)		(12,729.24)	(3,778.57)
VI Tax expense:	17A		
Current tax expense/(reversals) (including for earlier years)		(828.58)	267.80
Deferred tax		(913.29)	60.61
Total tax expense/(credit)		(1,741.87)	328.41
VII Loss for the year (V-VI)		(10,987.37)	(4,106.98)
VIII Other comprehensive income/(loss) (A+B)		(8,221.68)	51,996.55
A Items that will be reclassified to profit or loss		131.26	(34.78)
Share of profit/(loss) in associates	36,37	234.87	(30.99)
Foreign currency translation reserve		(55.80)	(3.79)
Income tax relating to these items		(47.81)	-
B Items that will not be reclassified to profit or loss		(8,352.94)	52,031.33
Share of (loss)/profit in associates and joint ventures	36,37	(2,682.06)	231.12
Re-measurement gains (losses) on defined benefit plans		61.56	(214.42)
Net (loss)/gain on FVTOCI equity securities		(6,255.15)	51,981.60
Income tax relating to these items	17A	522.71	33.03
Total comprehensive (loss)/income for the year (VII + VIII)		(19,209.05)	47,889.57
Loss for the year			
Attributed to:			
Equity holders of the Holding Company		(9,063.97)	(3,104.42)
Non-controlling interest		(1,923.40)	(1,002.56)
		(10,987.37)	(4,106.98)

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(All amounts in INR lakhs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018 (Restated)*
Other comprehensive income/(loss)			
A Items that will be reclassified to profit or loss			
Attributed to:			
Equity holders of the Holding Company		131.26	(34.78)
Non-controlling interest		-	-
		131.26	(34.78)
B Items that will not be reclassified to profit or loss			
Attributed to:			
Equity holders of the Holding Company		(8,347.73)	52,307.10
Non-controlling interest		(5.21)	(275.77)
		(8,352.94)	52,031.33
Total comprehensive income/(loss) for the year			
Attributed to:			
Equity holders of the Holding Company		(17,280.44)	49,167.90
Non-controlling interest		(1,928.61)	(1,278.33)
		(19,209.05)	47,889.57
IX Earnings per equity share: Nominal value of share of INR 10 (31 March 2018: INR 10)			
(1) Basic	31	(30.79)	(10.54)
(2) Diluted	31	(30.79)	(10.54)

*Adjusted in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 103 'Business Combinations'.

Summary of significant accounting policies

2.3

The accompanying notes forms an integral part of the financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For and on behalf of board of directors of

Zuari Global Limited

Neeraj Goel

Partner

Membership No.: 099514

S. K. Poddar

Chairman

DIN: 00008654

N. Suresh Krishnan

Managing Director

DIN: 00021965

Marco Wadia

Director

DIN: 00244357

Place: Gurugram

Date: 24 May 2019

Vijay Kathuria

Chief Financial Officer

Sachin Patil

Company Secretary

Membership No. 31286

Consolidated Statement of Cash Flows for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Sl. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Loss before tax	(12,729.24)	(3,778.57)
	Share of (profit)/loss of associates and joint ventures	7,462.03	(3,664.22)
	Loss before share of loss of associates and joint ventures and tax	(5,267.21)	(7,442.79)
	<u>Adjustment to reconcile profit before tax to net cash flows:-</u>		
	Depreciation and amortization expense	2,092.28	1,998.94
	Foreign currency translation reserve	(55.80)	-
	Molasses storage and maintenance reserve	2.51	2.69
	Excess provisions written back (net)	(429.27)	(1,375.27)
	Loss on sale of property, plant and equipment (net)	2.89	5.34
	Impairment of doubtful debts and advances	240.74	886.42
	Cane subsidies and other receivables written off	1,556.94	204.59
	Profit on sale of current investments (net)	(39.37)	-
	Income from fair valuation of mutual funds	(596.56)	(485.64)
	Loss on account of foreign exchange rate fluctuation	183.75	28.48
	Gain from redemption from mutual funds	(181.44)	(4.45)
	Fair value losses on derivatives not designated as hedges	213.46	-
	Interest expenses	18,012.60	11,763.35
	Amortisation of deferred gains and deferred grants	(510.53)	(290.59)
	Interest income	(255.47)	(350.75)
	Dividend income	(1,380.80)	(1,397.99)
		18,855.93	10,985.11
	Operating profit before working capital changes	13,588.72	3,542.32
	Movement in working capital :		
	Movement in inventories	(31,177.73)	(25,871.78)
	Movement in trade receivables	2,349.61	(4,649.38)
	Movement in other assets	(5,622.42)	2,699.52
	Movement in loans and advances	458.18	(840.38)
	Movement in trade payables and other liabilities	12,180.47	12,694.08
	Movement in provisions	1,597.44	217.79
		(20,214.46)	(15,750.15)
	Cash used in operations	(6,625.74)	(12,207.83)
	Income taxes (paid) /refund	2,163.54	(308.14)
	Net cash flow used in operating activities (A)	(4,462.20)	(12,515.97)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment, including intangible assets, capital work-in-progress and capital advances	(12,441.77)	(2,830.07)
	Proceeds from sale of property, plant and equipment	4.46	13.28
	Purchases of non-current investments	(3,759.96)	(9,168.64)
	Proceeds from sale of non-current investments	2,981.33	2,350.41
	Purchases of current investments	(182.03)	(13,164.94)
	Proceeds from sale of current investments	635.28	13,164.94

Consolidated Statement of Cash Flows for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Sl. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Loans given	-	(1,850.00)
	Loans received back from bodies corporate	500.00	1,000.00
	Investment of bank deposits	(466.60)	(947.43)
	Interest received	(6.43)	141.78
	Dividends received	1,380.80	1,557.89
	Net cash flow used in investing activities (B)	(11,354.92)	(9,732.78)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of non-current borrowings	(21,615.09)	(8,915.45)
	Proceeds from non-current borrowings	62,398.93	31,297.32
	Proceeds from issue of preference shares	-	2,950.00
	Proceeds of current borrowings	14,427.99	11,947.40
	Repayment of current borrowings	(24,541.75)	(4,950.00)
	Finance cost paid	(14,341.68)	(10,609.84)
	Dividends paid on equity shares	(294.41)	(298.08)
	Dividend distribution tax	(60.52)	(59.93)
	Net cash flow from financing activities (C)	15,973.47	21,361.42
	Net (decrease)/ increase in cash and cash equivalents (A + B + C)	156.35	(887.33)
	Cash and cash equivalents at the beginning of the year	3,126.62	4,013.95
	Cash and cash equivalents at the end of the year	3,282.97	3,126.62
	Components of cash and cash equivalents (refer note 9)	As at 31 March 2019	As at 31 March 2018
	Cash on hand	11.04	30.99
	Cheques/ drafts on hand	-	0.23
	With banks- on current account	3,271.93	1,946.70
	On deposits account	-	1,148.70
		3,282.97	3,126.62

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

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

For and on behalf of board of directors of
Zuari Global Limited

Neeraj Goel
Partner
Membership No.: 099514

S. K. Poddar
Chairman
DIN: 00008654

N. Suresh Krishnan
Managing Director
DIN: 00021965

Marco Wadia
Director
DIN: 00244357

Place: Gurugram
Date: 24 May 2019

Vijay Kathuria
Chief Financial Officer

Sachin Patil
Company Secretary
Membership No. 31286

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

(a) Equity share capital

Particulars	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Equity shares outstanding at the beginning of the year	29,440,604	2,944.06	29,440,604	2,944.06
Add: Issue of share capital	-	-	-	-
Equity shares outstanding at the end of the year	29,440,604	2,944.06	29,440,604	2,944.06

(b) Other equity

Particulars	Attributable to the equity holders of the Holding Company							Equity attributable to equity holders	Non controlling interest	Total equity
	Equity component of non-convertible preference shares	Reserves & Surplus				Items of OCI				
		General reserve	Capital reserve	Molasses and alcohol storage and maintenance reserve	Retained earnings	FVTOCI reserve	Foreign currency translation reserve			
As at 1 April 2017	3,258.18	3,911.60	7,175.25	13.43	91,706.14	82,117.70	(146.93)	188,035.37	2,377.10	190,412.47
Profit/(Loss) for the year*	-	-	-	-	(3,104.42)	-	-	(3,104.42)	(1,002.56)	(4,106.98)
Other comprehensive income/(loss) (refer note 30)	-	-	-	-	135.58	52,172.41	(35.67)	52,272.32	(275.77)	51,996.55
Total comprehensive income/ (loss)	-	-	-	-	(2,968.84)	52,172.41	(35.67)	49,167.90	(1,278.33)	47,889.57
Provided during the year	-	-	-	2.69	-	-	-	2.69	-	2.69
Equity component of preference shares issued during the year by the Subsidiary Company	969.81	-	-	-	-	-	-	969.81	-	969.81
Reclassification from OCI to retained earnings on disposal of investments	-	-	-	-	185.02	(185.02)	-	-	-	-
Dividends paid (refer note 32)	-	-	-	-	(294.41)	-	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (refer note 32)	-	-	-	-	(59.93)	-	-	(59.93)	-	(59.93)
Others	-	-	-	-	(63.52)	-	-	(63.52)	-	(63.52)
As at 31 March 2018	4,227.99	3,911.60	7,175.25	16.12	88,504.46	134,105.09	(182.60)	237,757.91	1,098.77	238,856.68
As at 1 April 2018	4,227.99	3,911.60	7,175.25	16.12	88,504.46	134,105.09	(182.60)	237,757.91	1,098.77	238,856.68
Change in accounting policy**	-	-	-	-	(583.43)	-	-	(583.43)	-	(583.43)
As at 1 April 2018 (revised)	4,227.99	3,911.60	7,175.25	16.12	87,921.03	134,105.09	(182.60)	237,174.48	1,098.77	238,273.25
Profit/(Loss) for the year	-	-	-	-	(9,063.97)	-	-	(9,063.97)	(1,923.40)	(10,987.37)
Adjustment in respect of subscription of fresh equity shares issued by Gobind Sugar Mills Limited (Subsidiary Company) to Zuari Investment Limited (Subsidiary Company)	-	-	-	-	(525.11)	-	-	(525.11)	525.11	-
Other comprehensive income/(loss) (refer note 30)	-	-	-	-	(9.85)	(8,337.88)	131.26	(8,216.47)	(5.21)	(8,221.68)
Total comprehensive income/ (loss)	-	-	-	-	(9,598.93)	(8,337.88)	131.26	(17,805.55)	(1,403.50)	(19,209.05)
Provided during the year	-	-	-	2.51	-	-	-	2.51	-	2.51
Reclassification from OCI to retained earnings on disposal of investments	-	-	-	-	(2,880.06)	2,880.06	-	-	-	-
Dividends paid (refer note 32)	-	-	-	-	(294.41)	-	-	(294.41)	-	(294.41)
Dividend distribution tax (DDT) (refer note 32)	-	-	-	-	(60.52)	-	-	(60.52)	-	(60.52)
Others	-	-	-	-	2.49	-	-	2.49	-	2.49
As at 31 March 2019	4,227.99	3,911.60	7,175.25	18.63	75,089.60	128,647.27	(51.34)	219,019.00	(304.73)	218,714.27

* see note 53 for adjustment in accordance with IND AS 8, 'Accounting Policies, Change in Accounting Estimates and Errors'.

**see note 50 for details about changes in accounting policies consequent to adoption of IND AS 115, "Revenue from Contracts with Customers".

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: 24 May 2019

For and on behalf of board of directors of

Zuari Global Limited

S. K. Poddar

Chairman

DIN: 00008654

Vijay Kathuria

Chief Financial Officer

N. Suresh Krishnan

Managing Director

DIN: 00021965

Sachin Patil

Company Secretary

Membership No. 31286

Marco Wadia

Director

DIN: 00244357

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

1. Corporate Information

The consolidated financial statements of Zuari Global Limited (“the Holding Company” or “ZGL”) and its subsidiaries (collectively, the Group) are for the year ended 31 March 2019.

The Holding Company is a Public Company domiciled in India. Its shares are listed on two recognized stock exchanges in India viz National Stock Exchange and Bombay Stock Exchange. The registered office of the Holding Company is located at Jai Kisaan Bhawan, Zuari Nagar, Goa 403 726, India.

The Group’s primary business activity is real estate, investment services, engineering services, manufacturing and trading of furniture, manufacturing and sale of sugar and its by products, generation of power and others.

2. General information and statement of compliance with Ind ASs

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The consolidated financial statements of ZGL as at and for the year ended 31 March 2019 (including comparatives) were approved and authorised for issue by the board of directors on 24 May 2019.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries, associates and joint ventures as at 31 March 2019. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

ZGL reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of the financial statements of subsidiaries begins on the date control is established. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the Non-controlling interests based on their respective ownership interests.

2.3 Summary of significant accounting policies

a. Business combination and Goodwill

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree’s identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group’s accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group’s share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in the other comprehensive income on the acquisition date and accumulated in equity as capital reserve.

Acquisition related costs are accounted for as expenses in the period in which they are incurred and the services are received.

b. Investment in associates and joint ventures

An Associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method, unless the investment qualifies for specific exemption.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group’s share of the profit or loss after the date of acquisition. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group’s share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

c. Property, plant and equipment (“PPE”)

PPE are stated at acquisition cost less accumulated depreciation and cumulative impairment losses, if any. The cost comprises

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

purchase price, including import duties and non-refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met, that is:-

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

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

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

d. Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the PPE (other than specific assets referred under para (b) to (d) below) as estimated by the management, which are equal to the rates prescribed under Schedule II of the Companies Act, 2013. Useful lives estimated by the management (years)

Name of assets	Useful live considered
Other buildings (RCC structures)	60 years
Porta Cabins (under building)	5 years
Other buildings (other than RCC structures)	30 years
Plant and equipment	5 to 25 years
Furniture and fixtures	10 years
Office equipment	3 to 5 years
Vehicles	8 years
Temporary structure (included under building)	1 year

- (a) Leasehold improvement are depreciated over the primary lease period.
- (b) In case of a subsidiary, the company based on technical assessment made by technical experts and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

- c) Insurance/ capital/ critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/ critical spares, whichever is lower.

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

e. 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 are recognised as an asset if, and only if:

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

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

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

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

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

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

f. Impairment testing of goodwill, other intangible assets and property, plant and equipment

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

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

g. Impairment of contract assets

The allowance for expected credit losses for contract assets are calculated at individual level when there is an indication of impairment. For contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information in macroeconomic factors effecting the credit risk.

h. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases:

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include:

- i. the length of the lease term in relation to the economic life of the asset
- ii. the present value of the minimum lease payments in relation to the asset's fair value, and
- iii. whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. If the minimum lease payments cannot be allocated reliably between the two components, entire lease is classified as a finance lease, unless it

is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases:

All leases other than finance lease are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term unless other systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

i. Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised 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 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

j. Foreign currency translation

Functional and presentation currency

The Group's financial statements are presented in Indian Rupee (Rs.), which is also its functional currency.

Initial recognition

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount the spot rate between the functional currency and the foreign currency at the date the transaction first qualifies for recognition.

Conversion

Foreign currency monetary items are translated using the spot exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

differences on items whose fair value gain or loss is recognized in other comprehensive income (OCI) or profit and loss are also recognized in OCI or profit and loss, respectively).

k. Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes expenses, net of taxes recoverable, specifically attributable to construction and development of property intended for sale.

Construction work-in-progress of constructed properties projects includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials and is valued at lower of cost/estimated cost and net realisable value.

Cost of construction/development material is valued at lower of cost or net realisable value.

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and traded goods, are valued at lower of cost and net realizable value.

Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on a weighted average basis.

By products and saleable scraps, whose cost is not identifiable, are valued by management at estimated net realizable value.

Cost of inventories is computed on a weighted average basis except in case of the Holding Company, the Cost is determined as follows:

Stock in trade including Land: Valued at lower of cost and net realizable value

Stock in Trade (others): The cost is determined on First in First out Method.

Net Realizable Value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

l. Provisions and Contingent liabilities

Provision for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements

m. Revenue recognition

The Company has applied Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 "Revenue". The details of accounting policies under Ind AS 115 are disclosed separately if they are different from those under Ind AS 18 and the impact of changes is disclosed in note 50.

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.

Identify the Contract with Customer

Under Ind AS 115, the Company must evaluate whether a valid contract is satisfying all the following conditions:

- All parties have approved the agreement (may be oral or written)
- All parties are committed to approve their obligations.
- Each party's rights are identifiable.
- The contract has commercial substance.
- Collectability is probable.

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)

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

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.

Where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance completed to date (for example, charges per case/pallet), the Company recognizes revenue in the amount to which it has a right to invoice.

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 (in case of storage and distribution contracts where the customer pays a fixed rate per item for all the services provided). 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.

In the comparative period presented in financial statements, revenue was measured at the fair value of the consideration received or receivable. 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.

Sales of goods

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group recognizes revenue when it transfers control over a product i.e. when goods are delivered at the delivery point (as per terms of the agreement).

Revenue from sale of constructed properties

Revenue from sale of flats and villas is measured based on the consideration specified in a contract with a customer. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group recognizes revenue when it transfers control over flats and villas to a customer which is done after completion of the project, i.e. revenue is recognised based on completed contract method.

In obtaining these contracts, the Group incurs number of incremental costs, such as commissions paid to sales staff,

agents etc. The Group has recognised as an asset (prepaid expense) against the incremental costs of obtaining a contract with a customer as same is expected to be recovered. These are recognised in the statement of profit and loss when revenue corresponding to such cost has been recognised.

Rental income through investment properties

Another source of income is rental income against investment property. Customers are invoiced periodically (generally on monthly basis). Income in respect of service contracts are recognised in statement of profit and loss when control of respective service has been transferred to customer.

Income from service (Engineering, procurement and construction)

The Group enters into contracts for the design, development and construction of different structures (like construction of a manufacturing plant) in exchange for a fixed fee and recognises the related revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation. To depict the progress by which the Group transfers control of the systems to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation by comparing actual cost incurred till date with the total estimated to be incurred for design, development and construction. The input method of cost incurred over budgeted cost provides the most faithful depiction of the transfer of goods and services to each customer due to the Group's ability to make reliable estimates, arising from its significant historical experience constructing similar systems. In addition to the fixed fee, some contracts include bonus payments which the Group can earn by completing a project in advance of a targeted delivery date. At inception of each contract the Company begins by estimating the amount of the bonus to be received using the "most likely amount" approach. This amount is then included in the Group's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty surrounding the bonus is resolved. In making this assessment the Group considers its historical record of performance on similar contracts, whether the Group has access to the labour and materials resources needed to exceed the agreed-upon completion date, and the potential impact of other reasonably foreseen constraints. Most such arrangements include detailed customer payment schedules. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities. The construction normally takes 12-36 months from commencement of design through to completion. Since revenue is recognised over time, management believes that no significant amount is received from a customer wherein the time lag between customer payment and performance exceeds 12 months and thus the Group applies the practical expedient in Ind AS 115 (Para 63) and does not adjust the promised amount of consideration for the effects of financing.

Sale of sugar:

Revenue from sale of Sugar products is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group recognizes revenue when it transfers control over a product to a customer i.e. when customers are billed (in case of ex-workds) or when goods are delivered at the delivery point (as per terms of the agreement). When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

Sale of power:

Revenue is earned by power units sourced from the Group power generating facilities and is recognised when control over services is transferred to the customers. It is derived from the output delivered and capacity provided at rates specified under contract terms. Performance obligations are satisfied over time as the customer simultaneously receives and consumes benefits as we deliver electricity and related products.

Interest income

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

Dividend Income

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Renewable energy certificates income

come from Renewable Energy Certificates (RECs) is recognized at estimated realizable value (floor price) on confirmation of RECs by the concerned Government authorities.

Power banked unit

Income from power banked units is recognised when the right to set off power banked units is established against the power to be purchased by the Group.

Revenue from sale of land and development rights

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards or ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Revenue from sale of land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

n. Taxes on income

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax liabilities are generally recognised in full, although Ind AS 12, Income Taxes, specifies limited exemptions.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

o. Post-employment benefits and short-term employee benefits

Post-employment benefits plans

The Group provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

The Group pays fixed contribution into independent entities in relation to several state plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

Under the Group's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from re-measurements of the net defined benefit liability are included in other comprehensive income.

Short term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

p. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value (based upon the level of inputs available) and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

q. Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Re-measurement of net defined benefit liability-comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets
- Translation reserve-comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into INR.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

r. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash at bank and in hand and short term investments with an original maturity periods of three months or less.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. Earnings per share

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

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

t. Investment property

Investment property is the property that is not occupied by the Group, and which is held to earn rentals or for capital appreciation, or both, and are accounted for using the cost based measurement method. Upon initial recognition, an investment property is measured at cost, including transaction costs, if any. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Any gain or loss on disposal of an investment property is recognised in profit or loss, unless any other standard specifically requires otherwise.

The Group depreciates the investment property using the straight line method over the life mentioned in point (d) above from the date of put to use.

The fair value of investment property is disclosed in the notes. The Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

u. Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and, except for trade receivables which do not contain a significant financing component, these are measured initially at:

- a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);
- b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when the underlying obligation specified in the contract is discharged, cancelled or expires.

Financial assets:

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

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

Amortized cost

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

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

Equity investments

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognised by an acquirer in a business combination to which Ind AS 103 applies, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI with subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

v. Fair value measurement

The group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

w. Segment reporting

The Group has seven operating/reportable segments: engineering, furniture, real estate, sugar, power, investment service and management services. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements, except for certain items not included in determining the operating profit of the operating segments.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

x. Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

y. Assets held for sale

Non-current assets are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Such assets are not depreciated or amortised while they are classified as held for sale. Such assets classified as held for sale are presented separately from the other assets in the balance sheet.

z. Recent accounting pronouncements

Ind AS 116, Leases

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly.

The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

aa. Amended standards adopted by the Group

The Group has applied newly effective Ind AS 115 "Revenue from Contracts with Customers" for the first time in the financial year 2018-19 which requires to recognize revenue when customer has transferred control of goods or service rather than transfer of risks and rewards. The Group had to change its accounting policies and make adjustment in opening retained earnings. Refer note 49 and 50 for further details.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

3A Property, plant and equipment

Particulars	Freehold land	Leasehold improvement	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress	Grand total
Gross block										
As at 1 April 2017	486.86	109.15	8,748.37	30,703.14	329.16	436.69	273.02	41,086.39	1,207.55	42,293.94
"Additions (including borrowing costs)"	129.34	35.86	168.52	2,647.33	12.76	100.11	22.88	3,116.80	1,828.32	4,945.12
Deletions	-	-	-	121.02	6.32	7.40	19.29	154.03	2,278.61	2,432.64
Transferred to investment property	(98.69)	-	(531.78)	-	-	-	-	(630.47)	-	(630.47)
As at 31 March 2018	517.51	145.01	8,385.11	33,229.45	335.60	529.40	276.61	43,418.69	757.26	44,175.95
As at 1 April 2018	517.51	145.01	8,385.11	33,229.45	335.60	529.40	276.61	43,418.69	757.26	44,175.95
Additions (including borrowing costs)	-	13.62	204.40	1,121.08	9.31	72.65	-	1,421.06	6,384.77	7,805.83
Deletions	-	-	-	8.65	-	4.14	-	12.79	-	12.79
Transferred to Investment property (refer note (v) below)	-	-	(76.84)	-	-	-	-	(76.84)	-	(76.84)
As at 31 March 2019	517.51	158.63	8,512.67	34,341.88	344.91	597.91	276.61	44,750.12	7,142.03	51,892.15
Accumulated depreciation										
As at 1 April 2017	-	24.51	371.32	1,309.76	64.79	203.96	44.08	2,018.42	-	2,018.42
Charge for the year	-	15.05	317.83	1,482.67	32.78	71.12	41.52	1,960.97	-	1,960.97
Deletions	-	-	-	108.39	2.88	5.81	18.33	135.41	-	135.41
Transferred to Investment property	-	-	(42.10)	-	-	-	-	(42.10)	-	(42.10)
As at 31 March 2018	-	39.56	647.05	2,684.04	94.69	269.27	67.27	3,801.88	-	3,801.88
As at 1 April 2018	-	39.56	647.05	2,684.04	94.69	269.27	67.27	3,801.88	-	3,801.88
Charge for the year	-	20.10	330.40	1,473.09	38.17	108.62	53.61	2,023.99	-	2,023.99
Deletions	-	-	-	1.27	-	4.17	-	5.44	-	5.44
Transferred to Investment property (refer note (v) below)	-	-	(4.52)	-	-	-	-	(4.52)	-	(4.52)
As at 31 March 2019	-	59.66	972.93	4,155.86	132.86	373.72	120.88	5,815.91	-	5,815.91
Net block										
As at 31 March 2018	517.51	105.45	7,738.06	30,545.41	240.91	260.13	209.34	39,616.81	757.26	40,374.07
As at 31 March 2019	517.51	98.97	7,539.74	30,186.02	212.05	224.19	155.73	38,934.21	7,142.03	46,076.24

(i) Contractual obligations

Refer note 42B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Property, plant and equipment have been pledged as security for liabilities, for details refer note 13A.

(iii) Preoperative expenses (pending allocation) (included in Capital work-in-progress)

Particulars	As at 31 March 2019	As at 31 March 2018
Employee benefits expense	92.63	12.14
Power and fuel	70.00	98.19
Miscellaneous expenses	374.03	210.79
Finance costs	284.85	164.10
	821.51	485.22
Less: Capitalised during the year	(45.52)	(315.20)
Closing balance carried forward	775.99	170.02

(iv) Borrowing cost

The capitalisation rate used to determine the amount of borrowings costs to be capitalised is weighted average interest rate applicable to the entity's general borrowings during the year, in this case 11.58% p.a.(31st March 2018: 12.03%).

(v) With effect from 1 October 2018, the Group has given two apartments classified under Buildings on lease to Zuari Agro Chemicals Limited (an Associate of the Holding Company). Since, apartments are now held to earn rentals, hence, during the year the same has been transferred from Buildings to Investment properties.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
 (All amounts in INR lakhs, unless stated otherwise)

3B Other intangible assets

Particulars	Software
Gross block	
As at 1 April 2017	205.72
Additions	62.17
Deletions	-
As at 31 March 2018	267.89
As at 1 April 2018	267.89
Additions	63.36
Deletions	-
As at 31 March 2019	331.25
Amortisation	
As at 1 April 2017	149.22
Charge for the year	50.38
Deletions	-
As at 31 March 2018	199.60
As at 1 April 2018	199.60
Charge for the year	54.38
Deletions	-
As at 31 March 2019	253.98
Net block	
As at 31 March 2018	68.29
As at 31 March 2019	77.27

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Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in INR lakhs, unless stated otherwise)

Note 4: Investment property

Particulars	Amount
As at 1 April 2017	171.39
Additions (subsequent expenditure)	-
Transferred from PPE (refer note 3A)	630.47
As at 31 March 2018	801.86
As at 1 April 2018	801.86
Additions (subsequent expenditure)	-
Transferred from PPE (refer note 3A)	76.84
As at 31 March 2019	878.70
Accumulated depreciation	
As at 1 April 2017	7.26
Depreciation	3.63
Transferred from PPE (refer note 3A)	42.10
As at 31 March 2018	52.99
As at 1 April 2018	52.99
Depreciation	29.39
Transferred from PPE (refer note 3A)	4.52
As at 31 March 2019	86.90
Net block	
As at 31 March 2018	748.87
As at 31 March 2019	791.80

(i) Leasing arrangements

Group's investment property consist of building and land owned by the Group let out to other group companies, outside party for business purpose and also to an educational institution.

(ii) Amount recognised in profit and loss for investment properties

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rental income derived from investment properties	741.94	675.60
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	741.94	675.60
Less: depreciation	29.39	3.63
Profit arising from investment properties before indirect expenses	712.55	671.97

(iii) Minimum lease payments

Minimum lease payments receivable under non-cancellable operating lease of investment properties are as follows:

Particulars	31 March 2019	31 March 2018
Receivable within 1 year	494.25	494.25
Receivable between 1-5 years	988.50	1,482.76
Receivable after 5 years	-	-

(iv) Fair value

Particulars	As at 31 March 2019	As at 31 March 2018
Investment properties	28,915.32	28,752.36

Fair value hierarchy and valuation technique

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including -

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All the resulting fair value estimates for investment properties are included in level 3.

These valuations are based on valuations performed by S V Kushte, an accredited independent value. Mr. Kushte is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

v. Reconciliation of fair value:

Particulars	Amount
Opening balance as on 1 April 2017	14,484.75
Fair value differences	2,167.61
Purchases/Transfer of investment property from PPE	12,100.00
Opening balance as on 1 April 2018	28,752.36
Fair value differences	29.14
Purchases/Transfer of investment property from PPE	133.82
Closing balance as on 31 March 19	28,915.32

Note 5: Financial assets

A. Investments

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Investment in equity instruments				
Investments at fair value through OCI (fully paid)				
Unquoted				
100,000 (31 March 2018: 100,000) equity shares of INR 10/- each fully paid up of Biotech Consortium of India Limited	60.23	55.00	-	-
19,092 (31 March 2018: 19,092) equity shares of INR 100/- each fully paid up of Lionel Edward Limited	54.48	53.13	-	-
180,240 (31 March 2018: 180,240) equity shares of INR 10/- each fully paid up of Premium Exchange and finance Limited	5.59	5.59	-	-
188,469 (31 March 2018: 188,469) equity shares of INR 10/- each fully paid up of Master Exchange & Finance Limited	5.90	5.90	-	-
9,800 (31 March 2018: 9,800) equity shares of Omani Riyal 1 each fully paid-up in Simon Engineering and Partners LLC , Sultanate of OMAN	10.45	10.45	-	-
Less: Impairment in value of investments	(10.45)	(10.45)	-	-
258,250 (31st March 2018: 258,250) equity shares of INR 100/- each fully paid up of Lionel India Limited	258.25	258.25	-	-
Less: Impairment in value of investments	(258.25)	(258.25)	-	-
Investment in equity instruments - Others				
Investments at fair value through OCI (fully paid)				
Quoted				
61,620,147 (31 March 2018: 61,620,147) equity shares of INR 10/- each fully paid up of Chambal Fertilisers and Chemicals Limited	102,936.22	101,458.57	-	-
39,291,612 (31 March 2018: 37,571,612) equity shares of INR 1/- each fully paid up of Texmaco Infrastructure and Holdings limited	22,278.34	23,024.13	-	-
32,998,000 (31 March 2018: 32,998,900) equity shares of INR 1/- each fully paid up of Texmaco Rail and Engineering Limited	22,769.24	27,521.08	-	-
14,000 (31 March 2018: 14,000) equity shares of INR 10/- each fully paid up of Ess Dee Aluminum Limited	2.28	6.35	-	-
24,700 (31 March 2018: 24,700) equity shares of INR 10/- each fully paid up of Duke Commerce Limited	0.64	0.64	-	-

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Nil (31 March 2018: 29,334,310) equity shares of INR 1/- each fully paid up of Nagarjuna Oil Refinery Limited	-	958.64	-	-
277,777 (31 March 2018: 277,777) equity shares of USD 0.01/- each fully paid up of Synthesis Energy System Inc.	103.73	484.22	-	-
Investment in joint venture carried at deemed cost				
Equity portion of compound financial instrument (Preference shares)				
500,000 (31 March 2018: 500,000) 1% Redeemable Non Cumulative optionally convertible preference shares of INR 100/- each fully paid up of Brajbhumi Nirmaan Private Limited	394.62	394.62	-	-
Investment in Preference Shares				
Investments at fair value through Profit and loss (fully paid)				
Investment in joint venture				
500,000 (31 March 2018: 500,000) 1% Redeemable non-cumulative optionally convertible preference shares of INR 100/- each fully paid up of Brajbhumi Nirmaan Private Limited	301.63	259.53	-	-
Investment in Others				
660,000 (31 March 2018: 660,000) 6% Redeemable non-cumulative non-convertible preference shares of INR 100/- each fully paid up of Adventz Investment Company Private Limited	-	-	616.00	616.00
Investment in Mutual Funds*				
Investments at fair value through Profit and Loss				
Quoted				
5,000,000 (31 March 2018: 5,000,000) units in ICICI Prudential Fixed Maturity plan Series (77-1473 Days Plan C) of INR 10/- each	686.65	637.93	-	-
10,000,000 (31 March 2018: 10,000,000) units in ICICI Prudential Fixed Maturity plan (78-1130 Days Plan T) of INR 10/- each	1,264.47	1,175.45	-	-
5,000,000 (31 March 2018: 5,000,000) units in ICICI Prudential Fixed Maturity plan Series (78-1156 Days Plan T) of INR 10/- each	628.33	584.06	-	-
Nil (31 March 2018: 10,000,000) units in SBI Debt Fund Series B-17(1100 Days) of INR 10/- each under lien for the SBLC facility from SBI	-	1,254.93	-	-
8,500,000 (31 March 2018: 8,500,000) units in SBI Debt Fund Series B-36 (1131 Days) of INR 10/- each	1,067.19	993.24	-	-
15,000,000 (31 March 2018: 8,500,000) units in SBI Debt Fund Series C-1 (1100 Days) of INR 10/- each	1,685.04	1,572.50	-	-
2,000,000 (31 March 2018: Nil) units in SBI LD546G SDFC C-23 (1100 Days) Direct Growth of INR 10/- each	2,123.28	-	-	-
Nil (31 March 2018: 17,357,242.17) units in SBI Short Term Debt Fund of INR 10/- each	-	3,558.39	-	-
6.06 (31 March 2018: Nil) units in SBI Liquid Mutual Fund-Magnum of INR 3,845/- each	0.25	-	-	-
12,670,900 (31 March 2018: Nil) units in SBI Debt Fund Series C-16 (1100 Days) of INR 10/- each	1,371.85	-	-	-
4,037.92 (31 March 2018: Nil) units in SBI Liquid Fund - Regular Growth Plan of INR 2,894.06/- each	-	-	117.00	-
6,427 units (31 March 2018: Nil) in L&T liquid fund - regular daily dividend reinvestment plan of INR 1,012/- each	-	-	65.03	-

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Investment in Government Securities				
Amortised cost				
Unquoted				
5 Years National Saving Certificates	1.00	1.00	-	-
	157,740.96	164,004.90	798.03	616.00
Aggregate amount of quoted investments	148,090.45	153,453.63	-	-
Aggregate market value of quoted investments	148,090.45	153,453.63	-	-
Aggregate book value of quoted investments in mutual funds	8,827.06	9,776.50	182.03	-
Aggregate net asset value of mutual funds	8,827.06	9,776.50	182.03	-
Aggregate value of other unquoted investments	1,092.15	1,043.47	616.00	616.00
Aggregate amount of impairment in value of investments	268.70	268.70	-	-

* Investment in mutual funds are pledged in favour of Yes Bank Limited (Gift City) for providing bank facilities to Zuari SJM Properties LLC, Dubai, a step down subsidiary. All the investments in mutual funds are carried as non-current as they are expected to either be renewed/ re-invested on their maturity. Further, investments of funds in mutual funds will not meet the contractual cash flow test (i.e. SPPI test) as the contractual cash flows (i.e. dividends or redemption amount represented by the NAV) will not just be solely interest and principal. Therefore, the same been classified as fair value through profit and loss (FVTPL).

B. Loans (at amortised cost)

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Security deposits	414.63	580.28	1,511.32	832.29
Inter corporate deposit	2,375.00	2,375.00	220.00	720.00
Less: Loss allowance for doubtful deposits	(1,125.00)	(1,125.00)	-	-
Less: Share of loss of Joint venture (refer note (iv) below)	(969.57)	-	-	-
	280.43	1,250.00	220.00	720.00
Loans to employees				
Related party (refer note 46)	-	-	-	3.60
Others (secured)	1.49	1.69	59.89	56.97
	1.49	1.69	59.89	60.57
Interest accrued on loans to employees				
Related party (refer note 46)	5.00	10.90	4.80	-
Others (secured)	0.05	0.06	0.01	0.01
	5.05	10.96	4.81	0.01
	701.60	1,842.93	1,796.02	1,612.87

Notes:

- Loans to employees include amount due from an officer of the Company (Managing Director) Nil as on 31 March 2019 (31 March 2018: INR 3.60 lakhs).
- Interest accrued on employee's loan includes amount due from officers of the Company (Managing Director, Mr. Suresh Krishnan) INR 9.80 lakhs as on 31 March 2019 (31 March 2018: INR 10.90 lakhs).
- Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.
- Per para 38 of Ind AS 28, 'Investment in Associate and Joint Ventures', if an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. The Group has investment aggregating of INR 1,400.05 lakhs i.e. 50% in the Forte Furniture Products India Private Limited which is concluded as Joint Venture ('JV') of the Group. In last year, the Group has restricted losses upto the carrying value of Investment in JV and remaining unadjusted loss was of INR 168.7 lakhs. In current year, the Group's share of loss in JV aggregating to INR 969.57 lakhs (included unadjusted losses of last year) has been adjusted with the outstanding long-term loans of INR 1,250.00 lakhs to the JV which is given in order to cover working capital requirement i.e. concluded as long-term interest which form part of the Group's net investment in the JV.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

v) Break-up for security details:

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Secured - considered good	1.49	1.69	0.19	3.79
Unsecured - considered good	700.11	1,841.24	1,795.83	1,609.08
Trade receivables which have significant increase in credit risk	-	-	-	-
Unsecured - credit impaired	2,094.57	1,125.00	-	-
	2,796.17	2,967.93	1,796.02	1,612.87
Less : Loss allowance for doubtful deposits	(1,125.00)	(1,125.00)	-	-
Less : Share of loss of Joint venture (refer note (iv) below)	(969.57)	-	-	-
	701.60	1,842.93	1,796.02	1,612.87

C. Other financial assets (at amortised cost)

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Non-current bank balance (refer note (i) below)	1,322.17	1,075.76	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	58.02	185.49
Unsecured, considered good to related parties (refer note 46)	-	-	-	22.64
Contract assets				
Unbilled revenue (refer note 49)	-	-	6,547.51	1,160.00
Interest reimbursement from government of Uttar Pradesh under Sugar Industry, Co-generation and Distillery Promotion Policy, 2013	-	-	2,115.82	1,494.23
Amounts held with Central Electricity Regulatory Commission (CERC) (refer note (iii) below)	-	-	102.25	102.25
Interest subvention receivable under scheme extending financial assistance to sugar undertakings (SEFASU), 2014	-	-	14.58	23.04
Assistance to sugar mills for sugar cane purchase (refer note (iv) below)	-	-	1,724.02	680.44
Assistance to sugar mills under the scheme for creation and maintenance of buffer stock (refer note (v) below)	-	-	298.05	-
Duty credit scrips	-	-	-	41.75
Interest accrued but not due	90.99	10.67	809.42	626.74
Other receivables	-	-	376.35	-
	1,413.16	1,086.43	12,046.02	4,336.58

i. Majorly non-current bank balance includes the following:

- (a) INR 51.00 lakhs (31 March 2018: INR 51.00 lakhs) pledged to Bombay Stock Exchange, National Stock Exchange and IL&FS Securities Services Limited as deposits which are maturing within 12 months of reporting date. However, considering the compulsion to renew the same, they have been treated as non current.
 - (b) INR 22.00 lakhs (31 March 2018: INR 22.00 lakhs) lien with Insurance Regulatory and Development Authority of India for meeting minimum base capital requirement prescribed under Regulation 12 of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2013.
 - (c) INR 7.50 lakhs is under lien to National Commodity and Derivatives Exchange Limited (NCDEX) and INR 7.50 lakhs is under lien to Multi Commodity Exchange of India Limited (MCX) maturing within 12 months of the reporting date (considering the compulsion to renew the same it is treated as non-current) and INR 1.12 lakhs with clearing member ISSL Settlement & Transaction Services Limited. [Previous year in addition to these ₹ 7.50 lakhs was placed with MCX which has now been withdrawn.]
 - (d) INR 427.50 lakhs (31 March 2018: INR 227.50) which is pledged in favour of IndusInd Bank Limited as a security against interest payment on the term loan facility provided by the bank to the subsidiary company.
 - (e) INR 755.51 lakhs (31 March 2018: INR 755.51) pertains to Debt Service Reserve Account (DSRA) created in favour of Tata Capital Finance Service Limited and Bajaj Finance Limited.
 - (f) INR 36.11 lakhs (31 March 2018: INR 1.27 lakhs) pertains to the amount pledged with banks and sales tax authorities.
- ii) During the year ended 31 March 2018, one of the subsidiary has reported incentive receivables from central and state governments under respective schemes under "other financial assets" in accordance with recent Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 15.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

- iii) INR 500 per REC unit sold has been deducted and held by respective power exchanges for onward submission to CERC on behalf of the Group being a RE generator with reference to Hon'ble Supreme Court order dated 14 July 2017. Total amount held is INR 102.25 lakhs (previous year INR 102.25 lakhs) as on reported dates.
- iv) The Central Government pursuant to Notification No. 1(5)/2018-S.P.-I dated 9 May 2018 issued by Ministry of Consumer Affairs (Department of Food and Public Distribution), has notified a scheme of assistance to sugar mills against sugar cane crushed during sugar season 2017-18. Pursuant to the afore mentioned notification, during the year ended 31 March 2018, one of the subsidiary had accounted for such grant amounting to INR 680.44 lakhs. However, based upon non-fulfillment of extended conditions of the aforementioned notification, it has derecognized such receivable amount during the year ended 31 March 2019. Other than above, during the year ended 31 March 2019, the Central Government pursuant to Notifications dated 5 October 2018, issued by Ministry of Consumer Affairs (Department of Food and Public Distribution) has notified the schemes namely - "Scheme for Assistance to Sugar Mills" and "Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export" collectively referred to as "Schemes" for crushing season 18-19 to improve liquidity position of sugar mills enabling them to clear cane price dues of farmers for crushing season 18-19. Based on substantial fulfillment of conditions attached to the Schemes, the Group has recognized proportionate amount of subsidy under "Other income" amounting to INR 1,724.02 lakhs with an corresponding "Other expense" of INR 1,445.44 lakhs being costs incurred for fulfillment of conditions attached to the Schemes."
- v) The Central Government pursuant to Notification No. 1(6)/2018-S.P.-I dated 15 June 2018 issued by Ministry of Consumer Affairs (Department of Food and Public Distribution), has notified a scheme for creation and maintenance of buffer stock. Pursuant to the aforementioned notification, during the year ended 31 March 2019, one of the subsidiary had accounted for such grant amounting to INR 451.24 lakhs and outstanding receivable as on reported date is INR 298.05 lakhs.

Note 6: Other assets

Particulars	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured considered good				
Capital advances (refer note (i) below)	4,739.21	151.15	-	-
Advance for investment (refer note (i) below)	-	3,726.45	-	-
Advances to suppliers (refer note ii, iii and iv below)	846.62	850.17	3,824.75	4,549.93
Balances with statutory authorities	220.21	301.06	3,058.67	2,142.13
Amount paid as deposits against disputed demand	339.46	497.19	-	-
Prepaid expenses	2.53	6.97	235.83	163.42
Advances to employees	-	-	7.39	10.46
Power bank	-	-	51.07	49.73
Renewable energy certificate receivable	-	-	146.70	465.79
Contract assets				
Cost incurred to obtain a contract (refer note v below)	-	-	415.84	94.56
	6,148.03	5,532.99	7,740.25	7,476.02

Notes

- i) Includes an advance amount paid to a related party (party to Joint venture) towards purchase of land on which the project is being developed by the one of the Subsidiary of the Group. The balance amount of INR 22,404.73 lakhs (AED 119 million considered at rate of INR 18.8275 / AED as at the reporting date) will be paid on completion of the project. The total value of the land is taken at INR 26,358.50 lakhs (AED 140 million considered at rate of INR 18.8275 / AED as at the reporting date) as per the valuation. The land value will be accounted in the books on registration of the project with RERA in Quarter 1 of 2019-20. During the previous year this amount was disclosed as advance for investment.
- ii) Non-current advances includes mobilisation advances to a sub-contractor aggregating to INR 207.02 lakhs (2018: INR 210.56 lakhs) in respect of which the sub-contractor vendor has furnished bank guarantee to the extent of INR 210.56 lakhs (31 March 2018: INR 237.13 lakhs) which was valid upto 30 June 2019. These advances shall be adjusted against the subsequent running bills from the subcontractor and these balances are subjected to confirmation from that party.
- iii) Non-current advances include amount of advance payments of INR 639.61 lakhs till 31 March 2019 (31 March 2018: INR 639.61 lakhs) under the Development Management Agreement ('Agreement'). The Agency is entitled to a percentage of income calculated in the manner specified under the agreement. The amount will be adjusted in the year when the agency becomes entitled to share of income as per agreement or recovered. The Management of the Group expects to adjust/recover the same in full and hence is of the view that no adjustment is necessary at this stage.
- iv) Current advances include recoverable advances to a sub-contractor aggregating to INR 2,246.49 lakhs (31 March 2018: INR 2,246.47 lakhs). The Management of the subsidiary is in negotiation with party for its recovery and is confident that this advance will be recovered at its full value, hence no impairment is considered necessary.
- v) Refer note 49 for details of significant changes in contract assets.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 7: Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	149.12	180.41
Land and construction work-in-progress (refer note i and ii)	64,354.62	45,612.82
Work-in-progress (refer note iv)	599.92	811.43
Finished goods (refer note iv,v and vi)	44,756.15	34,254.89
Stores and spares	881.64	752.74
Packing materials	1.92	3.84
Valued at net realisable value:		
By-products		
Bagassee	491.75	1,042.89
Molasses	4,953.50	2,297.01
Pressmud	108.46	80.07
Scrap	235.50	318.75
	116,532.58	85,354.85

Notes

- i) Includes land of INR 16,359.32 lakhs (31 March 2018: INR 16,359.32 lakhs) is pending to be registered in the Holding Company's name.
- ii) The Management has reviewed the carrying value of its project work-in-progress by assessing the net realisable value of the project which is determined by forecasting sales rates, expected sale prices and estimated costs to complete (including escalations and cost overrun). This review by the management did not result any loss and thus no adjustments/ provisions to the carrying value of project work-in-progress is considered necessary by the Management.
- iii) Stock in trade (others) include stock of steel and cement.
- iv) During the financial year ended 31 March 2018, finished goods and work-in-progress of sugar an amount of INR 33,746.71 lakhs and INR 755.45 lakhs respectively valued based on net realizable value ('NRV') which is lower than cost of finished goods and work in progress for Sugar.
- v) Write down of inventories of finished goods and work in process for sugar, to net realizable value on account of higher cost of production amounts to INR Nil (31 March 2018: INR 1,913.12 lakhs). This was recognized as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in the Statement of Profit and Loss.
- vi) Includes an amount of INR 4,392.84 lakhs which represents residential units in respect of which Group has entered into agreement for sale with the respective customers, amounts received against these agreements by the Group has been reported as advance from customers. Pending receipt of balance consideration and execution of absolute sale deed effecting the transfer of legal title, the same is reported as Inventory.
- vii) For inventories pledged as securities against financial liabilities, refer note 13A.

Note 8: Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Amortised cost		
Trade receivables - related parties (refer note 46)	404.02	404.02
Trade receivables - others	10,027.94	12,618.29
	10,431.96	13,022.31

Break-up for security details:

Particulars	As at 31 March 2019	As at 31 March 2018
From related parties		
Secured, considered good	-	-
Unsecured, considered good	404.02	404.02
Trade receivables which have significant increase in credit risk	-	-
Unsecured - credit impaired	-	-
From others		
Secured, considered good	1,041.44	591.40
Unsecured, considered good	8,986.50	12,026.89
Trade receivables which have significant increase in credit risk	-	-
Unsecured - credit impaired	1,624.96	1,381.37
	12,056.92	14,403.68
Less: Loss allowances	(1,624.96)	(1,381.37)
	10,431.96	13,022.31

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

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 9: Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
On current accounts	3,271.93	1,946.70
On deposit accounts	-	1,148.70
Cash on hand	11.04	30.99
Cheque on hand	-	0.23
	3,282.97	3,126.62

Cash at banks except on current accounts earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day to 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Note 10: Other bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks:		
Balance with banks-on fixed deposit account with remaining maturity period for more than 3 months but less than 12 months (refer note (i) below)	1,134.29	328.23
Balance with banks - on interest warrants accounts	-	0.06
Balance with banks - on unpaid dividend account	19.82	22.19
Margin money deposits (refer note ii below)	89.25	426.28
	1,243.36	776.76

Notes:

- Includes fixed deposit receipts pledged with banks and sales tax authorities for INR 202.84 lakhs (31 March 2018: INR 128.98 lakhs) as margin money.
- Margin money deposit with carrying amount of INR 89.25 lakhs (31 March 2018: INR 426.28 lakhs) are subject to first charge to secure the Company's bank guarantee.

Note 11: Assets classified as held for sale

Particulars	As at 31 March 2019	As at 31 March 2018
Assets held for sale (refer note 4)	979.83	979.83
	979.83	979.83

The Group has entered into an agreement to sell land and building to an associate, Zuari Agro Chemicals Limited for a value of INR 3,209.13 lakhs (Carrying Value as on 31 March 2019: INR 979.83 lakhs). Such sale is expected to be concluded before the end of March 2020.

Note 12A: Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised:		
115,000,000 (31 March 2018: 115,000,000) equity shares of INR 10/- each	11,500.00	11,500.00
Issued:		
29,448,655 (31 March 2018: 29,448,655) equity shares of INR 10/- each fully paid	2,944.87	2,944.87
Subscribed and paid-up* :		
29,440,604 (31 March 2018: 29,440,604) equity shares of INR 10/- each fully paid	2,944.06	2,944.06
1,100 (31 March 2018: 1,100) forfeited shares (amount paid up) fully paid up	0.05	0.05
	2,944.11	2,944.11

*Under instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc., 8,051 (previous year 8,051) rights' equity shares entitlements have been kept in abeyance pursuant to Section 126 of the Companies Act, 2013.

A. Reconciliation of equity shares outstanding at the beginning and end of the reporting year

Equity shares	As at 31 March 2019		As at 31 March 2018	
	In numbers	Amount	In numbers	Amount
At the beginning of the year	29,440,604	2,944.06	29,440,604	2,944.06
Issued during the year	-	-	-	-
Outstanding at the end of the year	29,440,604	2,944.06	29,440,604	2,944.06

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

B. Terms/Rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of INR 10/- per share. Each share holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year 31 March 2019, the amount of per share dividend recognised for distribution to equity share holders was INR 1 per share, subject to approval of shareholders (31 March 2018: INR 1 per share).

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Details of Shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Globalware Trading and Holdings Limited	7,491,750	25.45	7,491,750	25.45
Texmaco Infrastructure and Holdings Limited	2,757,941	9.37	2,757,941	9.37
Adventz Finance Private Limited	2,294,491	7.79	2,294,491	7.79
Reliance Capital Trustee Co Limited A/c - Reliance Regular Savings Fund Equity Option	1,190,761	4.04	1,932,756	6.56

As per records of the Holding Company, including its register of shareholders/member and other declarations received from shareholders regarding beneficial interest, the above holding represents both legal and beneficial ownership of shares.

D. Detail of number of shares held by an Associate Company of Holding Company

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
New Eros Tradecom Limited	1,196,767	4.07%	1,196,767	4.07%

E. Aggregate number of shares issued for consideration other than cash

Name of Shareholder	As at 31 March 2019	As at 31 March 2018
Shares issued for consideration other than cash	Nil	Nil

Note 12B: Preference share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised:		
2,075,000 (31 March 2018: 2,075,000) redeemable cumulative preference shares of INR 100/- each	2,075.00	2,075.00
Issued, subscribed and paid-up:		
Nil (31 March 2018: Nil) redeemable cumulative preference shares of INR 100/- each	-	-

Note 12C: Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Balance brought forward from last year	88,504.46	91,706.14
Add: Loss for the year (refer note (i) below)	(9,063.97)	(3,104.42)
Add: Reclassification from OCI to retained earnings on disposal of investments	(2,880.06)	185.02
Add/(Less): Other comprehensive income (refer note 30)	(9.85)	135.58
Less: Adjustment of IND AS - 115	(583.43)	-
Less: Dividends paid (refer note 32)	(294.41)	(294.41)
Less: Adjustment in respect of subscription of fresh equity shares issued by Gobind Sugar Mills Limited (Subsidiary Company) to Zuari Investment Limited (Subsidiary Company)	(525.11)	-
Less: Dividend Distribution Tax (DDT) (refer note 32)	(60.52)	(59.93)
Less: Others	2.49	(63.52)
	75,089.60	88,504.46

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Particulars	As at 31 March 2019	As at 31 March 2018
General reserve	3,911.60	3,911.60
FVTOCI reserve		
Balance bought forward from last year	134,105.09	82,117.70
Add: Movement during the year	(8,337.88)	52,172.41
Less: Reclassification from OCI to retained earnings on disposal of investments	2,880.06	(185.02)
	128,647.27	134,105.09
Capital reserve	7,175.25	7,175.25
Molasses and alcohol storage and maintenance reserve		
Balance bought forward from last year	16.12	13.43
Add: Provided during the year	2.51	2.69
	18.63	16.12
Foreign currency translation reserve		
Balance bought forward from last year	(182.60)	(146.93)
Less: Other comprehensive income (refer note 30)	131.26	(35.67)
	(51.34)	(182.60)
Equity component of non convertible preference shares		
Balance bought forward from last year	4,227.99	3,258.18
Add: Equity component of preference shares issued during the year by the Subsidiary Company	-	969.81
	4,227.99	4,227.99
	219,019.00	237,757.91

Notes:

i) See note 53 for adjustment in accordance with IND AS 8, 'Accounting Policies, Change in Accounting Estimates and Errors' in the previous year ended 31 March 2018.

ii) See note 50 for details about changes in accounting policies consequent to adoption of IND AS 115, 'Revenue from Contracts with Customers'.

iii) Nature and purpose of other reserve

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

General reserve

The Group has transferred a portion of the net profit of the group or a portion of net profit kept separately for future propose is disclosed as general reserve.

FVTOCI reserve

The Group has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These are accumulated in Fair value through OCI reserve in OCI within the equity. The Company transfers this reserves to retained earnings when relevant equity investments are derecognised.

Capital reserve

Where the preference shares are redeemed out of the profits available for distribution, a sum equivalent to the nominal amount of shares being redeemed shall be transferred to the Capital Redemption Reserve.

Molasses and alcohol storage and maintenance reserve

The above mentioned reserve is created under Molasses Control Order 1961 which requires every sugar factory to set aside a amount as mentioned in the order. The amount credited in said account shall be utilised only for purposes of construction or erection of storage facilities for molasses.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 13A: Non current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Term loans		
Rupee loan		
- from banks	45,463.75	28,710.02
- from financial institutions	47,226.28	21,625.82
Foreign currency loan		
Foreign currency loans	9,766.77	13,609.78
Vehicle loan	15.89	20.81
Liability Component of financial instruments		
-7% Non-convertible redeemable preference shares (NCRPS)	101.70	86.93
-8.5% Non-convertible cumulative redeemable preference shares (NCRPS)	11,625.00	10,198.58
Unsecured		
Inter corporate deposits	400.00	-
Loan from others	1,572.69	-
	116,172.08	74,251.94
Amount disclosed under the head "other current financial liabilities" (refer note 15)	13,287.59	5,275.26
	102,884.49	68,976.68

13A.1 Changes in liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

Particular	Non-Current borrowings (including current maturities)*	Current borrowings
As at 1 April 2017	48,989.37	34,048.64
Cash adjustments		
Proceeds from borrowings	31,297.32	11,947.40
Proceeds from issue of preference shares	2,950.00	-
Repayment of borrowings	(8,915.45)	(4,950.00)
Interest payments	(8,449.27)	(2,160.59)
Non-cash adjustments		
Forex adjustments	94.59	-
Interest expense	9,602.76	2,160.59
Transferred to deferred gain	(969.81)	-
Effective interest rate adjustments	287.18	-
As at 31 March 2018	74,886.69	41,046.04
As at 1 April 2018	74,886.69	41,046.04
Cash adjustments		
Proceeds from borrowings	62,398.93	14,427.99
Repayment of borrowings	(21,615.09)	(24,541.75)
Interest payments	(11,712.20)	(2,629.48)
Non-cash adjustments		
Forex adjustments	183.75	-
Transferred to deferred gain	(2,037.77)	-
Interest expense	15,305.52	2,629.48
Effective interest rate adjustments	77.60	-
As at 31 March 2019	117,487.43	30,932.28

* Closing balance includes interest accrued but not due on borrowings amounting to INR 1315.35 lakhs (31 March 2018: INR 634.76 lakhs)

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

1. Rupees term loans from banks (Secured)

- a. Loan of INR 7,396.09 lakhs consisting two term loans, first of INR 3,419.01 lakhs (31 March 2018 : INR 4,660.33 lakhs) [(including current maturities INR 1,252.00 lakhs (31 March 2018: INR 1,252.00 lakhs)] and second term loan of INR 3,977.08 lakhs (31 March 2017 : INR 3,969.54 lakhs) [(including current maturities INR 1,000 lakhs (31 March 2018: INR Nil)] bearing interest @ 12.25% p.a.-12.90% p.a. (31 March 2018: (12.30% p.a.-12.25% p.a.) and 11.40% p.a. -11.55% p.a. (31 March 2018: 12.30% p.a. - 11.40% p.a.) taken from State Bank of India. These loans are secured by first mortgage / charge, pari passu, on entire fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machinery and other fixed and current assets, present and future of the subsidiary company, on pari pasu basis, with other term lenders.

The first term loan is repayable in 24 quarterly instalments commencing from 31 March 2016. The 1st to 23rd quarterly instalments will be of INR 313 lakhs each and the 24th instalment will be of INR 301 lakhs.

The second term loan is repayable in 16 equal quarterly instalments commencing from 1 April 2019 and ending on 1 January 2023."

- b. Loan of INR 1,035.11 lakhs (31 March 2018: INR 1,449.29 lakhs) [(including current maturities INR 416.00 lakhs (31 March 2018: INR 416.00 lakhs)] bearing interest @ 11.25% p.a.-10.95%p.a. (31 March 2018 :11.55% p.a.-10.95%p.a.) consist of cane soft loan taken from State Bank of India. The loan is secured by first mortgage / charge on entire fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machinery and other fixed and current assets, present and future of the subsidiary company, on pari pasu basis with other term lenders.

The aforesaid loan is repayable in 16 equal quarterly installments commencing from 1 October 2017 and ending on 1 July 2021.

- c. Loan of INR Nil (31 March 2018: INR 12,488.63 lakhs) (including current maturities INR Nil (31 March 2018: INR 833.33 lakhs) bearing interest rate MCLR for 12 months tenor at 8.95% plus 3.05% spread (i.e. effective rate of 12% p.a.) subject to yearly MCLR review with monthly compounding (31 March 2018: 8.95% plus 3.05% spread). The loan was taken from Federal Bank Limited and is repayable in 36 monthly instalment of INR 416.00 lakhs each, commencing from 31 March 2019 with a moratorium period of 24 months. However, this loan was pre-closed during the year and INR 64.95 lakhs was paid as pre-closure charges. The loan was secured by equitable mortgage on the Land and Building to be constructed under project name "Zuari Garden City " in area admeasuring to 50 Acres and 35 Guntas located in Mysore District . It was covered by first charge on the Escrow account into which all project receipt will be deposited, DSRA ('Debt Service Reserve Account') equivalent to 3 months interest during the moratorium.
- d. Loan of INR 1,010.19 (31 March 2018: INR Nil) (including current maturities Nil (31 March 2018: Nil) with a sanctioned limit of INR 1,000 lakhs taken from Yes Bank to refinance the promoter loans and Inter Corporate deposits with a maximum tenor of 24 months. The said term loan facility is secured by charge on Development fee receivables and Corporate guarantee from the holding company executed in favour of the bank.
- e. Loan of INR 20,744.89 lakhs (31 March 2018: Nil) (including current maturities INR Nil (31 March 2018: Nil)) comprising of term loan with the total sanctioned limit of Rs.41,420.50 lakhs [AED 220 million at rate at the reporting date of Rs.18.8275 per AED (USD 60 million)] and Treasury (swaps) upto Rs.207.10 lakhs [AED 11 million at rate at the reporting date of Rs.18.8275 per AED (USD 3 million)] from Yes Bank Limited, IFSC banking unit, GIFT city, Gujarat, India towards project development related expense.

Term loans are secured as described herein below and bear interest of 6 months USD LIBOR plus 4.95% p.a.. The loan amount is repayable after 72 months in one bullet payment from the total draw down.

Securities offered:

- Charge on current assets both present and future owned by Zuari Infracore S J M Properties L.L.C(Step subsidiary of the holding company.)
- Charge on share of project cash flow including reimbursement and surplus.
- Mortgage of land in Goa owned by ultimate holding company amounting to USD 62,000,000 /-
- Pledge of liquid debt mutual funds unit owned by group companies amounting to USD 13,200,000 /-
- Pledge of listed India shares held by New Eros TradeCom Limited(step-associate of the holding company) amounting to USD 7,300,000 /-
- Corporate guarantee provide by group Indian holding companies amounting to USD 40,000,000/-

In addition, there are various conditions and financial covenants attached to the bank facilities, which are in the normal course of business.

- f. Loan of INR 5,165.88 lakhs (31 March 2018: INR 5,399.10 lakhs) {including current maturities of INR 2,800 lakhs (31 March 2018: INR 1000 lakhs)} from Indusind Bank Limited ('IBL') is secured by -
- i) pledge of non convertible redeemable preference shares of Gobind Sugar Mills Limited;
 - ii) exclusive charge by way of hypothecation over all present and future current and moveable fixed assets of the subsidiary Company;
 - iii) exclusive charge on immovable fixed assets owned by Holding Company.
 - iv) land collateral of 6.89 acres for Phase I residential development and 16 acres of Phase II residential project being executed by Holding Company in Goa;

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

- v) exclusive charge by way of hypothecation over all present and future current assets and moveable fixed assets of Holding Company excluding all land (being carried as inventory) other than land to be mortgaged to IBL and excluding current investments of Nagarjuna Fertilizers and Synthesis Energy Systems Inc.;
- vi) DSRA equal to 6 months interest to be kept undrawn from the facility;
- vii) corporate guarantee of Holding Company."

The aforesaid loan is repayable in 16 quarterly installments commencing from June 2018 and carries interest @ 10.35% - 10.15% (10.25%) (effective interest rate being 13.05% p.a.) The first four quarterly installments will be of INR 250.00 lakhs each and rest will be for INR 700.00 lakhs each. Further processing fees of INR 700.00 lakhs (plus taxes) was payable for the facility, which was to be paid per below mentioned schedule:

- INR 300.00 lakhs to be paid on acceptance of sanction letter, which was paid in previous year.
- INR 50.00 lakhs each quarter from 30 June 2017 upto 31 March 2018 and INR 25.00 lakhs each of next ensuing eight quarters. The same has been paid in full during the current quarter.

Refer (h) under point 2 i.e. Rupee term loan from Financial Institution for more details.

- g. Facility under Financial Assistance Scheme to Sugar Units under SEFASU 2014 from banks (Excise Duty Loan) of INR 60.98 lakhs (31 March 2018: INR 743.13 lakhs) [(including current maturities INR 60.98 lakhs (31 March 2018: INR 683.43 lakhs)].

-Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of INR 60.98 lakhs (31 March 2018: INR 426.05 lakhs) [(including current maturities INR Nil lakhs (31 March 2018: INR 59.67 lakhs)] from Zila Sahakari Bank Limited is repayable in 5 years with 2 years of moratorium period and carry interest @ 12% p.a. As per the scheme, the interest is payable by the Government of India/National Bank for Agriculture and Rural Development (NABARD). As per the terms of the sanction letter, the loan is secured by charge on residual assets of the subsidiary company. This charge is yet to be created.

The term loan carries a effective rate of interest of 0.73% p.a.

- Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of Nil (31 March 2018: INR 317.07 lakhs) [(including current maturities INR Nil (31 March 2018: INR 317.07 Lakhs)] from State Bank of India is secured by first charge, pari passu, basis on the hypothecated current assets, both present and future and second charge, pari passu basis , on the moveable fixed assets of the subsidiary company with other working capital lenders. The said loan is repayable in 12 quarterly instalments starting from 30 June 2016 and carry interest of 12.00%(31 March 2018 :12.00%-11.70%). As per the scheme, the interest to the extent of 12% p.a. is payable directly by the Government of India/National Bank for Agriculture and Rural Development (NABARD) to State Bank of India.

The loan received under financial assistance scheme to Sugar Units under SEFASU 2014 are received at rate of interest below than market rate. Therefore, the said loans have been fair valued using discounted cash flow technique for initial recognition and subsequently carried at amortised cost. The discount rate which has been used for initial recognition i.e. 12.5% p.a. is bench marked to other secured financial liabilities of the subsidiary company.

- h. Loan of INR 10,050.61.19 (31 March 2018: INR Nil) (including current maturities INR 1,784.14 (31 March 2018: Nil) taken from Zila Shakari Bank. This loan is secured by way of Residual charge on free assets of the Company and carry a interest rate of 5%. The loan is repayable in 60 equal monthly installments starting from 31 July 2019.

2. Rupees term loans from financial institutions(Secured)

- a. Loan of INR 5,077.13 lakhs (31 March 2018: INR 5,856.97 lakhs) [(including current maturities INR 787.68 lakhs (31 March 2018: INR 787.68 lakhs)] bearing interest @ 11.74%-11.45% p.a. (31 March 2018 :12.15%p.a.-11.14%p.a) consist of loan taken from Indian Renewal Energy Development Agency Limited (IREDA). The loan is secured by first mortgage / charge, pari passu, on entire fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new peice of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machinery and other fixed assets, present and future of the subsidiary company, on pari pasu basis with other term lenders. Further, the loan is secured by second pari-passu charge on current assets of the subsidiary company (excluding receivables from the power project on which there is a first pari-passu charge) along with other lenders.

The said loan is repayable in 40 quarterly installments starting from expiry of 1 year from the date of commissioning of co-generation project.

- b. Loan of INR 2,436 lakhs (31 March 2018: INR Nil) [(including current maturities INR Nil lakhs (31 March 2018: INR Nil)] bearing interest of 11.95% p.a. consist of loan taken from Indian Renewal Energy Development Agency Limited (IREDA). This loan has first equitable mortgage charge on entire fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, movable and immovable machinery and fixed assets (present and future) of the Company, pari pasu with other term lenders including SDF and Exclusive charge on Escrow/ TRA account opened for Distillery receivables.

The said loan is repayable in 24 equal quarterly installments from 12 months from commencement of operations.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

- c. Loan of INR 15,425.84 lakhs (31 March 2018: INR Nil) [(including current maturities INR 1,200.00 lakhs (31 March 2018: INR Nil lakhs))] bearing interest @ 11.85% p.a taken from LIC Housing Finance Limited. The loan is repayable over a period of 60 months with 36 months moratorium for repayment of principal from the date of first disbursement with right to accelerate payment based on the review of cash flows. This loan is secured by equitable mortgage on the Land and Building to be constructed under project name "Zuari Garden City " in area admeasuring to 50 Acres and 35 Guntas(excluding sold units), Project receivables and further secured by Corporate Guarantee issued by the holding company.
- d. Facility of INR 8,332.72 lakhs (31 March 2018: INR Nil) [(including current maturities INR 1,200.00 lakhs (31 March 2018: INR Nil lakhs))] bearing interest @11.85% p.a taken from Axis Finance Limited. The loan is repayable in 6 annual installments commencing from 31 October 2019 and ending on 31 October 2024. The loan is secured by first mortgage/charge on equitable mortgage over non-agricultural land admeasuring 100 acres located in village panchayat of Sancoale of Mormugao Taluka consisting of survey no. 111/1 in Goa and hypothecation and escrow of "Dividend receivable" by the borrower from the Investee Companies.
- e. Loan of INR Nil (31 March 2018: INR 297.90 lakhs) [(including current maturities INR Nil (31 March 2018: INR 297.90 lakhs))] bearing interest @12.50% p.a. taken from Infrastructure Leasing and Financial Services (IL&FS) is secured by first charge on the immovable and movable fixed asset purchased. The second charge, pari passu, is by hypothecation of entire current assets (both present and future) of the subsidiary company.
- f. Loan under Sugar Development Fund of INR 4,594.12 lakhs consisting term loan 1 of INR 3,032.70 lakhs (31 March 2018: INR 2852.31 lakhs) and term loan 2 of INR 1,561.42 lakhs(31 March 2018: INR 1,359.59 lakhs) carry a fixed rate of interest @4.75% p.a. and @ 4.50% p.a. respectively and for a time period of 10 years. It is secured by first charge on, pari passu basis, all moveable and immoveable fixed assets of the subsidiary company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh.

The said term loan 1 is repayable in 10 quarterly installments starting from 28 April 2020.

The said term loan 2 is repayable in 10 quarterly installments starting from 31 January 2022.

The loan received from Sugar Development Fund is received at rate of interest below than market rate. Therefore, the said loan has been fair valued using discounted cash flow technique for initial recognition and subsequently carried at amortised cost. The discount rate which has been used for initial recognition i.e. 12.50%p.a. - 12.30% p.a. is bench marked to other secured financial liabilities of the subsidiary company."

- g. Loan of INR 3,443.92 lakhs (31 March 2018: INR 4,000.00 lakhs) taken from Tata Capital Services Limited ('TCSL') including (current maturities of Nil (31 March 2018: Nil). The total sanction amount is of INR 10,000.00 lakhs by Indusind Bank Limited ('IBL') and 40% i.e. INR 4,000.00 lakhs of the loan has been sold by IBL to TCSL from 1 March 2018. All other terms and covenants to the said loan remain same. No separate security is created in the name of Tata Capital Services Limited by the Group directly. However, as per the agreement signed, Tata Capital Services Limited has proportionate share in all the securities created by Indusind Bank Limited for the said loan. Refer (d) under point 1 i.e. Rupee term loan from banks for the same."
- h. Loan of INR 3,962.84 lakhs (31 March 2018: INR 3,628.70) and INR 3,953.71 lakhs (31 March 2018: INR 3,630.35 lakhs) [(including current maturities Nil (31 March 2016: Nil)] from Tata Capital Financial Services Limited and Bajaj Finance Limited respectively and bearing Interest of 11.30% pa. and 10.50% p.a. respectively.

It is repayable in 15 equal quarterly instalment of Rs.266.67 lakhs with an initial monatarium of 15 months.

These loan are secured by -

Collateral - First pari passu charge on immovable fixed assets owned by the subsidiary company.

Collateral - First pari passu Charge by way of hypothecation over all present and future moveable fixed and Current assets.

3. Foreign currency loans (Secured)

- a. Loan of INR 9,766.77 lacs (31 March 2018: INR 8,927.10 lacs) [(including current maturities INR 648.11 Lacs (31 March 2018: INR Nil)] is taken from Netherlandse Financierings Maatschappij Voor Ontwikkelingsliden N.V. (F.M.O) bearing the interest @5.60%p.a. and is repayable in 15 equal half yearly installments commencing from 10 January 2020.

The said term loan is secured by - Exclusive charge on Immoveable property of Holding Company having survey no. 119/1 admersures 51425 sq. mtrs ,survey no. 120/1 admersures 8075 sq. mtrs,survey No 121 admersures 32239 sq. mtrs,survey No 129/1 admersures 24625 sq. mtrs,survey No 130/1 admersures 86175 sq. mtrs and survey No 131/1 admersures 19050 sq. mtrs situated at Sancoale within the limits of Village panchayat of Sancoale Goa, Mormugao Taluka, Sub Districty of Registration District of State of Goa."

- b. Loan of INR Nil (31 March 2018: INR4,682.68 lakhs) [AED 165 million (USD 44.92 million)] was taken from State Bank of India, DIFC Dubai, U.A.E for residential real estate development project being undertaken by the subsidiary company. The loan amount was repayable before 31 March 2021, however the same has been repaid during the year. The term loan was secured against irrevocable and unconditional standby letter of comfort of USD 285.80 lakhs issued by CAG Mumbai (Part of which has been given to National Bank of Fujairah) by CAG Mumbai and corporate guarantee of Holding Company to the extent of USD 163.40 lakhs. In addition, there are various conditions and financial covenants attached to the bank facility, which are in the normal course of business.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

4. Vehicle loan(Secured)

Loan of INR 15.89 lakhs (31 March 2018: INR 20.81 lakhs) (including current maturities INR 5.35 lakhs (31 March 2018: INR 4.92 lakhs) taken in the month of December 2017 from HDFC Bank Limited bearing interest of 8.51%p.a. The loan is payable in 48 structured monthly instalment commencing January 2018 of INR 0.54 Lakhs. The loan is Hypothecation on the vehicle.

5. Preference shares

- The Non-Convertible Redeemable Preference Shares (NCRPS) of INR 101.70 lakhs (31 March 2018: INR 86.93 lakhs) carrying dividend @ 7.00% per annum. These shares are redeemable at par in one single lot after the expiry of 12th year from the date of allotment of shares with a right vested in the board of directors to redeem earlier subject to the consent of subscribers. The Board reserves the right to pay the dividend earlier with the consent of the subscribers but subject to the availability of profit. In case of loss or inadequacy of profit, the right of holders of NCRPS to receive the dividend shall expire. NCRPS have been initially recorded at fair value by discounting the cash flow at maturity of instruments with discount rate of 16% p.a. (interest rate applicable to similar other borrowings of the subsidiary company).
- 114.50 lakhs Non-Convertible Redeemable Preference Shares (NCRPS) of INR 11,625 lacs (31 March 2018: INR 10,198.58 lakhs) carry dividend @ 8.50% p.a. which are cumulative in nature and redeemable on 31 March 2020(70 lakh shares), 31 March 2021 (15 lakh shares) and 31 March 2022 (29.5 lakhs) respectively. These shares are redeemable at a price band of INR 125 - INR 150 per preference share. Each holder of preference shares is entitled to one vote per share on resolutions placed before the subsidiary company, which directly affect the rights attached to the preference share. NCRPS have been initially recorded at fair value by discounting the cash flow at maturity of instruments with discount rate of 14% p.a. (interest rate applicable to similar other borrowings of the subsidiary company). "

6. Inter Corporate Deposits(Unsecured)

The Company has inter corporate deposit from M/s Duke Commerce Limited carries interest rate of 13.50%. The outstanding book balance as on 31 March 2019 is INR 400 lacs (31 March 2018 - Nil)

7. Loans from Others(Unsecured)

Unsecured loan of INR 1,572.69 lakhs (31 March 2018: INR Nil) [including current maturities of Nil lakhs (31 March 2018: INR Nil)] from Adventz Finance Private Limited.

Note 13B. Current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Term loan from banks	3,875.41	9,014.49
Cash credit from banks	16,766.96	20,899.25
Vehicle loan	117.22	153.77
Unsecured		
Working capital loan from banks	3,000.00	2,470.00
Loans from others	7,172.69	8,508.53
	30,932.28	41,046.04

1. Term loan from banks (Secured)

- Loan of INR Nil (31 March 2018: INR 1,500.00 lakhs) from ICICI Bank Limited is secured by the exclusive charge over the trade receivables (other than project receivables) of the subsidiary company and equitable mortgage over the land at Vrindavan, Uttar Pradesh owned by Brajbhumi Nirman Private Limited ("BNPL"), an associate entity. Further, irrevocable and unconditional corporate guarantee from BNPL. The loan is repayable within 180 days of drawdown i.e. 28 March 2018 and bearing interest MCLR Plus spread of 1.25%. (31 March 2018: Nil p.a.)
- Loan of INR Nil (31 March 2018: INR 7,314.49 lakhs) carries an interest rate @ Nil (31 March 2018: 4.235% p.a.) represents term loan of Nil (31 March 2018: AED 397.20 lakhs for residential real estate development project and AED 15 lakhs as short term recurring loan) from National Bank of Fujairahbeing. The loan amount is availed for one year and rolled over quarterly for a maximum tenor of four years. The term loan is secured against irrevocable and unconditional standby letters of credit of AED 419.00 lakhs issued by State Bank of India in favour of National Bank of Fujairah. In addition, there are various conditions and financial covenants attached to the bank facility, which are in the normal course of business. This is further secured by pledge of units of mutual fund of INR 1,500 lakhs by a subsidiary company and first and paramount charge on specific land provided by the Holding Company.
- Loan of INR Nil (31 March 2018: INR 200.00 lakhs) taken from HDFC Bank Limited, bearing an interest rate of marginal cost of funds based lending rate (MCLR) and was repaid in the month of August 2018. The said loan was secured by fixed deposit of INR 100.00 lakhs provided by the subsidiary company to the bank.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

- d. Loan of INR 1,000.00 lakhs (31 March 2018: Nil) taken from ICICI Bank Limited, bearing an interest rate of 11% (31 March 2018: Nil) and will be repaid within 6 Months. The said facility is secured by first pari passu charge over entire current assets of the Company, both present and future.
 - e. Loan of INR 399.99 lakhs (31 March 2018: Nil) is taken from HDFC Bank Limited. The facility is secured by fixed deposit of INR 200.00 lakhs provided by the Company to the bank. The facility has been availed by the Company at marginal cost of funds based lending rate (MCLR) and will be repaid within 1 year from the date of facility.
 - f. Loan of INR 2,475.41 lakhs (31 March 2018: INR Nil) taken from Shine Star Builcap Private Limited, bearing interest @ 14.50% p.a. (31 March 2018: Nil) and repayable on demand. The said loan is secured by pledge of 3.475 lakhs shares of Zuari Agro Chemical Limited.
- 2. Vehicle Loan(Secured)**
- a. Facility of INR 117.22 lakhs (31 March 2018: INR 153.77 lakhs) pertains to vehicle loan bearing an interest rate 6.58%-7.47% p.a. (31 March 2018: 6.58 % p.a - 7.47%p.a.). It is secured by hypothecation of vehicle purchased out of loan.
- 3. Cash credit from banks (Secured)**
- a. Cash credit of Nil (31 March 2018: INR 466.44 lakhs) bearing interest @ Nil (31 March 2018:13.75% p.a -14.00% p.a.) from Axis Bank is secured against pari passu first charge over the entire current assets both present and future and pari passu second charge over movable fixed assets of the subsidiary company funded out of Axis Bank term loan. The cash credit is repayable on demand.
 - b. Cash credit of INR 5,760.34 lakhs (31 March 2018: INR 5,493.83 lakhs) bearing interest @12.05%-11.25% (31 March 2018-14.10%-11.65% p.a.) taken from State Bank of India is secured by hypothecation of entire current assets including book debts both present and future on pari passu basis and also by first charge on pari passu basis with other lenders on the fixed assets of the subsidiary company.
 - c. Cash credit of INR 5,984.56 lakhs (31 March 2018: INR 5,973.32 lakhs) bearing interest @10.05% p.a. (31 March 2018: 10.05% p.a.) from Zila Sahakari Bank Limited, Khamaria. As per the sanction letter, the said limit is secured by pledge of some stock of finished goods and also by immovable fixed assets on pari-passu basis and The said charge is yet to be created.
 - d. Cash credit of INR 1,769.51 lakhs (31 March 2018: INR 1,756.01 lakhs) bearing interest@ 10.05% p.a. (31 March 2018: 11.25%-10.25% p.a.) from Zila Sahakari Bank Limited, Barabanki, as per the sanction letter is secured by pledge of some stock of finished goods and pari passu on land, building and plant and machinery against principal and interest amount.
 - e. Cash credit of Nil (31 March 2018: INR 3,116.05 lakhs) bearing interest @12.50% p.a.(31 March 2018-12.25%-11.25% p.a.) taken from Ratnakar Bank Limited is secured by first mortgage / charge of entire current assets, immovable and movable fixed assets ranking pari pasu with other lenders of the subsidiary company.
 - f. Cash credit of INR 1,399.11 lakhs (31 March 2018: INR 2,200.00 lakhs) bearing interest @ 10.05% p.a.(31 March 2018- 11.20%-10.05 p.a.) is taken from Zila Sahakari Bank Limited, Pilibhit, secured by pledge of some stock of finished goods and The said charge is yet to be created.
 - g. Cash credit of INR 1,593.55 lakhs (31 March 2018: INR 1,893.59 lakhs) bearing interest @11.20%-10.05 p.a.(31 March 2018- 12.25%-11.25% p.a.) taken from Zila Sahakari Bank Limited, Shahjahanpur, is secured by pledge of some stock of finished goods.
 - h. Cash credit of INR 259.89 lakhs (31 March 2018: Nil) taken from HDFC Bank Limited (the 'bank') at the rate mutual agreed between the parties which is 11.50% p.a. for the facility as on 31 March 2019. The facility is used for funding working capital requirements of the Company. The facility is repayable on demand with security against book debts of the Company."
- 4. Working capital loan from banks (Unsecured)**
- a. Loan of INR 3,000 lakhs (31 March 2018 of INR 1,500 lakhs) from ICICI Bank Limited as unsecured short term loan, carried an Interest of MCLR-6M plus spread of 2% and MCLR-3M plus spread of 2% and the same will be payable within 6 month from the date of each drawal. The amount outstanding as on 31 March 2019 of INR 3,000 lakhs (31 March 2018: INR 1,500 lakhs).
 - b. Loan of Nil (31 March 2018 of INR 1,000 lakhs) from Federal Bank Limited as unsecured short term working capital demand loan, carried an Interest of 10.35% annually and the same will be payable within 6 month from the date of first drawal. The amount outstanding as on 31 March 2019 of Nil (31 March 2018: INR 970 lakhs).
- 5. Loans from others (Unsecured)**
- a. Loan of Nil (31 March 2018: INR 1,078.00 lakhs) taken from Duke Commerce Limited bearing interest of 13% p.a. -17% p.a. and are repayable on demand.
 - b. Loan of Nil (31 March 2018: INR 2,000.00 lakhs) is taken from Adventz Finance Private Limited bearing interest @14% p.a.(31 March 2018: 14% p.a.) and such deposit was due for payment on 30 June 2018.
 - c. Loan of INR 309.65 lakhs (31 March 2018: Nil) is taken from Anchor Investment Private Limited bearing interest of 14.50% p.a.(31 March 2017: Nil) and such deposit is due for payment on 1 May 2019.
 - d. Loan of INR 206.44 Lakhs (31 March 2018: Nil) from Meenakshi Tea Co Limited bearing interest of 14.50% p.a.(31 March 2018: Nil) and such deposit is due for payment on 1 May 2019.
 - e. Loan of INR 542.02 Lakhs (31 March 2018: Nil) from Texmaco Infrastructure & Holdings Limited bearing interest of 12% p.a.(31 March 2018: Nil) and such deposit is repayable on demand.
 - f. Loan of INR 1,300.00 lakhs (31 March 2018: INR 1,300.00 lakhs) from Texmaco Infrastructure & Holdings Limited, bearing an interest @ 12.5% p.a. (31 March 2018:12.50%-16%p.a.) and repayable on demand.
 - g. Loan of INR 1,500.00 lakhs (31 March 2018: INR 2,500.00 lakhs) from Adventz Investment & Holdings Limited, bearing an interest @12.50% p.a. (31 March 2018: 13.50%-12.50% p.a) and repayable on demand.
 - h. Loan of INR 80.00 lakhs (31 March 2018: INR 80.00 lakhs) from Adventz Security Enterprises Limited, bearing an interest of 12.50% p.a. (31 March 2018: Nil) and repayable on demand.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

- i. Loan of INR 2,734.58 lakhs (31 March 2018: INR 1,485.83 lakhs) bearing interest @ 0% - 12% p.a.(31 March 2018: 0% - 12% p.a.) and are repayable on demand.
- j. Loan of INR 500.00 lakhs (31 March 2018: Nil) from Vinayak Dealers Private Limited, bearing an interest of 13.00% p.a. (31 March 2018: Nil) and repayable within 193 days from the date of receipt of proceedings..
- k. Loan of Nil (31 March 2018: INR 1,064.70 lakhs) carries an interest rate of @ 12.00% p.a from the unrelated party which is repayable on demand.

Note 14: Trade payables

Particulars	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Trade payables (including acceptance)				
Dues to micro and small enterprises (refer note 14A below)	-	-	494.01	963.31
Due to related party (refer note 46)	-	-	-	1.85
Due to others	39.01	199.57	38,658.39	37,958.19
	39.01	199.57	39,152.40	38,923.35

Note 14A: Disclosure as per Section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March 2019	31 March 2018
i) Principal amount due to suppliers under MSMED Act	494.01	963.31
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	2.99	7.22
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	4.31	-
iv) Interest paid to suppliers under MSMED Act	-	-
v) the amount of 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.	-	-
vi) Interest accrued and remaining unpaid at the end of the accounting year	11.44	8.27
vii) The amount of 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.	11.44	8.27

Note 15: Other financial liabilities

Particulars	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Other financial liabilities at amortised cost				
Current maturities of long term borrowings (refer note 13A)	-	-	13,287.59	5,275.26
Payable for voluntary retirement scheme	-	-	-	4.60
Advance towards sale of land* (refer note 46)	-	-	-	700.00
Interest accrued but not due on borrowings	-	-	1,315.35	634.76
Marked to market value of derivative instruments not designated as hedges	-	-	213.46	-
Security deposits received	24.92	26.01	463.41	346.32
Other payables	228.76	597.89	1,743.39	967.25
Statutory liabilities to be credited to 'Investor's Education and Protection Fund' as and when due :				
Unclaimed dividends	-	-	19.82	22.19
Unclaimed deposits and interest warrants	-	-	1.00	1.61
Total other financial liabilities	253.68	623.90	17,044.02	7,951.99

*On 28 March 2018, the company had terminated the agreement dated 10 November 2014 entered between one of the Subsidiary Company and Zuari Agro Chemicals Limited ("ZACL") for sale of land under which the Subsidiary Company had received an advance of INR 700.00 lakhs from ZACL. As per the agreement the Subsidiary Company has to transfer the land to ZACL on or before 10 November 2018 after obtaining permission from M/s Tamil Nadu Small Industries Development Corporation Limited ("TNSIDCO") but despite of constant efforts and follow-ups TNSIDCO has not provided its sanction for transfer of land of ZACL. Hence, the Subsidiary Company has submitted its request to ZACL to terminate the agreement and refund the advance provided against the purchase of land vide its letter dated 28 March 2018 and ZACL vide its letter dated 29 March 2018 has accepted this request. Hence as on, 31 March 2018, advance received against sale of land has been reclassified from other current liabilities to other financial liabilities. In pursuance of above, the amount has been fully repaid to ZACL in the current year.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 16: Provisions (current and non-current)

Particulars	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits				
Provision for leave encashment	565.65	507.61	94.89	99.14
Gratuity (refer note 39)	411.98	297.85	142.87	241.96
Staff end of service benefits	-	-	39.82	20.16
	977.63	805.46	277.58	361.26
Others provisions				
Provision for litigations (refer note (i) below)	145.87	101.63	-	-
Provision for warranty (refer note (ii) below)	-	-	2,408.80	899.97
Provision for expected loss (refer note (iii) below)	-	-	-	44.12
	145.87	101.63	2,408.80	944.09
	1,123.50	907.09	2,686.38	1,305.35

Notes :

(i) Provision for litigations

Particulars	31 March 2019	31 March 2018
Opening balance	101.63	-
Additions during the year	44.24	101.63
Reversal during the year	-	-
Closing balance	145.87	101.63

Provision for litigation relates to the estimated outflows in respect of possible liabilities expected to arise in future in connection with ongoing litigations relating to income tax and indirect taxes. Due to nature of such litigation, it is not possible to estimate the timings/uncertainties relating to further outflows as well as expense relating to such estimates.

(ii) Provision for warranty (period upto one year)

Particulars	31 March 2019	31 March 2018
Opening balance	899.97	104.30
Additions during the year	1,508.83	822.94
Amount used during the year	-	11.25
Unused amount reversed during the year	-	16.02
Closing balance	2,408.80	899.97

In respect of a subsidiary of the Group engaged in the business of manufacturing and trading and sale of ready to assemble furniture, provisions for warranty related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually. The Subsidiary Company gives warranty for products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future cash outflows and computed on total sales made during the year based on past experience. No reimbursements are expected. In case of another subsidiary company, it has assessed the year end provision for expected claims/ expenditure on construction contracts on the basis of the best estimate.

(iii) Provision for expected loss

Particulars	31 March 2019	31 March 2018
Opening balance	44.12	464.58
Reversal during the year	44.12	420.46
Closing balance	-	44.12

Provision for expected loss is in relation to forecasted loss on completion of the projects other than warranty claims mentioned above. The Group expects that a significant portion of the cost will have to be incurred / utilised in the next financial year and has accordingly classified the entire amount as current provision.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 17A Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Profit or loss section

Particulars	31 March 2019	31 March 2018
Current income tax:		
Current income tax charge/(credit)	378.79	182.63
Income tax adjustment for earlier years (refer note 54)	(1,207.37)	85.17
	(828.58)	267.80
Deferred tax:		
Relating to origination and reversal of temporary differences	(913.29)	60.61
Income tax expense/(credit) reported in the statement of profit or loss	(1,741.87)	328.41

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018

Particulars	As at 31 March 2019	As at 31 March 2018
Accounting profit/(loss) before Income tax	(12,729.24)	(3,778.57)
Tax at the applicable tax rate of 34.944% (31.3.2018: 34.608%)	4,448.11	1,307.69
Losses of subsidiary and joint venture on which no tax liability was created	(1,598.65)	(953.30)
Dividend income	357.64	331.48
Impact on preference shares of the Subsidiary Company	(458.87)	(380.96)
Impact of change in tax rate	(50.47)	(190.56)
Tax effect on expiry of bought forward losses	(1,675.08)	(293.60)
Finance cost reversal pursuant to order giving effects of Income tax	194.84	-
Previous year tax adjustments	1,207.38	(85.17)
Other	(683.02)	(63.99)
Tax expense	1,741.87	(328.41)

Note 17B Deferred tax assets (net):

Particulars	As at 1 April 2017	Provided during the year	As at 31 March 2018	Provided during the year	As at 31 March 2019
Deferred tax assets:					
Impairment for doubtful debts	6.20	128.92	135.12	0.69	135.81
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	658.46	(64.08)	594.38	108.94	703.32
Carry forward of unused tax losses and unused tax credits and unabsorbed depreciation	12,760.27	2,604.95	15,365.22	(1,251.19)	14,114.03
Deferred government grants	171.91	173.39	345.30	(11.08)	334.22
Provision for expected loss	143.56	(131.06)	12.50	11.59	24.09
Deferred Tax assets on impact of IND AS - 115 adjustments	-	-	-	196.84	196.84
Interest accrued on preference shares	45.13	15.15	60.28	-	60.28
MAT credit entitlement	93.18	(714)	86.04	14.99	101.03
Unrealised profit on sale of land (refer note 55)	1,787.87	-	1,787.87	-	1,787.87
Disallowance under 40a(ia) of Income tax act,1961	-	-	-	167.77	167.77
Shares of (profit)/losses on associates	-	(955.25)	(955.25)	1,822.53	867.28
Others	841.26	133.06	974.32	56.30	1,030.62
Total deferred tax assets (A)	16,507.84	1,897.95	18,405.78	1,117.38	19,523.16

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Particulars	As at 1 April 2017	Provided during the year	As at 31 March 2018	Provided during the year	As at 31 March 2019
Deferred tax liability:					
Property, plant and equipment impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	5,159.68	1,451.48	6,611.16	(275.13)	6,336.03
Fair valuation of investment	119.62	96.90	216.52	133.89	350.41
Others	24.59	384.28	408.87	(341.59)	67.28
Total deferred tax liability (B)	5,303.89	1,932.66	7,236.55	(482.83)	6,753.72
Deferred tax assets (net) (A - B)	11,203.95	(34.71)	11,169.23	1,600.21	12,769.44

Disclosed in financial statements					
Deferred tax assets	11,203.95		12,553.27		12,865.17
Deferred tax liability	-		1,384.04		95.73

Notes:

i) Reconciliation of deferred tax assets (net):

Particulars	31 March 2019	31 March 2018
Opening balance	11,169.23	11,203.95
Tax (credit)/expense during the year recognised in statement of profit or loss	913.29	(60.61)
Tax (credit)/expense during the year recognised in OCI	474.90	33.03
Amount recognised directly in equity*	213.94	-
MAT credit entitlement	(1.92)	(7.14)
Closing balance	12,769.44	11,169.23

*see note no. 50 for amount recognised directly in equity pursuant to change in accounting policies.

- ii) The Group 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.
- iii) The Group has till date recognised INR 101.03 lakhs (31 March 2018: INR 86.04 lakhs) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement.
- iv) An deductible temporary difference exists on investment in equity shares held as fair value through other comprehensive income ('FVTOCI'). The management has reviewed the same and determined that there is no probability for its reversal in the foreseeable future. As a consequence, no deferred tax asset is recognised for the same as on 31 March 2019.

The amount of deductible temporary differences on which no deferred tax assets are recognised amounted to:

Particulars	31 March 2019		31 March 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Temporary difference relating to investment in equity shares held as FVTOCI on which deferred tax asset have not being recognised	12,632.28	1,268.28	7,127.28	715.68

- iv) The Group has also not recognised deferred tax assets on unused capital losses in absence of reasonable certainty and availability of sufficient future taxable income against which such losses shall be utilised.

Particulars	31 March 2019		31 March 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unused capital tax losses	14,439.91	1,449.77	12,493.20	1,254.32
Unused business losses	19,949.54	4,767.92	15,728.97	3,649.83

- v) The Group carrying an amount of INR 14,114.03 lakhs as deferred tax assets (net) on carry forward of unused tax losses, unused tax credits and unabsorbed depreciation as at 31 March 2019. Majorly pertains to two of the subsidiary company and the management of the group companies are confident of generating sufficient taxable profits in the near future considering the engineering, procurement and construction contracts (EPC) under pipelines and power purchase arrangements with the Uttar Pradesh Power Corporation Limited, positive expected cash flows. future expansion plans like setting up of Distillery having capacity of 100,000 litres per day, 16 MW Co-generation Power Plant and industry focused trade policies of the government, which will enable the Group to utilise the deferred tax assets.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 17C: Non-current tax assets (net)

Particulars	31 March 2019	31 March 2018
Income tax assets- others	3,682.69	5,225.94
	3,682.69	5,225.94

Note 17D: Current tax liability (net)

Particulars	31 March 2019	31 March 2018
Current tax payable (net)	3.73	-
	3.73	-

Note 18: Other liabilities

Particulars	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Statutory liabilities	-	-	1,706.23	1,531.25
Advances received for sale of land				
Related parties (refer note 46)	-	-	3,209.13	3,209.13
Contract liabilities*				
Advances received from customers and others				
Related parties (refer note 46)	-	-	107.38	34.66
Others**	-	-	17,969.59	6,445.46
Deferred revenue	-	-	1,125.75	179.41
Amount received on account deposited under litigation (refer note no 54)	1,708.35	2,533.85	-	-
Deferred gain on preference shares issued to others	158.05	179.84	21.79	10.19
Deferred government grant 5% - Sugar refinery	455.13	476.18	21.05	21.05
Deferred government grant 5% - Power Plant	446.69	468.27	21.58	21.58
Deferred government grant 5%-Cane soft loan	1,230.98	-	600.74	-
Deferred government grant from Sugar Development Fund	1,110.09	1,300.94	201.59	262.42
	5,109.29	4,959.08	24,984.83	11,715.15

* Refer note 49 for details of significant changes in contract liability.

** Includes INR 593.02 lakhs (31 March 2018: Nil), out of which INR 279.52 lakhs pertains to the refundable advances in respect of cancelled residential units and INR 313.50 lakhs pertains to amount collected from the buyers towards club membership charges fees which will be transferred to the residential units owners society/organisation on its formation.

Note 19: Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from contracts with customers		
Sale of finished, traded and by products (including excise duty and cess)	41,555.01	28,398.01
Sale of power	5,710.59	5,175.12
Engineering supplies and other services	28,113.23	19,598.66
Revenue from sale of constructed properties and development management fees	1,485.56	1,869.86
Other operating revenue		
Scrap sales	146.59	224.16
Rental income from Investment Properties	247.69	230.78
Sales commission on sale of plots/residential units	160.23	-
	77,418.90	55,496.59

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 20: Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on:		
Bank deposits	209.34	128.39
Intercorporate loans	44.47	151.27
Loans, deposits, advances etc.	1.66	-
Overdue debtors and others	178.41	405.16
Income tax refunds	1,009.26	71.09
Dividend income from:		
Investments mandatorily measured at fair value through profit or loss	158.10	69.57
Equity investments designated at fair value through other comprehensive income	1,222.70	1,328.42
Reversal of finance cost of previous year (refer note 59 for further details)	669.09	-
Excess provisions written back (net)	429.27	1,375.27
Exchange fluctuations (net)	88.47	-
Gain from redemption from mutual funds	181.44	4.45
Income from fair valuation of mutual funds	596.56	485.64
Rent received	505.88	505.12
Profit on sale of assets and investments (net)	39.37	-
Renewable energy certificate income	282.67	375.78
Government grant:		
Interest reimbursement from U.P Government under Sugar Industry, Cogeneration and Distillery Promotion Policy, 2013"	755.49	838.36
Assistance to sugar mills for sugar cane purchase (refer note 5C(iv))	1,724.02	680.44
Assistance to sugar mills under the scheme for creation and maintenance of buffer stock (refer note 5C(v))	451.24	-
Government grants on excise term loans and cane soft loans	49.11	136.33
Amortisation of:		
Deferred government grant recognised on loan from Sugar Development Fund	251.68	239.26
Deferred government grant 5% - Cane Soft Loan	206.04	-
Deferred government grant 5% - Power Co-generation Plant	21.57	21.57
Deferred government grant 5% - Sugar expansion	21.05	21.05
Deferred gain on NCRPS	10.19	8.71
Other assistances (refer note below)	664.29	-
Miscellaneous income	211.66	200.80
	9,983.03	7,046.68

Note:

The State Government pursuant to Notification No. 15/2018/1719/46-3-18-3 (36-A)/2018 issued by Uttar Pradesh Shasan Chini Udyog Anubhag-3 has notified a scheme "Scheme for Extending Financial Assistance to Sugar Undertakings - 2018" (the "Scheme") for settlement of sugar cane price dues for crushing season 16-17 and 17-18 by providing loans to sugar industries at subsidized rates of interest and cane subsidy at the rate of INR 4.50 per qntl of sugar cane crushed during the aforementioned crushing season. Under the Scheme, the Group has recorded an amount of INR 664.29 lakhs as grant for crushing season 17-18 during the year ended 31 March 2019.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 21: Cost of raw materials consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock	1,223.30	630.42
Purchases and procurement expenses	42,696.84	43,273.13
	43,920.14	43,903.55
Less: Closing stock*	640.87	1,223.30
	43,279.27	42,680.25

*Includes inventory of bagasse.

Note 22: Purchase of stock in trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Furniture and accessories	1,492.76	851.72
	1,492.76	851.72

Note 23: Project expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Project supplies	15,788.47	11,810.74
Architect fees	402.70	53.43
Consultancy fee	25.13	170.77
Travelling and conveyance	217.87	172.36
Sub-contracting fee	4,377.58	4,781.69
Legal and professional fees	362.23	1,423.91
Site office expenses	101.70	90.50
Project staff costs	823.11	1,013.36
Interest on borrowings	7,963.45	2,649.07
Project expenses	4,905.26	3,570.47
Provision for expected loss (reversed)/recognised (refer note 16)	(44.12)	(420.46)
Provision for warranties (refer note 16)	1,506.64	802.96
Miscellaneous expenses	427.79	538.80
	36,857.81	26,657.60
Less: Warranty provision of earlier years reversed	-	(16.02)
Less: Balances no longer required, written back	-	(221.00)
	36,857.81	26,420.58

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 24: Change in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Closing stock		
Finished goods	44,756.15	34,254.89
Land and construction work-in-progress	64,354.62	45,612.82
Work-in-progress	599.92	811.43
Molasses	4,953.50	2,297.01
Pressmud	108.46	80.07
Scrap	235.50	318.75
	115,008.15	83,374.97
Less :		
Opening stock		
Finished goods	34,254.89	18,256.33
Land and construction work-in-progress	45,612.82	38,042.52
Work-in-progress	811.43	307.48
Molasses	2,297.01	436.31
Pressmud	80.07	24.56
Traded goods	-	904.61
Scrap	318.75	189.71
	83,374.97	58,161.52
(Increase) / decrease		
Finished products	(10,501.26)	(15,998.56)
Land and construction work-in-progress	(18,741.80)	(7,570.31)
Work in progress	211.51	(503.95)
Molasses	(2,656.49)	(1,860.70)
Pressmud	(28.39)	(55.52)
Traded goods	-	904.61
Scrap	83.25	(129.04)
Adjustment on account of IND AS 115 (refer note below)	9,974.42	-
Adjustment for excise duty and cess on inventories	-	(1,096.42)
	(21,658.76)	(26,309.89)

Note:

Adjustment of IND AS 115 is in respect of transfer of project cost booked in statement of profit and loss till last year and financing component adjustment related to previous years. Refer note 50 for details of change in accounting policies consequent to adoption of Ind AS 115.

Note 25: Excise duty on sale of goods

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Excise duty on sale of goods	-	530.11
	-	530.11

Note 26: Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	7,282.57	5,716.86
Contribution to provident and other funds	483.43	362.32
Staff welfare expenses	102.83	188.06
	7,868.83	6,267.24

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 27: Finance costs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expenses	18,012.60	11,763.35
Financing component on advances from customers	977.89	-
Other borrowing costs	159.85	145.44
Exchange difference on foreign currency term loan regarded as adjustment to borrowing costs	416.46	94.59
	19,566.80	12,003.38
Less : Transfer to project expenses	7,963.45	2,649.07
Less : Amounts capitalised towards qualifying assets (refer note (ii) below)	284.86	139.46
	11,318.49	9,214.85

Notes:

- The capitalisation rate used to determine the amount of borrowings costs to be capitalised is weighted average interest rate applicable to the entity's general borrowings during the year, in this case 11.58% p.a.(12.03% p.a.).
- Capitalisation of the borrowing costs is not required to be suspended when substantial technical and administrative work is carried out or when there is a temporary delay which is a necessary part of the process of getting an asset ready for sale. The management of one of the subsidiary is of the view that the slow progress of various real estate projects are temporary in nature considering the nature of industry and the economic conditions prevailing in the industry. Accordingly, capitalisation (transfer to inventory) of interest cost is not suspended during the current year.

Note 28: Depreciation and amortization expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	2,023.99	1,960.97
Amortisation of intangible assets	54.38	50.38
Depreciation on investment property	29.39	3.63
	2,107.76	2,014.98
Less: transferred to project expenses	(15.48)	(16.04)
	2,092.28	1,998.94

Note 29: Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Consumption of stores and spares	581.28	682.74
Consumption of packing materials	500.63	389.36
Cane subsidies and other receivables written off	1,556.94	204.59
Service charges for export obligations (refer note 5C(iv))	1,445.44	-
Job work charges	-	475.87
Power, fuel and water	216.46	174.17
Outward freight and handling	711.94	584.72
Rent	744.35	590.48
Rates and taxes	265.44	274.55
Insurance	156.62	118.45
Repairs and maintenance		
Building	92.13	47.08
Machinery	1,240.75	773.46
Others	269.38	409.16
Payment to auditors	112.23	96.81
Consultancy charges	841.03	663.08
Impairment of doubtful debts and advances	240.74	886.42
Loss on account of foreign exchange rate fluctuation	183.75	28.48
Commission on sales	389.60	86.88
Business promotion expenses	10.83	522.03
Advertisement	142.59	127.09

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Donation	25.00	21.61
Communication	96.77	128.52
Travelling and conveyance	225.21	221.90
Fair value losses on derivatives not designated as hedges	213.46	-
Management fee	158.68	-
Loss on sale of property, plant and equipment (net)	2.89	5.34
Molasses storage and maintenance reserve	2.51	2.69
Consignment charges	7.00	149.91
Miscellaneous expenses	984.81	666.85
	11,418.46	8,332.26

Note 30: Components of other comprehensive income attributable to equity shareholders

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

For the year ended 31 March 2019

Particulars	FVTOCI Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
A Items that will be reclassified to profit or loss				
Share of (loss)/ profit in associates and joint venture	-	234.87	-	234.87
Foreign currency translation reserve	-	(55.80)	-	(55.80)
Income tax effect on above	-	(47.81)	-	(47.81)
B Items that will not be reclassified to profit or loss				
Share of profit in associates	(2,605.44)	-	(76.62)	(2,682.06)
Re-measurement gains/ (losses) on defined benefit plans	-	-	61.56	61.56
Net gain on FVTOCI equity securities	(6,255.15)	-	-	(6,255.15)
Income tax effect on above	522.71	-	-	522.71
Non controlling interest	-	-	5.21	5.21
	(8,337.88)	131.26	(9.85)	(8,216.47)

For the year ended 31 March 2018

Particulars	FVTOCI Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
A Items that will be reclassified to profit or loss				
Share of (loss)/ profit in associates and joint venture	0.89	(31.88)	-	(30.99)
Foreign currency translation reserve	-	(3.79)	-	(3.79)
B Items that will not be reclassified to profit or loss				
Share of profit in associates	189.92	-	41.20	231.12
Re-measurement gains/ (losses) on defined benefit plans	-	-	(214.42)	(214.42)
Net gain on FVTOCI equity securities	51,981.60	-	-	51,981.60
Income tax effect on above	-	-	33.03	33.03
Non controlling interest	-	-	275.77	275.77
	52,172.41	(35.67)	135.58	52,272.32

Note 31: Earnings per share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Holding 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	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) after taxation as per statement of Profit and Loss (INR in lakhs)	(9,063.97)	(3,104.42)
Weighted average number of shares used in computing earnings per share -Basic and Diluted	29,440,604	29,440,604
Earnings per share - Basic and diluted (in INR) (annualised)	(30.79)	(10.54)
Face value per share (in INR)	10.00	10.00

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 32: Distributions made and proposed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividends on equity shares paid:		
Equity dividends: INR 1 per equity share (31 March 2018: INR 1 per equity share)	294.41	298.08
Dividend distribution tax on above	60.52	59.93
	354.93	358.01
Proposed dividends on equity shares:		
Proposed final equity dividends: INR 1 per equity share (31 March 2018: INR 1 per equity share)	294.41	294.41
Tax on proposed equity dividend	60.52	59.93
	354.93	354.34

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2019.

Note 33: Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

2) 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 financial assets.

3) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

4) Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the Management assesses the expected credit losses on outstanding receivables and advances.

5) 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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

1) Revenue and inventories

The Group recognizes revenue from engineering, procurement and construction business using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Group used the available contractual and historical information.

The Group estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future demand or other market-driven changes that may reduce future selling prices.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

2) Useful life of property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date.

3) Valuation of investment property

Investment property is stated at cost. However, as per Ind AS 40, there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

4) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

5) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

6) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7) Warranty provisions

The Group generally offers 12 months to 24 months warranties for its EPC projects. Management estimated that related provision for future warranty claims based on the historical warranty claims information, as well as recent data available that might suggest that past cost may differ from future claims. The assumptions made in relation to current year are consistent with those in the previous year. Factors that could impact the estimated claim information includes the success of the Group's productivity and quality services delivered.

Note 34: Disclosure of Interest in subsidiaries, joint arrangements and associates:

The Group's subsidiaries, Joint ventures and associates at 31 March 2019 are set out below. Unless stated otherwise, they have share capital consisting solely for equity shares that are held directly by the Group, and the proportion of ownership interests held equal the voting rights held by the Group. The Country of incorporation or registration is also their principal place of business.

1) Disclosure of Interest in the following categories of Joint Arrangements:

(a) Joint ventures:

Name of the Company	Country of incorporation / principal place of business	Proportion of ownership interest (%)	
		As on 31 March 2019	As on 31 March 2018
1 Zuari Indian Oiltanking Private Limited	India	50.00%	50.00%
2 Forte Furniture Products India Private Limited*	India	48.98%	0.00%

*The Group has 50.00% of interest in the Forte Furniture Products India Limited, out of which 48.98% held by the Holding Company and remaining 1.02% held by the Indian Furniture Products Limited (Subsidiary of the Holding Company).

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

2) Disclosure of interest in the following subsidiaries:

Name of the Company	Country of incorporation / principal place of business	Proportion of ownership interest (%)	
		As on 31 March 2019	As on 31 March 2018
1 Indian Furniture Products Limited (IFPL) consolidated including its joint ventures (refer note (i) below)	India	86.05%	86.05%
2 Simon India Limited (refer note (ii) below)	India	100.00%	100.00%
3 Zuari Management Services Limited	India	100.00%	100.00%
4 Zuari Infracore India Limited (ZIIL) consolidated including its subsidiaries and joint ventures (refer note (iii) below)	India	100.00%	100.00%
5 Zuari Investments Limited consolidated including its subsidiaries and associates (refer note (iv) below)	India	100.00%	100.00%
6 Zuari Sugar & Power Limited	India	100.00%	100.00%
7 Zuari Finserv Limited (formerly known as Zuari Finserv Private Limited) (refer note (v) below)	India	100.00%	100.00%

3) Disclosure of interest in the following associates:

Name of the Company	Country of incorporation / principal place of business	Proportion of ownership interest (%)	
		As on 31 March 2019	As on 31 March 2018
Zuari Agro Chemicals Limited (including subsidiaries and Joint Ventures) (refer note (vi) below)	India	32.08%	32.08%

- i) Consolidated including its joint ventures - Soundaryaa IFPL Interiors Limited 50% (31 March 2018: 50%) and Forte Furniture Products India Private Limited 1.02% (31 March 2018: 50%).
- ii) The subsidiary company had 49% interest in the assets, liabilities, expenses and output of the Simon Engineering & Partners LLC, incorporated in Sultanate of Oman (JV Company), which is involved in Engineering, Construction and Procurement Services. However, the subsidiary company's interest in Simon Engineering & Partners LLC had been reduced to 29% unilaterally in the year ended 31 December 2010. The Subsidiary Company is of opinion that they did not have any control on the functioning of the JV Company, the change in shareholding pattern came to light when the termination agreement was in discussion. Hence, JV Company has not been consolidated as required under Ind AS 28- Investment in Joint Venture and Associate as specified under Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015, as amended. However, the subsidiary company had created a provision for diminution in the value of investment in the share capital of the JV company of INR 10.45 lakhs and provision against amount receivable of INR 21.69 lakhs (31 March 2018: INR 19.89 lakhs) from JV company against the invoices raised by the subsidiary company in the financial statements.
- iii) Consolidated including its subsidiary and joint ventures -
- a) Following subsidiary has been consolidated on line by line basis:

Name of the company	Country of Incorporation / Principal place of business	Proportion of Ownership Interest (%)	
		As on 31 March 2019	As on 31 March 2018
Zuari Infra Middle East Limited (based on consolidated financial statement of its subsidiary) (Refer note (b) below)	UAE	100.00%	100.00%

- b) The information relating to the subsidiary of Zuari Infra Middle East Limited is given below :

Name of the company	Country of Incorporation / Principal place of business	Proportion of Ownership Interest (%)	
		As on 31 March 2019	As on 31 March 2018
Zuari Infracore SJM Elysium Properties LLC (formerly known as SJM Elysium Properties LLC) (refer note below)	UAE	100.00%	100.00%

Note: Shareholding of Zuari Infracore SJM Elysium Properties LLC includes 51% held by a nominee shareholder as per the Shareholders Agreement dated 18 August 2014 effective from 21 December 2015 (on finalization of project structuring). As per this agreement, the Group has complete management. Hence, this company has been considered as a subsidiary with 100% interest and accordingly consolidated.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

c) Following associates have been consolidated on the basis of equity method:

Name of the company	Country of Incorporation / Principal place of business	Proportion of Ownership Interest (%)	
		As on 31 March 2019	As on 31 March 2018
Braj Bhumi Nirmaan Private Limited (based on consolidated financial statements of its subsidiaries) (refer note (d) below)	India	25.00%	25.00%
Pranati Niketan Private Limited	India	25.00%	25.00%
Darshan Nirmaan Private Limited	India	25.00%	25.00%

d) The information relating to the subsidiaries of Braj bhumi Nirmaan Private Limited are given below:

Name of the company	Country of Incorporation / Principal place of business	Proportion of Ownership Interest (%)	
		As on 31 March 2019	As on 31 March 2018
Rosewood Agencies Private Limited	India	100.00%	100.00%
Neobeam Agents Private Limited	India	100.00%	100.00%
Mayapur Commercial Private Limited	India	100.00%	100.00%
Nexus Vintrade Private Limited	India	100.00%	100.00%
Bahubali Tradecomm Private Limited	India	100.00%	100.00%
Hopeful Sales Private Limited	India	100.00%	100.00%
Divine Realdev Private Limited	India	100.00%	100.00%
Kushal Infraproperty Private Limited	India	100.00%	100.00%
Beatle Agencies Private Limited	India	100.00%	100.00%
Suhana Properties Private Limited	India	100.00%	100.00%
Saket Mansions Private Limited	India	100.00%	100.00%

iv) The information relating to the subsidiaries and associates of Zuari Investments Limited

Name of the company	Country of Incorporation / Principal place of business	Proportion of Ownership Interest (%)	
		As on 31 March 2019	As on 31 March 2018
Subsidiaries			
Gobind Sugar Mills Limited*	India	65.14%	51.27%
Associate			
New Eros Tradecom Limited	India	45.05%	45.05%

*Proportion of ownership interest in GSML is computed by considering investment in Compulsorily Convertible Preference Shares (CCPS) and equity share capital.

v) The information relating to the subsidiaries of Zuari Finserv Private Limited

Name of the subsidiaries company	Country of Incorporation / Principal place of business	Proportion of Ownership Interest (%)	
		As on 31 March 2019	As on 31 March 2018
Zuari Commodity Trading Limited	India	100.00%	100.00%
Zuari Insurance Brokers Limited	India	100.00%	100.00%

vi) The information relating to the subsidiaries and joint ventures of Zuari Agro Chemicals Limited

Name of the company	Country of Incorporation / Principal place of business	Proportion of Ownership Interest (%)	
		As on 31 March 2019	As on 31 March 2018
Subsidiaries Companies			
Managlore Chemicals and Fertilizers Limited	India	53.03%	53.03%
Adventz Trading DMCC	United Arab Emirates	100.00%	0.00%
Joint ventures			
Zuari Maroc Phosphates Private Limited (including its 80.45% subsidiary-Paradeep Phosphates Limited ('PPL') and Zuari Yoma Agri Solutions, an associate of PPL)	India	50.00%	50.00%
MCA Phosphates Pte Limited (including its associate Fosfatos del Pacifico S.A.)	Singapore	30.00%	30.00%

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 35: Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below :

Proportion of equity interest held by non-controlling interests

Name	Country of incorporation and operation	31 March 2019	31 March 2018
Indian Furniture Products Limited (IFPL)	India	13.95%	13.95%
Gobind Sugar Mills Limited (GSML)	India	34.86%	48.73%

Information regarding non-controlling interests

Name	31 March 2019	31 March 2018
Accumulated balances of material non-controlling interests	(304.73)	1,098.77
Indian Furniture Products Limited (IFPL)	198.89	592.51
Gobind Sugar Mills Limited (GSML)**	(503.62)	506.26
Loss allocated to material non-controlling interests	(1,928.61)	(1,278.33)
Indian Furniture Products Limited (IFPL)	(393.62)	(206.46)
Gobind Sugar Mills Limited (GSML)	(1,534.99)	(1,071.87)
Adjustment in non-controlling through other equity pursuant to acquisition of shares		
Gobind Sugar Mills Limited (GSML)***	525.11	-

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter company eliminations.

Summarised statement of profit and loss of Indian Furnitures Product Limited

Particulars	31 March 2019	31 March 2018
Revenue	1,750.04	4,378.40
Other income	869.71	1,541.12
	2,619.75	5,919.52
Cost of materials consumed	(64.16)	(808.19)
Purchases of stock in trade	(1,536.82)	(851.72)
Changes in inventories of finished goods, stock-in-trade and work in progress	(607.85)	(1,050.57)
Excise duty on sale of goods	-	(186.84)
Employee benefits expense	(83.02)	(70.05)
Finance costs	(1,227.04)	(1,209.27)
Depreciation and amortization expense	(136.46)	(171.74)
Other expenses	(971.49)	(1,875.29)
	(4,626.84)	(6,223.67)
Profit/(loss) before share of profit/(loss) of joint ventures and tax	(2,007.09)	(304.15)
Share of profit/(loss) of joint ventures	(791.03)	(1,177.90)
Profit/(loss) before tax	(2,798.12)	(1,482.05)
Income tax (expense)/credit	2.09	2.07
Profit/(loss) for the year	(2,796.03)	(1,479.98)
Other comprehensive income	(25.59)	-
Total comprehensive income	(2,821.62)	(1,479.98)
Attributable to non-controlling interests	(393.62)	(206.46)

Summarised balance sheet of Indian Furnitures Product Limited

Particulars	31 March 2019	31 March 2018
Non-current assets	14,223.83	16,534.06
Current assets	2,384.48	3,984.54
Non-current liabilities	(8,978.41)	(9,971.43)
Current liabilities	(5,432.46)	(5,528.10)
	2,197.44	5,019.07
Less: deemed equity share capital	(771.69)	(771.69)
Total Equity	1,425.75	4,247.37
Attributable to		
Equity holders of Holding Company	1,226.86	3,654.86
Non controlling interest	198.89	592.51

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Summarised cash flow of Indian Furnitures Product Limited

Particulars	31 March 2019	31 March 2018
Cash flow from operating activities	131.61	483.54
Cash flow from Investing activities	1,801.60	(830.69)
Cash flow from financing activities	(1,938.45)	353.07
Net increase / (decrease) in cash and cash equivalent	(5.24)	5.93

Summarised statement of profit and loss of Gobind Sugar Mills Limited

Particulars	31 March 2019	31 March 2018
Revenue	46,384.92	29,432.87
Other income	5,280.16	2,516.83
	51,665.08	31,949.70
Cost of materials consumed	(43,215.11)	(41,872.06)
Changes in inventories of finished goods, stock-in-trade and work in progress	7,395.58	20,910.29
Excise duty on sale of goods	-	(343.27)
Employee benefits expense	(2,403.48)	(1,997.40)
Finance costs	(6,945.91)	(6,179.43)
Depreciation and amortization expense	(1,800.40)	(1,697.97)
Other expenses	(7,323.93)	(3,225.36)
	(54,293.25)	(34,405.20)
Profit/(loss) before exceptional items and tax	(2,628.17)	(2,455.50)
Exceptional item	-	-
	(2,628.17)	(2,455.50)
Profit/(loss) before tax	(2,628.17)	(2,455.50)
Income tax (expense)/credit	(954.30)	398.14
Profit for the year	(3,582.47)	(2,057.36)
Other comprehensive income	23.53	(142.24)
Total comprehensive income	(3,558.94)	(2,199.60)
Attributable to non-controlling interests	(1,534.99)	(1,071.87)

Summarised balance sheet of Gobind Sugar Mills Limited

Particulars	31 March 2019	31 March 2018
Non-current assets	54,877.49	49,373.15
Current assets	56,756.90	45,470.72
Non-current liabilities {including financial liabilities INR 45,046.19 lakhs (31 March 2018: INR 30,727.74 lakhs)}	(50,996.25)	(35,736.28)
Current liabilities {including financial liabilities INR 49,423.47 lakhs (31 March 2018: INR 56,805.40 lakhs)}	(62,590.29)	(58,776.35)
	(1,952.15)	331.24
Less: deemed equity share capital	(7,821.00)	(7,821.00)
Total equity	(9,773.15)	(7,489.76)
Attributable to		
Equity holders of Holding Company	(6,366.09)	(3,840.01)
Non controlling interest**	(3,407.06)	(3,649.77)

Summarised cash flow of Gobind Sugar Mills Limited

Particulars	31 March 2019	31 March 2018
Cash flow from operating activities	(1,369.49)	(5,806.86)
Cash flow from Investing activities	(9,112.08)	(3,498.54)
Cash flow from financing activities	10,565.66	9,329.08
Net increase / (decrease) in cash and cash equivalent	84.09	23.68

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

**Profit or loss and each component of other comprehensive income (OCI) are attributable to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having deficit balance. However, using the exemption provided by Ind AS 101, the minority has been restricted to zero on the transition date i.e. 01 April 2015 and the accumulated losses attributable to minorities in excess of their equity on the transition date, in the absence of the contractual obligation on the minorities, the same has been accounted for by the Holding Company.

***The Group had 51.27% of stake in Gobind Sugar Mills Limited ('GSML') till 31 March 2018. During the year, on 14 November 2018, the Group had subsequently acquired 530,917 number equity shares which is 6.93% of the total equity share capital. Further, during the year on 14 November 2018, the Group had also acquired 742,130 Compulsorily Convertible Preference Shares (CCPS) of the GSML which leads to increase in the total controlling interest of the Group in GSML from 51.27% in earlier year to 65.14%. The Group had adjusted the non-controlling interest by INR 525.11 lakhs pursuant to this acquisition.

Note 36: Investments accounted for using the equity method

Particulars	31 March 2019			31 March 2018		
	Carrying amount of investment	Share of profit/(loss)	Share of OCI*	Carrying amount of investment	Share of profit/(loss)	Share of OCI
Interest in joint venture (refer note 36A)						
a) Zuari Indian Oiltanking Private Limited	1,786.29	38.60	(0.07)	1,747.76	67.61	0.10
b) Soundaryaa IFPL Interiors Limited	47.38	(2.91)	-	50.29	11.66	-
c) Forte Furniture Products India Private Limited	-	(943.98)	(25.59)	-	(1,037.29)	-
Interest in associates (refer note 37)						
a) Zuari Agro Chemicals Limited**	40,739.66	(6,541.25)	(739.39)	48,020.26	4,611.90	(430.28)
b) New Eros Tradecom Limited	2,688.20	8.70	(1,682.14)	4,361.75	14.73	630.31
c) Darshan Nirmaan Private Limited	-	-	-	-	(0.11)	-
d) Pranati Nirmaan Private Limited	-	(0.02)	-	0.02	(0.05)	-
e) Brajbhumi Nirmaan Private Limited	2,286.59	(21.14)	-	2,307.76	(4.23)	-
	47,548.12	(7,462.00)	(2,447.19)	56,487.83	3,664.22	200.13

*Share of OCI

A Items that will be reclassified to profit or loss	234.87	(30.99)
B Items that will not be reclassified to profit or loss	(2,682.06)	231.12

**Fair market value of Zuari Agro Chemicals Limited as on 31 March 2019 INR 25,058.62 lakhs (31 March 2018: INR 65,024.30 lakhs).

Note 36A: Interest in joint venture

The Group's interest in joint venture is accounted for using the equity method in the consolidated financial statements.

i. Financial information of joint ventures is provided below:

Proportion of equity interest held in joint venture:

Name of the Company	Country of Incorporation and operation	31 March 2019	31 March 2018
a) Zuari Indian Oiltanking Private Limited	India	50.00%	50.00%
b) Soundaryaa IFPL Interiors Limited	India	50.00%	50.00%
c) Forte Furniture Products India Private Limited	India	50.00%	50.00%

Information regarding joint ventures

Name of the Company	31 March 2019	31 March 2018
Carrying amount of investment		
Zuari Indian Oiltanking Private Limited	1,786.29	1,747.76
Soundaryaa IFPL Interiors Limited	47.38	50.29
	1,833.67	1,798.05
Share of profit/(loss) of joint ventures		
Zuari Indian Oiltanking Limited	38.60	67.61
Soundaryaa IFPL Interiors Limited	(2.91)	11.66
Forte Furniture Products India Private Limited	(943.98)	(1,037.29)
	(908.29)	(958.02)
Share of other comprehensive income of joint ventures		
Zuari Indian Oiltanking Limited	(0.07)	0.10
Forte Furniture Products India Private Limited	(25.59)	-
	(25.66)	0.10

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Summarised financial information of the joint ventures, based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(A) ZUARI INDIAN OILTANKING LIMITED

Summarised balance sheet

Particulars	31 March 2019	31 March 2018
Current assets, including cash and cash equivalents INR 331.55 lakhs (31 March 2018: INR 15.84 lakhs)	2,269.42	2,033.66
Non-current assets	3,053.08	3,139.04
Current liabilities including financial liability INR 1,279.90 lakhs (31 March 2018: INR 1,197.27 lakhs)	(1,325.36)	(1,229.55)
Non-current liabilities, including deferred tax INR 424.56 lakhs (31 March 2018: INR 447.63 lakhs)	(424.56)	(447.63)
Equity	3,572.58	3,495.52
Carrying amount of the investment	1,786.29	1,747.76

Summarised statement of profit and loss

Particulars	31 March 2019	31 March 2018
Revenue	1,528.74	1,546.28
Other income (including interest income INR 105.81 lakhs (31 March 2018: INR 97.14 lakhs))	106.35	102.13
	1,635.09	1,648.41
Employee benefits expense	(200.81)	(200.35)
Finance costs (including interest expenses of INR 0.28 lakhs (31 March 2018: INR 3.80 lakhs))	(0.28)	(7.66)
Depreciation and amortization expense	(279.28)	(282.07)
Other expenses	(1,047.85)	(963.43)
	(1,528.23)	(1,453.51)
Profit/(loss) before exceptional items and tax	106.86	194.89
Exceptional items	-	12.26
Profit/(loss) before tax	106.86	207.16
Income tax (expense)/credit	(29.66)	(61.78)
Profit/(loss) for the year	77.19	145.38
Other comprehensive income	(0.14)	0.19
Total comprehensive income	77.05	145.57
Group's share of profit/(loss) for the year before dividend distribution tax ('DDT')	38.60	72.69
Less: Adjustment of DDT (being proportionate share of Zuari Group)	-	5.09
Group's share of profit/(loss) for the year after DDT	38.60	67.60
Group's share of other comprehensive income for the year	(0.07)	0.10

(B) SOUNDARYAA IFPL INTERIORS LIMITED

Summarised balance sheet

Particulars	31 March 2019	31 March 2018
Current assets, including cash and cash equivalents INR 0.11 lakhs (March 31 2018: INR 25.78 lakhs)	115.14	230.26
Non-current assets	27.67	45.97
Current liabilities including financial liability INR 45.28 lakhs (31 March 2018: INR 157.62 lakhs)	(48.06)	(175.65)
Non-current liabilities, including deferred tax Nil lakhs (31 March 2018: Nil lakhs)	-	-
Equity	94.75	100.58
Carrying amount of the investment	47.38	50.29

Summarised statement of profit and loss

Particulars	31 March 2019	31 March 2018
Revenue	-	695.29
Interest income	15.13	0.31
	15.13	695.60
Cost of materials consumed	(0.02)	(27.03)
Change in inventories of finished goods, stock in trade and work in progress	(9.38)	(496.97)
Direct operating expenses	(3.71)	(73.08)
Employee benefit expenses	-	(1.70)
Depreciation and amortization expenses	(0.36)	(1.98)
Other expenses	(7.49)	(66.16)
	(20.96)	(666.92)

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Particulars	31 March 2019	31 March 2018
Profit/(Loss) before exceptional items and tax	(5.83)	28.68
Exceptional items	-	-
Profit/(loss) before tax	(5.83)	28.68
Income tax (expense)/credit	0.01	(5.35)
Profit/(loss) for the year	(5.82)	23.33
Other comprehensive income	-	-
Total comprehensive income	(5.82)	23.33
Group's share of profit/(loss) for the year	(2.91)	11.66

(C) FORTE FURNITURE PRODUCTS INDIA PRIVATE LIMITED

Summarised balance sheet

Particulars	31 March 2019	31 March 2018
Current assets, including cash and cash equivalents INR 81.98 lakhs (31 March 2018: INR 181.78 lakhs)	5,177.20	4,580.92
Non-current assets	441.48	385.25
Current liabilities {including financial liabilities of INR 5,762.20 lakhs (31 March 2018: INR 3,687.78 lakhs)}	(5,930.12)	(3,948.01)
Non-current liabilities	(1,627.69)	(1,324.09)
Equity	(1,939.13)	(305.93)
Carrying amount of the investment	(969.56)	(152.96)

Summarised statement of profit and loss

Particulars	31 March 2019	31 March 2018
Revenue	8,736.72	5,082.22
Interest income	204.67	35.14
	8,941.39	5,117.37
Cost of raw materials and components consumed	(3,037.74)	(1,958.24)
Purchase of traded goods	(1,277.44)	(2,187.97)
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	(94.58)	1,745.79
Excise duty on goods	-	(50.10)
Employee benefits expense	(1,823.60)	(1,765.45)
Finance costs {including interest expense of INR 313.77 lakhs (31 March 2018: INR 106.46 lakhs)}	(400.58)	(225.16)
Depreciation and amortization expense	(23.61)	(1.12)
Other expenses	(3,834.26)	(3,055.60)
	(10,491.81)	(7,497.84)
Profit/(loss) before tax	(1,550.42)	(2,380.48)
Income tax (expense)/credit	-	-
Profit/(loss) for the year	(1,550.42)	(2,380.48)
Other comprehensive income	(51.18)	-
Total comprehensive income	(1,601.60)	(2,380.48)
Group's share of loss for the year	(775.21)	(1,190.24)
Group's share of loss restricted till last year adjusted in current year	(168.77)	-
Group's share of other comprehensive income for the year	(25.59)	-

Note

Per para 38 of Ind AS 28, 'Investment in Associate and Joint Ventures', if an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. The Group has investment aggregating of INR 1,400.05 lakhs i.e. 50% in the Forte Furniture Products India Private Limited which is concluded as Joint Venture ('JV') of the Group. In last year, the Group has restricted losses upto the carrying value of Investment in JV and remaining unadjusted loss was of INR 168.7 lakhs. In current year, the Group's share of loss in JV aggregating to INR 969.57 lakhs (included unadjusted losses of last year) has been adjusted with the outstanding long-term loans of INR 1,250.00 lakhs to the JV which is given in order to cover working capital requirement i.e. concluded as long-term interest which form part of the Group's net investment in the JV.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

ii. Contingent liabilities and commitment of joint ventures*

Particulars	31 March 2019	31 March 2018
Contingent liabilities not provided for:		
a) Bank guarantee given by the companies**	7.62	7.62
b) Claim against the company not acknowledged as debts as the company has filed counter claim of INR 74.02 lakhs (being the proportionate share of Zuari Group) against the supplier	33.52	33.52
c) Demand/audit objections raised by central excise department but disputed by Company	4.21	4.21
d) Estimated amount of contracts remaining to be executed on capital account not provided for	1.47	33.12

*Being share of Zuari Group in the joint venture companies.

** Bank guarantee of INR 7.62 lakhs (31 March 2018: INR 7.62 lakhs) are secured by pledge of fixed deposits receipts of INR 7.00 lakhs (31 March 2018: INR 7.00 lakhs) with the bank as security

Note 37: Interest in associates

The Group's interest in associate is accounted for using the equity method in the consolidated financial statements.

i. **Financial information of associates is provided below:**

Proportion of equity interest held in associates

Name	Country of incorporation and operation	As at 31 March 2019	As at 31 March 2018
a) Zuari Agro Chemicals Limited	India	32.08%	32.08%
b) New Eros Tradecom Limited	India	45.05%	45.05%
c) Darshan Nirmaan Private Limited	India	25.00%	25.00%
d) Pranati Nirmaan Private Limited	India	25.00%	25.00%
e) Brajbhumi Nirmaan Private Limited	India	25.00%	25.00%

Information regarding associates

Particulars	31 March 2019	31 March 2018
Carrying amount of investments		
Zuari Agro Chemicals Limited#	40,739.66	48,020.25
New Eros Tradecom Limited	2,688.20	4,361.75
Darshan Nirmaan Private Limited**	-	-
Pranati Nirmaan Private Limited**	-	0.02
Brajbhumi Nirmaan Private Limited	2,286.59	2,307.76
	45,714.46	54,689.78
#Fair market value of Zuari Agro Chemicals Limited as on 31 March 2019 INR 25,058.62 lakhs (31 March 2018: INR 65,024.30 lakhs).		
Share of profit/(loss) of an associate		
Zuari Agro Chemicals Limited	(6,541.25)	4,611.90
New Eros Tradecom Limited	8.70	14.73
Darshan Nirmaan Private Limited**	-	(0.11)
Pranati Nirmaan Private Limited**	(0.02)	(0.05)
Brajbhumi Nirmaan Private Limited	(21.14)	(4.23)
	(6,553.72)	4,622.25
Share of other comprehensive income of an associate		
Zuari Agro Chemicals Limited	(739.39)	(430.28)
New Eros Tradecom Limited	(1,682.14)	630.31
	(2,421.53)	200.03

****As per Para 38 of Ind AS 28 Investment in Associate and Joint Ventures:**

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Summarised financial information of the material associates, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(A) ZUARI AGRO CHEMICALS LIMITED

Summarised balance sheet

Particulars	31 March 2019	31 March 2018
Current assets, including cash and cash equivalents INR 4,989.04 lakhs (31 March 2018: INR 14,738.96 lakhs)	623,137.55	519,648.02
Non-current assets, including deferred tax INR 8,895.14 lakhs (31 March 2018: INR 9,208.20 lakhs)	317,741.95	312,162.86
Current liabilities, including financial liabilities INR 661,203.24 lakhs (31 March 2018: INR 568,169.17 lakhs)	(682,938.21)	(589,626.34)
Non-current liabilities, including deferred tax INR 1,755.37 lakhs (31 March 2018: INR 1,337.85 lakhs), including financial liabilities INR 87,452.43 lakhs (31 March 2018: INR 52,571.03 lakhs)	(90,991.95)	(55,548.16)
Non controlling interest	(39,955.91)	(39,002.91)
Equity	126,993.43	147,633.47
Carrying amount of the investment	40,739.66	48,020.25

Summarised statement of profit and loss

Particulars	31 March 2019	31 March 2018
Revenue	810,290.01	727,085.57
Other income (including interest income INR 2,977.83 (31 March 2018: INR 6,356.18 lakhs))	4,552.00	8,713.76
	814,842.01	735,799.33
Cost of materials consumed	(440,176.48)	(347,515.58)
Purchases of stock in trade	(220,847.16)	(205,746.24)
Changes in inventories of finished goods, stock-in-trade and work in progress	56,406.46	34,569.94
Excise duty on sale of goods	-	(608.17)
Employee benefits expense	(17,561.63)	(16,310.49)
Finance costs	(48,789.81)	(40,358.35)
Depreciation and amortization expense	(8,745.93)	(8,252.77)
Other expenses	(156,648.73)	(137,963.05)
	(836,363.28)	(722,184.71)
Profit/(loss) before share of profit/(loss) of a joint venture, exceptional items and tax	(21,521.27)	13,614.62
Share of profit/(loss) of joint ventures	5,534.66	5,848.78
Profit/(loss) before exceptional items and tax	(15,986.61)	19,463.40
Exceptional items	1,161.76	(2,555.29)
Profit/(loss) before tax	(14,824.85)	16,908.11
Income tax (expense)/credit	(688.99)	-
NCI	(1,544.49)	(2,325.66)
Profit/(loss) for the year	(17,058.33)	14,582.55
Other comprehensive income	(2,340.31)	-
NCI	35.49	(1,341.28)
Total comprehensive income /(loss)	(19,363.15)	13,241.27
Group's share of profit/(loss) for the year before dividend distribution tax ('DDT')	(5,472.31)	4,678.08
Less: Adjustment of DDT (being proportionate share of Zuari Group)	36.98	66.18
Less: Adjustment in relation to non-controlling interests	1,031.96	-
Group's share of profit/(loss) for the year after DDT	(6,541.25)	4,611.90
Group's share of other comprehensive income for the year	(739.39)	(430.28)

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

(B) NEW EROS TRADECOM LIMITED

Summarised balance sheet

Particulars	31 March 2019	31 March 2018
Current assets including cash and cash equivalents INR 55.50 lakhs (31 March 2018: INR 38.24 lakhs)	147.58	121.56
Non-current assets	4,893.13	9,379.68
Current liabilities	(7.61)	(3.96)
Deferred tax liabilities	-	-
Equity	5,033.10	9,497.28
Carrying amount of the investment	2,267.41	4,278.50
Goodwill	661.40	661.40
Carrying amount of the investment before reversal of fair value	2,928.81	4,939.90
Less: fair valuation of shares of Holding Company reversed	(240.61)	(578.15)
Carrying amount of the investment	2,688.20	4,361.75

Summarised statement of profit and loss

Particulars	31 March 2019	31 March 2018
Other income (including interest income: Nil (31 March 2018: Nil))	31.24	38.01
	31.24	38.01
Other expenses	(11.89)	(8.94)
	(11.89)	(8.94)
Profit before tax	19.35	29.07
Income tax expense	-	3.63
Profit/(loss) for the year	19.35	32.70
Other comprehensive income	(4,483.52)	1,919.76
Total comprehensive income	(4,464.17)	1,952.46
Group's share of profit/(loss) for the year	8.70	14.73
Group's share of other comprehensive income for the year	(2,019.83)	864.85
Adjustment for fair valuation of shares of Holding Company reversed	337.69	(234.54)
Net Group's share of other comprehensive income for the year	(1,682.14)	630.31

(C) BRAJBHUMI NIRMAAN PRIVATE LIMITED

Summarised balance sheet

Particulars	31 March 2019	31 March 2018
Current assets including cash and cash equivalents INR 58.83 lakhs (31 March 2018: INR 34.76 lakhs)	16,814.89	15,736.82
Non-current assets including deferred tax INR 3.54 lakhs (31 March 2018: INR 3.13 lakhs)	47.58	51.13
Current liabilities including financial liabilities INR 9,659.67 lakhs (31 March 2018: INR 8,750.73 lakhs)	(11,050.31)	(10,172.67)
Non-current financial liabilities	(2,530.00)	(2,250.28)
Less: Deemed equity	(421.54)	(421.54)
Less: Minority Interest	(1.82)	-
Equity	2,858.80	2,943.46
Proportion of the Group's ownership	714.70	735.87
Goodwill	1,599.01	1,599.01
Adjustments for unrealised profits	(27.12)	(27.12)
Carrying amount of the investment**	2,286.59	2,307.76

Summarised statement of profit and loss

Particulars	31 March 2019	31 March 2018
Revenue	115.98	65.84
Other income	0.21	1.59
	116.19	67.43
Purchase of stock in trade	(1,675.10)	(1,411.19)
Change in inventories of finished goods, work in progress and stock in trade)	1,512.46	1,346.54
Employee benefits expense	(0.45)	(0.80)
Finance Cost	(20.47)	(3.51)
Depreciation and amortization expense	(2.14)	(2.22)
Other expenses	(10.98)	(12.30)
	196.68	83.48

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Particulars	31 March 2019	31 March 2018
Profit/(loss) before tax	(80.49)	(16.05)
Income tax (expense)/credit	(0.57)	(0.89)
Non Controlling Interest	0.13	-
Profit for the year	(80.93)	(16.94)
Other comprehensive income	-	-
Total comprehensive income	(80.93)	(16.94)
Group's share of profit/(loss) for the year	(21.14)	(4.23)

Note:

As per Ind AS 112 'Disclosure of Interests in Other Entities', the Holding Company is required to disclose the summarised financial information of associates which are material to the Holding Company. Accordingly, the Holding Company has not shown the summarised financial information of Darshan Nirmaan Private Limited and Pranati Nirmaan Private Limited, as not considered material.

(ii) Contingent liabilities and commitment of Associates*

Particulars	31 March 2019	31 March 2018
Contingent liabilities not provided for:		
Demand/claims from government authorities [^]	7,255.80	8,013.46
Other claims against the company not acknowledge as debts	1,573.64	1,551.53
Aggregate amount of guarantees issued by the banks to various government authorities and others**	1,713.59	3,814.07
Commitments		
Estimated amount of contracts remaining to be executed on capital account (not provided for)	8,202.00	2,346.85

* Being share of Zuari Group in the associate companies

** In respect of ZACL, bank guarantees of INR 2,411.55 lakhs (31 March 2018: INR 7,902.33 lakhs) [ZGL's share INR 2,411.55 lakhs (31 March 2018: INR 2,535.07 lakhs)] are secured by a charge created by way of hypothecation on the current assets, both present and future, wherever situated pertaining to ZACL and its present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets.

[^] In respect of subsidiary company, the income tax matters under appeal include certain deductions claimed by subsidiary for financial years 2012-13 and 2013-14 which have resulted in tax losses, on which deferred tax assets have been recognized and utilized against taxable profits of following years, which have been disallowed by the income tax authorities and the differential tax liability (deferred tax/regular tax) that may arise is estimated to be INR 3,315.00 lakhs (ZGL's share INR 1063.45 lakhs) and interest thereon. The subsidiary is contesting aforesaid disallowances and the management, based on independent tax opinions, believes that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in this regard.

- (a) In Zuari Agro Chemicals Limited, United Breweries Limited, KingFisher Finvest India Limited, McDowell Holdings Limited Instituted arbitration proceedings against an Associate Company and its erstwhile subsidiary, Zuari Fertilisers and Chemicals Limited (now merged with the Associate Company) alleging breach of the Share Holders Agreement (SHA) dated 12 May 2014 executed between the parties. The arbitration was instituted before the former Chief Justice of India. The Award was passed on 8 May 2017 wherein the Arbitrator has held that the SHA cannot be specifically enforced. The claims raised by the Claimants stand dismissed and the arbitrator has ordered to pay to an Associate Company a sum of INR 75.00 lakhs. The Award has been challenged by the Claimants before the High Court of Bombay at Mumbai and the matter is pending for final arguments.
- (b) Mangalore Chemicals and Fertilizers Limited (MCFL), a subsidiary Company of an Zuari Agro Chemicals Limited, an associate had engaged an accredited independent firm to carry out a forensic investigation into transactions in relation to the investment of INR 20,000.00 lakhs (31 March 2018: INR 20,000 lakhs) in the preference shares of Bangalore Beverages Limited (BBL) and advances of INR 1,668.20 lakhs (31 March 2018: INR 1,668.20 lakhs) made to United Beverages Holding Limited (UBHL) aggregating to INR 21,668.20 lakhs which had duly been provided for in the books of MCFL in an earlier year. Based on their report, Zuari Fertilisers and Chemicals Limited (ZFCL), the then ZACL, had approached the National Company Law Tribunal in Bangalore to obtain accountability of the UB Group for the irregularities. Since, UBHL has been declared to be wound up by the High Court of Karnataka vide order dated 7 February 2017, ZFCL made an application before the High Court of Karnataka. ZFCL's application for permission to proceed against UBHL in the NCLT proceedings has been allowed by the High Court on 20 April 2017. The matter has been taken up for hearing on several occasions, the official liquidator has been made party to the proceedings pursuant to the order of the High Court and has been served. The NCLT has directed the official liquidator to file a reply to the main petition. The official liquidator has not yet filed a reply. The matter is fixed on 27 June 2019 for further hearing.
- (c) Zuari Agro Chemicals Limited ('ZACL') had given an advance of INR 4,029.22 lakhs in June 2010 to Karnataka Industrial Area Development Board (KIADB) for allotment of land for setting up of 1.2 million TPA urea plant in Belgaum district. KIADB failed to acquire the land and after continuous discussion with KIADB for two years, ZACL had come out of the project. KIADB had refunded INR 3,425.02 lakhs and retained INR 604.42 lakhs which was to be adjusted in case the ZACL seek some other land in Karnataka. Based on the details of land subsequently provided by the KIADB, ZACL has requested to allot 12 acres land at Belapu Industrial Estate and adjust the retained amount by KIADB to the cost of new land. However, KIADB has not yet agreed for the adjustment. Management of ZACL has filed the writ petition in the Hon'ble High Court of Karnataka at Bengaluru against the state of Karnataka- Industries and Commerce Department and KIADB for not allotting land to ZACL for setting up Fertilizer Project in Belapu Industrial Area, Udipi District, Karnataka and illegally withholding a sum of INR 604.42 lakhs. Also, based on legal opinion obtained by management for this matter, the management is hopeful to get the above adjusted against allotment of land or refund of the same.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

- d) Vide notification number 26/2018 dated 13 June 2018, the Government has amended definition of "Net Input Tax Credit (ITC)" for the purpose of GST refund on account of inverted duty structure with effect from 1 July 2017 to include ITC availed only on inputs which excludes input services. ZACL has claimed GST refund with respect to input services effective 1 July 2017 which aggregated to INR 3,084.82 lakhs (net of amount eligible for recovery as subsidy). ZACL has also recognised GST input tax credit of INR 4,296.21 lakhs on input services for the year ended 31 March 2019. Management based on an opinion obtained by the ZACL and also relying on similar fact pattern in an order dated 18 September 2018 of the high Court of Gujarat in respect of an application of another company on this matter wherein ad-interim relief was granted, is of the view that to the extent that aforesaid Notification denies grant of refund of unutilized tax credit in respect of tax paid on input services is ultra vires to the Central Goods and Services Tax Act, 2017. ZACL has also filed a writ petition in the Hon'ble High Court of Bombay at Goa in this regard. Accordingly, the management is confident of refund in respect of tax paid on input services and that no liability including interest, if any, would arise from the same.
- (e) ZACL had received a demand of INR 5,293.00 lakhs (31 March 2018: INR 5,293 lakhs) from Gas Authority of India Limited (GAIL) towards Take or Pay obligation. Even prior to receiving this demand, ZACL has represented to GAIL to reduce the annual contractual quantity based on which ZACL is confident that the Take or Pay amount will be substantial lower. Further, in terms of Contract with GAIL, this Take or Pay amount can be utilised for future make up Gas supplies. The Parent Company is in discussion with GAIL to reduce/ waive the Take or Pay charges, hence, no provision has been made for the aforesaid demand amount.
- (f) As per the audited consolidated Ind AS financial statements of Brajbhumi Nirmaan Private Limited, an associate company the erstwhile landowners have lodged cases against that Company for the procession of land. The Company is assessing the impact of these cases. However, the Management is of the view that impact, if any will be insignificant.
- (g) As per the audited consolidated Ind AS financial statements of Darshan Nirman Private Limited, an associate company few cases have been filed in the court of Tehsildar, Mathura in respect of some of the land purchased by the Company. The Company's Management is of the view that impact of these cases will be insignificant and will not affect the title over the land held by the Company.

Note 38: Goodwill

Particulars	Goodwill
Gross carrying value	
As at 1 April 2017	14,565.67
Additions	-
Disposals	-
As at 31 March 2018	14,565.67
As at 1 April 2017	14,565.67
Additions	-
Disposals	-
As at 31 March 2018	14,565.67

Impairment review

The Group tests goodwill for impairment annually. During the year ended 31 March, 2019, the testing did not result in any impairment in the carrying amount of goodwill.

Impairment testing of goodwill

Goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows:

- Real estate Cash Generating Unit ('CGU')
- Furniture CGU
- Sugar CGU
- Investment services CGU

The Carrying value of goodwill is attributable to the following CGUs:

Segments	As at 31 March 2019	As at 31 March 2018
Real estate operations	888.11	888.11
Furniture operations	338.01	338.01
Sugar operations	12,368.62	12,368.62
Investment services operations	970.93	970.93
	14,565.67	14,565.67

For the current and previous financial years, the recoverable amount on the cash generating units (CGU) was determined based on value-in-use calculation which require the use of assumptions. The calculations use cash flow projections based on financial budget approved by management covering a five year period.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Key assumptions used for value in use calculations of significant CGU (Sugar) whose carrying amount of allocated goodwill is significant in comparison with the Group's total carrying amount of goodwill:

Particulars	As at 31 March 2019	As at 31 March 2018
Long term growth rate	3.00%	3.00%
Discount rates	11.83%	11.95%
Sales price (annual growth rate)	Nil	Nil
Recovery rates (annual growth rate)	Nil	Nil

The management has assigned values to each of the above mentioned assumptions as follows:

Long term growth rate

This is the weighted average growth rate used to extrapolate cash flows beyond the budgeted period. These rate are based on the industry's performance and the Group's expansion plans.

Discount rates

This is compensation for the risks associated with the particular cash flows and is used to convert projected cash flows into present value. This is based on the companies weighted average cost of capital of the Company and industry comparable.

Sales price (annual growth rate)

The sugar sales prices have been kept constant considering the at present sugar sales prices.

Recovery rates (annual growth rate)

The sugar recovery rate has been kept constant considering the at present recovery rates.

The Management has performed sensitivity analysis around the base assumptions and has concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

Note 39: Employee benefits

Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year ended is as under:

Particulars	31 March 2019	31 March 2018
Employer's contribution to provident fund	394.02	328.93
Employer's contribution to superannuation fund	19.84	8.52
Employer's contribution to labour welfare fund	0.05	0.03
Employer's contribution to contributory provident fund	3.02	5.16
Employer's contribution to ESI	50.81	5.76
Employer's contribution to national pension scheme	15.69	13.92
	483.43	362.32

Policy for recognising actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risks are investment risk, interest rate risk, mortality risk, withdrawals and salary increase.

(a) Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

(b) Investment risk

If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

(c) Mortality risk

Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(d) Salary increase

Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

(e) Withdrawals

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

a) Compensated absences

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

Particulars	31 March 2019	31 March 2018
Total service cost	146.30	110.97
Net interest cost	46.03	43.16
Expenses recovered on account of employees transferred from other companies	(3.43)	-
Net actuarial (gain)/loss for the year	(28.36)	(36.83)
Expense recognized in the statement of profit and loss	160.54	117.30

b) Gratuity

Particulars	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Funded		Unfunded	
- Gratuity plan- asset/ (liability)	425.99	(444.24)	128.86	(95.57)
	425.99	(444.24)	128.86	(95.57)

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

In respect of the Holding Company and two of the subsidiary companies, scheme is funded with two insurance companies in the form of qualifying insurance policies.

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

Net employee benefit expense (recognized in employee cost) for the year ended 31 March 2019

Particulars	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Funded		Unfunded	
Current service cost	37.87	53.59	46.50	14.40
Past Service cost	-	-	-	1.84
Net interest cost	34.43	34.89	7.17	5.57
	72.30	88.48	53.67	21.81

* In case of a subsidiary company, Nil (31 March 2018: Nil) has been debited to project costs disclosed.

Amount recognised in other comprehensive income for the year ended 31 March 2019

Particulars	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Funded		Unfunded	
Actuarial (gain)/ loss on obligations	(41.63)	212.01	(15.72)	5.03
Return on plan assets (excluding amounts included in net interest expense)	(0.60)	1.77	-	(4.39)
	(42.23)	213.78	(15.72)	0.64

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Changes in the present value of the defined benefit obligation for the year ended 31 March, 2018 are as follows:

Particulars	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Funded		Unfunded	
Opening defined obligation	886.31	641.03	95.57	250.45
Current service cost	87.66	81.05	44.30	19.86
Interest cost	68.69	48.08	7.17	5.57
Past Service cost	-	(3.47)	2.20	1.84
Re-measurement (or actuarial) (gain) / loss arising from:	-	-	-	-
- change in demographic assumption	-	-	0.12	-
- change in financial assumptions	-	(13.98)	-	(0.05)
- experience variance (i.e. actual experiences assumptions)	(46.16)	239.24	(12.56)	(155.14)
Benefits paid	(82.28)	(100.66)	(7.94)	(26.96)
Acquisition adjustment	3.25	(4.98)	-	-
Defined benefit obligation	917.47	886.31	128.86	95.57

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2019	31 March 2018
Fair value of plan assets	442.07	453.75
Interest income	40.15	34.23
Return on plan assets (excluding amounts included in net interest expense) - OCI	-	(1.29)
Contribution by employer	46.97	56.04
Benefits paid	(82.28)	(100.66)
Acquisition adjustment	47.99	-
Actuarial gains/(losses)	(3.43)	-
Closing fair value of plan assets	491.47	442.07

The Group expects to contribute INR 185 lakhs (31 March 2018: INR 202 lakhs) towards gratuity during the year 2019-20.

Particulars	31 March 2019	31 March 2018
Investment with insurer	491.47	442.07

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

Particulars	31 March 2019	31 March 2019
Discount rate (in %)	7.75%	7.48% - 8.00%
Salary escalation (in %)	9.00% for first 2 years and 7.50% thereafter; in case of a subsidiary 9.00%	9.00% for first 2 years and 7.50% thereafter; in case of a subsidiary 9.00%
Retirement age (years)	58 years- 60 years	58 years- 60 years
Mortality rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	Varying between Nil to 15.00% per annum depending upon the duration and age of the employees	Varying between Nil to 15.00% per annum depending upon the duration and age of the employees

Notes:

- The actuarial valuation of plan assets and the present valuation of defined benefit obligation were computed at year end. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.
- Discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is computed after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

In case of Group Company, a quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Particulars	31 March 2019		31 March 2019	
	Discount rate		Future salary increases	
Sensitivity level	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease
Impact on defined benefit obligation	(47.77)	52.24	51.06	(47.06)

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

In case of Group Company, a quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Assumptions	31 March 2018		31 March 2018	
	Discount rate		Future salary increases	
Sensitivity level	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease
Impact on defined benefit obligation	(26.13)	28.20	27.43	(25.99)

Sensitivities due to mortality and withdrawal are not material, hence impact of change not calculated.

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

Maturity profile of defined benefit obligation

Expected cash value over the next 5 years

Particulars	31 March 2019	31 March 20178
Within the next 12 months (next annual reporting period)	221.58	207.12
Between 2 and 5 years	211.93	202.31
Beyond 5 years	612.81	572.45

Note 40: Segment information

Identification of segment

Primary Segment - The Zuari Group has disclosed business segment as the primary segment. Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure and the internal reporting system. The identified reportable segments for the year under review are engineering services, furniture, real estate, investment services, sugar, power and management services. Engineering services segment includes technology, basic engineering, detailed engineering, project management, procurement and construction services in the engineering and contracting sector. Furniture segment includes manufacturing, sale and trading of furniture products. Real estate segment includes development of real estates. Investment services includes capital market related services. Sugar division includes extraction of Sugar from Sugar Cane. Power division includes co-generation of power using by product of sugar division i.e. bagasse.

Secondary Segment - Geographical segment. The Zuari Group mainly caters to the needs of the domestic market. The export turnover is not significant in the context of total turnover. Hence there are no reportable geographical segments."

Financial information about business segments for the year ended 31 March 2019 is presented below:

Particulars	Engineering	Furniture	Real estate	Sugar	Power	Investment services	Management Services	Unallocated	Total
A. Segment revenue:									
External sales/ income	25,168.14	1,750.04	1,893.48	44,043.01	9,307.30	1,133.58	1,838.00	-	85,133.55
Inter-segment sales/income	(20.62)	(44.06)	-	(4,047.38)	(3,596.71)	(5.88)	-	-	(7,714.65)
	25,147.52	1,705.98	1,893.48	39,995.63	5,710.59	1,127.70	1,838.00	-	77,418.90
B. Segment results	(1,134.20)	(1,003.15)	(790.92)	(3,702.24)	2,911.88	247.27	208.01	-	(3,263.35)
C. Reconciliation of segment results with profit after tax									
Segment results	(1,134.20)	(1,003.15)	(790.92)	(3,702.24)	2,911.88	247.27	208.01	-	(3,263.35)
Less: Share of profit of associates and joint ventures	-	-	-	-	-	-	-	(7,462.03)	(7,462.03)
Less: Finance costs	-	-	-	-	-	-	-	(9,520.77)	(9,520.77)
Add: Unallocated income net off unallocated expenses	-	-	-	-	-	-	-	7,516.91	7,516.91
Add: Tax (expense)/credit	-	-	-	-	-	-	-	1,741.87	1,741.87
Profit after tax as per statement of profit and loss									(10,987.37)
D. Other information:									
Segment assets	12,760.51	4,953.60	74,360.77	78,692.23	20,979.34	4,550.12	518.29	249,646.87	446,461.73
Segment liabilities	11,909.94	3,047.69	18,977.64	46,602.24	-	1,226.23	318.88	142,720.73	224,803.35
Non controlling interests	-	-	-	-	-	-	-	(304.73)	(304.73)
Capital expenditure	72.33	0.01	3,961.72	7,669.47	715.55	20.04	2.64	-	12,441.76
Depreciation and amortization	79.88	136.47	73.79	1,084.88	715.55	16.21	0.98	-	2,107.76
Impairment of doubtful debts and advances	95.49	145.10	-	-	-	0.15	-	-	240.74
Reversal of finance cost of previous year	-	-	669.09	-	-	-	-	-	669.09
Excess provisions written back (net)	71.41	90.47	40.20	212.44	-	14.75	-	-	429.27

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

E. Disaggregation of revenue from contracts with customers

Particulars	Engineering	Furniture	Real estate	Sugar	Power	Investment services	Management Services	Total
Revenue from contracts with customers								
Operating revenue								
Sale of finished, traded and by products (including excise duty and cess)	-	1,705.98	-	39,995.63	-	-	-	41,701.61
Sale of power	-	-	-	-	5,710.59	-	-	5,710.59
Engineering supplies and other services	25,147.52	-	-	-	-	1,127.70	1,838.00	28,113.22
Revenue from sale of constructed properties and development management fees	-	-	1,439.57	-	-	-	-	1,439.57
Other operating revenue:								
Scrap sales	-	-	-	-	-	-	-	-
Rental income from Investment Properties	-	-	247.69	-	-	-	-	247.69
Sales commission on sale of plots/residential units	-	-	206.22	-	-	-	-	206.22
								77,418.90
Timing of recognition								
At a point in time	-	1,705.98	1,893.48	39,995.63	5,710.59	1,127.70	1,838.00	52,271.38
Over time	25,147.52	-	-	-	-	-	-	25,147.52
								77,418.90

Revenue of INR 23,302.30 lakhs are derived from a single external customer. These revenue is the attributed to the Engineering Division.

Financial information about business segments for the year ended 31 March 2018 is presented below:

Particulars	Engineering	Furniture	Real estate	Sugar	Power	Investment services	Management Services	Unallocated	Total
A. Segment revenue:									
External sales/ income	19,007.02	4,378.40	2,100.65	28,620.96	8,691.59	1,263.58	353.48	-	64,415.68
Inter-segment sales/income	(695.55)	-	-	(4,360.53)	(3,516.47)	(146.54)	(200.00)	-	(8,919.09)
Segment revenue	18,311.47	4,378.40	2,100.65	24,260.43	5,175.12	1,117.04	153.48	-	55,496.59
B. Segment results									
	(3,312.58)	725.97	(624.92)	(4,232.72)	2,369.25	241.43	339.30	-	(4,494.27)
C. Reconciliation of segment results with profit after tax									
Segment results	(3,312.58)	725.97	(624.92)	(4,232.72)	2,369.25	241.43	339.30	-	(4,494.27)
Add: Share of loss of associates and joint ventures	-	-	-	-	-	-	-	3,664.22	3,664.22
Less: Finance costs	-	-	-	-	-	-	-	(7,144.28)	(7,144.28)
Add: Unallocated income net off unallocated expenses	-	-	-	-	-	-	-	4,195.76	4,195.76
Less: Tax expenses	-	-	-	-	-	-	-	(328.41)	(328.41)
Profit after tax as per statement of profit and loss									(4,106.98)
D. Other information:									
Segment assets	12,238.18	7,826.05	53,425.73	60,355.70	21,062.41	3,066.00	230.44	261,588.52	419,793.03
Segment liabilities	10,544.21	2,721.66	8,242.94	48,413.26	-	1,085.12	90.49	106,894.56	177,992.24
Non controlling interests	-	-	-	-	-	-	-	1,098.77	1,098.77
Capital expenditure	131.29	-	46.82	2,631.56	-	20.40	-	-	2,830.07
Depreciation and amortization	71.73	171.73	58.96	1,060.44	637.54	12.32	2.26	-	2,014.98
Loss allowances	396.56	480.00	-	-	-	9.86	-	-	886.42
Reversal of finance cost of previous year	-	-	-	-	-	-	-	-	-
Excess provisions written back (net)	366.36	944.56	-	41.96	-	22.40	-	-	1,375.28

Revenue of INR 6,619.89 lakhs are derived from a single external customer. These revenue is the attributed to the Engineering Division.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 41: Lease commitments

Operating lease: as lessee

The Group has obtained vehicles, office premises, godowns, cane purchasing centres, office premises etc. on operating leases for the period ranging from 0-9 years and are further renewable by mutual consent on mutually agreed terms or at the option of the Group. There are no restrictions imposed by lease agreements. In some of lease, there is escalation clause in the respective lease agreements which is in line with general inflation rates. Lease rentals charged to the Statement of Profit and Loss during the current year are INR 744.35 lakhs (31 March 2018: INR 590.48 lakhs).

Future minimum rental payable under non cancellable operating lease as at 31 March 2019 are as follows:

Particulars	31 March 2019	31 March 2018
i) Payable for a period not later than one year	333.38	464.11
ii) Payable for a period later than one year and not later than 5 years	583.45	679.84
iii) Payable for the period later than 5 years	164.22	321.97

Operating lease: as lessor

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

Particulars	31 March 2019	31 March 2018
Lease rentals recognized during the year	753.57	735.90

Investment Properties	31 March 2019	31 March 2018
i) Gross carrying amount	878.70	801.86
ii) Closing accumulated depreciation	86.90	52.99
iii) Depreciation recognized in the Statement of Profit and Loss	29.39	3.63

The Group has given buildings and land on operating lease for the period as per the agreement. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. Minimum lease payments receivable under non-cancellable operating lease of investment properties are as follows:

Particulars	31 March 2019	31 March 2018
i) Receivable within 1 year	494.25	494.25
ii) Receivable between 1-5 years	988.50	1,482.76
iii) Receivable after 5 years	-	-

Note 42A: Contingent liabilities:

Particulars	As at 31 March 2019	As at 31 March 2018
I. Demands / claims by various government authorities and others not acknowledged as debts and contested by the Company		
(A) Excise duty and service tax	250.52	256.43
(B) Sales tax	669.81	673.10
(C) Income tax and wealth tax	4,795.01	2,968.94
	5,715.34	3,898.47
II. Other claims against the Group not acknowledged as debts	37.80	37.06
III. Dividend liability on Non-Convertible redeemable cumulative preference shares	411.94	294.61

Notes:

- Further, the Group has certain litigations involving employees. Based on management assessment and in-house legal team advice, the management believes that the Group has reasonable chances of succeeding before the courts/appellate authorities and does not foresee any material liability. Pending the final decision on the matters, no further provisions has been made in financial statements.
- One of the subsidiary company, has sold molasses to certain parties without charging sales tax on the basis of stay order by Hon'ble Supreme Court. In case the order is decided against the parties by the Hon'ble Supreme Court, the subsidiary company would be liable to collect and pay VAT/Sales tax to the department along with interest and penalty. Amount involved is considered indeterminate by the subsidiary company.
- The Hon'ble Supreme Court (SC) has, in a recent decision ("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.

As the above said ruling has not prescribed any clarification w.r.t to its application, the Group is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for contribution has been recognised in the financial statements for the year ended 31 March 2019.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

d) One of the subsidiaries of the Group enters into contract with MSME vendors as per Indian Contract Act, 1872 and being into EPC business, for safeguarding its interest as it is required to deduct liquidated damages for delay in obligation, if required and to keep retention against the performance warranty or defect liability period in some cases payment terms also include payment to be made within 90 days or may be higher or lesser period from the date of acceptance which is agreed by the MSME vendors as per contracts / agreements.

The Micro and Small Enterprises ("MSE") have a right to waive/forgo/surrender their aforesaid statutory rights contractually in order to abide the terms of the contracts in the larger interest of their own business. In line with accepted trade practices, the Subsidiary Company enters into contracts with MSEs with credit period in excess of the period specified under MSME Act. The Subsidiary Company has not accrued the interest on the payments due to above interpretations, in the financial statements for the year ended 31 March 2019.

Note 42B: Capital and other commitments

Capital commitments contracted at the end of the reporting period but not recognised as liabilities is as follows:-

Particulars	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment	7,715.48	4,215.00
	7,715.48	4,215.00

Note 43 Fair values measurements

Financial instruments by category

Particulars	31 March 2019			31 March 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Quoted equity shares*	-	148,090.45	-	-	153,453.63	-
- Un-quoted equity shares	-	126.20	-	-	119.62	-
- Redeemable non-cumulative optionally convertible preference shares	301.63	-	-	259.53	-	-
- Redeemable non-cumulative non-convertible preference shares	616.00	-	-	616.00	-	-
- Mutual funds	9,009.09	-	-	9,776.50	-	-
- Government Securities	-	-	1.00	-	-	1.00
Trade receivable	-	-	10,431.96	-	-	13,022.31
Cash and cash equivalents	-	-	3,282.97	-	-	3,126.62
Other bank balances	-	-	1,243.36	-	-	776.76
Loans	-	-	2,497.62	-	-	3,455.80
Others financial assets	-	-	13,459.18	-	-	5,423.01
Total financial assets	9,926.72	148,216.65	30,916.09	10,652.03	153,573.25	25,805.50
Financial liabilities						
Borrowings (including current maturities of long term borrowings)	-	-	147,104.36	-	-	115,297.98
Trade payables	-	-	39,685.42	-	-	39,122.92
Other financial liabilities	-	-	4,010.11	-	-	3,300.63
Total financial liabilities	-	-	190,799.89	-	-	157,721.53

*The equity securities for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit and loss are investments which are not held for trading purposes.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 44: Fair values measurements

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
A. FVOCI financial Instruments				
Quoted equity shares	148,090.45	148,090.45	-	-
Unquoted equity shares	126.20	-	-	126.20
B. FVPL financial Instruments				
Investment				
Redeemable non-cumulative optionally convertible preference shares	301.63	-	-	301.63
Redeemable non-cumulative non-convertible preference shares	616.00	-	-	616.00
Investment in quoted mutual funds	9,009.09	9,009.09	-	-
	158,143.37	157,099.54	-	1,043.83

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
A. FVOCI financial Instruments				
Quoted equity shares	153,453.63	153,453.63	-	-
Unquoted equity shares	119.62	-	-	119.62
B. FVPL financial Instruments				
Investment				
Redeemable non-cumulative optionally convertible preference shares	259.53	-	-	259.53
Redeemable non-cumulative non-convertible preference shares	616.00	-	-	616.00
Quoted mutual funds	9,776.50	9,776.50	-	-
	164,225.28	163,230.13	-	995.15

Note

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

i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include -

- The fair values of the quoted equity shares are based on price quotations at the reporting date.
- The fair value of Mutual Funds is determined using the NAV at the balance sheet date.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments and preference shares.
- The fair value of unquoted preference shares is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

(ii) The following table presents the changes in level 3 items for the period ended 31 March 2019 and 31 March 2018

Particulars	Redeemable non-cumulative optionally convertible preference shares	Redeemable non-cumulative non-convertible preference shares	Investment in Unquoted equity shares	Total
As at 1 April 2017	259.53	616.00	104.83	980.36
Gains recognised in statement of profit and loss	-	-	-	-
Loss recognised in other comprehensive income	-	-	14.79	14.79
As at 31 March 2018	259.53	616.00	119.62	995.15
Gains recognised in statement of profit and loss	42.10	-	-	42.10
Gains recognised in other comprehensive income	-	-	6.58	6.58
As at 31 March 2019	301.63	616.00	126.20	1,043.83

(iii) Financial instruments measured at amortised cost

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

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

(iv) The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019 and 31 March 2018 are as shown below:

Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Investment in equity shares of Biotech Consortium of India Limited	DCF method	"Long-term growth rate for cash flows for subsequent years"	"31 March 2019: 4.5% - 5.5% (5.0%) 31 March 2018: 4.5% - 5.5% (5.0%)"	0.5% (31 March 2018: 0.5%) increase in the growth rate would decrease in fair value by INR 0.38 lakhs (31 March 2018: INR 0.19 lakhs) and 0.5% (31 March 2018: 0.5%) decrease in the growth rate would increase in fair value by INR 0.33 lakhs (31 March 2018: INR 0.87 lakhs).
Investment in equity shares of Lionel Edward Limited	DCF method	"Long-term growth rate for cash flows for subsequent years"	"31 March 2019: 12.5% - 11.5% (12.00%) 31 March 2018: 12.5% - 11.5% (12.0%)"	"0.5% (31 March 2018: 0.5%) increase in the growth rate would decrease in fair value by INR 1.5 lakhs (31 March 2018: INR 2.66 lakhs) and 0.5% (31 March 2018: 0.5%) decrease in the growth rate would increase in fair value by INR 1.5 lakhs (31 March 2018: INR 2.66 lakhs)."
Investment in preference shares of Brajbhumi Nirmaan Private Limited	DCF method	Cost of equity	"31 March 2019: 17.84% - 18.84% (18.34%) 31 March 2018: 12.5% - 11.5% (18.34%)"	"0.5% (31 March 2018: 0.5%) increase in the growth rate would decrease in fair value by INR 6.86 lakhs (31 March 2018: INR 7.42 lakhs) and 0.5% (31 March 2018: 0.5%) decrease in the growth rate would decrease in fair value by INR 6.69 lakhs (31 March 2018: INR 7.62 lakhs)."
Investment in preference shares of Adventz Investments Company Private Limited	DCF method	Cost of equity	"31 March 2019: 12.50% - 11.05% (12.00%) 31 March 2018: 12.50% - 11.5% (12.00%)"	"0.5% (31 March 2018: 0.5%) increase in the growth rate would decrease in fair value by INR 9.98 lakhs (31 March 2018: INR 10.61 lakhs) and 0.5% (31 March 2018: 0.5%) decrease in the growth rate would increase in fair value by INR 9.98 lakhs (31 March 2018: INR 10.61 lakhs)."

Note 45

The Holding Company holds more than 20% of the voting power of Lionel India Limited and the Holding Company along with a subsidiary company holds more than 20% of the voting power of Texmaco Infrastructure and Holdings Limited. The Holding Company have been legally advised that they do not have 'Significant Influence' in the said entities, as defined in Ind AS 28 'Investments in Associates and Joint Ventures' and accordingly, have not considered the above investees as related parties under Ind AS 24 "Related Party Disclosures" and has not consolidated the financial statements of the said entities as an Associates.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 46: Related Party disclosures

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

i) Joint Ventures of the Company:

1. Zuari Indian Olitanking Private Limited, a Joint venture of Zuari Global Limited
2. Forte Furniture Products India Private Limited, a Joint venture of Zuari Global Limited
3. Soundaryaa IFPL Interiors Limited, a Joint venture of Indian Furniture Products Limited
4. Simon Engineering and Partners LLC, a Joint venture of Simon India Limited {refer note (i) below}
5. Burj District Development Limited, Cayman Islands, a joint venture of Zuari Infracoreworld SJM Properties LLC. {refer note (ii) below}

ii) Associates of the Company:

1. New EROS Tradecom Limited, an associate of Zuari Investments Limited
2. Zuari Agro Chemicals Limited, an associate of Zuari Global Limited
3. Mangalore Chemicals and Fertilisers Limited, a subsidiary of Zuari Agro Chemicals Limited
4. Adventz Trading DMCC, a subsidiary of Zuari Agro Chemicals Limited
5. Zuari Maroc Phosphates Private Limited, a joint venture of Zuari Agro Chemicals Limited
6. Paradeep Phosphates Limited, a subsidiary of Zuari Maroc Phosphates Private Limited
7. MCA Phosphates Pte. Limited, a joint venture of Zuari Agro Chemicals Limited
8. Fosfatos del Pacifico S.A, an associate of MCA Phosphates Pte. Limited
9. Zuari Yoma Agri Solutions Limited an associate of Paradeep Phosphates Limited
10. Brajbhumi Nirmaan Private Limited, an associate of Zuari Infracoreworld India Limited
11. Pranati Niketan Private Limited, an associate of Zuari Infracoreworld India Limited
12. Darshan Nirmaan Private Limited, an associate Zuari Infracoreworld India Limited
13. Rosewood Agencies Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
14. Neobeam Agents Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
15. Mayapur Commercial Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
16. Nexus Vintrade Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
17. Bahubali Tradecom Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
18. Hopeful Sales Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
19. Divine Realdev Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
20. Kushal Infracoreproperty Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
21. Beatle Agencies Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
22. Suhana Properties Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited
23. Saket Mansions Private Limited, a subsidiary of Brajbhumi Nirmaan Private Limited

iii) Enterprises having significant influence, with whom there are transactions during the year:

1. Globalware Trading and Holdings Limited, exercising significant influence over Zuari Global Limited

iv) Key Management Personnel

1. Mr. S. K. Poddar, Chairman
2. Mr. N Suresh Krishnan, Managing Director
3. Mrs. Jyotsna Poddar, Executive Director
4. Mr. Marco Wadia - Independent - Non - Executive Director
5. Mr. Krishan Kumar Gupta - Independent - Non - Executive Director
6. Mr. Jayant N Godbole - Independent - Non - Executive Director

v) Relative of Key Management Personnel

1. Mrs. Rekha Krishnan - wife of Mr. N. Suresh Krishnan.
2. Mr. Akshay Poddar - son of Mr. S. K. Poddar

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

vi) Funds for Post-employment benefit plan

1. Zuari Industries Limited Employees Provident Fund
2. Zuari Industries Limited Employees Pensions Fund
3. Zuari Industries Limited Sr. Staff Superannuation Fund
4. Zuari Industries Limited Non Management Employees Pension Fund
5. Zuari Industries Limited Gratuity Fund
6. Simon India Ltd. Staff Superannuation Fund
7. Simon India Ltd Gratuity Fund

Notes:

- i) One of the Subsidiaries Company had 49% interest in the assets, liabilities, expenses and output of the Simon Engineering & Partners LLC, incorporated in Sultanate of Oman (JV Company), which is involved in Engineering, Construction and Procurement Services. However, the subsidiary company's interest in Simon Engineering & Partners LLC had been reduced to 29% unilaterally in the year ended 31 December 2010. The Subsidiary Company is of opinion that they did not have any control on the functioning of the JV Company, the change in shareholding pattern came to light when the termination agreement was in discussion. Hence, JV Company has not been consolidated as required under Ind AS 28- Investment in Joint Venture and Associate as specified under Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- ii) During the financial year ended 31 March 2019, Zuari Infraworld SJM Properties LLC, step down Subsidiary Company has made subscription for 50% share in the issued share capital of Burj District Development Limited ("JV Company"), Cayman Islands made up of 25,000 shares of B class of US\$ 1 each. The share capital amount is not yet contributed by the subsidiary company.

The Joint Venture is engaged to carry out any activities which is not prohibited by the Companies Law (2011 revision). The Joint Venture Company holds 1 share in Burj District One Limited which owns a plot of land on which the project "St Regis Residencies" is being developed by the Subsidiary Company. Post completion of the project, profitability and its sharing between the JV partners will be separately determined extracting qualifying costs and revenue from that company's account.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

B. Related Party Transaction For Zuari Global Limited

Following transactions were carried out with related parties in the ordinary course of business for the year ended 31 March 2019 :

S. no.	Transaction details	For the year ended March 2019						For the year ended March 2018					
		Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP
1	Payment made on their behalf: - Zuari Maroc Phosphates Private Limited - Zuari Indian Oiltanking Private Limited --Brajbhumi Nirmaan Private Limited	-	0.75	-	-	-	-	-	-	-	-	-	-
2	Payment made on our behalf: - Zuari Agro Chemicals Limited	-	-	-	-	-	-	100.37	-	-	-	-	-
3	Sale of duty credit scrips - Zuari Agro Chemicals Limited	-	-	-	-	-	-	0.03	-	-	-	-	-
4	Managerial remuneration# --N. Suresh Krishnan --Jyotsna Poddar #Primarily in the nature of short term employee benefits and does not include compensated absence expense and gratuity expense (being a termination benefit) as the same is provided in the books on the basis of actuarial valuation for the Holding Company as a whole and hence individual figures cannot be determined.	-	41.75	-	-	-	-	-	-	-	238.73 68.35	-	-
5	Dividend received - Zuari Agro Chemicals Limited - Zuari Indian Oiltanking Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
6	Advance received from customer - Zuari Agro Chemicals Limited --Mrs. Rekha Krishnan --Mr. K K Gupta	-	776.25	-	-	-	-	-	134.91	-	-	-	-
7	Reimbursement of expenses (given)/ received - Zuari Agro Chemicals Limited --Soundaryaa IPFL Interiors Limited	-	-	-	-	-	-	-	-	-	22.92	-	24.02
8	Lease rentals received - Zuari Indian Oiltanking Private Limited - Zuari Agro Chemicals Limited	156.14	-	-	-	-	-	-	-	-	-	-	-
9	Sitting fees paid - S. K. Poddar - Marco Wadia	-	44.43	-	-	-	-	-	-	-	-	-	-
		-	-	-	2.30	-	-	-	-	-	2.23	-	-
		-	-	-	12.05	-	-	-	-	-	10.33	-	-

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

S. no.	Transaction details	For the year ended March 2019					For the year ended March 2018						
		Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP
	- Krishan Kumar Gupta	-	-	-	4.05	-	-	-	-	-	5.86	-	-
	- Mr. Jayant N Godbole	-	-	-	5.05	-	-	-	-	-	4.06	-	-
10	Management fees / service charges received												
	- Zuari Indian Oilbanking Private Limited	15.75	-	-	-	-	-	-	-	-	-	-	-
	- Soundaryaa IFPL Interiors Limited	-	-	-	-	-	-	-	-	-	-	-	-
	- Forte Furniture Products India Private Limited	158.68	-	-	-	-	-	-	-	-	-	-	-
11	Dividends paid												
	- Globalware Trading and Holdings Limited	-	-	74.92	-	-	-	-	-	-	-	-	-
	- New Eros Tradecom Limited	-	11.97	-	-	-	-	11.97	-	-	-	-	-
	- S.K. Poddar	-	-	-	2.73	-	-	-	-	-	2.73	-	-
	- Akshay Poddar	-	-	-	0.72	-	-	-	-	-	0.72	-	2.38
	- Jyotsna Poddar	-	-	-	-	-	-	-	-	-	-	-	-
12	Interest expense												
	- Zuari Agro Chemicals Limited	-	216.69	-	-	-	-	-	-	-	-	-	-
	- Akshay Poddar	-	-	-	-	-	-	-	-	-	-	-	-
	- Globalware Trading and Holdings Limited	-	-	3.64	-	-	-	-	-	-	-	-	-
13	Payment against income tax litigations												
	- Zuari Agro Chemicals Limited	-	825.50	-	-	-	-	-	-	-	-	-	-
14	Purchase of property, plant and equipments												
	- Forte Furniture Products India Private Limited	4.21	-	-	-	-	-	-	-	-	-	-	-
15	Repayment of Land Advance												
	- Zuari Agro Chemicals Limited	-	700.00	-	-	-	-	-	-	-	-	-	-
16	Reimbursement of employee compensation received/receivable												
	-- Brajbhumi Nirmaan Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
17	ICDs given to												
	- Forte Furniture Products India Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
18	Receivable converted to ICDs												
	-- Forte Furniture Products India Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
19	Payment received on their behalf												
	- Zuari Agro Chemicals Limited	59.14	-	-	-	-	-	-	-	-	-	-	-
	-- Forte Furniture Products India Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
20	Sale of goods to												
	-- Zuari Agro Chemicals Limited	-	254.66	-	-	-	-	-	-	-	-	-	-
	-- Forte Furniture Products India Private Limited	170.08	-	-	-	-	-	-	-	-	-	-	-
21	Purchase of goods from												
	- Forte Furniture Products India Private Limited	331.24	-	-	-	-	-	-	-	-	-	-	-
22	Interest income on ICDs												
	- Forte Furniture Products India Private Limited	159.38	-	-	-	-	-	-	-	-	-	-	-

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

S. no.	Transaction details	For the year ended March 2019						For the year ended March 2018					
		Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP
23	Lease rental received from -Forte Furniture Products India Private Limited	494.25	-	-	-	-	-	-	-	-	-	-	-
24	Conversion charges and consignment fees --Forte Furniture Products India Private Limited	8.19	-	-	-	-	-	-	-	-	-	-	-
25	Transactions with funds for post employment benefit trust --Zuari Industries Limited Employees Provident Fund --Zuari Industries Limited Sr. Staff Superannuation Fund --Zuari Industries Limited Non Management Employees Pension Fund --Simon India Ltd Gratuity Fund --Simon India Ltd. Staff Superannuation Fund	-	-	-	-	85.65	-	-	-	-	83.73	-	-
26	Balances written back - N. Suresh Krishnan	-	-	-	34.65	-	-	-	-	-	-	-	-

Related party balances as at 31 March 2019:

S. no.	Transaction details	As at 31 March 2019						As at 31 March 2018					
		Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP
1	Loan given - N Suresh Krishnan --Forte Furnitures India Product Private Limited	1,250.00	-	-	-	-	-	-	-	-	3.60	-	-
2	Trade payables - Forte Furniture India Private Limited - Zuari Agro Chemicals Limited - Zuari Agri Science Limited	2.61	-	-	-	-	-	-	4.90	-	-	-	-
3	Advances from customers - Zuari Agro Chemicals Limited	-	735.03	-	-	-	-	-	670.06	-	-	-	-
4	Advance received for sale of land - Zuari Agro Chemicals Limited	-	-	-	-	-	-	-	700.00	-	-	-	-
5	Managerial remuneration payable - N. Suresh Krishnan	-	-	-	67.05	-	-	-	-	-	64.45	-	-
6	Trade receivables --Brajbhumi Nirmaan Private Limited - New Eros Trade.com Limited --Simon Engineering and Partners, LLC - Soundaryaa IPL Interiors Limited - Forte Furnitures India Product Private Limited - Zuari Agro Chemicals Limited - Zuari Indian Oilbanking Private Limited - Forte Furniture India Private Limited	0.77	404.02	-	-	-	-	-	40.02	-	-	-	-
		21.69	-	-	-	-	-	19.89	-	-	-	-	-
		17.00	-	-	-	-	-	63.48	-	-	-	-	-
		-	-	-	-	-	-	98.58	-	-	-	-	-
		7.60	41.75	-	-	-	-	22.65	29.94	-	-	-	-
		-	-	-	-	-	-	1.91	-	-	-	-	-

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

S. no.	Transaction details	As at 31 March 2019						As at 31 March 2018					
		Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP	Joint Ventures	Associates	Enterprises having Significant Influence	Key Management Personnel	Funds for Post-employment benefit plan	Relatives of KMP
7	Impairment allowance of doubtful debts												
	-- Simon Engineering and Partners, LLC	21.69	-	-	-	-	-	-	-	-	-	-	-
8	Advances or deposits recoverable/debtors												
	- Zuari Indian Oil Tanking Limited	7.60	-	-	-	-	-	-	-	-	-	-	-
	- Zuari Agro Chemicals Limited	4.51	-	-	-	-	-	-	-	-	-	-	-
	- Zuari Maroc Phosphates Limited	0.89	-	-	-	-	-	-	-	-	-	-	-
9	Other recoverable												
	-Brajbhumi Nirmaan Private Limited	-	157.33	-	-	-	-	-	-	-	-	-	-
	- Zuari Agro Chemicals Limited	-	6.25	-	-	-	-	-	-	-	-	-	-
10	Interest receivable on ICD/Loan												
	- N Suresh Krishnan	-	-	-	9.80	-	-	-	-	-	10.90	-	-
	- Forte Furniture India Private Limited	196.85	-	-	-	-	-	-	-	-	-	-	-
11	Advance against sale of land												
	- Zuari Agro Chemicals Limited	-	3,209.13	-	-	-	-	-	-	-	-	-	-
12	Advances against income tax under litigations												
	- Zuari Agro Chemicals Limited	-	1,708.35	-	-	-	-	-	-	-	-	-	-
13	Advance received against sale of constructed properties												
	-- Rekha Krishnan	-	-	-	-	-	53.38	-	-	-	-	-	17.28
	-- Krishan Kumar Gupta	-	-	-	-	-	-	-	-	-	17.38	-	-
14	Deposit of provident fund												
	-- Zuari Industries Limited Employees Provident Fund	-	-	-	-	7.21	-	-	-	-	-	-	-
15	Deposit of superannuation fund												
	-- Zuari Industries Limited Sr. Staff Superannuation Fund	-	-	-	-	1.33	-	-	-	-	-	-	-
16	Deposit of non-management employees pension fund												
	-- Zuari Industries Limited Non Management Employees Pension Fund	-	-	-	-	0.28	-	-	-	-	-	-	-
17	Interest payable on loans												
	-- Globalware Trading & Holdings Limited	-	-	46.71	-	-	-	-	-	-	-	-	-
	--Akshay Poddar	-	-	-	-	-	-	-	-	-	-	-	-
18	Loans taken												
	--Globalware Trading & Holdings Limited	-	-	376.55	-	-	-	-	-	-	-	-	-
	--Akshay poddar	-	-	-	-	-	-	-	-	-	-	-	-
19	Other payables												
	- Forte Furniture India Private Limited	124.41	-	-	-	-	-	-	-	-	-	-	-
20	7% NCPIS issued to												
	--New Eros Tradecom Limited	-	70.17	-	-	-	-	-	-	-	-	-	-
	--S.K. Poddar	-	31.53	-	-	-	-	-	-	-	-	-	-

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 47: Financial risk management objectives and policies

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

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.
- The sensitivity of equity is calculated at 31 March 2019 and 31 March 2018 for the effects of the assumed changes of the underlying risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax INR lakhs
31 March 2019		
INR Borrowings	+50	(312.72)
INR Borrowings	-50	312.72
31 March 2018		
INR Borrowings	+50	(355.22)
INR Borrowings	-50	355.22

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

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

USD	Change in USD rate	Effect on profit before tax INR lakhs	Effect on pre-tax equity INR lakhs
31 March 2019	+5%	(673.51)	(673.51)
	-5%	673.51	673.51
31 March 2018	+5%	(436.95)	(436.95)
	-5%	436.95	436.95

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

SAR	Change in SAR rate	Effect on profit before tax	Effect on pre-tax equity
		INR lakhs	INR lakhs
31 March 2019	+5%	61.12	61.12
	-5%	(61.12)	(61.12)
31 March 2018	+5%	0.49	0.49
	-5%	(0.49)	(0.49)

AED	Change in AED rate	Effect on profit before tax	Effect on pre-tax equity
		INR lakhs	INR lakhs
31 March 2019	+5%	0.39	0.39
	-5%	(0.39)	(0.39)
31 March 2018	+5%	4.04	4.04
	-5%	(4.04)	(4.04)

EURO	Change in Euro rate	Effect on profit before tax	Effect on pre-tax equity
		INR lakhs	INR lakhs
31 March 2019	+5%	13.79	13.79
	-5%	(13.79)	(13.79)
31 March 2018	+5%	-	-
	-5%	-	-

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in USD, AED, EURO and SAR, where the functional currency of the entity is a currency other than AED, USD and SAR.

Equity price risk

Applicability

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group 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 Group's senior management on a regular basis. The Holding Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 114.71 lakhs. Sensitivity analyses of these investments have been provided in Note 44.

At the reporting date on 31 March 2019, the company has investments in mutual funds INR 9,009.09 lakhs. A decrease of 5% on the NSE/ BSE market price could have an impact of approximately INR 450.45 lakhs on the profit attributable to the Group. An increase of 5% in the value of the mutual funds would also impact profit or loss vice versa.

Equity price sensitivity

The table below summarises the impact of increase/decrease of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Impact on profit after tax	Impact on other components of equity
31 March 2019		
NSE Nifty 50-increases by 5%	450.45	7,405.05
NSE Nifty 50-decreases by 5%	(450.45)	(7,405.05)
31 March 2018		
NSE Nifty 50-increases by 5%	488.83	7,823.26
NSE Nifty 50-decreases by 5%	(488.83)	(7,823.26)

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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

(a) Trade receivable

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Reconciliation of loss allowance provisions- Trade receivable

Particulars	Amount
Impairment allowance on 1 April 2017	522.78
Impairment loss recognised during the year*	858.59
Impairment allowance on 31 March 2018	1,381.37
Impairment loss recognised during the year*	243.59
Impairment allowance on 31 March 2019	1,624.96

*net of reversal and bad debts actualisation

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the guidelines framed by the board of directors of respective companies. Guidelines broadly covers the selection criterion and over all exposure which the Group can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Group can make with a particular bank or financial institution. The Group does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

c) Other/Incentive receivables consists of interest subventions, amounts with held with CERC and export subsidy receivables from government. Therefore, credit risk in regards to the same is considered to be insignificant.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended 31 March 2019				
Borrowings#	47,739.70	88,223.51	38,619.43	174,582.64
Trade payables	39,646.41	39.01	-	39,685.42
Other financial liabilities	3,756.43	253.68	-	4,010.11
	91,142.54	88,516.20	38,619.43	218,278.17
Year ended 31 March 2018				
Borrowings#	42,340.01	69,036.02	23,429.32	134,805.36
Trade payables	38,923.35	199.57	-	39,122.92
Other financial liabilities	2,676.73	623.90	-	3,300.63
	83,940.09	69,859.49	23,429.32	177,228.91

#The same includes contractual interest cash outflows related to the borrowings.

Derivative financial instruments:

One of the Subsidiary Company uses **derivative instruments** as part of its management of exposure to fluctuations in interest rates and foreign currency rates. The Subsidiary Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Subsidiary Company does not enter into complex derivative transactions to manage treasury risks. Treasury derivative transactions are normally in the form of forward contracts or swap contracts and these are subject to the Subsidiary Company's guidelines and policies.

Derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on valuations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within other financial assets/liabilities, as applicable. The use of derivatives can give rise to credit and market risk. The Subsidiary Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non qualifying hedges

The subsidiary Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include as on date include "Interest Rate Swaps" and "Forward Dollar Purchase Contracts" being entered by the Subsidiary Company with bankers to hedge floating interest foreign currency loan and interest payments as due related thereto. Fair value changes on such derivative instruments are recognized in the Statement of Profit and Loss.

Note 48: Capital management

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

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings (including debt portion of preference shares)	147,104.36	115,297.98
Trade payables	39,152.40	38,159.61
Less: cash and cash equivalents	3,282.97	3,126.62
Net debts	182,973.79	150,330.97
Equity	221,963.11	240,702.02
Total capital	221,963.11	240,702.02
Capital and net debt	404,936.90	391,032.99
Gearing ratio %	45.19%	38.44%

In order to achieve this overall objective, the Group'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. Breaches in meeting the major financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

Note 49. Revenue related disclosures:

Revenue from Contracts with Customers

"Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Ind AS 115 has replaced 'Ind AS 18 Revenue' and 'Ind AS 11 Construction Contracts' and related interpretations and introduced one single new model for recognition of revenue which includes a 5 step approach and detailed guidelines which are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition. Five step model is as follows:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

According to Ind AS 115, revenue is recognized over time (percentage of completion) either when the performance creates an asset that the customer controls as the asset is created (e.g. work in progress) or when the performance creates an asset with no alternative use and an enforceable right to payment as performance is completed to date has been secured. Revenue is also recognized over time if the customer simultaneously receives and consumes the benefits from goods and services as performed. Under Ind AS 11 construction contracts with a high degree of individual adjustment were recognized as revenue by reference to the percentage of completion. Zuari Group has assessed the effect of the new standard and has concluded that apart from providing more extensive disclosures the application of Ind AS 115 has effect on recognition and measurement of revenue for following business:-

Real estate: Revenue from sale of flats and villas is measured based on the consideration specified in a contract with a customer. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group recognizes revenue when it transfers control over flats and villas to a customer which is done after completion of the project, i.e. revenue is recognised based on completed contract method. In obtaining these contracts, the Group incurs a number of incremental costs, such as commissions paid to sales staff. The Group has recognise as an asset (prepaid expense) against the incremental costs of obtaining a contract with a customer as same is expected to be recovered. These are recognised in the statement of profit and loss when revenue corresponding to such cost has been recognised.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Sale of sugar : Ind AS 115 specifies how and when revenue should be recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Pursuant to change in accounting policy, revenue from operations have been disclosed net of freight charges. Such expenses were earlier grouped under 'other expenses' in accordance with the requirements of Ind AS 18 upto March 31, 2018. However, there is no impact on the retained earnings as at 1 April 2017 and for the profit for the year ended March 31, 2018.

Sale of power: Where available, the Group has elected the practical expedient available under Ind AS 115 for measuring progress toward complete satisfaction of a performance obligation and for disclosure requirements of remaining performance obligations. This permits the Group to recognize revenue in the amount to which the Group has the 'Right to Invoice' such that the Group has a right to the consideration in an amount that corresponds directly with the value to the customer for performance completed to date.

Real estate: Income in respect of service contracts, which are generally in the nature of consultation (coordination with Architect and engineers, Project plan finalisation etc.) , are recognised in statement of profit and loss when control of respective service has been transferred to customer.

Significant changes in contract assets and liabilities

31 March 2019	
Contract liabilities - Advance from customers	
Opening balance of Contract liabilities	6,480.12
Add: Adjustment in amount of advance from customer pursuant to change in accounting policy	7,129.41
Less: Amount of revenue recognised against opening contract liabilities	3,099.03
Add: Addition in balance of contract liabilities for current year	7,566.74
Closing balance of Contract liabilities	18,076.97

As at 31 March 2019	
Contract liabilities - Deferred revenue	
Opening balance of Contract liabilities - Deferred revenue	179.41
Less: Amount of revenue recognised against opening contract liabilities	179.41
Add: Addition in balance of contract liabilities for current year	1,125.75
Closing balance of Contract liabilities - Deferred revenue	1,125.75

31 March 2019	
Contract assets - unbilled revenue	
Opening balance of Contract liabilities	1,160.00
Less: Amount of unbilled revenue transferred to advance from customer reversed pursuant to change in accounting policy	199.47
Less: Amount of unbilled revenue transferred to trade receivables	180.48
Add: Addition in balance of contract assets for current year	5,767.45
Closing balance of Contract liabilities	6,547.50

31 March 2019	
Contract assets - Cost Incurred to obtain a contract	
Opening balance of contract assets	94.56
Less: Amount of prepaid expense recorded as expense in statement of profit & loss in current year	34.02
Add: Addition in balance of prepaid expenses in current year	355.30
Closing balance of contract assets	415.84

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Refer table below for further details.

31 March 2019	
Description	
Amounts included in contract liabilities at the beginning of the year	3,099.03
Performance obligations satisfied in previous years	-

Assets and liabilities related to contracts with customers

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Contract assets				
Unbilled revenue	-	6,547.51	-	1,160.00
Cost Incurred to obtain a contract	-	415.84	-	94.56
Contract liabilities				
Advance from customers	-	18,076.97	-	6,480.12
Deferred revenue	-	1,125.75	-	179.41

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Reconciliation of Revenue from Ind AS 18 to Ind AS 115

Description	Amount
Revenue from operations as per Ind AS 18	77,068.94
Adjustment related to Ind AS 115	349.96
Adjustment on account of change in revenue recognition from over time to point in time	77,418.90

Performance obligation of the Group

a) Real estate business

The agreement to sell states that the Customer is entitled to a fully developed residential apartment. There can be various goods like labour, building materials, etc. and construction services that are integrated to construct and provide a built apartment. However, the ancillary services like parking lot, gymnasium, club membership etc. and gift of gold coin, do not affect the benefits that customer may obtain from the apartment individually. The Group is providing a significant integration service of combining the material and construction services for the overall promise is to deliver the fully built apartment/villa/floor in a township together with ancillary parking space. On the other hand, facilities like gymnasium and club membership separately identifiable and the intent Group does not really integrate them with construction service to deliver a combined output. Similarly, gold coin is altogether a different product and does not really integrate them with construction service to deliver a combined output. Based on above analysis, the performance obligation is identified as:

- A fully developed apartment/villa in the township
- Ancillary amenities like: club membership, gymnasium membership etc.
- Gold Coin

The price charged from the customer shall be allocated on respective obligations based on their standalone selling price.

b) Engineering business

The agreement with the customer specifies the obligation of Simon India wherein Simon India is responsible for

- (i) Engineering & design of the plant,
- (ii) procurement of material including equipment; and
- (iii) civil, erection & commissioning of plant/structure as per the agreement.

The customer can benefit from each of the above together with other available resources which are available on stand-alone basis as they have a standalone fair value to the Customer. The Group is providing a significant integration service of combining the abovementioned goods and services. Each service offered by the Group to its customer is interlinked with other service in order to achieve one commercial objective as per contract and therefore goods/service customize other goods/service promised in the contract and represent a 'single performance obligation', i.e., to deliver fully developed plant."

c) Sugar and power

In case of sale of sugar, there are two performance obligation of the Group:

- Sale of sugar
- Facilitation of transport service

Transaction price in is inclusive of price of both performance obligation. Management of the Group has allocated transaction price over different performance obligation basis the price charged by the Group from customers against each obligation.

The Group recognizes revenue when it transfers control over a product or service to a customer. For goods, revenue is recognised when customers are billed (in case of ex-works) or when goods are delivered at the delivery point (as per terms of the agreement) and for services, when necessary obligation regarding facilitation has been performed and control has been transferred to the customer. Further, for such service arrangement, Group assess Principal versus agent consideration for recognizing revenue. Management determines that in case of facilitation of transport service, Transporter is primarily responsible for delivering the products, inventory risk of the product lies with the transporter and the entity is not exposed to credit risk for the amount receivable from a customer once goods has been delivered at transporter premises. Basis such consideration, management concluded that the Group is acting as an agent for arranging such transport and therefore recording such revenue on net basis.

In case of power business, Group sells power to its customer, wherein obligation of the Group is to sale and deliver power at the delivery point as agreed between the Group and the customer. Revenue is recognised once control has been transferred to the customer, which is done at delivery point. Since there is only one obligation for power business, no such allocation has been done.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

Note 50. Change in accounting policies

The Group applied IND AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the Group recognised the cumulative effect of initially applying IND AS 115 as an adjustment to the opening balance of retained earnings as at 1 April 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The impact on the Group's equity attributable to equity holders as at 1 April 2018 is as follow

Particulars	Notes	1 April 2018
Equity attributable to equity holders		237,757.91
Adjustment on account of change in revenue recognition from over the time to point in time	(i)	(1,174.71)
Recognition of assets for cost incurred to obtain a contract	(ii)	377.34
Increase in deferred tax assets (net)	(i) & (ii)	213.94
Sub-total		(583.43)
Equity attributable to equity holders		237,174.48

The following table presents amounts by which each financial statement line item is affected in the current year ended 31 March 2019 by the application of IND AS 115 as compared with the previous revenue recognition requirement. Line item that were not affected by the change have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance sheet (extract)	Amount 31 March 2019	Adjustment as per Ind AS 115	Amount 31 March 2019 as reported
Current assets			
Trade receivable	11,888.92	(1,456.96)	10,431.96
Inventories	107,653.30	8,879.28	116,532.58
Other financial assets	12,261.24	(215.22)	12,046.02
Other current assets	7,258.57	481.68	7,740.25
		7,688.78	
Equity			
Other equity	219,704.67	(685.67)	219,019.00
Non-current liabilities			
Deferred tax liabilities	292.57	(196.84)	95.73
Current liabilities			
Other current liabilities	16,351.54	8,633.29	24,984.83
Current tax liabilities	65.73	(62.00)	3.73
		7,688.78	

Statement of Profit and Loss (extract)	Amount 31 March 2019 without adoption of IND AS 115	Adjustment as per Ind AS 115	Amount 31 March 2019 as reported
Revenue from operations	77,068.94	349.96	77,418.90
Total expenses	92,172.03	497.11	92,669.14
Tax expense	(1,696.97)	(44.90)	(1,741.87)
Loss for the year	(10,885.12)	(102.25)	(10,987.37)
Earnings per equity share			
Basic earnings for share	(30.44)		(30.79)
Diluted earnings for share	(30.44)		(30.79)

(i) Accounting of real estate projects

Under the previous revenue standards, the Group apply percentage of completion method to recognise revenue from real estate projects. However, post adoption of IND AS 115 it is concluded that the Group does not have a right to legally enforce payment for dues payable for entire work done from customers. Hence, the revenue from real estate shall be recognised when the property will be delivered to customers i.e. completed method accounting. Accordingly, the revenue net of cost earned for the project under construction amounting to INR 1,174.71 lakhs has been adjusted to retained earning and a deferred tax assets has been recognised on the such adjustment.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

(ii) Recognition of assets for costs incurred to obtain a contract

Under the previous revenue standards, the Group booked commission paid to the brokers on successful execution of agreement to sell with its customers in books. However, these costs is an integral part of its product's pricing model and these are critical to the contract and it will not be in existence if these commission costs will not be incurred. Hence, pursuant to adoption of IND AS 115, the such cost amounting to INR 377.34 lakhs has been recognised as an assets to obtain a contract. A deferred tax liability has been recognised, resulting in net adjustment to retained earnings.

IND AS 115 require to amortise these cost on systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Therefore, the same will be recognised as an expense on the date of transfer of control i.e. delivery of Apartment or villa.

(iii) Accounting of financial component

Post adoption of Ind AS 115 "Revenue from Contracts with Customers", the Group concluded to recognize revenue when it transfers control over flats and villas to a customer, which is done after completion of the project, i.e. revenue is recognised based on completed contract method. Therefore, there is a significant time gap between the payments received and the point of revenue recognition. Hence, there is a financing component on these funds as the Group uses such advances for funding its construction per the guidance of IND AS 115. Therefore, an imputed interest adjustment has been made for this financing component. The same has been added to advance from customers with the corresponding impact on the inventory.

Note 51. Change in estimated cost and revenue on projects

The management update its estimate of budgeted cost on every reporting date and consider cumulative adjustment to revenue. Such changes in budget are results of changes in cost due to better understanding of requirement as well as changes in prices, and also as a result of changes in work order. More often than not, cost changes are cumulative effects of more than factor. Therefore, it is impracticable to disclose effect of such changes on current period and future period for each individual factor.

Note 52: Disclosure required under section 186(4) of Companies Act 2013:

A. Particulars of investment made during the year

S. No	Name of the investee	31 March 2019	31 March 2018	Purpose
1	Texmaco Infrastructure and Holdings Limited	1,006.33	361.69	Strategic Investment
		1,006.33	361.69	

B. Disclosure of loan given:

S.No	Name of Loanee	Opening balance	Loan given	Loan repaid	Outstanding balance	Purpose
1	Texmaco Infrastructure and Holdings Limited	1,250.00	-	-	1,250.00	General Business Purpose
2	ANS Industries Limited	320.00	-	100.00	220.00	General Business Purpose
3	Dhoot Industrial Finance Limited	400.00	-	400.00	-	General Business Purpose
		1,970.00	-	500.00	1,470.00	

Note 52A: Disclosure Under Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

S.No	Name of Loanee	Status	Outstanding balance on		Maximum balance during the year	
			31 March 2019	31 March 2018	31 March 2019	31 March 2018
1	Forte Furniture Products India Private Limited	Joint venture	1,250.00	1,250.00	1,250.00	1,250.00

Note 53 Restatement of previously reported financial information

The Group, in order to comply with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' has restated its previously issued financial information. The Company has restated the comparative amounts for the comparative period presented by effecting opening balance sheet of earliest comparative period presented. Refer below for details:

Balance Sheet as at 31 March 2018 (Extract)	Footnotes	Audited	Adjustments	Restated
ASSETS				
Non-current assets				
Investments accounted for using the equity method	(a)	56,860.52	372.69	56,487.83
Deferred tax assets(net)	(a)	12,477.39	(75.88)	12,553.27
			296.81	
EQUITY AND LIABILITIES				
Equity				
Total equity	(a)	242,097.60	296.81	241,800.79
			296.81	

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Statement of Profit and Loss for the year ended 31 March 2018 (Extract)	Footnotes	Audited	Adjustments	Restated
Profit/(loss) before share of profit/(loss) of associates and joint ventures, exceptional items and tax (I-II)		(7,442.79)	-	(7,442.79)
Share of profit/(loss) of associates and joint ventures	(a)	4,036.91	372.69	3,664.22
Loss before tax		(3,405.88)	372.69	(3,778.57)
Total tax expense		404.29	75.88	328.41
Loss for the year		(3,810.17)	296.81	(4,106.98)
Total comprehensive income for the year		48,186.38	296.81	47,889.57
Earnings per share:				
Basic		(9.54)		(10.54)
Diluted		(9.54)		(10.54)

Due to the aforesaid restatements in the comparative amounts for the comparative periods, there is no change in net cash flow from operating activity, financing activity and investing activity.

Note

(a) During the year ended 31 March 2019, Zuari Agro Chemicals Limited (an Associate of the Holding Company) has restated its consolidated financial statements for the year ended 31 March 2018 as per Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors" for recording an impairment loss of INR 1,161.76 lakhs and consequently, the Group has restated share of profit/(loss) of an associate along with the tax impact on the same. Refer note-56(b) for further details.

(b) Material reclassifications

During the year ended 31 March 2018, the Company has made certain reclassifications in the previously issued financial statements with effects from 1 April 2017. Considering their material impacts, the Company has made such correction by restating opening balances of earliest reported comparative period i.e. as on 1 April 2017. Refer below for details:

As at 1 April 2017	Amount	Earlier heading	Revised heading
Non-current tax assets (net)	2,533.85	Non-current tax assets (net)	Other non-current liabilities
Interest accrued and due	360.33	Current assets (Loans)	Current Other financial assets

As at 31 March 2018	Amount	Earlier heading	Revised heading
Non-current tax assets (net)	2,533.85	Non-current tax assets (net)	Other non-current liabilities
Interest accrued and due	536.85	Current assets (Loans)	Current Other financial assets
Provision for litigations	101.63	Other current liabilities	Non Current Provisions
Non-current security deposits	53.55	Non Current assets (Loans)	Other non-current assets
Amount paid as deposits against disputed demand	133.69	Other current assets	Other non-current assets

Note 54:

The Holding Company had demerged its fertilizer undertaking to Zuari Agro Chemicals Limited (ZACL), an associate of the Holding Company with effect from 1 July 2011. The Holding Company has, during the financial year ended 31 March 2017, based on Hon'ble High Court Order on demerger of fertilizer undertaking, identified the amount of income tax paid or payable under protest pertaining to fertilizer undertaking demerged into ZACL. The Holding Company has exchanged letter of mutual understanding with ZACL, wherein, ZACL has paid such amount of tax paid or payable under protest by the Holding Company. During the year ended 31 March 2017, the Company had received INR 2,533.85 lakhs from ZACL on this account. During the year ended 31 March 2019, pursuant to the aforesaid OGE of ITAT order (note 59), the management has carried out the exercise to finalize an amount and repaid an amount of INR 825.50 lakhs to ZACL, out of the receipts of income tax refund. The carrying value of such advance is INR 1,708.35 lakhs and classified under non-current liability.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 55: Statutory Group Information

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities as at 31 March 2019		Share in Profit or Loss for the year ended 31 March 2019		Share in Other comprehensive Income for the year ended 31 March 2019		Share in Total comprehensive Income for the year ended 31 March 2019	
		As % of consolidated net assets	Amount (INR in lakhs)	As % of consolidated profit or loss	Amount (INR in lakhs)	As % of consolidated net assets	Amount (INR in lakhs)	As % of consolidated profit or loss	Amount (INR in lakhs)
	Zuari Global Limited (Console)	100.00	221,963.11	100.00	(9,063.97)	100.00	(8,216.47)	100.00	(17,280.44)
1	Holding Company								
	Zuari Global Limited	82.91	184,037.68	(44.44)	4,027.70	314.93	(25,876.15)	126.43	(21,848.45)
2	Indian subsidiaries								
	Indian Furniture Products Limited	1.92	4,258.49	(22.12)	2,005.00	(0.01)	0.52	(11.61)	2,005.52
	Simon India Limited	4.39	9,737.53	7.72	(700.05)	(0.66)	54.58	3.74	(645.47)
	Zuari Finserv Limited	1.02	2,270.35	(0.27)	24.36	(0.03)	2.85	(0.16)	27.21
	Zuari Management Services Limited	3.56	7,899.85	4.32	(391.57)	183.08	(15,042.99)	89.32	(15,434.56)
	Zuari Infraworld India Limited	6.71	14,893.35	(0.33)	29.52	(0.05)	4.00	(0.19)	33.52
	Zuari Sugar and Power Limited	0.06	140.28	17.73	(1,607.39)	-	-	9.30	(1,607.39)
	Zuari Investments Limited	11.73	26,036.33	5.90	(534.73)	65.04	(5,344.01)	34.02	(5,878.74)
	Zuari Insurance Brokers Limited	0.20	452.93	(0.72)	65.38	(0.00)	0.20	(0.38)	65.58
	Zuari Commodity Trading Limited	0.05	104.84	0.08	(6.93)	(0.00)	0.16	0.04	(6.77)
	Gobind Sugar Mills Limited	(0.88)	(1,952.15)	39.52	(3,582.47)	(0.29)	23.53	20.60	(3,558.94)
3	Foreign subsidiaries								
	Zuari Infra Middle East Limited	0.17	384.26	1.60	(144.65)	-	-	0.84	(144.65)
	Zuari Infraworld SJM Elysium Properties LLC	(0.27)	(607.44)	2.70	(244.93)	-	-	1.42	(244.93)
4	Minorities Interest in subsidiaries								
	Indian Furniture Products Limited	(0.09)	(198.14)	(4.29)	388.41	(0.04)	3.57	(2.27)	391.98
	Gobind Sugar Mills Limited	0.23	502.87	(16.94)	1,534.99	(0.02)	1.64	(8.89)	1,536.63
5	Indian joint ventures								
	Zuari Indian Oil Tanking Private Limited	-	-	(0.43)	38.60	0.00	(0.07)	(0.22)	38.53
	Soundaryaa IFPL Interiors Limited	-	-	0.03	(2.91)	-	-	0.02	(2.91)
	Forte Furnitures Private Limited	-	-	10.41	(943.98)	0.31	(25.59)	5.61	(969.57)
6	Associates								
	Zuari Agro Chemicals Limited	-	-	72.17	(6,541.25)	9.00	(739.39)	42.13	(7,280.64)
	New Eros Tradecom Limited	-	-	(0.10)	8.70	20.47	(1,682.14)	9.68	(1,673.44)
	Darshan Nirmaan Private Limited	-	-	-	-	-	-	-	-
	Pranati Nirmaan Private Limited	-	-	0.00	(0.02)	-	-	0.00	(0.02)
	Brajbhumi Nirmaan Private Limited	-	-	0.23	(211.4)	-	-	0.12	(211.4)
7	Eliminations and adjustments due to consolidation	(11.71)	(25,997.92)	27.19	(2,464.61)	(491.73)	40,402.82	(219.54)	37,938.21
		100.00	221,963.11	100.00	(9,063.97)	100.00	(8,216.47)	100.00	(17,280.44)

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities as at 31 March 2018		Share in Profit or Loss for the year ended 31 March 2018		Share in Other comprehensive Income for the year ended 31 March 2018		Share in Total comprehensive Income for the year ended 31 March 2018	
		As % of consolidated net assets	Amount (INR in lakhs)	As % of consolidated profit or loss	Amount (INR in lakhs)	As % of consolidated net assets	Amount (INR in lakhs)	As % of consolidated profit or loss	Amount (INR in lakhs)
1	Holding Company								
	Zuari Global Limited	85.77	206,443.92	(57.87)	1,796.46	115.08	60,152.82	126.00	61,949.28
2	Indian Subsidiaries								
	Indian Furniture Products Limited	2.71	6,534.06	9.80	(304.12)	-	-	(0.62)	(304.12)
	Simon India Limited	4.31	10,382.97	67.66	(2,100.41)	3.29	1,720.46	(0.77)	(379.95)
	Zuari Finserv Limited	0.85	2,043.14	(8.24)	255.79	0.00	1.26	0.52	257.05
	Zuari Management Services Limited	9.69	23,334.40	2.68	(83.34)	11.55	6,039.95	12.11	5,956.61
	Zuari Infraworld India Limited	6.33	15,240.59	0.60	(18.74)	0.00	1.16	(0.04)	(17.58)
	Zuari Sugar and Power Limited	0.10	247.68	36.06	(1,119.52)	-	-	(2.28)	(1,119.52)
	Zuari Investments Limited	13.26	31,915.07	10.92	(338.94)	0.21	110.67	(0.46)	(228.27)
	Zuari Insurance Brokers Limited	0.16	387.35	(1.05)	32.54	(0.00)	(0.06)	0.07	32.48
	Zuari Commodity Trading Limited	0.04	86.61	0.94	(29.14)	0.00	0.10	(0.06)	(29.04)
	Gobind Sugar Mills Limited	0.14	331.24	66.27	(2,057.36)	(0.27)	(142.24)	(4.47)	(2,199.60)
3	Foreign Subsidiaries								
	Zuari Infra Middle East Limited	0.21	503.24	(9.72)	301.62	-	-	0.61	301.62
	Zuari Infraworld SJM Elysium Properties LLC	(0.14)	(333.64)	8.13	(252.24)	-	-	(0.51)	(252.24)
4	Minorities Interest in subsidiaries								
	Indian Furniture Products Limited	(0.25)	(592.51)	(6.65)	206.46	-	-	0.42	206.46
	Gobind Sugar Mills Limited	(0.21)	(506.26)	(25.64)	796.10	0.53	275.77	2.18	1,071.87
5	Indian Joint Venture								
	Zuari Indian Oil Tanking Private Limited	-	-	(2.18)	67.60	0.00	0.10	0.14	67.70
	Soundaryaa IFPL Interiors Limited	-	-	(0.38)	11.66	-	-	0.02	11.66
	Forte Furnitures Private Limited	-	-	33.41	(1,037.29)	-	-	(2.11)	(1,037.29)
6	Associates								
	Zuari Agro Chemicals Limited	-	-	(148.56)	4,611.90	(0.82)	(430.28)	8.50	4,181.62
	New Eros Tradecom Limited	-	-	(0.47)	14.73	1.21	630.31	1.31	645.04
	Darshan Nirmaan Private Limited	-	-	0.00	(0.11)	-	-	(0.00)	(0.11)
	Pranati Nirmaan Private Limited	-	-	0.00	(0.05)	-	-	(0.00)	(0.05)
	Brajbhumi Nirmaan Private Limited	-	-	0.14	(4.23)	-	-	(0.01)	(4.23)
7	Eliminations and adjustments due to consolidation	(22.98)	(55,315.84)	124.14	(3,853.79)	(30.78)	(16,087.70)	(40.56)	(19,941.49)
		100.00	240,702.02	100.00	(3,104.42)	100.00	52,272.32	100.00	49,167.90

Note 56. Notes reproduced from consolidated financial statements of Zuari Agro Chemicals Limited (an Associate of the Holding Company) for the year ended 31 March 2019

a) Financial statement of MCA Phosphate Pte. Limited and Fospatos del Pacifico S.A. for the year ended 31 March 2019, which include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of INR 309.94 lakhs, are unaudited and have been compiled by the management. Also, the financial statements of its associate Fospatos del Pacifico S.A. have been derived by deducting three months ended 31 March 2018 and adding three months period ended 31 March 2019 to the figures of audited financial statements for the year ended 31 December 2018.

Financial statement of MCA Phosphate Pte. Limited for the year ended 31 March 2018 are unaudited. Also, financial statements of its associate Fospatos del Pacifico S.A. have been derived by deducting three months period ended 31 March 2017 and adding three months period ended 31 March 2018 to the figures of audited financial statements for the year ended 31 December 2017.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019 (All amounts in INR lakhs, unless stated otherwise)

- b) In respect of the Parent Company's investment of INR 11,943.47 lakhs (31 March 2018: INR 11,943.47 lakhs) in the rock phosphate mining project (which is under development) through MCA Phosphate Pte Limited (MCAP), a joint venture company, there has been a deadlock between the Parent Company and its JV partner Mitsubishi in its rock phosphate mining project through MCAP about certain impairments recorded in the financial statements of MCAP for financial years 2015-16 and 2016-17. On 15 February 2018, MCAP had issued a share offer notice by virtue of which the Parent Company was offered to subscribe to certain ordinary shares. In light of the objections already raised by the Parent Company in regard to the impairment and adoption of accounts and the nominal value at which the shares were issued, it did not subscribe to the rights issue. On 30 May 2018, the Parent Company obtained a clarification from the JV partner that its shareholding in MCAP has been diluted from 30% to 0.17% with effect from 1 April 2018.

The Parent Company initiated legal proceedings before the High Court of Singapore on 4 June 2018 seeking certain relief. The matter was heard on 13 August 2018 and the Parent Company has been advised that, an order has been passed by the High Court of Singapore mandating that inter alia no steps should be taken: i) in respect of any matter specified as a super-majority decision in the shareholders agreement dated 20 December 2011, without the prior written consent of the Parent Company, to, among other things, preserve the Company's original investment; and ii) no steps should be taken to change the shareholding of MCAP or to amend the Articles of Association of MCAP or to act in any manner inconsistent with the shareholders agreement mentioned above.

The Parent Company had not considered any impairment loss till the time of finalization of the financial statements for the year ended 31 March 2018. During the quarter ended 30 June 2018, the Company has assessed the fair value of the said investment based on the fair valuation done by an independent valuer and have concluded that the impairment loss was required to be recognised. Accordingly, the Parent Company recognized an impairment loss of INR 1,161.76 lakhs in the financial statements and the figures for the year ended 31 March 2018 have been appropriately restated and disclosed under exceptional items as per Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors".

The Parent Company has also initiated arbitration proceedings against the JV partner in accordance with the arbitration rules of the International Chamber of Commerce (ICC) and has also moved application seeking interim relief with ICC for continuation of the reliefs granted by the High Court of Singapore. The ICC, vide its order on application for interim relief dated 4 December 2018, amended the order passed by the High Court of Singapore by allowing the respondents (i.e. Mitsubishi Corporation and MCA Phosphate Pte Limited) to exercise contractual options to purchase or sell shares of MCA Phosphates Pte. Limited in accordance with the terms of any applicable agreements. Mitsubishi Corporation has agreed not to exercise such contractual options till the final award is issued in the aforesaid arbitration. The Parent Company has filed its claim with the arbitration tribunal on 23 April 2019. Basis the Parent Company's discussions with its counsel for the arbitration, the Company is confident that the reliefs sought by the Parent Company in its claim will be awarded in its favour by the arbitration tribunal constituted by ICC."

The Company had not considered any impairment loss till the time of finalization of the financial statements for the year ended 31 March 2018. During the quarter ended 30 June 2018, the Company has assessed the fair value of the said investment based on the fair valuation done by an independent valuer and have concluded that the impairment loss was required to be recognised. Accordingly, the Company recognized an impairment loss of INR 11.62 crores in the standalone and consolidated financial results and the figures for the year ended 31 March 2018 were appropriately restated and disclosed under exceptional items as per Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors".

For the year ended 31 March 2019, as per the requirement of arbitration proceedings, the Parent Company has got the valuation of MCAP investment in Fosfatos del Pacifico S.A (FDP), the mining project company, done by an independent valuer, which indicates a value higher than the carrying value of investment in the books of the Parent Company. Based on the report of the independent valuer and expected positive outcome of the arbitration, as advised by its legal counsel, impairment loss of INR 1,161.76 lakhs recognized for the year ended 31 March 2018 has been reversed in the current year and disclosed as exceptional income.

The following assumptions have been considered by the independent valuers in the valuation done for the respective years:

Valuation methodology	DCF analysis	DCF analysis
Valuation date	31 March 2019	31 March 2018
Going concern	The business of the joint venture will continue to operate as going concern which will enable the achievement of financial forecast	The business of the joint venture will continue to operate as going concern which will enable the achievement of financial forecast
Period of cash flows	40 years of operation CY 2020 to CY 2060	84 years of operation CY 2019 to CY 2106
Measured mine resources	546 million tons	546 million tons
Annual planned production	2.5 million tons	2.5 million tons
Commencement of full commercial production	CY 2024	CY 2023
Capital expenditure (Capex)	US\$ 831 million	US\$ 831 million
Sustaining capex	US\$ 252 million	US\$ 252 million
Replacement capex	Replacement capex of machiner in financial year 2043 and 2063	Replacement capex of machiner in financial year 2043 and 2063
Debt : Equity	03:17	01:01
Weighted average cost of capital	8.40%	14.10%

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Valuation results	Cash flows - US\$ - 257.00 million (100% Fospac equity value) Parent Company's 9% stake value - US\$ 23.12 million Total investment value of the Parent Company - US\$ 16.54 million	A. Primary cash flows value - US\$ - 91.60 million (100% Fospac equity value) Parent Company's 9% stake value - US\$ 8.24 million B. Secondary cash flow - value of savings for the Parent Company on account of marketing discount @ 2% - US\$ 8.30 million Total investment value of the Parent Company - US\$ 16.54 million
Rock phosphate realisation	As per ARGUS weekly reports for India	As per ARGUS forecast of June/July 2018

- c) The Parent Company is carrying a receivable of INR 1,949.03 lakhs (31 March 2018: INR 1,949.03 lakhs) for the period February 2013 and March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office memorandum dated 16 April 2018 issued by the Department of Fertilizer, the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the relevant district during the months of February 2013 and March 2013 in different year since 2012-13 at the rates fixed for the next financial year which were lower than the rate approved by cabinet /CCEA ('Cabinet Committee on Economic Affairs') for that year. The Parent Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence, Nutrient Based Subsidy rates of 2013 should be applicable. The Parent Company has also filed writ petition at Hon'ble High Court of Delhi against Department of Fertilizer to recover this amount. The Parent Company, based on legal opinion, is hopeful to realize the aforesaid amount and hence no provision has been made in the accounts.
- d) Vide notification number 26/ 2018 dated 13 June 2018, the Government has amended the definition of "Net Input Tax Credit (ITC)" for the purpose of GST refund on account of inverted duty structure with effect from 1 July 2017 to include ITC availed only on inputs which excludes input services. The Group has claimed GST refund with respect to input services effective 1 July 2017 which aggregates to INR INR 3,084.82 lakhs (net of amount eligible for recovery as subsidy). The Group has recognised GST input tax credit of INR 4,296.21 lakhs on input services for the year ended 31 March 2019. Management, based on an opinion obtained by the Group and also relying on similar fact pattern in an order dated 18 September 2018 of the High Court of Gujarat in respect of application of another Company on this matter wherein ad-interim relief was granted, is of the view that to the extent the aforesaid Notification denies grant of refund of unutilised tax credit in respect of tax paid on input services is ultra vires to the Central Government and Services Tax Act, 2017. The Parent Company has also filed a writ petition in the Hon'ble High Court of Bombay at Goa in this regard. Accordingly, the management is confident of refund in respect of tax paid on input services and that no liability including interest, if any, would arise from the same.

Note 57: Notes reproduced from consolidated financial statements of Zuari Infraworld India Limited (a Subsidiary of the Holding Company) for the year ended 31 March 2019:

Recoverable advances paid to a sub-contractor amounting to INR 2,246.49 lakhs (as at 31 March 2018: INR 2,246.47 lakhs). The Management is in negotiation with party for its recovery including interest accrued INR 33.72 lakhs and is confident that this advance will be ultimately fully recovered. Hence in the view of the Management no provision is considered necessary at this stage.

Note 58:

Post applicability of Goods and Service Tax Act (GST), w.e.f 01 July 2017, the revenue is disclosed net of GST. Accordingly, the revenue from operations for the year ended 31 March 2019 is not comparable with the previous year's corresponding reported periods as Excise duties formed part of revenue from operations and expenses during the previous period upto 30 June 2017.

Note 59:

Under section 133A of the Income Tax Act, 1961, the income tax department carried out a survey at the Holding company's premises in February, 2014. Pursuant to the discussion during the survey, the Holding Company had deposited a sum of INR 5,500 lakhs towards income tax demand mainly towards disallowance under section 14A of the Income Tax Act, 1961, disallowance for diminution in value of fertilizer bonds and disallowance under Section 36(1)(iii) of the Income Tax Act, 1961. The Holding Company had made income tax provision including interest thereon provided in an earlier year for various assessment years. However, subsequently, Income Tax Appellate Tribunal (ITAT) in March 2017, had issued favourable decisions for some assessment years such as 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12 and, in current year, pursuant to order giving effect ('OGE') of ITAT order and corresponding receipt of refunds from income tax department by the Company. Other income for the year ended 31 March 2019 includes interest income on income tax refunds amounting to INR 809.45 lakhs and reversal of finance cost (interest on income tax liability recorded in earlier years) amounting to INR 669.09 lakhs, and Tax expense/(credit) for the year ended 31 March 2019 includes income tax provision reversals amounting to INR (1,182.75) lakhs. Moreover, the Hon'ble High Court has accepted the appeal of department for these year against ITAT order in the financial year ended 31 March 2019, however, under the given circumstance the Holding Company has favourable decision from ITAT, the management believe there is remote chances of unfavourable decision from the Hon'ble High Court.

Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in INR lakhs, unless stated otherwise)

Note 60:

One of the Subsidiary of the Group has not received the payment of outstanding foreign receivables within the period mentioned in the Master Circular on Export of Goods and Services issued by the Reserve Bank of India ("RBI"). Trade receivables amounting to INR 247.76 lakhs (31 March 2018: 107.42 lakhs) due from overseas parties is outstanding for a period of more than nine months.

In respect of these receivables – the Subsidiary Company has intimated to RBI through its authorised dealer bank for the delays in its realisation. Pending the final outcome of the aforesaid matters, which is presently unascertainable, no adjustments have been made in these financial statements.

Note 61:

One of the subsidiary of the Group, Gobind Sugar Mills Limited, is into a seasonal industry where sugar cane crushing normally takes place during the period between November and April, while sales are distributed throughout the year. Bagasse based co-generation power plant of the subsidiary is affected by the availability of bagasse, which is a by-product of the sugar cane.

This is the summary of consolidated significant accounting policies and other explanatory information referred to in our report of even date.

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

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

Neeraj Goel
Partner
Membership No.: 099514

S. K. Poddar
Chairman
DIN : 00008654

N. Suresh Krishnan
Managing Director
DIN : 00021965

Marco Wadia
Director
DIN : 00244357

Place: Gurugram
Date: 24 May 2019

Vijay Kathuria
Chief Financial Officer

Sachin Patil
Company Secretary
Membership No. 31286

Zuari Global Limited
Jai Kisaan Bhawan, Zuarinagar, Goa - 403 726