



ANNUAL REPORT 2012 - 2013

ZUARI GLOBAL LIMITED
(Formerly known as Zuari Industries Limited)

ZUARI GLOBAL LIMITED
TEN YEARS AT A GLANCE #

(₹ in Lacs)

| Particulars | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 |
|---|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Sales Turnover | 9,954 | 1,24,415 | 5,52,388 | 4,27,755 | 6,09,060 | 2,61,794 | 2,39,696 | 2,18,063 | 1,75,711 | 1,19,921 |
| Capital Employed | 34,705 | 38,536 | 1,85,913 | 1,87,352 | 96,314 | 1,42,191 | 1,37,959 | 80,982 | 51,580 | 48,968 |
| Net Worth | 59,768 | 57,762 | 1,22,039 | 1,06,886 | 92,740 | 84,445 | 78,137 | 39,644 | 37,698 | 35,620 |
| Gross Profit | 3,425 | 8,658 | 30,253 | 25,636 | 20,383 | 15,837 | 46,639 | 9,998 | 9,336 | 8,028 |
| Interest | (83) | (1,842) | (4,175) | (1,721) | (6,066) | (5,677) | (6,103) | (5,494) | (5,465) | (5,443) |
| Depreciation | (12) | (611) | (2,134) | (1,951) | (1,775) | (1,728) | (1,731) | (1,602) | (1,610) | (1,262) |
| Profit Before Exceptional Items & Tax | 3,329 | 6,205 | 23,945 | 21,964 | 12,542 | 11,482 | 5,406 | 3,148 | 2,796 | 2,041 |
| Exceptional Items | - | - | - | - | - | - | 35,387 | 329 | - | - |
| Profit After Exceptional Items & before Tax | 3,329 | 6,205 | 23,945 | 21,964 | 12,542 | 11,482 | 40,794 | 3,477 | 2,796 | 2,041 |
| Profit After Tax | 2,695 | 4,756 | 16,688 | 15,696 | 9,328 | 7,341 | 39,355 | 2,617 | 2,682 | 1,957 |
| Dividends | 589 | 589 | 1,325 | 1,325 | 883 | 883 | 736 | 589 | 530 | 442 |
| Earnings per Equity Share (₹) | 9.16 | 16.15 | 56.68 | 53.31 | 31.69 | 24.94 | 133.67 | 8.89 | 9.11 | 6.65 |
| Net Worth per Equity Share (₹) | 203.01 | 196.20 | 414.53 | 363.06 | 315.01 | 286.83 | 265.41 | 134.66 | 128.05 | 120.99 |
| No. of Shareholders | 38,223 | 35,264 | 35,291 | 35,077 | 36,669 | 36,760 | 38,907 | 35,994 | 37,553 | 38,953 |
| No. of Employees | 36 | 41 | 776 | 740 | 725 | 713 | 703 | 734 | 750 | 788 |

Previous years figures have been regrouped wherever necessary.

Registered Office : Jai Kisaan Bhawan, Zuarinagar, Goa 403 726

NOTICE

NOTICE is hereby given that the Forty Fifth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at "Jai Kisaan Bhawan", Zuarinagar, Goa 403726 on Wednesday, the 25th September, 2013 at 10.30 a.m. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet of the Company, as at 31st March, 2013 and the Profit and Loss Account for the financial year ended on that date together with the Reports of the Directors and Auditors.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2013.
3. To appoint a Director in the place of Mr. S. K. Poddar, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. D. B. Engineer, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. J. N. Godbole, who retires by rotation and is eligible for re-appointment.
6. To re-appoint M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company.

Special Business :

7. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.
"RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 if any, provisions of Memorandum and Articles of Association and SEBI (Substantial Acquisition of Shares and Takeovers), Regulations 2011, consent of the Company, be and is hereby granted to purchase such number of equity shares of Re.1/- each of Texmaco Rail & Engineering Limited (TREL) for an amount not exceeding Rs.5 crores at the prevailing market price, notwithstanding that such investments including loans in all other bodies corporate will exceed the limits prescribed under section 372A of the Act."
8. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution.
"RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 if any, provisions of Memorandum and Articles of Association,

and SEBI (Substantial Acquisition of Shares and Takeovers), Regulations 2011, consent of the Company, be and is hereby granted to purchase such number of equity shares of Re.10/- each of Zuari Agro Chemicals Limited (ZACL) for an amount not exceeding Rs.25 crores at the prevailing market price, notwithstanding that such investments including loans in all other bodies corporate will exceed the limits prescribed under section 372A of the Act".

- *9. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution;

"RESOLVED THAT pursuant to the provisions of Section 16&17 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory enactment of re-enactment thereof and subject to confirmation by the Company Law Board, if required, Clause III (C) of the Memorandum of Association of the Company be and is hereby amended by inserting the following new Sub Clause (24) after the existing Sub Clause (23).

(24) To Carry on the business in all branches of architecture and of contractors, erectors, construction of buildings, houses, apartments, structures or residential offices, set up, develop and providing of infrastructural facilities viz roads, water supply, power grids, telecommunications, ports, railway systems, irrigation sanitation and sewerage systems, industrial, institutional or commercial or developers of Cooperative Housing Societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building sites, constructing, reconstructing, erecting, altering, improving, enlarging, developing, decorating, furnishing and maintaining of structures, flats, houses, factories, shops, offices, garages, warehouses, buildings, works, workshops, hospitals, nursing homes, clinics, godowns, and other commercial, educational purposes for and conveniences to purchase for Development, and/or for resale and/or to let but and/or to hold lands, houses, buildings, structures and other properties of any tenure and any interest therein and to purchase, sell lease, hire exchange or otherwise deal in land and house property whether real or personal and turn the same into account as may seem expedient.

10. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution;
"RESOLVED THAT approval be and is hereby accorded pursuant to Section 149 (2A) and

other applicable provisions, if any, of the Companies Act, 1956 to the Company commencing the activities as are referred in sub clause 24 of Clause III (C) of the Company's Memorandum of Association at such time as the Board of Directors may deem fit."

By Order of the Board of Directors

SWAPNIL YELGAONKAR
Company Secretary

Date : 30th July, 2013
Registered Office :
Jai Kisaan Bhawan,
Zuarinagar-Goa 403 726

- * In respect of Item No. 9 the approval of the shareholders is being sought through the Postal Ballot as required u/s 192A of the Companies Act, 1956 read with the Companies (Passing of Postal Ballot) Rules 2011 amended from time to time.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The dividend, if any, declared at this meeting will be payable on or after 27th September, 2013 to the members whose names appear on the Register of Members, as on 28th May, 2013 or to their mandates registered with the Company. The dividend will be payable on the basis of beneficial ownership as per details furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
3. Pursuant to section 205 C of the Companies Act, 1956, Notice is hereby given that the amount of unclaimed/unpaid dividend and interest on fixed deposits, as well as principal amount of deposits remaining unclaimed or unpaid upto 31.03.2013 for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education & Protection Fund of the Central Government. No claims shall lie against the fund or the Company in respect of individual amounts which are transferred to the Fund. For the information of the shareholders it is hereby notified that the

following amounts will be due for transfer to the fund.

- a. Dividend paid for the financial year 2005-2006.
- b. Interest on deposits paid on March, 2005 to February, 2006.
- c. Principal amount of deposits matured during March, 2005 to February, 2006.

Shareholders/depositors who have not yet encashed dividend warrants / interest warrants or have not claimed the principal amount of deposit by submitting the duly discharged Fixed Deposit Receipts are requested to do so immediately.

4. A brief profile of Mr. S. K. Poddar, Mr. D. B. Engineer and Mr. J. N. Godbole, is provided in the Corporate Governance Report along with details as to their shareholding.

ANNEXURE TO THE NOTICE

(Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956)

Item No.7 & 8 :

Currently, your Company is holding 40,35,000 and 84,11,601 equity shares of Texmaco Rail & Engineering Limited (TREL) and Zuari Agro Chemicals Limited (ZACL) i.e. 2.22% & 20% of the paid up capital of the respective Companies.

As part of restructuring, M/s. New Eros Tradecom Limited proposes to sell/transfer its holding in TREL & ZACL to a Group Company. The Company proposes to acquire, apart from the open market, the said holding either full or part at prevailing market price.

The Company may exceed the limits prescribed u/s 372A of the Companies Act, 1956 in the event of acquisition of aforesaid shares and hence approval of the Shareholders would be required for making an investment in equity shares of TREL and ZACL.

None of the Directors except Mr. S. K. Poddar, Mr. Akshay Poddar, Mr. H.S. Bawa, Mr. N. Suresh Krishnan, Mr. Marco Wadia, Mr. J. N. Godbole are concerned or interested in the resolution.

Item No. 9 :

The Company has Parcel of Land which was acquired recently for development purpose.

Your Company proposes to develop the said or any other land, either fully or partly, at its own or jointly with other developer.

The Company's object clause does not permit the development of land and construction thereon for commercial purpose. Hence, it is necessary to amend the object clause of

Memorandum of Association of the Company for which the shareholders approval is required by way of special resolution by postal ballot.

None of the Directors is concerned or interested in passing of this resolution.

Item No. 10 :

The Company is empowered to carry on business of development of land as referred to under Sub Clause (24) of Clause III (C) 'Other Objects' of the Memorandum of Association of the Company. In accordance with the provisions of section 149(2A) of the Companies Act, 1956, the shareholders consent is required by special resolution passed at the general meeting before commencement of new business activity.

Accordingly, a special resolution is placed before the shareholders for approval

None of the Directors is concerned or interested in passing of this resolution.

By Order of the Board of Directors

SWAPNIL YELGAONKAR
Company Secretary

Date : 30th July, 2013
Registered Office :
Jai Kisaan Bhawan,
Zuarinagar-Goa 403 726

ZUARI GLOBAL LIMITED
(formerly known as Zuari Industries Limited)

Registered Office : Jai Kisaan Bhawan, Zuarinagar, Goa 403 726



30th July, 2013

Dear Shareholder(s),

The Ministry of Corporate Affairs (MCA), Government of India, vide Circular No.17/2011 dated April 21,2011 and Circular No.18/2011 dated April 29, 2011 has introduced a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies for service of documents to its Members through electronic mode, which will be in compliance with Section 53 of the Companies Act, 1956.

Your Company, being a supporter and practitioner of all environment friendly initiatives, welcomes this Green Initiative of the MCA and proposes to send all documents and communication as required to be sent to its Members, e.g., notices, postal ballots, annual reports, abstracts under Section 302 of the Companies Act, 1956, etc., in electronic mode to your registered e-mail addresses.

To help the Green Initiative, may we request you to register your e-mail ID with the Company or Registrar and Share Transfer Agents at the earliest.

If you are holding equity shares in the Company in physical form :

Register your e-mail address with the Company at its Registered Office or with its Registrar and Share Transfer Agents, Link Intime India Pvt. Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078, by either of the following means:

- Returning the attached registration form duly filled in and signed to the RTA by hand delivery/by post. OR
- Returning a scanned copy of the said form duly filled and signed through e-mail to the Company at shares@zuari.adventz.com or the RTA at rnt.helpdesk@linkintime.co.in

If you are holding equity shares in the Company in electronic form :

- Register your e-mail address with your Depository Participant concerned with a request to intimate the same to the Company and /or the RTA
- Request you to intimate change(s), if any, in your e-mail address in future, to enable us to communicate to your new e-mail ID

We would like to inform you that the document(s) and/or communication(s) to be sent to the Members of the Company in electronic mode, would also be available on the Company's website, www.adventz.com, as and when issued. We will also provide a hard copy of the said document(s) and / or communication (s) free of cost, upon receipt of requisition from you for the same.

We look forward to your co-operation in the endeavour of the Company to support the "Green Initiatives in Corporate Governance" taken by MCA.

Thanking you,

Yours faithfully,
Zuari Global Limited

Swapnil Yelgaonkar
Company Secretary

.....Cut Here.....

[Please fill in, sign , tear the following intimation and forward to the RTA of the Company]

Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai – 400 078

In view, of the "Green Initiatives in the Corporate Governance", introduced by the Ministry of Corporate Affairs (MCA) vide Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011:

I/We.....son/daughter/wife of Shri..... holding

..... equity shares of Zuari Global Limited, under Folio No. / DP ID/ Client ID do hereby agree to receive the document(s)/

communication(s) required to be sent to me/us, in electronic mode at my/our following e-mail address :

My /our E-mail address is :

Thanking you,

Yours faithfully,

Signature (1st/Sole holder)

Signature (2nd holder)

Signature (3rd holder)

Name (in block letters)

Name (in block letters)

Name (in block letters)

Place :

Date :

NOTICE
POSTAL BALLOT

To
The Shareholders,

As per Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolutions by Postal Ballot) Rules 2011, consent of shareholders by voting of Postal Ballot is required in respect of, amendment of Object Clause of Memorandum of Association of the Company.

We now request you to peruse the proposed resolution along with the explanatory statement which is reproduced below and, thereafter send your assent or dissent by filling the necessary details by putting your signature at the marked place in the postal ballot and putting the ballot in the enclosed postage prepaid business reply envelope directed to the Scrutinizer, to reach on or before 21st September, 2013. Your assent or dissent received after close of working hours of 21st September, 2013 would be strictly treated as if reply from you has not been received. This is in accordance with the rules prescribed by the Ministry of Corporate Affairs, Government of India.

As the resolution needs to be passed as a Special Resolution, the resolution would be deemed to have been passed effective from the date of the Annual General Meeting (AGM), when the votes cast in favour of the resolution is three times more than the votes cast against the resolution.

Your Board has appointed Mr. S.M. Sanzgiry, Advocate, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

Text of the Special Resolution to be passed by the shareholders through Postal Ballot

RESOLVED THAT pursuant to provisions of Section 16 & 17 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory enactment of re-enactment thereof and subject to confirmation by the Company Law Board, if required, the object Clause contained in Clause III (C) of the Memorandum of Association of the Company be and is hereby amended by inserting the following new Sub Clause (24) after the existing Sub Clause (23).

(24) To Carry on the business in all branches of architecture and of contractors, erectors, construction of buildings, houses, apartments, structures or residential offices, set up, develop and providing of infrastructural facilities viz roads, water supply, power grids, telecommunications, ports, railway systems, irrigation sanitation and sewerage systems, industrial, institutional or commercial or developers of Cooperative Housing Societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building sites, constructing, reconstructing, erecting, altering, improving, enlarging, developing,

decorating, furnishing and maintaining of structures, flats, houses, factories, shops, offices, garages, warehouses, buildings, works, workshops, hospitals, nursing homes, clinics, godowns, and other commercial, educational purposes for and conveniences to purchase for Development, and/or for resale and/or to let but and/or to hold lands, houses, buildings, structures and other properties of any tenure and any interest therein and to purchase, sell lease, hire exchange or otherwise deal in land and house property whether real or personal and turn the same into account as may seem expedient.

NOTES:

1. An Explanatory Statement as required under the Companies Act, 1956 in respect of the business specified above is annexed hereto.
2. In terms of section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules 2011, the item of business set out in the Notice above is sought to be passed by Postal Ballot.
3. The Board of Directors has appointed Mr. S.M. Sanzgiry, Advocate, as the Scrutinizer for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner.

4. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot form, duly completed and signed should be returned in the enclosed self addressed postage prepaid envelope directly to the scrutinizer so as to reach the scrutinizer before close of working hours (17.00 hours) on 21st September, 2013.
5. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only.
6. The Scrutinizer will submit the report to the Company after completion of scrutiny of the Postal Ballot Forms.
7. The results of the Postal Ballot will be announced by the Chairman of the Annual General Meeting of the Company to be held on 25th September, 2013 and will be published in newspapers.
8. The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favour are not less than three times the number of votes cast against the said resolution.
- of Memorandum of Association of the Company for which the shareholders approval is required by way of special resolution by postal ballot.
- None of the Directors is concerned or interested in passing of this resolution.

By Order of the Board of Directors
for Zuari Global Limited

SWAPNIL YELGAONKAR
Company Secretary

Date : 30th July, 2013

Registered Office:
Jai Kisaan Bhawan,
Zuarinagar-Goa 403 726

Encl.:

- 1) Postal Ballot
- 2) Postage Prepaid Business Reply Envelope

Explanatory Statement:

The Company has Parcel of Land which was acquired recently for development purpose.

Your Company proposes to develop the said or any other land, either fully or partly, at its own or jointly with other developer.

The Company's object clause does not permit the development of land and construction thereon for commercial purpose. Hence, it is necessary to amend the object clause



ZUARI GLOBAL LIMITED
Formerly known as Zuari Industries Limited)
Registered Office :
Jai Kisaan Bhawan, Zuarinagar, Goa 403 726

Sr. No.

POSTAL BALLOT FORM

| | | |
|----|---|--|
| 1. | Name(s) of Shareholder(s) (in block letters) (including joint holders, if any) : | |
| 2. | Registered address of the sole/first named shareholder : | |
| 3. | Registered Folio No./DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialised form) : | |
| 4. | Number of shares held : | |

I/We hereby exercise my/our vote in respect of the special resolution to be passed through postal ballot for the business stated in the notice of the Company by sending my/our assent or dissent to the said resolution by placing the (✓) mark at the appropriate box below.

| Item No. | No. of shares | I/We assent to the resolution (FOR) | I/We dissent to the resolution (AGAINST) |
|----------|---------------|-------------------------------------|--|
| 1 | | | |
| | | | |

Place :
Date :

Signature of the Shareholder



ZUARI GLOBAL LIMITED
Formerly known as Zuari Industries Limited)
Registered Office :
Jai Kisaan Bhawan,
Zuarinagar, Goa 403 726

| | |
|------------------------------|--|
| Folio No. : | |
| No. of Shares Held : | |
| * DPID No. / Client ID No. : | |

PROXY FORM

I/We..... of
in the district of being a Member / Members
of the above named Company hereby appoint of
..... in the district of or failing
him/her/Mr./Ms. of
in the district of as my/our proxy
to vote for me / us / on my / our behalf at the 45th Annual General Meeting of the Company to be held on Wednesday,
the 25th day of September, 2013 and at any adjournment thereof.

As witness my / our hand/s this..... day of 2013.

Affix Re. 1
Revenue
Stamp

Signed by the said

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelope containing postal ballots, if sent by courier at the expense of the registered shareholder will also be accepted.
2. The self addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
3. This Postal Ballot Form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed as per the specimen signature registered with the Company by the first named shareholder and in his absence, by the next named shareholder.
4. Unsigned Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot Form should reach the scrutinizer not later than the close of working hours on 21th day of September, 2013. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
6. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on 28th May, 2013.
7. The Board of Directors of the Company has appointed Mr. N. Suresh krishnan - Director and Mr. Swapnil Yelgaonkar - Company Secretary, as the persons, responsible for the entire Postal Ballot voting process.



Notes :

The proxy form should be deposited at the Registered office of the Company at Zuarinagar 48 hours before the time of Meeting.

All those members wishing to ask questions during the 45th Annual General Meeting should forward them to the Registered office, 7 days before the date of Annual General Meeting.

A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself, and the proxy need not be a member of the Company.

DIRECTORS : Saroj Kumar Poddar, Chairman
H. S. Bawa, Executive Vice Chairman
N. Suresh Krishnan
Jyotsna Poddar, Whole time Director
Shyam Bhartia (upto 29th April, 2013)
Arun Duggal (upto 1st March, 2013)
D. B. Engineer
J. N. Godbole
S. P. Tyagi (upto 16th Feb, 2013)
Marco Wadia

COMPANY SECRETARY : Swapnil Yelgaonkar

GENERAL MANAGER - FINANCE & ACCOUNTS : H. C. Shah

BANKERS : State Bank of India
: HDFC Bank Limited

LEGAL ADVISERS : Crawford Bayley & Co., Mumbai
Khaitan & Co., Kolkata

AUDITORS : S. R. Batliboi & Co. LLP
Chartered Accountants, Gurgaon

REGISTERED OFFICE : Jai Kisaan Bhawan
Zuarinagar, Goa 403 726.

DIRECTORS' REPORT

To the Members,

1. Your Directors place before you the Forty-Fifth Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2013.
2. **Change of Name of the Company**
During the period under review the name of the Company has been changed from Zuari Industries Limited to Zuari Global Limited, vide Fresh Certificate of Incorporation dated June 26, 2012, issued by Registrar of Companies, Goa, Daman & Diu.
3. **Financial Results and Appropriation:**

| Particulars | Current Year ₹ In Lacs | Previous Year ₹ In Lacs |
|--|---------------------------|----------------------------|
| Profit for the year before depreciation and taxation | 3,341.17 | 6,815.87 |
| Less : Depreciation for the year | 11.81 | 610.72 |
| Profit/(loss) before tax | 3,329.36 | 6,205.15 |
| Less : Provision for taxation | | |
| – Current Tax | 470.19 | 906.35 |
| – Tax adjustment relating to earlier year | 137.16 | 77.73 |
| – Deferred Tax charge | 26.69 | 1,099.16 |
| – MAT Credit Entitlement | – | (634.08) |
| Profit / (loss) after tax | 2,695.32 | 4,755.99 |
| Add : Balance of profit brought forward | 52,317.84 | 62,366.97 |
| Less : Transfer to Zuari Agro Chemicals Ltd., as per the Scheme of Arrangement and Demerger. | – | 11,620.79 |
| Less : Transfer to general reserve | 500.00 | 2,500.00 |
| Proposed Dividend : 20% (Previous Year 20%) | 588.81 | 588.81 |
| Tax on dividend (Including Surcharge) | 100.07 | 95.52 |
| Balance of profit carried forward | 53,824.28 | 52,317.84 |

4. Dividend:

The Directors recommend a dividend of ₹ 2/- per equity share (₹ 2.00 per equity share in the previous year).

5. Debt Servicing:

Your Company has met all obligations towards repayment of principal and interest on all loans.

6. Fixed Deposits:

As reported in the year 2008-09, the Fixed Deposit Scheme of the Company was discontinued. Deposits matured and claimed have been repaid. 96 deposits amounting to ₹ 16.92 lakhs which had matured have not been claimed. The Company advises the depositors at regular intervals for repayment of the deposits. During the year, the Company has transferred an amount of ₹ 4.91 lakhs towards unclaimed / unpaid deposits and interest thereon to 'The Investors Education and Protection Fund', pursuant to Section 205 C of the Companies Act, 1956.

7. Directors:

Mr. J. N. Godbole, Mr. D.B. Engineer and Mr. S. K. Poddar retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The resume and details of other directorships and committee memberships of Mr. J. N. Godbole, Mr. D. B. Engineer and Mr. S. K. Poddar, are given in **Annexure 'C'** to this report.

Mr. S. P. Tyagi, Mr. Arun Duggal and Mr. Shyam Bhartia resigned as Directors of the Company on 16th February, 2013, 1st March, 2013 and 29th April, 2013, respectively. The Board places on record its appreciation and invaluable contribution by Mr. Tyagi, Mr. Duggal and Mr. Bhartia to the Company, during their tenure as Directors.

8. Auditors:

The Auditors, M/s. S.R. Batliboi & Co. LLP Chartered Accountants, Gurgaon, Statutory Auditors of the Company who retire at the forthcoming Annual General Meeting and are eligible for re-appointment. As informed by the Auditors, the name of the Audit Firm has been changed to M/s. S.R. Batliboi & Co. LLP w.e.f. 1st April, 2013.

9. Cost Auditors :

The Company re-appointed Mr. Savari Muthu I., Cost Accountant, Membership No. 6716, as the Cost Auditor for the year 2012-13. The Cost Audit Report for the year ended 31-3-2012 was filed by the Company with The Ministry of Corporate Affairs on 23rd January, 2013.

10. Conservation of Energy & Technology Absorption:

The Company is not engaged in manufacturing activities, hence no information of conservation of Energy is required to be provided. Similarly, no new technology was absorbed.

11. Foreign Exchange earnings and outgo:

Foreign exchange earnings and outgo is noted under note to financial statements having reference Nos. 26, 27 & 28 of the Annual Report and Accounts.

12. Personnel:

The industrial relations with Company employees continues to be harmonious.

Particulars of employees to be furnished under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, are annexed to this Report as **Annexure 'A'**.

13. Subsidiary Companies:

In accordance with Accounting Standard 21, Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries. Pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, the Board of Directors at its Meeting held on 31st January, 2013 decided not to attach the Balance Sheet i.e. financial information of subsidiaries. Accordingly, the Balance Sheet, Statement of Profit and Loss Account, Report of the Board of Directors and the Auditors of the Subsidiary Companies are not attached.

The Company will make available these documents/details upon request to any member of the Company interested in receiving this information. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by any investor at the Registered Office of the Company and Subsidiaries.

A brief review of subsidiaries and joint ventures of the Company is given here below:-

Subsidiaries :

a. Globex Ltd. :

Globex, an offshore subsidiary Company was established at Jebel Ali Free Zone on 9th August, 2009. Currently, Globex is engaged in General Trading in fertilizers and commodities.

b. Indian Furniture Products Limited :

Indian Furniture Products Limited (IFPL), a wholly owned subsidiary of your Company, is engaged in manufacturing of Ready-To-Assemble (RTA) furniture of international quality at its state-of-the-art plant at Kakkalur near Chennai. The Plant is highly automated and is CNC (Computer Numeric Control) operated. The factory has a floor area of 225,000 sq.ft. and has capacity to produce 200,000 units of furniture annually. The company has been awarded with ISO 9001:2000 by TUV Suddeutschland accredited by TUV, Germany.

While consumer sentiments had been at a low ebb throughout the year, IFPL managed to maintain the sales volumes at ₹ 147 crores against ₹152 crores of previous year.

Style Spa channel registered sluggish sales growth and Zuari channel remained stagnant.

Increased production capacities created in the previous year remained underutilized throughout the year.

Raw material prices which had shot up in the beginning of the year owing to Rupee depreciation continued at the same level throughout the year.

Company has been working on many cost reduction initiatives to mitigate the impact of lower sales.

Company hopes to secure better volumes in the coming financial year with a healthier economy and its own varied tactics in the market place.

ISO 14001 & OSHAS 18001 CERTIFICATIONS:

IFPL secured ISO 14001 & OSHAS 18001 certification during December '12 by Quest certification accredited by JAS ANZ. which will enable IFPL's entry in Institutional segment in a big way.

ISO 14001:

ISO 14001 is an Environment Management System which specifies the requirements for the formulation & maintenance of an environment. This is expected to bring cost reduction in raw material through recycle programs apart from other benefits.

OSHAS 18001:

OHSAS 18001:2007 – Occupational Health and Safety Management System focus on prevention of accidents.

ENERGY INITIATIVES:

Company is also exploring Solar energy options for meeting part of the factory's power requirement in view of 12 hours of power cut in Tamil Nadu.

IFPL has installed a small Bio-gas plant in January '13 to generate renewable energy using vegetable and food waste.

c. Simon India Limited :

Simon India Limited (SIL), a wholly owned subsidiary of your company, is engaged in Engineering, Procurement & Construction (EPC) activities and has achieved a turnover of ₹ 105 crores during the period from 1st April, 2012 to 31st March, 2013. SIL is currently executing several major projects in India and Overseas.

The project activities of "Ammonia Emission Abatement & New Vent Gas Flare System" for the Saudi Basic Industrial Corporation (SABIC) in their four fertilizer plants at Jubail, Saudi Arabia are nearing completion.

The project 600 TPD Granulated SSP Fertilizer Project on EPC basis for Chambal Fertilizers and Chemicals at Gadepan has been handed over to the Client.

Following are the orders which are secured and are under execution by SIL during this year:

- Storage facilities for Sulphuric Acid and Phosphoric Acid Plants for Paradeep Phosphates Limited(PPL)
- New Sulphuric Acid Plant of large capacity (2000TPD) with captive power plant (23 MW) and heat recovery system with MECS USA design for existing Sulphuric Acid plants on EPC basis for PPL.
- The project of 600 TPD Granulated Single Super Phosphate at Mahad for Zuari Fertilizers & Chemicals Ltd. (ZFCL) on EPC basis.

d. Adventz Infracworld India Limited :

Adventz Infracworld India Limited, (AILL), (formerly known as Zuari Developers Limited), a wholly owned subsidiary of your Company is engaged in the business of real estate. AILL is currently, in the process of development of approx. 73 acres of land at Hulikeri, Srirangapatnam Taluk, Mandya District, Karnataka, for Company's "Zuari Garden City" Project. AILL, represents the group's foray into both commercial and residential properties. The Company aims to create world-class yet affordable home and office spaces.

Zuari Garden City, the first-of-its-kind integrated township in Mysore, boasts of exclusive Villas, 2 Club Houses with 100 key spa resort operated by internationally reputed Operator, mall, multiplexes, school, sports complex, numerous parks, health center, large office space, convenience center & temple which creates a self-sustaining habitat. The project effortlessly blends the comforts of city living with the calm of sprawling greenery with spacious, environment friendly, vastu compliant integrated residential-cum-commercial complex with modern amenities and facilities.

All required permissions and approvals are obtained and well renowned architects and contractors are on board having commenced the infrastructure work for the first phase of the project and the whole project is expected to be completed in five years. The construction of the first phase of 217 Villas and town houses has been commenced and 85% of this phase has been sold out.

e. Zuari Management Services Limited :

Zuari Management Services Limited, 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, Corporate Communication, Internal Audit, etc.

f. Zuari Investments Limited :

Zuari Investments Limited, a subsidiary of your Company, is a member of both The National Stock Exchange of India Limited and BSE Limited for Capital as well as Future & Option Segment. It is a depository participant with National Securities Depository Limited, Central Depository Services Limited, National Commodity and Derivative Exchange Limited, Multi Commodity Exchange Limited and National Spot Exchange Limited. Besides being empanelled with Association of Mutual Fund of India for distribution of Mutual Fund products, the Company is also a dealer of OTC Exchange of India and a category- II Registrar and Share Transfer Agent registered with Securities and Exchange Board of India.

The Company and its subsidiaries are mainly engaged in distribution of financial products which has direct correlation with the economy.

Keeping this in view, the Company has restructured its business plan and closed 10 branches out of 20 branches in different parts of India.

During the year, new initiatives were taken by the Company to ensure growth in business and it forayed into new products such as mortgage and real estate distribution. The Company is in process of implementing a transactional portal for customers.

An optimum level of team is being built up across the existing locations and the Company is also working on technological enhancements with respect to an E-Learning platform for training and development of the existing manpower and further implementing customer relationship management software to manage customer and employee productivity that will create value at large.

g. Style Spa Furniture Limited (SSFL) :

Style Spa Furniture Limited (SSFL) was incorporated on 6th February, 1998 to market ready - to - assemble furniture, predominantly in the bedroom segment.

14. Joint Ventures:

a. Gulbarga Cement Limited :

Gulbarga Cement Limited (GCL) is a joint venture with Zuari Cement Limited, an Italcementi Group Company. Your Company holds 26% stake in the equity capital of GCL. GCL was established for setting up cement plant of 3.23 million tonnes per annum capacity and coal based power plant of 50 MW.

The land acquisition is being done through Karnataka Industrial Area Development Board and the preliminary notification for initial 1952 acres under first phase was completed during the

year and the work for final notification is under progress.

The Company is in the process of securing necessary permits and clearances. Public Hearing in connection with the Environmental Clearance for the relocation of the cement plant was completed during June, 2012 and the same is now pending before Special Appraisal Committee, Ministry of Environment and Forests. The Company has secured an approval from Gulbarga Electricity Company Limited for 20 MVA electricity connections.

The Company is pursuing with Commerce & Industry and Water Resource Departments for securing water allocation from Bhima River in accordance with the State High Level Clearance Committee approval.

The Company had invited bids for EPC Tender for engineering, construction & procurement for the Greenfield Cement Plant for the production capacity 7000 TPD of Clinker & 9000 TPD of cement.

b. MCA Phosphates Pte Limited :

MCA Phosphates Pte Limited, (MCA), a company incorporated in Singapore, is a joint venture between your Company and Mitsubishi Corporation (Mitsubishi), Japan with Mitsubishi Corporation holding 70% equity stake in the joint venture and your Company holding the balance 30%. MCA has been set up as a special purpose vehicle and has acquired 30% equity stake in Fosfatos del Pacifico, Peru (FDP) which owns a rock phosphate mining license in Peru and is implementing a project for producing beneficiated rock phosphate with an annual capacity of 2.5 mtpa. The Project has an estimated mineralized material of approximately 540 million MT of Phosphate Rock with an average P₂O₅ content of 18.5% before beneficiation. Your Company, through Mitsubishi has agreed to purchase significant quantity of concentrated rock phosphate for a minimum of 20 years.

c. Zuari Indian Oiltanking Limited :

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

The Company provides terminalling services to Zuari Agro Chemicals Limited, Hindustan Petroleum Corporation Limited, Indian Oil Corporation and Bharat Petroleum Corporation Limited. For the year 2012-13, the Oil Terminal has achieved a throughput of 606414 KL and received 249746 KL of Naphtha.

Zuari Agro Chemicals Limited discontinued availing terminalling services of ZIOL following supply of Gas by GAIL, effective 18th February, 2013 at the Zuarinagar Plant, because of which ZACL is not using Naphtha as a feedstock.

15. Associates :

Zuari Agro Chemicals Limited (ZACL) :

Your Company holds 20% and its subsidiary Zuari Management Services Limited holds 10% shares of Zuari Agro Chemicals Limited (ZACL). The fertiliser operations of your Company were demerged with ZACL, effective 1st July, 2011.

16. Corporate Governance:

The Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement is enclosed as **Annexure 'B'**. The Auditor's Certificate on Compliance of conditions of Corporate Governance is enclosed as **Annexure 'C'**, Declaration of Executive Vice Chairman as **Annexure 'D'** and the Management Discussion & Analysis as **Annexure 'E'**.

17. Corporate Social Responsibility:

The Adventz Group, as part of Corporate Social Responsibility and with a view to achieve larger and focused impact on the activities, established "Adventz Foundation", a Society registered under The Societies Registration Act, 1940.

The Foundation undertakes various activities in furtherance to the objectives set out by the Adventz Group, of which, your Company is a part.

Dissemination of Information on CSR :

Company is flashing information on CSR and allied activities on its website (<http://adventz.com>) regularly.

18. Directors' Responsibility Statement:

Your Directors hereby report:

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relative to material departures;
- ii. that 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 as at 31st March, 2013 and of the profit and loss account for the period ended 31st March, 2013;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

19. Directors Comments on Audit Report :

Your Directors' refer heading Basis for qualified opinion in Auditors Report and provide comments of Board as below:-

Your company has invested in the Equity Shares of Nagarjuna Fertilisers and Chemicals Limited (NFCL). After the said investment, NFCL went through a Scheme of Arrangement. The Company has received equity shares of Nagarjuna Oil Refinery Limited (NORL) pursuant to the Scheme of Arrangement and Amalgamation between Ikisan Ltd, Kakinada Fertilisers Limited, NFCL and Nagarjuna oil refinery Limited (NORL).

The equity shares of NORL are listed on the stock exchanges and equity shares of NFCL are yet to be listed on Stock Exchanges as the approval from SEBI is pending under Rule 19 (2) (b). The investment in the equity shares was strategic in nature.

The explanation given by the Auditor is also self explanatory in nature.

20. Acknowledgements :

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

For and on behalf of the Board

Place : Gurgaon.
Date : May 9, 2013

S. K. PODDAR
Chairman

Annexure 'A' to the Directors' Report

Information Pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

| A) Employed throughout the year | | | | | | | | | | | |
|---------------------------------|----------------|----------------------|--------------------------------|-------------------------|-------------|------------------------------------|---------------------------|-----------------------|--------------------------------|-----------------------------|----------|
| Sr. No. | Name | Company | Designation / Nature of duties | Qualifications | Age (Years) | Date of commencement of employment | Experience (No. of Years) | Remuneration received | Name of last employer | Designation | Period |
| 1 | H. S. Bawa | Zuari Global Limited | Executive Vice Chairman | M.S.(CHEM ENGG.) (USA) | 82 | 16-04-1979 | 57 | 2,90,17,917 | Hindustan Petroleum Corp. Ltd. | General Manager (Ref. Div.) | 3 Years |
| 2 | Jyotsna Poddar | Zuari Global Limited | Whole Time Director | B.A (Hons.), Psychology | 62 | 01-04-2012 | 25 | 60,56,180 | Govind Sugar Mills Ltd. | Managing Director | 30 Years |

Annexure 'B' to the Directors' Report

Report on Corporate Governance

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

'Zuari Global Limited' (Formerly known as Zuari Industries Limited) is committed to develop and sustain a highly coveted and durable brand image and presence amongst all its stakeholders, as well as the community at large, both in India and abroad, through nurturing and strengthening its cherished lineage of professional excellence and respect for all and by building, fostering and expanding the valuable equities of its diverse group businesses, through global ventures and partnerships to deliver impeccable standards of performance and service.

The Company is committed to the best Corporate Governance and has complied the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and continues with its initiatives towards best Corporate Governance practices.

The Company in its endeavour to fulfill the highest expectations of all its stakeholders has revised the Code of Conduct and Ethics and has circulated the same to its Directors, employees, suppliers, dealers and others, with a view to enforce and adhere to the code in all its respects.

A declaration of Executive Vice Chairman as to the compliance with the code of conduct by all the Board members and senior management personnel is provided as Annexure 'D' to the Directors' Report.

2. Board of Directors:

The Board of Directors of the Company comprises of seven members which include Executive Vice Chairman, Whole Time Director and five Non-Executive Directors. More than half of the Board comprises of Independent Directors and Non-Executive Directors which was in compliance with the requirements of Clause 49 (1)(A) till the resignation of Mr. S.P. Tyagi on 16th February, 2013, Mr. Arun Duggal on 1st March, 2013 and Mr. Shyam Bhartia on 29th April, 2013. The compliance of Clause 49(1)(a) will be achieved in due course. The other related information concerning the Board is given hereunder.

During the year under review, five Board meetings were held on 9th May, 2012, 30th July, 2012, 10th September, 2012, 6th November, 2012 and 31st January, 2013.

Attendance of each Director at the Board of Directors meetings and the last Annual General Meeting and number of Companies and Committees where he is a Director / Member:

| Director | Category of Directorship# | No. of Directorships** | No. of Board Meetings attended | No. of Shares held | Attendance at last AGM | No. of Board Committees of all Co's* | |
|--------------------|---------------------------|------------------------|--------------------------------|--------------------|------------------------|--------------------------------------|--------|
| | | | | | | Chairman | Member |
| S.K.Poddar | Promoter/ Chairman | 13 | 4 | 401933 | No | 2 | 1 |
| H.S. Bawa | Executive Vice Chairman | 12 | 5 | NIL | Yes | N.A. | 4 |
| N. Suresh Krishnan | NED / I | 14 | 5 | NIL | Yes | 3 | 3 |
| Shyam Bhartia \$ | NED | 6 | 1 | NIL | No | N.A. | N.A. |
| Arun Duggal*** | NED / I | 7 | 4 | NIL | Yes | 2 | 2 |
| D.B. Engineer | NED / I | 8 | 4 | NIL | Yes | 3 | 5 |
| J.N. Godbole | NED / I | 15 | 5 | NIL | Yes | 3 | 7 |
| Jyotsna Poddar | NED | 9 | 2 | 4,71,621 | No | N.A. | N.A. |
| S.P. Tyagi **** | NED/I | 1 | 3 | NIL | No | N.A. | N.A. |
| Marco Wadia | NED / I | 11 | 5 | 2,811 | Yes | 3 | 6 |
| Akshay Poddar £ | NED | 11 | 1 | 47,153 | No | 2 | 5 |

I-Independent, NED-Non-Executive Director

* Excludes Committees other than Audit Committee and Shareholders / Investor's Grievance Committee.

** The number of directorships excludes Companies other than Public Limited Companies.

*** Resigned and ceases to be Director effective 1.3.2013

**** Resigned and ceases to be Director effective 16.2.2013

\$ Resigned and ceases to be Director effective 29.4.2013

£ Ceases to be an Alternate Director to Mr. Shyam Bhartia effective 29.4.2013 due to the resignation of Mr. Shyam Bhartia.

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

Mr. J. N. Godbole, Mr. D. B. Engineer and Mr. S. K. Poddar, are liable for retirement by rotation and are eligible for re-appointment during the forthcoming Annual General Meeting.

As required under Clause 49 of the listing agreement, brief resumé and information regarding other directorships of M/s. J. N. Godbole, D. B. Engineer and S. K. Poddar are given herebelow :-

Mr. J. N. Godbole

Mr. J. N. Godbole aged 68 years is a Chemical Engineer from IIT-Powai with qualifications in Financial Management from Bajaj Institute of Management Studies, University of Bombay.

Mr. Godbole has 37 years of diversified active experience ranging from Production-in-Charge in a private sector SSI, Development banker with Industrial Development Bank of India (IDBI), the apex term lending Development Bank of the Government of India to Advisor to State Government of Sabah in Malaysia.

In Sabah, he advised the Government in the implementation of a \$ 700 million pulp, paper and timber complex. He was also directly involved in implementation / project management of \$ 1 Billion gas based complex comprising transportation of associated gas, production of HBI, Methanol and generation of power.

In IDBI, Mr. Godbole served in various departments including Project Finance, Venture capital, Rehabilitation of sick units and various capacities from Junior Officer to Executive Director and finally functioned as the Chairman and Managing Director. He chaired the Empowered Group of Corporate Debt Restructuring (CDR) mechanism during 2002 to 2004 and was instrumental in reviving and preventing the formation of about Non-Performing Assets (NPAs) with debts of \$ 17 Billion from the Indian Banking Sector.

Currently, Mr. Godbole is an independent Director in Companies engaged interalia in the fields of Cement, Textiles, Tea, Sugar, Transformers Paper, Heavy chemicals and Real estate etc.

Names of Indian Public Limited Companies in which Mr. J.N Godbole is a Director:

| S.No. | Name of the Company |
|-------|---------------------------------------|
| | PUBLIC LIMITED COMPANIES |
| 1 | Zuari Global Limited |
| 2 | Embio Ltd. |
| 3 | J.K. Cements Ltd. |
| 4 | Gilander Arbuthnot Ltd. |
| 5 | IMP Powers Ltd. |
| 6 | Emami Paper Mills Ltd. |
| 7 | The Oudh Sugar Mills Ltd. |
| 8 | Madhya Bharat Papers Ltd. |
| 9 | Saurashtra Cement Ltd. |
| 10 | Gujarat Alkalies & Chemicals Ltd. |
| 11 | Kesar Terminals & Infrastructure Ltd. |
| 12 | IDBI Asset Management Ltd. |
| 13 | Zuari Agro Chemicals Ltd. |
| 14 | Kesar Multimodal Logistics Ltd. |
| 15 | IITLProjects limited |

Mr. D.B. Engineer

Mr. D.B. Engineer, aged 80, is B.A. (Hons.) LLB. He is a Solicitor and Advocate, Bombay High Court, Senior Partner of Crawford Bayley & Co., Solicitors and Advocates standing in the legal profession for about 56 years. He is also Chairman/Director of a number of public and private companies. During the course of his legal practice, he has dealt with many facets of Corporate, Civil, Revenue and Criminal Law. He has considerable background and experience of legal and financial matters pertaining to corporations.

Names of Indian Public Limited Companies in which Mr. D.B. Engineer is a Director:

| S.No. | Name of the Company |
|-------|------------------------------------|
| | PUBLIC LIMITED COMPANIES |
| 1 | Zuari Global Ltd. |
| 2 | Forvol International Services Ltd. |
| 3 | Fiora Services Limited |
| 4 | Foods & Inns Limited |
| 5 | Forbes & Company Limited |
| 6 | Nilkamal Limited |
| 7 | PCS Technology Limited |
| 8 | Welspun India Limited |

Mr. S. K. Poddar

Mr. Saroj Kumar Poddar, aged 67, a gold medalist in B. Com (Hons) from Calcutta University, is the Chairman of Adventz Group. Under Mr. Poddar, the group has promoted various projects including joint ventures with leading international corporations. The most notable of these ventures are Gillette India Ltd - a joint venture between The Gillette Company of U.S.A, Hettich India Private Ltd - a joint venture with the Hettich Group of Germany and Texmaco UGL Rail Private Ltd - a joint venture with the United Group of Australia. Mr. Poddar is the Chairman of these Joint Ventures.

Having served as President of FICCI and International Chamber of Commerce in India, Mr. Poddar has been appointed by Govt. of India on Board of Trade - the highest body on trade - and on the Indian Institute of Science, Bangalore. Mr. Poddar has also served as a member of the Board of Governors of the Indian Institute of Technology, Kharagpur for 10 years and on the local Board of the Reserve Bank of India also for 10 years.

Mr. Poddar is the Chairman of India-Saudi Arabia Joint Business Council and a Member of the Indo-French CEO Forum.

Names of Indian Public Limited Companies in which Mr. S.K. Poddar is a Director:

| S.No. | Name of the Company |
|-------|---|
| | PUBLIC LIMITED COMPANIES |
| 1 | Adventz Investments & Holdings Ltd. |
| 2 | Chambal Fertilisers & Chemicals Ltd |
| 3 | Chambal Infrastructure Ventures Ltd. |
| 4 | Gillette India Limited |
| 5 | Gulbarga Cement Ltd. |
| 6 | Lionel India Ltd. |
| 7 | Simon India Limited |
| 8 | Texmaco Infrastructure & Holdings Limited |
| 9 | Texmaco Rail & Engineering Ltd. |
| 10 | Zuari Agro Chemicals Ltd. |
| 11 | Zuari Cement Limited |
| 12 | Zuari Fertilisers & Chemicals Ltd. |
| 13 | Zuari Global Limited |

Mr. Poddar is holding 4,01,933 shares of your Company.

4. Board Agenda

The Board meetings are scheduled well in advance and Board members are normally given a notice of at least one month before the meeting date. The Board members are provided with information mandatory under clause 49 of the Listing Agreement. All major agenda items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

5. Board Committees

The Company has following Committees of the Board:

a. Audit Committee

The Audit Committee comprises of four Non-Executive Directors out of which three are Independent Directors. The permanent invitees include Executive Vice Chairman, General Manager - Finance & Accounts and Company Secretary, as the Secretary of the Committee. The Committee has met 6 times during the financial year ended March 31, 2013.

Terms of Reference:

The role of Audit Committee includes review of Company's financial reporting process and its financial statements, review of accounting and financial policies and practices, the internal control and internal audit systems, risk management policies and practices and Internal Audit Reports. The role also includes recommending to the Board, re-appointment of statutory auditors and fixation of audit fees.

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

| Name of the member | Status | No. of meetings attended |
|--------------------------|----------|--------------------------|
| Mr. D.B. Engineer | Chairman | 5 |
| Mr. Marco Wadia | Member | 6 |
| Mr. Arun Duggal § | Member | 5 |
| Mr. J.N. Godbole | Member | 6 |
| Mr. N. Suresh Krishnan # | Member | 6 |

§ up to 1st March 2013

from 30th July 2012

b) Investors' Grievance Committee:

Investors' Grievance Committee comprises of two Independent Directors and an Executive Director. The Board has designated Mr. Swapnil Yelgaonkar, Company Secretary, as the Compliance Officer.

Terms of Reference:

The Board has constituted Investors' Grievance Committee which oversees the performance of the share transfer work and recommends measures to improve the level of investor services. Besides the Committee also looks into Investor's grievances such as non receipt of dividend, Annual Reports and other complaints related to share transfers.

There were 78 complaints received during the year out of which 77 complaints were resolved and one complaint was outstanding as on 31st March, 2013. There were no share transfers pending as on 31st March, 2013.

During the year the Committee had met 4 times and the attendance of the members at the meeting was as follows :

| Name of the member | Status | No. of meetings attended |
|--------------------|----------|--------------------------|
| Mr. D.B. Engineer | Chairman | 4 |
| Mr. Marco Wadia | Member | 4 |
| Mr. H.S. Bawa | Member | 1 |

c) Other Committees:

Apart from above, the Board has constituted Committees for Banking & Finance and Unaudited Financial Results and Remuneration Committee. The Board may from time to time constitute one or more Committees delegating powers and duties for specific purposes. The Committee meetings are held as and when the need arises and at such intervals as may be expedient.

Details of remuneration to all the directors for the year:

Payment of remuneration to the Executive Vice Chairman/Managing Director is as approved by the Board and the Shareholders. The remuneration comprises salary, incentives, perquisites, contribution to Provident Fund, Superannuation Fund and Gratuity. The Company has applied for approval of the Central Government for a payment of minimum remuneration to Executive Directors, in view of forecast of inadequate profits during the year 2012-13.

Amount ₹ in lacs

| Executive Directors | Salary | Perquisites | Retirement benefits |
|-----------------------|--------|-------------|---------------------|
| Mr. H. S. Bawa* | 240.58 | 11.26 | 38.88 |
| Mrs. Jyotsna Poddar** | 60.00 | 0.56 | 4.32 |

* Appointed as Executive Vice Chairman w.e.f. 1st September, 2010. The Company has made an application to the Central Government for payment of minimum Remuneration to Mr. H.S. Bawa.

** Appointed as Whole Time Director effective 1st April, 2012.

- a. The term of Executive Vice Chairman is for a period of three years with effect from 1/9/2010 and the term of Whole Time Director is for a period of five years with effect from 1/4/2012. Notice period for termination of appointment of Executive Vice Chairman and Whole Time Director is three months on either side.
- b. No severance pay is payable on termination of appointment of Executive Vice Chairman and Whole Time Director .

Sitting fees paid to Non-Executive Directors:

Remuneration by way of sitting fees paid to the non-executive directors during the financial year ended 31st March, 2013 for attending the meetings of the Board and the Committees thereof:

| Sr. No. | Name of Director | Amount (₹) |
|---------|------------------------|------------|
| 1. | Mr. S.K. Poddar | 60,000 |
| 2. | Mr. Shyam Bhartia | 15,000 |
| 3. | Mr. Arun Duggal | 97,500 |
| 4. | Mr. D.B. Engineer* | 1,42,500 |
| 5. | Mr. J.N. Godbole | 1,27,500 |
| 6. | Mr. S.P. Tyagi | 45,000 |
| 7. | Mr. Marco Wadia* | 1,65,000 |
| 8. | Mr. Akshay Poddar | 30,000 |
| 9. | Mr. N. Suresh Krishnan | 1,05,000 |

* Mr. D. B. Engineer & Mr. Marco Wadia, are Partners of Crawford Bayley & Co., Solicitors & Advocates, who have professional relationship with the Company. The professional fees of ₹ 25.92 lakhs paid to Crawford Bayley & Co., during the year are not considered material enough to infringe on the independence of Mr. Engineer and Mr. Wadia.

6. Annual General Meetings

Details of the last 3 Annual General Meetings are:

| Year | Location | Date | Time | Whether any special resolutions passed |
|-----------|---|-----------|------------|--|
| 2009-2010 | Jai Kisaan Bhawan, Zuarinagar, Goa 403726 | 27-9-2010 | 11.00 a.m. | YES |
| 2010-2011 | -same as above- | 19-9-2011 | 10.30 a.m. | YES |
| 2011-2012 | -same as above- | 10-9-2012 | 10.30 a.m. | YES |

7. Disclosures

Disclosures on materially significant related party transactions, or transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company: 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 during the year.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years:

There were no instances of non-compliance on any matters relative to the capital markets during the last three years.

8. Means of communication

a. Half-yearly Unaudited financial results;

Unaudited financial results for the half-year ended 30th September, 2012 were sent to each household of shareholders, apart from publishing in one National Daily and Local dailies, one of which is in vernacular language.

b. Quarterly Results:

Quarterly results are published in one National Daily and Local dailies, one of which was in vernacular language.

c. Web-site on which results are displayed:

www.adventz.com

9. Code of Conduct & Ethics

The Company has adopted revised "Code of Conduct and Ethics" for the Directors and Senior Executives of the Company. The purpose of the code is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to its shareholders and all other stakeholders. The Company has revised its Code of Conduct during the year with a view to create larger framework and mechanism of ethical business practices, responsibility, accountability and transparency. 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 Executive Vice Chairman of the Company with respect to affirmation of compliance of the code by the Board of Directors and Senior Executives of the Company is enclosed as Annexure 'D'.

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

The Company has a code of internal procedures and conduct for trading in securities of the Company. The code inter alia prohibits purchase/sale of shares of the Company by Directors and designated employees of the Company while in possession of unpublished price sensitive information relative to the Company.

11. General Shareholders Information:

a. Annual General Meeting, Date, Time and Venue:

Annual General Meeting will be held on 25th September, 2013 at 10.30 A.M., at Jai Kisaan Bhawan, Zuarinagar, Goa.

b. Financial calendar (Tentative)

| | |
|---|------------------------------|
| Results for the quarter ended 30th June, 2013 | – 2nd week of August, 2013 |
| Results for the half-year ended 30th Sept. 2013 | – 2nd week of November, 2013 |
| Results for the quarter ended 31st Dec. 2013 | – 2nd week of February, 2014 |
| Audited Annual Results 2013-14 | – May, 2014 |

c. Date of book closure : 29th May, 2013 to 5th June, 2013 (inclusive of both days)

d. Dividend payment date :

On or after 27th September, 2013 but within the time stipulated under the Companies Act, 1956.

e. Management Discussion and Analysis forms part of this Report as Annexure 'E'

f. Listing on Stock Exchanges:

The Company's equity shares are listed on:

1. BSE Ltd., Mumbai,
2. The National Stock Exchange of India Ltd., Mumbai

The Company has paid listing fees to both the stock exchanges on time.

g. Stock Code:

1. BSE Ltd, Mumbai : 500780
2. The National Stock Exchange of India Ltd., Mumbai: ZUARIGLOB

h. Stock Market Data:

High/low share prices during the year 1st April, 2012 to 31st March, 2013:

| Month | High | Low | BSE Sensex | |
|-----------------------|---------------|---------------|-----------------|-----------------|
| | | | High | Low |
| April, 2012 | 529.00 | 154.00 | 17664.10 | 17010.16 |
| May, 2012 | 164.95 | 126.05 | 17432.33 | 15809.71 |
| June, 2012 | 147.80 | 120.20 | 17448.48 | 15748.98 |
| July, 2012 | 140.85 | 123.60 | 17631.19 | 16598.48 |
| August, 2012 | 148.25 | 128.45 | 17972.54 | 17026.97 |
| September, 2012 | 151.00 | 133.00 | 18869.94 | 17250.80 |
| October, 2012 | 154.40 | 121.00 | 19137.29 | 18393.42 |
| November, 2012 | 134.80 | 113.00 | 19372.70 | 18255.69 |
| December, 2012 | 126.30 | 101.00 | 19612.18 | 19149.03 |
| January, 2013 | 114.00 | 88.30 | 20203.66 | 19508.93 |
| February, 2013 | 92.15 | 74.00 | 19966.69 | 18793.97 |
| March, 2013 | 86.90 | 66.55 | 19754.66 | 18568.43 |
| Annual Average | 165.86 | 112.42 | 18755.48 | 17676.21 |

i. Share Transfer System:

The Share Transfers in physical mode above 1000 equity shares are approved by Investors Grievance Committee at regular intervals as required under Listing Agreement.

The Company has authorised the Company Secretary to approve the share transfers involving upto 1000 shares with a view to expedite the process of share transfers.

Shareholders are requested to write to the Company or the Share Transfer Agents at the following address: –

Link Intime India Pvt. Limited
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (W)
Mumbai - 400 078.
Tel. : 022 - 25946970-78
Fax : 022 - 25946969

E-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.com

- j. An exclusive e-mail id : investor_redressal@zuari.adventz.com is maintained by the company to redress the Investor's Grievance as required under clause 47(f) of the Listing Agreement. The complaints received under this e-mail id are monitored and addressed on daily basis.**

k. Shareholding:

The distribution of shareholding as on 31st March, 2013 was as follows:

| No. of shares | No. of shareholders | % of shareholders |
|-----------------|---------------------|-------------------|
| Upto 500 | 36841 | 96.38 |
| 501 – 1000 | 752 | 1.97 |
| 1001 – 2000 | 320 | 0.84 |
| 2001 – 3000 | 110 | 0.29 |
| 3001 – 4000 | 43 | 0.11 |
| 4001 – 5000 | 33 | 0.09 |
| 5001 – 10000 | 54 | 0.14 |
| 10001 and above | 70 | 0.18 |
| TOTAL | 38223 | 100.00 |

Shareholding Pattern as on 31st March, 2013:

| Category | No. of shares held | % of shareholding |
|--|--------------------|-------------------|
| Promoters | 18443515 | 62.65 |
| Banks/Financial Institutions and Insurance Companies | 2449547 | 8.32 |
| Foreign Institutional Investors | 1379123 | 4.68 |
| Mutual Funds | 2357299 | 8.01 |
| NRIs/OCBs | 77111 | 0.26 |
| Private Bodies Corporate | 1145123 | 3.89 |
| Public | 3588886 | 12.19 |
| TOTAL | 29440604 | 100.00 |

l. Dematerialisation of shares and liquidity:

29013986 equity shares (98.55%) have been dematerialised as on 31st March, 2013.

m. The Address for correspondence is:

Zuari Global Limited

Jai Kisaan Bhawan,

Zuarinagar, Goa - 403 726.

Tel. : 91-0832-2592431

Fax : 91-0832-2555279

E-mail : shares@zuari.adventz.com and / or investor_redressal@zuari.adventz.com

Web site : www.adventz.com

n. Non-Mandatory requirement :

The Company has adopted the non-mandatory requirement of providing half-yearly unaudited financial results of the Company to each household of the shareholders.

ANNEXURE 'C' TO THE DIRECTORS' REPORT
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Zuari Global Limited

We have examined the compliance of conditions of Corporate Governance by Zuari Global Limited, for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 our opinion and to the best of our information and according to the explanations given to us, subject to following:

As per clause 49 (1) (A) of the Listing Agreement, where the non-executive Chairman is the promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the Company shall consist of independent directors and in respect of which the Company is not in compliance of the same from February 16, 2013 to date.

we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm registration number: 301003E

Place : Gurgaon
Date : 9th May, 2013

per ANIL GUPTA
Partner
Membership No: 87921

ANNEXURE 'D' TO THE DIRECTORS' REPORT
DECLARATION OF EXECUTIVE VICE CHAIRMAN

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, H. S. Bawa, Executive Vice Chairman 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 year 2012-13.

Place : Gurgaon
Date : 9th May, 2013

H. S. BAWA
Executive Vice Chairman

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. Presently, the Company's business is trading in agri inputs and pesticides.

(i) Global Scenario :

The global crop protection market was worth about USD 48.0 billion in the year 2011 and is expected to reach USD 71 billion by 2018, growing at a Compound Annual Growth Rate (CAGR) of about 5.5% from 2011 to 2018. Herbicides form the largest category in the overall crop protection market, contributing about USD 19.9 billion for the year 2011. The global market, in terms of active ingredient volume is estimated at 2,075.5 metric tons in 2011 and is expected to reach 3,136.1 metric tons by 2018, growing at a CAGR of 3.2% from 2013 to 2018.

Herbicides, fungicides and insecticides are the major product segments in the crop protection market, constituting 50%, 30% & 20% respectively. The herbicides market is expected to grow @ 6%, followed by fungicides with 5.5% and insecticides about 4% during this decade.

Pesticides protect the crops from insect, pest & diseases thus improving productivity per unit of land. Increasing population, shrinking arable land, a shift in farming practices, adoption of seeds having high yield potential, increased awareness for crop protection are the key drivers in the growth of crop protection market.

Asia Pacific region accounts for majority of the global crop protection market and is expected to do so during current decade. However, growth is expected to be higher in Latin America and North American markets.

Major players in the global crop protection markets are Bayer Crop Science, (Germany), Syngenta Crop Protection AG, (Switzerland), BASF, Germany, Dow Agroscience, Monsanto, El DuPont, (US), Makhteshim Agam, (Israel), NuFarm, (Australia) and Sumitomo Chemicals (Japan).

(ii) Indian Scenario :

In a recently published report for the year 2011, population of India was recorded at 1.18 billion and it is projected to reach 1.45 billion by 2030. Growing population will give rise to demand for food and nutrition. However, there is a steep decrease in per capita land available for agriculture. Agro chemicals play a vital role in improving productivity per unit of land.

Agro chemicals Industry plays a significant role in the agriculture sector in India, which contributes 14.10% to its GDP and employs about 50% of the work force. The domestic market size of the Indian agrochemical industry is around ₹10,000 Crores and is expected to grow @ 6-7 % per annum. Generic molecules constitute about 65% of the market.

With emphasis on agriculture by the Government of India for improving crop production and productivity like Rashtriya Krishi Vikas Yojana (RKVY) towards increasing public investment in agriculture and allied sectors, the National Food Security Mission (NFSM) and the National Horticulture Mission (NHM) the growth is expected to continue. The growth will also be driven by the increasing awareness about pesticide usage among the farmer community.

India is currently the fourth largest producer of agrochemicals globally, after US, Japan and China. However, consumption is one of the lowest with around 600 gms per hectare against world average of about 3000 gms per hectare.

The seasonal nature of the business and the climatic uncertainties require the industry to carry a large inventory for long periods.

Being a generic market, many small players have a significant presence in the market. This has led to stiff price competition and very low margins. Government is very actively reviewing products that have high toxicity levels. This has led to products like Endosulfan being banned.

Contract manufacturing and exports of agrochemicals in India is around USD 1.8 Billions. Contract manufacturing is expected to touch USD 7.3 billion, as many MNCs also are focusing on the generic markets as new product developments is very expensive.

Indian agriculture is dependent on monsoon. Timely arrival, quantity and distribution of rainfall are the major concerns for the entire agrochemicals industry in India. Sudden changes can lead to fluctuations in demand and can upset the plans.

Despite the above concerns, agrochemicals is an attractive business. There are some short term challenges which we need to overcome. The risk can be partially offset by the broad base of our product portfolio and expanding our markets.

(iii) Internal Control Systems and their Adequacy :

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

The operational managers exercise their control over business processes through documented Standard Operating Procedure (SOP) and Limits of Financial Authority Manual (LOAM) and further, approval of financial transactions are governed by these documents. These documents are reviewed and updated on an ongoing basis to improve the internal controls system and operational efficiency. The Company uses a state-of-the-art ERP (SAP) system to record data for accounting and management information with adequate security procedure and controls.

The Company places prime importance on an effective internal audit system. During the year, the internal audit was carried out jointly by M/s. Deloitte Haskins & Sells, Chartered Accountants and In House Internal audit team in line with approved internal audit programme by the Management Committee /Audit Committee of the Board of Directors and endorsed by the statutory auditors. The Internal Audit Programme was developed / aligned based on the following:

- a. Risk profiling of different business areas / processes,
- b. Evaluation of observations noted in internal audits,
- c. Suggestions received from the Functional Heads, Operational Managers, Senior Executives and members of Management Committee (MC),
- d. Feedback from the Statutory Auditors,
- e. Internal Control Over Financial Reporting (ICOFR) document, and
- f. Efficacy of existing policies, procedures and limits of financial authority manual.

The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. The Internal Audit is also designed to evaluate the risk regarding statutory non-compliances.

The internal audit is carried out effectively throughout the year covering all the areas of operations and follow up reviews are also undertaken in subsequent audits.

As a process, the internal audit reports are first discussed with the Management Committee and then placed before the Audit Committee of the Board of Directors along with the direction/action plan recommended by the Management Committee.

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 corrective actions. The implementation status of the directions is placed before Audit Committee periodically confirming the actions undertaken. The Committee also meets the Company's statutory auditors on periodic basis to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

(iv) Enterprise Risk Management (ERM):

Risk is an inherent aspect of business, especially in the dynamic environment the Company operates. To minimize the adverse impact of risks on its business objectives and enable the Company to leverage market opportunities effectively, Company assigned M/s. KPMG to perform an enterprise wide risk management exercise.

As part of the exercise, M/s. KPMG provided support in establishing a well-defined process of risk identification, assessment, prioritization and reporting. Key outcomes of this exercise include:

- a. Risk Policy, Framework and Risk Structure for Company.
- b. Risk measurement scale for the Company.

- c. Identification and assessment of operational risks with the individual Operating Managers and Functional Heads.
 - d. Risk measurement as per rating scale discussed and approved by senior management. The rating scale comprising financial, operational and regulatory criteria was used to identify -
 - i. Risks which are key at Inherent level and Residual level,
 - ii. Risks which are key at Inherent level and non-key at Residual level.
 - e. Risk prioritization : Prioritized risks were reviewed by the Management Committee and Audit Committee of the Board. Risk mitigation strategies have been documented and are being monitored periodically by management.
 - f. Risk monitoring: Implementation and monitoring: Management has established a process of bi-annual evaluation of key risks in light of internal and external business changes. In order to facilitate this process, management seeks to -
 - i. Establish key risk indicators and matrix for key and non key risks in order to ensure risk levels are within established thresholds
 - Identify critical data points and data sources,
 - Collate data over specific period of time, and
 - Analyse data to develop thresholds.
 - ii. Assess the adequacy and operating effectiveness of mitigating controls.
 - iii. Review of updates to risk register by respective functions as a result of quarterly in-house review to identify and evaluate new risks, if any.
 - iv. Review of updates to risk register and risk monitoring system by outside agency half yearly / yearly.
 - g. The outcome of these risk reviews shall be periodically reviewed by Management Committee and reported to the Board of Directors and Audit Committee.
- (v) Material Development in human resources :**
Professional and Graduates from reputed institutions have been selected to meet the business requirements. The employees have been put through training programmes to harness their skills.

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INDEPENDENT AUDITOR'S REPORT

To

The Members of Zuari Global Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Zuari Global Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As referred in Note 9(a)(ii), the Company is carrying investments of ₹ 6944.09 lacs in the equity share capital of Nagarjuna Oil Refinery Limited (NORL), whereof the market value at the year-end is ₹ 894.70 lacs. These shares were allotted to the Company consequent to demerger/merger scheme of Nagarjuna Fertiliser and Chemicals Limited (NFCL). The Company further holds 32267741 equity shares in NFCL which are yet to be listed on the stock exchange pending receipt of permission from Securities Exchange Board of India. These equity shares in NFCL are carried at value of ₹ 2115 lacs. The Company has not made provision for diminution in the value of investment in NORL, in view of long term strategic investments in the said company and upon which we are unable to comment on including consequential effects, if any, the accompanying financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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 appears from our examination of those books ;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
Firm's Registration No.: 301003E

per Anil Gupta
Partner
Membership No.: 87921

Place : Gurgaon
Date : 9th May, 2013

Annexure referred to in paragraph [1] of our report of even date

Re: Zuari Global Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management in a phased manner over a period of two years and accordingly, part of the fixed assets were physically verified during the year and the discrepancies observed on such verification, as compared to the book records, were not material. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of the assets.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loans to 5 companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 18934.30 lacs and the year end balance or loans balance of loans granted to such parties was ₹ 14759.30 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (d) There is no overdue amount of loans granted to companies listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, Therefore, the provisions of clause 4(f) and (g) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted in earlier years, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ in lacs) | Period to which amount relates (AY) | Forum where dispute is pending |
|---------------------|---|--------------------|-------------------------------------|--------------------------------------|
| Income Tax Act | Demand in respect of assessment proceedings | 4,995.82 | 1999–2000 2009–2010 2010–2011 | Commissioner of Income Tax (Appeals) |

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debentures and loan from financial institution during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
Firm's Registration No.: 301003E

per Anil Gupta
Partner
Membership No.: 87921

Place : Gurgaon
Date : 9th May, 2013

BALANCE SHEET AS AT 31st March, 2013

₹ in Lacs

| | | Notes | 31st March 2013 | 31st March 2012 |
|--|--------------------------------|-------|------------------|-----------------|
| I. EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| (a) | Share capital | 3 | 2,944.11 | 2,944.11 |
| (b) | Reserves and surplus | 4 | 56,824.28 | 54,817.84 |
| | | | 59,768.39 | 57,761.95 |
| Non-current liabilities | | | | |
| (a) | Deferred tax liabilities (Net) | 5 | 51.76 | 25.07 |
| | | | 51.76 | 25.07 |
| Current liabilities | | | | |
| (b) | Trade payables | 6 | 1,492.51 | 938.88 |
| (c) | Other current liabilities | 6 | 8,705.35 | 3,627.50 |
| (d) | Short term provisions | 7 | 2,737.85 | 3,477.68 |
| | | | 12,935.71 | 8,044.06 |
| Total | | | 72,755.86 | 65,831.08 |
| II. ASSETS | | | | |
| Non-current assets | | | | |
| (a) | Fixed assets | | | |
| | Tangible assets | 8 | 1,348.84 | 1,211.76 |
| (b) | Non-current investments | 9 | 39,544.01 | 41,415.37 |
| (c) | Loans and advances | 10 | 5,231.64 | 7,500.86 |
| (d) | Other non-current assets | 11 | 316.56 | 99.38 |
| | | | 46,441.05 | 50,227.37 |
| Current assets | | | | |
| (a) | Current investments | 12 | 10,796.05 | – |
| (b) | Inventories | 13 | 1,422.96 | 3,715.00 |
| (c) | Trade receivables | 14 | 2,793.22 | 2,816.48 |
| (d) | Cash and bank balances | 15 | 1,115.27 | 1,382.83 |
| (e) | Loans and advances | 10 | 10,110.61 | 7,326.93 |
| (f) | Other current assets | 11 | 76.70 | 362.47 |
| | | | 26,314.81 | 15,603.71 |
| Total | | | 72,755.86 | 65,831.08 |
| Summary of significant accounting policies | | 2.1 | | |

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

As per our report of even date

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

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm's Regn. No.: 301003E

S. K. Poddar
Chairman

H. S. Bawa
Executive Vice Chairman

Marco Wadia
Director

Per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

Swapnil Yelgaonkar
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2013

₹ in Lacs

| | Notes | 31st March 2013 | 31st March 2012 |
|--|-------|------------------|--------------------|
| I. Income | | | |
| (a) Revenue from operations (gross) | 16 | 9,954.05 | 1,24,667.43 |
| Less: excise duty | | – | 252.80 |
| (b) Revenue from operations (net) | | 9,954.05 | 1,24,414.63 |
| (c) Other income | 17 | 4,629.00 | 5,793.27 |
| Total Revenue | | 14,583.05 | 1,30,207.90 |
| II. Expenses | | | |
| (a) Cost of raw materials consumed | 18 | 53.86 | 68,803.83 |
| (b) Purchase of traded goods | 19 | 7,262.20 | 57,070.88 |
| (c) (Increase) /decrease in inventories of finished goods, work-in-progress and traded goods | 20 | 1,726.16 | (26,642.42) |
| (d) Employee benefits expense | 21 | 808.62 | 2,635.35 |
| (e) Other expenses | 22 | 1,307.62 | 19,681.89 |
| (f) Depreciation and amortization expense | 23 | 11.81 | 610.72 |
| (g) Finance costs | 24 | 83.42 | 1,842.50 |
| Total | | 11,253.69 | 1,24,002.75 |
| III. Profit before tax (I - II) | | 3,329.36 | 6,205.15 |
| IV. Tax expenses | | | |
| (a) Current tax | | 470.19 | 906.35 |
| (b) MAT credit entitlement | | – | (634.08) |
| (c) Income tax adjustment for earlier years | | 137.16 | 77.73 |
| (d) Deferred tax charge | | 26.69 | 1,099.16 |
| Total tax expense | | 634.04 | 1,449.16 |
| Profit for the year (III-IV) | | 2,695.32 | 4,755.99 |
| Earnings Per share | 37 | | |
| Basic | | | |
| Earnings per equity share (nominal value of share ₹ 10/- (31st March 2012 - ₹ 10/-)) | | ₹ 9.16 | ₹ 16.15 |
| Diluted | | | |
| Earnings per equity share (nominal value of share ₹ 10/- (31st March 2012 - ₹ 10/-)) | | ₹ 9.16 | ₹ 16.15 |

Summary of significant accounting policies

2.1

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

As per our report of even date

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

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm's Regn. No.: 301003E

S. K. Poddar
Chairman

H. S. Bawa
Executive Vice Chairman

Marco Wadia
Director

Per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

Swapnil Yelgaonkar
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

Cash flow statement for the year ended 31st March, 2013

₹ in lacs

| PARTICULARS | Year ended 31st March,2013 | Year ended 31st March,2012 |
|--|-------------------------------|-------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Profit before tax | 3,329.36 | 6,205.15 |
| Adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation / amortisation | 11.81 | 610.72 |
| Bad debts provision written back | – | (27.70) |
| Excess provision/unclaimed liabilities/unclaimed balances written back | – | 1,435.59 |
| Loss / (Gain) on fixed assets sold / discarded (net) | – | (104.05) |
| (Profit) on sale of non current investments | – | (312.82) |
| Interest expense | 80.42 | 982.35 |
| Interest (income) | (2,357.44) | (2,027.50) |
| Dividend (income) | (1,803.34) | (1,643.60) |
| Diminution in the value of Fertiliser Companies' Government of India special bonds | – | 400.30 |
| | (4,068.55) | (686.71) |
| Operating Profit / (loss) before Working Capital Changes | (739.19) | 5,518.44 |
| Movement in working capital : | | |
| Decrease / (increase) in inventories | 2,292.04 | (21,655.33) |
| Decrease / (increase) in trade receivables | 23.27 | (19,774.69) |
| (Increase) in other current assets | – | (281.83) |
| Decrease in loans and advances | 354.48 | 446.87 |
| Increase in trade payables | 553.63 | 6,597.27 |
| Increase / (Decrease) in current liabilities | 145.59 | (640.53) |
| Increase / (Decrease) in provisions | (27.63) | 675.13 |
| | 3,341.38 | (34,633.11) |
| Cash generated from/(used in) Operations | 2,602.19 | (29,114.67) |
| Direct taxes paid (net of refunds) | (1,160.02) | 2,433.19 |
| Net Cash flow (used in) /from Operating Activities (A) | 1,442.17 | (26,681.48) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (148.90) | (663.12) |
| Proceeds from Sale of fixed assets | – | 122.54 |
| Purchases of non-current investments | (503.13) | (13,071.49) |
| Proceeds of non current investments | – | 3,454.89 |
| Proceeds of current investments | 9,250.23 | 81,515.28 |
| Purchases of current investments | (7,726.69) | (58,053.49) |
| Purchase of investments in subsidiaries ** | – | (827.83) |
| Sale of investments in subsidiaries** | – | 1,422.60 |
| Fixed Deposits with Banks | (0.75) | (35.00) |
| Fixed deposits matured | 30.00 | 3,559.76 |
| Interest received | 2,426.78 | 2,076.93 |
| Dividends received on investments | 1,803.34 | 1,643.60 |
| ICD / Loans given to bodies corporates | (6658.00) | (26905.56) |
| ICD / Loans given to bodies corporates received back | 625.00 | 6,956.95 |
| Net Cash flow (used in) investing activities (B) | (902.12) | 1196.07 |

₹ in lacs

| PARTICULARS | Year ended 31st March,2013 | Year ended 31st March,2012 |
|--|-------------------------------|-------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of long-term borrowings | (11.99) | (151.60) |
| Proceeds of short-term borrowings | – | 51,289.35 |
| Repayment of short-term borrowings | – | (45,204.40) |
| Interest paid | (82.34) | (1,187.27) |
| Dividend paid on equity shares | (587.76) | (1,321.46) |
| Tax on equity dividend paid | (95.52) | (214.92) |
| Net Cash flow from/(used in) financing activities (C) | (777.61) | 3,209.70 |
| Net (decrease) in cash and cash equivalents (A + B + C) | (237.56) | (22275.71) |
| Cash and cash equivalents at the beginning of the year | 1347.83 | 25103.45 |
| Less : Transfer due to Demerger | – | (1479.91) |
| Cash and cash equivalents at the end of the year | 1,110.27 | 1,347.83 |

Previous year's figures have been regrouped wherever necessary to confirm to current year classification.

| Components of cash and cash equivalents | As at 31st March,2013 | As at 31st March,2012 |
|--|--------------------------|--------------------------|
| Cash on hand | 0.24 | – |
| Cheques/ drafts on hand | – | 0.08 |
| With banks-on current accounts | 713.10 | – |
| – on deposit accounts | 350.00 | 1,300.00 |
| – unpaid dividend accounts* | 35.51 | 34.41 |
| – On Interest warrant accounts* | 11.42 | 13.34 |
| Total cash and cash equivalents (note 15) | 1,110.27 | 1,347.83 |

Notes :

- 1) * The Company can utilize these balances only towards settlement of the respective unpaid dividend, unpaid matured deposits and unpaid matured interest warrents.
- 2)** Sale and purchase of investments in subsidiaries are non-cash transactions as intercorporate deposits have been converted into equity and further equity shares have been issued towards redemption of preference shares aggregate to ₹ 5,266.67 lacs.

As per our report of even date

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

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm's Regn. No.: 301003E

S. K. Poddar
Chairman

H. S. Bawa
Executive Vice Chairman

Marco Wadia
Director

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Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

Swapnil Yelgaonkar
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

Notes to financial statements for the year ended 31st March, 2013

1. Corporate Information

The Company is a public Company domiciled in India and incorporated under the provisions of the Companies Act 1956. The Company is in the business of trading of pesticides. Last year upto 30th June, 2011 i.e. before demerger of the fertiliser undertaking, the Company was in the business of manufacture of chemical fertilisers and also trading of complex fertilisers, water solubles and seeds. The Company caters to the demand of the Farmers all over the country.

2. Basis for preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

2.1 Statement of Significant Accounting Policies

i) 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 Revised Schedule VI notified under the Companies Act 1956.

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.

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

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Tangible Assets

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

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

Gains or losses from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

iv) Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the fixed assets (other than machinery spares) as estimated by the management, which are equal to the rates prescribed under Schedule XIV of the Companies Act, 1956 other than for computers and peripherals which are depreciated/amortised over the useful lives of three years. For this purpose, a major portion of the plant has been considered as continuous process plant.

Machinery spares are depreciated prospectively over the estimated remaining useful lives of the respective mother assets.

v) Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible

Notes to financial statements for the year ended 31st March, 2013 Contd...

assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangibles representing computer software are amortized using the Straight Line Method over their estimated useful lives of three years.

vi) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects current market assessment of the time value of the money and rates specific to that asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vii) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

viii) Inventories

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

The Cost is determined as follows:

- a) Stores and spares, Fuel oil, Raw Materials and Packing Materials : Moving weighted average method
- b) Work-in-process: Material cost on moving weighted average method and appropriate manufacturing overheads based on normal operating capacity
- c) (i) Finished goods (manufactured): Material cost on moving weighted average method and appropriate manufacturing overheads based on normal operating capacity including Excise Duty
- (ii) Traded goods : Moving weighted average method

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Net Realisable 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.

ix) Retirement and other Employee Benefits

a) Provident Fund and Family Pension Fund

Retirement benefits in the form of Provident Fund is a 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.

Pension Funds is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable to the 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.

b) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. 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 and actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Notes to financial statements for the year ended 31st March, 2013 Contd...

c) Leave Encashment

Accumulated leave which is expected to be utilized within the next twelve months is treated as Short Term Employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. 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.

d) Superannuation and Contributory Pension Fund

The Company has approved superannuation fund and contributory pension Fund which are defined contribution schemes and the contributions paid to Life Insurance Corporation of India (LIC) against the insurance policy taken with them are charged to the Statement of Profit and Loss each year. The Company does not have any other obligation other than contributions paid to LIC. The Company recognizes contribution payable to the 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.

e) Actuarial gains/losses related to gratuity, long term compensated absence and provident fund in form of defined obligation plan are immediately taken to the Statement of Profit and Loss and are not deferred.

f) Payments made under the Voluntary Retirement Scheme are charged to the Statement of Profit and Loss immediately.

x) Foreign currency transactions

Foreign currency transactions and balances

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

c) 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 recognised as income or as expenses in the year in which they arise.

d) Forward Exchange Contracts entered into to hedge foreign currency risk of an existing asset / liability.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

xi) Revenue Recognition

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.

Revenue from sale of goods, including concession in respect of Urea, DAP, MOP and Complex Fertilisers receivable from the Government of India under the New Pricing Scheme/Concession Scheme, is recognised when the significant risk and rewards of ownership of the goods have passed to the customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded

Notes to financial statements for the year ended 31st March, 2013 Contd...

from revenue. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability assessed during the year.

Concessions in respect of Urea as notified under the New Pricing Scheme is recognised 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.

Subsidy for Phosphatic and Potassic (P&K) fertilisers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Uniform freight subsidy on Urea, Complex fertilisers, Imported DAP and MOP has been accounted for in accordance with the parameters and notified rates.

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

Claims receivable on account of Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

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

xii) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings

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

xiii) Operating Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

xiv) Accounting for Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed at each balance sheet date and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company 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 company 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

Notes to financial statements for the year ended 31st March, 2013 Contd...

the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

xv) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

xvi) Earnings per Share

Basic Earnings per Share 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.

xvii) Derivative Instruments

In accordance with ICAI announcements, derivative contracts, other than foreign currency forward contracts covered under AS11, are marked to market on portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any after considering the offsetting effect of loss on the underlying hedged item, is ignored.

xviii) 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.

xix) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expenses item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

xx) 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.

—This space has been intentionally left blank—

Notes to financial statements for the year ended 31st March, 2013 Contd...

3. Share Capital

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|---|------------------|-----------------|
| Authorised : | | |
| 3,57,50,000 (31st March 2012:: 3,57,50,000) Equity Shares of ₹ 10/- each | 3,575.00 | 3,575.00 |
| 1,00,00,000 (31st March 2012:: 1,00,00,000) Redeemable Cumulative Preference shares of ₹ 100/- each | 10,000.00 | 10,000.00 |
| | 13,575.00 | 13,575.00 |
| Issued | | |
| *2,94,48,655 (31st March 2012:: 2,94,48,655) Equity Shares of ₹10/- each fully paid-up | 2944.87 | 2944.87 |
| Subscribed and Paid-up | | |
| 2,94,40,604 (31st March 2012:: 2,94,40,604) Equity Shares of ₹ 10/- fully paid-up | 2,944.06 | 2,944.06 |
| Add : 1100 (31st March 2012:: 1100) Forfeited Shares (amount paid-up) fully paid up | 0.05 | 0.05 |
| Total | 2,944.11 | 2,944.11 |

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

| Equity Shares | 31st March 2013 | | 31st March 2012 | |
|------------------------------------|-------------------|-----------------|-----------------|-----------|
| | in Numbers | ₹ In Lacs | in Numbers | ₹ In Lacs |
| 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 ₹ 10/- Share. Each share holder of equity shares is entitled to one vote per share. The Company declares and pay 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 31st March 2013, the amount of per share dividend recognised for distribution to equity share holders was ₹ 2.00/-, (31st March 2012:: ₹ 2.00/-), subject to approval of shareholders.

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 shareholders.

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

| Name of Shareholder | As at 31 March 2013 | | As at 31 March 2012 | |
|---|---------------------|--------------------|---------------------|--------------------|
| | No. of Shares held | % Holding in Class | No. of Shares held | % Holding in Class |
| OSI Limited / Globalware Trading and Holdings Limited # | 7,012,000 | 23.82 | 7,012,000 | 23.82 |
| SIL Investment Limited | 3,208,000 | 10.90 | 3,208,000 | 10.90 |
| Texmaco Infrastructure and Holdings Limited (formerly known as Texmaco Limited) | 2,757,941 | 9.37 | 2,557,941 | 8.69 |
| Reliance Capital Trustee Co Ltd A/c - Reliance Regular Savings Fund Equity Option | 1,600,000 | 5.43 | - | - |

* Refer note no. 41

OSI Limited had merged with Globalware Trading and Holdings Limited with effect from September 2011

As per records of the Company including its register of share holders/members and other declarations received from shareholders

Notes to financial statements for the year ended 31st March, 2013 Contd....

regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

4. Reserves and Surplus

₹ In Lacs

| Particulars | | 31st March 2013 | 31st March 2012 |
|--|---|------------------|-----------------|
| Capital reserve | | | |
| Balance as per last financial statements | | – | 0.01 |
| Less : | Transfer to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) as per the Scheme of Arrangement and Demerger | – | 0.01 |
| Closing balance | | – | – |
| Capital redemption reserve | | | |
| Balance as per last financial statements | | – | 412.49 |
| Less : | Transfer to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) as per the Scheme of Arrangement and Demerger | – | 412.49 |
| Closing balance | | – | – |
| General reserve | | | |
| Balance as per last financial statements | | 2,500.00 | 56,315.62 |
| Less : | Transfer to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) as per the Scheme of Arrangement and Demerger | – | 56,315.62 |
| Add : | Amount transferred from surplus balance in the statement of profit and loss | 500.00 | 2,500.00 |
| Closing balance | | 3,000.00 | 2,500.00 |
| Surplus / (deficit) in the statement of profit and loss | | | |
| Balance as per last financial statements | | 52,317.84 | 62,366.97 |
| Less : | Transfer to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) as per the Scheme of Arrangement and Demerger | – | (11,620.79) |
| Net Profit for the year | | 2,695.32 | 4755.99 |
| Less : | Appropriations | | |
| | Proposed final equity dividend of ₹ 2/- Per Equity Share (31st March 2012:: ₹ 2/-) | 588.81 | 588.81 |
| | Tax on proposed equity dividend | 100.07 | 95.52 |
| | Transfer to general reserve | 500.00 | 2,500.00 |
| | Total appropriations | 1,188.88 | 3,184.33 |
| Net surplus in the statement of profit and loss | | 53,824.28 | 52,317.84 |
| Total reserves and surplus | | 56,824.28 | 54,817.84 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

5. Deferred tax liabilities (Net)

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Deferred tax liabilities | | |
| Fixed assets Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 63.01 | 21.13 |
| Income considered in the books but not in the income tax | 48.65 | 46.44 |
| Gross deferred tax liabilities | 111.66 | 67.57 |
| Deferred tax assets | | |
| Expenses allowable in Income tax on payment basis and deposition of Statutory dues | 59.90 | 42.50 |
| Gross deferred tax assets | 59.90 | 42.50 |
| Net deferred tax liabilities | 51.76 | 25.07 |

6. Trade Payables and other current liabilities

₹ In Lacs

| Particulars | Current | |
|---|------------------|-----------------|
| | 31st March 2013 | 31st March 2012 |
| Trade payables (refer note 39 for details of dues to Micro and Small Enterprises) | 1,492.51 | 938.88 |
| | 1,492.51 | 938.88 |
| Other Current Liabilities | | |
| Unclaimed statutory liabilities as referred in Section 205(C) of the Companies Act, 1956, to be credited to Investor Education a Protection Fund as and when due | | |
| Unclaimed deposits | 16.92 | 28.90 |
| Unclaimed dividends | 35.51 | 34.41 |
| Unclaimed Interest warrants | 11.42 | 13.34 |
| Unclaimed preference warrants | 5.82 | 5.87 |
| Advances from dealers and others | 173.41 | 29.82 |
| Statutory dues | 60.94 | 60.27 |
| Employee Benefit Payable | 1.33 | - |
| Advance towards Sale of Investments | 8,400.00 | 3,454.89 |
| | 8,705.35 | 3,627.50 |
| Total | 10,197.86 | 4,566.38 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

7. Provisions

₹ In Lacs

| Particulars | Short-term | |
|---|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 |
| Provision for employee benefits | | |
| Gratuity (funded) (Refer note no.38) | 31.23 | 35.80 |
| Leave encashment (unfunded) | 655.25 | 698.61 |
| | 686.48 | 734.41 |
| Others provisions | | |
| Provision for current Income Tax (net of advance tax) | 1,342.19 | 2,058.94 |
| Provision for Wealth Tax | 20.30 | – |
| Provision for proposed equity dividend | 588.81 | 588.81 |
| Provision for tax on proposed equity dividend | 100.07 | 95.52 |
| | 2,051.37 | 2,743.27 |
| Total | 2,737.85 | 3,477.68 |

8. Tangible assets

(₹ in lacs)

| Particulars | Freehold Land | Buildings | Railway Siding | Plant & machinery | Furniture & fixtures | Office equipment | Vehicles | Total |
|--------------------------------|---------------|---------------|----------------|-------------------|----------------------|------------------|-------------|-----------------|
| Cost | | | | | | | | |
| As at 01.04.2011 | 865.16 | 2,450.84 | 1,500.59 | 36,667.47 | 411.17 | 1,445.82 | 596.76 | 43,937.81 |
| Additions | – | 56.39 | – | 4,558.09 | 14.81 | 7.15 | 64.75 | 4,701.19 |
| Deductions | – | 5.38 | – | 15.32 | 0.76 | – | 15.52 | 36.98 |
| Less : Due to De-Merger Scheme | 93.52 | 2,070.51 | 1,500.59 | 41,149.33 | 423.91 | 1,447.20 | 641.78 | 47,326.84 |
| As at 31.03.2012 | 771.64 | 431.34 | – | 60.91 | 1.31 | 5.77 | 4.21 | 1,275.18 |
| Additions | 148.90 | – | – | – | – | – | – | 148.90 |
| Deductions | – | – | – | – | – | – | – | – |
| As at 31.03.2013 | 920.54 | 431.34 | – | 60.91 | 1.31 | 5.77 | 4.21 | 1,424.08 |
| Depreciation | | | | | | | | |
| As at 01.04.2011 | – | 1,083.34 | 901.93 | 23,973.46 | 280.61 | 852.79 | 138.17 | 27,230.30 |
| Charge for the year | – | 20.06 | 17.92 | 462.81 | 3.83 | 27.95 | 14.91 | 547.48 |
| Deductions | – | 1.77 | – | 6.76 | 0.42 | – | 9.52 | 18.47 |
| Less : Due to De-Merger Scheme | – | 1,081.37 | 919.85 | 24,387.48 | 283.43 | 880.37 | 143.39 | 27,695.89 |
| As at 31.03.2012 | – | 20.26 | – | 42.03 | 0.59 | 0.37 | 0.17 | 63.42 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

| Particulars | Freehold Land | Buildings | Railway Siding | Plant & machinery | Furniture & fixtures | Office equipment | Vehicles | Total |
|-------------------------|---------------|---------------|----------------|-------------------|----------------------|------------------|-------------|-----------------|
| Charge for the year | – | 7.29 | – | 3.85 | 0.03 | 0.25 | 0.40 | 11.82 |
| Deductions | – | – | – | – | – | – | – | – |
| As at 31.03.2013 | – | 27.55 | – | 45.88 | 0.62 | 0.62 | 0.57 | 75.24 |
| Net block | | | | | | | | |
| As at 31.03.2012 | 771.64 | 411.08 | – | 18.88 | 0.72 | 5.40 | 4.04 | 1,211.76 |
| As at 31.03.2013 | 920.54 | 403.79 | – | 15.03 | 0.69 | 5.15 | 3.64 | 1,348.84 |

Buildings include buildings given on operating lease having gross block ₹ 187.45 lacs (31st March 2012 :: ₹ 187.45 lacs), depreciation charged for the year ₹ 3.06 lacs (31st March 2012 :: ₹ 3.06 lacs), accumulated depreciation ₹ 18.69 lacs (31st March 2012 :: ₹ 15.64 Lacs), net book value ₹ 168.76 lacs (31st March 2012 :: ₹ 171.81 lacs)

8 (a). Intangible assets

(₹ in lacs)

| Particulars | Software | Total |
|--------------------------------|----------|--------|
| Cost | | |
| As at 01.04.2011 | 785.91 | 785.91 |
| Additions | – | – |
| Deductions | – | – |
| Less : Due to De-Merger Scheme | 785.91 | 785.91 |
| As at 31.03.2012 | – | – |
| Additions | – | – |
| Deductions | – | – |
| As at 31.03.2013 | – | – |
| Depreciation | | |
| As at 01.04.2011 | 509.78 | 509.78 |
| Charge for the year | 63.24 | 63.24 |
| Deductions | – | – |
| Less : Due to De-Merger Scheme | 573.02 | 573.02 |
| As at 31.03.2012 | – | – |
| Charge for the year | – | – |
| Deductions | – | – |
| As at 31.03.2013 | – | – |
| Net block | | |
| As at 31.03.2012 | – | – |
| As at 31.03.2013 | – | – |

Notes to financial statements for the year ended 31st March, 2013 Contd....

9. Non-Current Investments

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Trade Investments (valued at cost less provision unless otherwise stated) | | |
| Unquoted | | |
| Investment in subsidiaries | | |
| 3,30,00,080 (31st March 2012:: 2,30,00,080) Equity Shares of ₹ 10/- each fully paid up of Indian Furniture Products Limited | 3,300.01 | 2,300.01 |
| 50,00,000 (31st March 2012:: 50,00,000) Equity Shares of ₹ 10/- each fully paid up of Simon India Limited | 350.01 | 350.01 |
| 50,000 (31st March 2012:: 50,000) Equity Shares of ₹ 10/- each fully paid up of Zuari Management Services Limited | 5.00 | 5.00 |
| 4,00,50,000 (31st March 2012:: 50,000) Equity Shares of ₹ 10/- each fully paid up of Adventz Infracore India Limited | 4,832.82 | 832.82 |
| 3,74,45,790 (31st March 2012:: 3,74,45,790) Equity Shares of ₹ 10/- each fully paid up of Zuari Investments Limited | 5,057.83 | 5,057.83 |
| 100 (31st March 2012:: 100) Equity Shares of AED 1000/- each fully paid up of Globex Limited | 13.40 | 13.40 |
| 40,00,000 (31st March 2012:: 13,33,350) Equity Shares of ₹ 10/- each fully paid up Style Spa Furniture Limited | 453.33 | 186.67 |
| Nil (31st March 2012:: 266,665)10% Non Cumulative Redeemable preference Shares of ₹ 100 each fully paid up Style Spa Furniture Limited | - | 266.67 |
| Investment in Joint Ventures | | |
| 1,00,20,000 (31st March 2012:: 1,00,20,000) Equity shares of ₹ 10/- each fully paid up of Zuari Indian Oiltanking Limited | 1,002.00 | 1,002.00 |
| 60,12,682 (31st March 2012:: 60,12,682) Equity Shares of ₹ 10/- each fully paid up of Gulbarga Cement Limited | 601.27 | 601.27 |
| 1,69,50,000 (31st March 2012:: 1,39,80,000) Equity shares of USD 1.00/- each fully paid of MCA Phosphate Pte Limited (Refer Note no. 12) | - | 7,374.48 |
| Investment in Associate quoted (Previous year unquoted) | | |
| 84,11,601 (31st March 2012:: 84,11,601) Equity Shares of ₹ 10/- each fully paid up of Zuari Agro Chemicals Limited | 841.16 | 841.16 |
| Non trade Investments (valued at cost, unless otherwise stated) | | |
| Investment in equity shares | | |
| Unquoted, Others | | |
| 72,000 (31st March 2012:: 72,000) Equity shares of ₹ 10/- each fully paid up of Indian Potash Limited | 3.60 | 3.60 |
| 1,00,000 (31st March 2012:: 1,00,000) Equity shares of ₹ 10/- each fully paid up of Biotech Consortium of India Limited | 10.00 | 10.00 |
| 2,58,250 (31st March 2012:: 2,58,250) Equity shares of ₹ 100/- each fully paid up of Lionel India Limited | 258.90 | 258.90 |
| 3,22,67,741 (31st March 2012:: 3,22,67,741) Equity Shares of Re.1/- each fully paid up of Nagarjuna Fertilisers and Chemicals Limited | 2,115.39 | 2,115.39 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|---|------------------|-----------------|
| Quoted - Others | | |
| 5,90,15,360 (31st March 2012:: 5,90,15,360) Equity Shares of ₹ 10/- each fully Paid up of Chambal Fertilisers and Chemicals Limited | 9,055.72 | 9,055.72 |
| 99,07,712 (31st March 2012:: 82,07,712) Equity Shares of ₹1/- each fully paid up of Texmaco Infrastructure and Holdings Limited | 2,134.30 | 1,631.17 |
| 40,35,000 (31st March 2012:: 40,35,000) Equity Shares of ₹ 1/- each fully Paid up of Texmaco Rail and Engineering Limited | 330.06 | 330.06 |
| 2,93,34,310 (31st March 2012:: 2,93,34,310) Equity Shares of ₹ 1/- each fully paid up of Nagarjuna Oil Refinery Limited | 6,944.09 | 6,944.09 |
| 22,22,222 (31st March 2012:: 22,22,222) Equity Shares of USD 0.01/- each fully paidup of Synthesis Energy System Inc | 2,235.12 | 2,235.12 |
| Total | 39,544.01 | 41,415.37 |
| Aggregate Amount of Quoted Investments [(Market value Rs 48,476.35 lacs) (31st March 2012:: ₹ 53,786.22 lacs)] | 21,540.46 | 20,196.16 |
| Aggregate Amount of Un Quoted Investments | 18,003.55 | 21,219.21 |
| Total | 39,544.01 | 41,415.37 |

- (a) (i) Pursuant to the Composite Scheme of Arrangement and Amalgamation among iKisan Limited, Kakinada Fertilisers Limited (KFL), Nagarjuna Fertilisers and Chemicals Limited (NFCL) and Nagarjuna Oil Refinery Limited (NORL), the Company had got one fully paid up equity share of Nagarjuna Oil Refinery Limited of ₹1/- each for every one equity share of ₹10/- held in NFCL and eleven equity shares in KFL of ₹1/- each for every ten equity shares of ₹10/- held in NFCL. The name of KFL has subsequent to merger changed to NFCL. The cost of shares held in Nagarjuna Fertilisers and Chemicals Limited had been allocated in the ratio of 76.65% and 23.35% to the shares of Nagarjuna Oil Refinery Limited and Nagarjuna Fertilisers and Chemicals Limited.(formerly known as Kakinada Fertilisers Limited)
- (ii) The Company's investment in Nagarjuna Oil Refinery Limited aggregated to ₹6,944.09 lacs (31st March 2012: ₹6,944.09 lacs) (based on cost allocation as above in a(i) and market value of this investments is ₹894.70 lacs (31st March 2012: ₹ 1,862.72 lacs). Hence, there is a diminution in the value of investment by ₹6,049.39 lacs (31st March 2012 : ₹ 5,081.37 lacs).
- (iii) The shares of Nagarjuna Fertilisers and Chemicals Limited allotted to the Company are not yet listed on stock exchange, pending permission for trading from Securities and Exchange Board of India.
- (b) (i) The Company has converted intercorporate deposit of ₹ 4,000 lacs given to its subsidiary Adventz Infracore India Limited into 400 lacs equity shares of ₹ 10 each.
- (ii) The Company has converted intercorporate deposit of ₹ 1,000 lacs given to its subsidiary Indian Furniture Products Limited into 100 lacs equity shares of ₹ 10 each.
- (iii) The Company has received 2,666,650 equity shares of ₹ 10 each of Style Spa Furniture Limited on conversion of 10% Non Cumulative Redeemable preference shares.
- (c) (i) The Company has an investment of ₹ 258.90 lacs (31st March 2012: ₹258.90 lacs) in the equity shares of Lionel India Limited (LIL). As per the latest audited financial statements of LIL, it has accumulated losses which have been resulted in erosion of a major portion of its net worth. LIL is continuously incurring losses.
- (ii) The Company has investment of ₹ 453.33 lacs (31st March 2012::₹453.33 lacs) in share capital of its subsidiary 'Style Spa Furniture Limited'. The Company has promised to provide continuous financial support. As per the latest audited financial statements, it has accumulated losses which have resulted in erosion of a substantial portion of its net worth.
- (iii) The Company has an investment of ₹ 2,235.12 lacs (31st March 2012:: ₹2,235.12 lacs) in the equity shares of Synthesis Energy Systems Inc. and market value of this investment is ₹1,257.00 lacs (31st March 2012:₹1,671.11 lacs). Hence, there is a diminution in the value of this investment by ₹ 978.13 lacs (31st March 2012 ::564.01 lacs)
- (iv) The Company has invested a sum of ₹ 3,300.01 lacs in the equity shares of one of its 100% subsidiary company, Indian Furniture Products Limited. Further, the Company has given intercorporate deposit of ₹ 1,000 Lacs. The Company has promised to provide continuous financial support. As per the latest audited financial statements of this subsidiary, it has accumulated losses which have resulted in erosion of substantial portion of its net worth.

These being long term investments, management is of the view that the diminution in the value of these investments is temporary in nature and hence no provision is required to be made thereagainst.

Notes to financial statements for the year ended 31st March, 2013 Contd....

10. Loans and Advances

₹ In Lacs

| Particulars | Non Current | | Current | |
|--|-----------------|-----------------|------------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Security deposits | | | | |
| Unsecured, considered good | 0.14 | – | – | – |
| | 0.14 | – | – | – |
| Loans and advances to related parties (Refer note No. 36) | | | | |
| Unsecured, considered good | 4,756.29 | 6,826.37 | 10,064.61 | 7,074.79 |
| | 4,756.29 | 6,826.37 | 10,064.61 | 7,074.79 |
| Advances recoverable in Cash or Kind | | | | |
| Unsecured, considered good | – | – | 15.16 | 213.62 |
| | – | – | 15.16 | 213.62 |
| Other Loans and Advances | | | | |
| Secured, considered good | | | | |
| Loans to Employees | 1.42 | 4.07 | 1.36 | 2.60 |
| Unsecured, considered good | | | | |
| Loans to Employees | 3.78 | 36.34 | 1.84 | 9.46 |
| MAT Credit entitlement | 470.01 | 634.08 | – | – |
| Prepaid expenses | – | – | 27.64 | 26.46 |
| | 475.21 | 674.49 | 30.84 | 38.52 |
| Total | 5,231.64 | 7,500.86 | 10,110.61 | 7,326.93 |
| Loans to employees include | | | | |
| Due from Managing Director of the Company | – | 27.60 | – | 4.80 |
| Due from officer of the Company | – | – | – | 1.13 |

(i) The Company has till date recognised ₹ 470.01 lacs (Previous year ₹ 634.08) 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 and also profit earned during the year is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above MAT credit entitlement.

(ii) Provision for Tax

₹ In Lacs

| Particulars | 31st March 2013 | | 31st March 2012 | |
|------------------------------|-----------------|--------|-----------------|--------|
| Provision for Tax | 470.19 | | 906.35 | |
| Less: MAT credit entitlement | 164.07 | 306.12 | – | 906.35 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

11. Other Assets

₹ In Lacs

| Particulars | Non Current | | Current | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Interest Accrued on Loans, Advances and Deposits | | | | |
| From related parties (Refer Note no. 36) | 312.75 | 89.34 | - | - |
| Others | - | - | 2.24 | 360.28 |
| Interest receivable from customers | - | - | 74.20 | - |
| Interest accrued on Loans to employees | 3.06 | 10.04 | 0.26 | 2.19 |
| | 315.81 | 99.38 | 76.70 | 362.47 |
| Non current bank balances (Refer Note No.15) | 0.75 | - | - | - |
| | 0.75 | - | - | - |
| Total | 316.56 | 99.38 | 76.70 | 362.47 |

Interest earned on employee's loan include amount due from officer of the company ₹ Nil, including ₹ Nil from the Managing Director of the Company (31st March 2012::₹ 7.53 lacs including ₹ 3.80 lacs from Managing Director of the Company)

12. Current Investments

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|---|------------------|-----------------|
| Unquoted | | |
| Current portion of long-term investments (valued at cost) | | |
| 1,69,50,000 (31st March 2012:: 1,39,80,000) Equity shares of USD 1.00/each fully paid of MCA Phosphate Pte Limited | 8,953.60 | - |
| Current Investments (valued at lower of cost and fair value unless stated otherwise) | | |
| Investments in Mutual Funds 1,83,648.168 (31st March, 2012 ::Nil) Units of ₹1000/- each in SBI Premier Liquid fund - Daily Dividend | 1,842.45 | - |
| Total | 10,796.05 | - |
| Net asset value of unquoted Investments in the units of Mutual Funds ₹ 1,842.45 lacs, (31st March 2012:: Rs Nil) | 1,842.45 | - |

The Company has entered into an agreement for sale of equity shares of MCA Phosphates Pte. Ltd . (MCA) aggregating to ₹ 8953.60 lacs to one of its associate company, Zuari Agro Chemicals Limited (ZACL) at a price to be determined, which will not be less than the book value. Pending approval of other joint venture partner in MCA , the sale of these shares is not recognised . The Company has received an amount of ₹ 8400 lacs as advance from ZACL towards sale of these shares.

Notes to financial statements for the year ended 31st March, 2013 Contd....

13. Inventories (valued at lower of cost and net realisable value)

₹ In Lacs

| Particulars | 31st March 2013 | | 31st March 2012 | |
|--|-----------------|-----------------|-----------------|----------|
| | | | | |
| Raw materials and Components [includes materials in transit ₹ Nil (31st March 2012 ₹ Nil) and material lying with others ₹ 17.84 lacs (31st March 2012 ₹ 197.86 Lacs)] | | 17.84 | | 197.86 |
| Packing materials [includes material lying with others ₹ 76.17 lacs (31st March 2012 ₹ 462.03 lacs)] | | 76.17 | | 462.03 |
| Finished goods [(includes material lying with others ₹ Nil (31st March 2012 ₹ 1.29Lacs)] | | 134.20 | | 1,401.42 |
| Traded goods | | 1,194.75 | | 1,653.69 |
| Total | | 1,422.96 | | 3,715.00 |

14. Trade receivables

₹ In Lacs

| Particulars | Current | |
|--|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Secured, considered good | – | – |
| Unsecured, considered good | 73.47 | 3.14 |
| Unsecured, considered doubtful | – | – |
| | (A) | 3.14 |
| Other receivables | | |
| Secured, considered good | – | – |
| Unsecured, considered good | 2,719.75 | 2,813.34 |
| Unsecured, considered doubtful | – | – |
| | 2,719.75 | 2,813.34 |
| Less: Provision for doubtful debts | – | – |
| | (B) | 2,813.34 |
| Total | 2,793.22 | 2,816.48 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

15. Cash and bank balances :

₹ In Lacs

| Particulars | | Non Current | | Current | |
|----------------------------------|--|-----------------|-----------------|-----------------|-----------------|
| | | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Cash and cash equivalents | | | | | |
| a. | Balances with banks | | | | |
| | – On Current accounts | – | – | 713.10 | – |
| | – On Deposits accounts with original maturity less than three months | – | – | 350.00 | 1,300.00 |
| | – On Unpaid dividend account | – | – | 35.51 | 34.41 |
| | – On Interest warrant accounts | – | – | 11.42 | 13.34 |
| b. | Cheques on hand | – | – | – | 0.08 |
| c. | Cash on hand | – | – | 0.24 | – |
| | | – | – | 1,110.27 | 1,347.83 |
| Other bank balances | | | | | |
| | Deposits with original maturity for more than 12 months (pledged with sales tax authorities) | 0.75 | – | – | – |
| | Deposits with original maturity for more than 3 months but less than 12 months | – | – | 5.00 | 35.00 |
| | Total | 0.75 | – | 5.00 | 35.00 |
| | Amount disclosed under non current assets (Refer Note No.11) | (0.75) | – | – | – |
| | Total | – | – | 1,115.27 | 1,382.83 |

16. Revenue from operations

₹ In Lacs

| Particulars | | 31st March 2013 | 31st March 2012 |
|--|-------------------|-----------------|-------------------|
| Revenue from operations | | | |
| Sale of products* | | | |
| | Finished products | 1,575.82 | 90,225.33 |
| | Traded products | 8,378.23 | 34,391.53 |
| Other operating revenues | | | |
| | Scrap Sales | – | 50.57 |
| Revenue from operations (gross) | | 9,954.05 | 124,667.43 |
| Less: Excise duty | | – | 252.80 |
| Revenue from operations (net) | | 9,954.05 | 124,414.63 |
| * Net of Trade Discount related to previous year but determined during the year of ₹ 141.13 lacs | | | |
| Details of products sold | | | |
| Finished products sold: | | | |
| | Urea | – | 27,537.26 |
| Complex fertilisers of the grades: | | | |
| | 18:46:0 | – | 29,788.16 |
| | 10:26:26 | – | 1,075.70 |
| | 12:32:16 | – | 20,070.24 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

₹ In Lacs

| Particulars | | 31st March 2013 | 31st March 2012 |
|------------------------|--|-----------------|-----------------|
| CO2 | | – | 64.71 |
| SSP | | – | 871.69 |
| Pesticides | | 1575.82 | 10,817.57 |
| | | 1575.82 | 90,225.33 |
| Traded products sold: | | | |
| MOP | | – | 5,973.92 |
| DAP | | – | 17,739.30 |
| SSP | | – | 29.39 |
| SOP | | – | 55.24 |
| NPK Fertilisers | | – | 2,427.25 |
| Speciality Fertilisers | | – | 1,609.54 |
| Pesticides | | 8,378.23 | 6,497.85 |
| Seeds | | – | 59.04 |
| | | 8,378.23 | 34,391.53 |
| Total | | 9,954.05 | 124,616.86 |

- (a) Sale of finished and traded products include Government Subsidies. Subsidies include ₹ Nil (31st March 2012:: ₹ 118.72 Lacs) in respect of earlier years, notified during the year.
- (b) Subsidy for Urea was accounted based on Stage III parameters of the New Pricing Scheme and other adjustments as estimated in accordance with known policy parameters in this regard.
- (c) Excise duty on sales amounting to ₹ Nil (31st March, 2012:: ₹ 252.80 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase / decrease in stock amounting to ₹ Nil (31st March, 2012 ₹ (8.44) lacs) has been considered as (income)/expense in the financial statement.

17. Other income

₹ In Lacs

| Particulars | | 31st March 2013 | 31st March 2012 |
|---|--|-----------------|-----------------|
| Interest Income on | | | |
| Income tax refunds | | 50.83 | 404.20 |
| Bank deposits | | 72.53 | 252.31 |
| Government of India Fertiliser Bonds | | – | 369.03 |
| Intercompany loans | | 2,169.62 | 883.84 |
| Interest on compensation towards land acquisition | | 222.71 | – |
| Overdue debtors, employee loans etc. | | 188.79 | 118.11 |
| | | 2,704.48 | 2,027.49 |
| Less: Excess credit of interest taken in earlier years now reversed | | (347.04) | – |
| | | 2,357.44 | 2,027.49 |
| Dividend Income on | | | |
| Current investments | | 52.57 | 103.50 |
| Long-term investments | | 1,750.78 | 1,540.10 |
| Net gain on sale of non-current investments | | – | 312.82 |
| Profit on disposal of fixed assets(net) | | – | 104.05 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Rent received | 200.47 | 153.09 |
| Excess provision/unclaimed liabilities/unclaimed balances written back | - | 1,435.59 |
| Compensation towards land acquisition | 157.09 | - |
| Staff deployment and other supports | 53.70 | - |
| Other non-operating income | 56.95 | 116.63 |
| Total | 4,629.00 | 5,793.27 |

18. Cost of raw materials consumed

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|---|-----------------|------------------|
| Inventory at the beginning of the year | 197.86 | 29,773.93 |
| Add : Purchases | - | 64,996.73 |
| Add : Transfer of Stock of Finished goods for captive consumption | - | 3,230.71 |
| Less: Stock Transferred on account of Demerger | - | 28,999.68 |
| Less: Sale | 126.16 | - |
| Less: Inventory at the end of the year | 17.84 | 197.86 |
| Cost of raw materials consumed | 53.86 | 68,803.83 |
| Details of raw materials consumed | | |
| Naphtha | - | 22,787.59 |
| Phosphoric acid | - | 25,981.42 |
| Muriate of potash | - | 3,786.46 |
| Ammonia | - | 7,298.54 |
| Rock phosphate | - | 342.47 |
| Purchased urea | - | 563.62 |
| Pesticides raw materials | 53.86 | 8,043.73 |
| Total | 53.86 | 68,803.83 |

19. Details of purchase of traded products:

₹ In Lacs

| Traded products purchase details | | 31st March 2013 | 31st March 2012 |
|----------------------------------|------------------------|-----------------|------------------|
| Traded fertilisers: | | | |
| | DAP | - | 39,257.74 |
| | MOP | - | 395.77 |
| | SSP | - | 33.81 |
| | NPK Fertilisers | - | 8,897.90 |
| | Speciality Fertilisers | - | 1,745.00 |
| | Pesticides | 7,262.20 | 6,017.11 |
| | Seeds | - | 723.55 |
| Total | | 7,262.20 | 57,070.88 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

20. (Increase)/decrease in inventories

₹ In Lacs

| Particulars | | 31st March 2013 | 31st March 2012 | (Inc)/dec of 2013 |
|---|---|-----------------|-----------------|-------------------|
| Inventories at the end of the year | | | | |
| | Finished products | 134.20 | 1,401.42 | (1,267.22) |
| | Traded products | 1,194.75 | 1,653.69 | (458.94) |
| | Work-in-progress | - | - | - |
| | | 1,328.95 | 3,055.11 | (1,726.16) |
| Inventories at the beginning of the year | | | | |
| | Finished products | 1,401.42 | 9,483.55 | (8,082.13) |
| | Traded products | 1,653.69 | 21,160.59 | (19,506.90) |
| | Work-in-progress | - | 1,222.36 | (1,222.36) |
| | Less : Stocks Transferred on account of demerger to Zuari Agro Chemicals Limited (formerly Known as Zuari Holdings Limited) | | | |
| | Finished products | - | (6,288.16) | 6,288.16 |
| | Traded Products | - | (43,830.91) | 43,830.91 |
| | Work-in-progress | - | (2,104.03) | 2,104.03 |
| | Captive consumption | - | (3,230.71) | 3,230.71 |
| | | 3,055.11 | (23,587.31) | 26,642.42 |
| | Total | 1,726.16 | (26,642.42) | |

21. Employee benefit expense

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 654.53 | 1,958.69 |
| Contribution to provident and other funds | 88.47 | 260.84 |
| Gratuity (Refer note no. 38) | 37.31 | 34.23 |
| Staff welfare expenses | 28.31 | 381.59 |
| Total | 808.62 | 2,635.35 |

22. Other expenses

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|---------------------------------------|-----------------|-----------------|
| Consumption of Packing materials | 121.86 | 1,601.34 |
| Stores and spares consumed | - | 301.46 |
| Power, fuel and water | 2.80 | 6,818.92 |
| Bagging and other contracting charges | - | 1,151.51 |
| Outward freight and handling | 317.42 | 5,260.84 |
| Rent | 1.67 | 149.66 |
| Lease rentals | - | 27.42 |
| Rates and taxes | 44.58 | 26.77 |
| Insurance | 27.39 | 123.02 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Repairs and maintenance | | |
| Buildings | – | 24.63 |
| Plant & machinery | – | 602.79 |
| Others | 3.49 | 206.86 |
| Payment to Statutory auditors (Refer details below) | 30.29 | 77.94 |
| Cash rebate | 13.86 | 35.76 |
| Subsidy claims written off | – | 19.48 |
| Bad debts written off | – | 27.70 |
| Excise duty on increase/(decrease) on inventory | – | (8.44) |
| Diminution in the value of Fertiliser Companies' Government of India Special Bonds | – | 400.30 |
| Donations | – | 35.60 |
| Advertising and sales promotion | 149.17 | 58.50 |
| Exchange fluctuation on foreign payments (net) | 19.14 | 642.19 |
| Legal and consultancy charges | 393.79 | 1,283.12 |
| Miscellaneous expenses | 182.16 | 814.52 |
| Total | 1,307.62 | 19,681.89 |

Payments to statutory auditors as

₹ In Lacs

| As statutory auditors | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Audit fees | 8.43 | 30.26 |
| Tax audit fee | 3.37 | 3.37 |
| Limited review | 5.05 | 11.03 |
| In other capacity | | |
| Other Services (Certification fees) etc. | 11.64 | 27.05 |
| Reimbursement of expenses | 1.80 | 6.23 |
| Total | 30.29 | 77.94 |

23. Depreciation and amortisation expense

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|-----------------------------------|-----------------|-----------------|
| Depreciation of tangible assets | 11.81 | 547.48 |
| Amortization of intangible assets | – | 63.24 |
| Total | 11.81 | 610.72 |

24. Finance costs

₹ In Lacs

| Particulars | 31st March 2013 | 31st March 2012 |
|---|-----------------|-----------------|
| Interest expense (including interest on income tax ₹ 39.00 lacs, (31st March,2012 ₹ Nil)) | 80.42 | 982.35 |
| Premium on foreign exchange forward cover | – | 764.30 |
| Bank charges | 3.00 | 95.85 |
| Total | 83.42 | 1,842.50 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

25. Contingent liabilities

₹ In Lacs

| Particulars | | Year ended 31 st March, 2013 | Year ended 31 st March, 2012 |
|--|---|--|--|
| A. | Contingent liabilities not provided for | | |
| | Demand Notices received from Income Tax authorities* | | |
| i) | Demand in respect of Asst.Year-1999-2000 for which an appeal is pending with CIT(Appeals) | 34.53 | – |
| ii) | Demand in respect of Asst.Year-2008-09 for which an appeal is pending with CIT(Appeals) | 528.43 | – |
| iii) | Demand in respect of Asst.Year-2009-10 for which an appeal is pending with CIT(Appeals) | 1,200.41 | – |
| iv) | Demand in respect of Asst.Year-2010-11 for which an appeal is pending with CIT(Appeals) | 1,994.54 | – |
| * Based on discussions with the solicitors/ favorable decisions in similar cases Company, the management believes that the Company had a good chance of success in above mentioned cases and hence, no provision there against was considered necessary. | | | |
| B. | Corporate guarantees given in favour of banks on behalf of : | | |
| | Zuari Seeds Limited | 2,100.00 | 2,025.00 |
| | Simon India Limited | 17,284.00 | 16,284.00 |
| | Indian Furniture Products Limited: | 5,575.00 | 4,950.00 |
| C. | Other Commitments | | |
| The Company has agreed to subscribe 8,866,000 equity shares in Gulbarga Cement Limited (GCL) at a price of ₹ 50 per share on a right basis in terms of resolution passed by GCL in Board of directors meeting dated December 19, 2012. | | | |

26. Value of imports calculated on CIF basis

₹ In Lacs

| Particulars | Year Ended 31 st March 2013 | Year Ended 31 st March 2012 |
|---------------|---|---|
| Raw Materials | – | 33,776.53 |
| Spare Parts | – | 32.77 |
| Traded goods | – | 45,719.24 |

27. Imported and indigenous raw materials consumption :

| Particulars | % | Year Ended 31 st March 2013 ₹ in lacs | % | Year Ended 31 st March 2012 ₹ in lacs |
|-----------------------|--------|--|--------|--|
| Indigenously obtained | 100.00 | 53.86 | 12.98 | 8,929.41 |
| Imported | – | – | 87.02 | 59,874.42 |
| Total | 100.00 | 53.86 | 100.00 | 68,803.83 |

28. Expenditure in foreign currency (Accrual Basis) :

₹ In Lacs

| Particulars | Year Ended 31 st March 2013 | Year Ended 31 st March 2012 |
|---------------------|---|---|
| Travelling expenses | 1.08 | 26.73 |
| Professional fees | – | 662.41 |
| Interest expense | – | 141.59 |

Notes to financial statements for the year ended 31st March, 2013 Contd....

29. Net dividend Remitted in Foreign Exchange

₹ In Lacs

| Year of Remittance (ending on) | Year Ended 31st March 2013 | Year Ended 31st March 2012 |
|--|--|--------------------------------------|
| Period to which it relates | 1st April 2011 to 31st March 2012 | 1st April 2010 to 31st March 2011 |
| Number of non-resident shareholders | 2 | 3 |
| Number of equity shares held on which dividend was due | 74,91,750 | 74,91,750 |
| Amount remitted (in USD) | 2.69 | 6.76 |
| Amount remitted (in INR) | 149.84 | 337.13 |

The above information pertains to those non resident shareholders where direct remittances have been made by the company.

30. Demerger

- a) Pursuant to the Scheme of Arrangement and Demerger ('the Scheme') between Zuari Global Limited formerly known as Zuari Industries Limited and Zuari Agro Chemicals Limited (ZACL) formerly known as Zuari Holdings Limited approved by the Hon'ble High Court of Bombay at Goa on 2nd March 2012, all the Assets, Liabilities pertaining to Fertiliser Undertaking as on 1st July, 2011 had been transferred to ZACL at their book values and accordingly ₹68348.90 lacs being the surplus of Assets over the Liabilities of the Fertiliser undertaking so Demerged, has been reduced from Capital redemption Reserve, Capital Reserve, General Reserve and Statement of Profit and Loss in terms of the Order of the Hon'ble High Court of Bombay at Goa. The said order was filed with Registrar of Companies on 21st March,2012.
- b) The summary of the assets and liabilities transferred to ZACL as on July 1, 2011 is as below:

(₹ In lacs)

| Particulars | Amount |
|--|--------------------|
| Fixed Assets (Net) | 21,410.02 |
| Current Assets , Loans and advances | 2,35,545.04 |
| | 2,56,955.06 |
| Less: Current Liabilities and Provisions | 83,938.44 |
| Less: Loans and Borrowings (Secured and unsecured) | 1,03,143.66 |
| Less: Deferred Tax liabilities | 1,524.06 |
| | 1,88,606.16 |
| Net Transfer | 68,348.90 |

- c) Pursuant to the Scheme, ZACL has during the current year issued 294,40,604 Equity Shares of ₹ 10/- each aggregating to ₹ 2944.06 lacs to the existing shareholders of the Company, in the ratio of 1 fully paid up Equity Share of ₹ 10/- each of ZACL for each share of ₹ 10/- each held in the Company.
- d) The results of the Company for the previous year ended 31st March, 2012 were after giving effect to the Scheme, whereby the Fertiliser Undertaking has been demerged to ZACL with appointed date of 1st July, 2011 and accordingly its previous year's figures are not comparable with current year.
- e) As per the Scheme, during the period between the Appointed date and the Effective date, the Company deemed to have carried on the Fertiliser Undertaking in "trust" on behalf of ZACL. Further all profits or incomes earned and losses and expenses incurred for Fertiliser Undertaking, were for all purpose, be deemed to be profits or income or expenditure or losses of ZACL.
- f) The title deeds for immovable properties, licenses, agreements, loan documents etc. of the Company are in the process of being transferred in the name of ZACL.

Notes to financial statements for the year ended 31st March, 2013 Contd....

31. Particulars of Foreign Currency Exposures:

Unhedged foreign currency exposures as at the Balance Sheet date:

| Particulars | | 31.03.2013 | 31.03.2012 |
|----------------------|-----------------|---|------------|
| Trade payables | USD | NIL | 12,94,868 |
| | INR (₹ in lacs) | NIL | 662.41 |
| Claims receivable | USD | NIL | NIL |
| | INR (₹ in lacs) | NIL | NIL |
| Advance to suppliers | EURO | NIL | NIL |
| | INR (₹ in lacs) | NIL | NIL |
| | Exchange Rate | 1 USD = 51.156 INR 1 EURO = 68.340 INR | |

32. Managerial Remuneration

₹ In Lacs

| Particulars | Year Ended 31st March 2013 | Year Ended 31st March 2012 |
|--------------------------------|-------------------------------|-------------------------------|
| Salary | 300.58 | 355.72 |
| Contribution to Provident Fund | 43.20 | 50.38 |
| Perquisites | 11.83 | 22.29 |
| Total | 355.61* | 428.39 |

* Remuneration paid to Executive Vice Chairman is in excess of limits specified in Schedule XIII of the Companies Act, 1956 in view of inadequacy of profits. The Company has made an application seeking approval from Central Government for payment of managerial remuneration to Executive Vice Chairman in excess of the limits specified under The Companies Act, 1956, for the financial year ended March 31st, 2013, Approval is awaited.

33. Following are the details of loans and advances given to subsidiaries and associates in which directors are interested

₹ In Lacs

| Sr. No | Particulars | Name of the entity | Balance outstanding as on 31st March, 2013 | Maximum amount outstanding during the year |
|--------|---|---|--|--|
| 1 | Loans and advances in the nature of Loans to Subsidiaries | Indian Furniture Products Limited (Repayable within 1 year) | 1,000.00 (1011.11) | 1,500.00 (1044.44) |
| | | Adventz Infraworld India Limited, (Repayable within 1 to 2 years) | 5,103.00 (8,178.00) | 8,228.00 (8,178.00) |
| | | Gulbarga Cements Limited, (Repayable after 60 months from date of loan (01/09/2011) in 12 quarterly installments) | 2,406.30 (1,548.30) | 2,406.30 (8,487.00) |
| | | Zuari Investment Limited (Repayable within 1 year) | 6,250.00 (2,500.00) | 6,300.00 (2,500.00) |
| | | Zuari Fertilisers and Chemicals Ltd. | Nil (Nil) | Nil (4500.00) |
| | | Zuari Agro Chemicals Limited (Formerly known as Zuari Holding Limited) | - - | Nil (19100.00) |
| | | Style Spa Furniture Limited (Repayable within 1 year) | Nil (500.00) | 500.00 (500.00) |

Notes to financial statements for the year ended 31st March, 2013 Contd....

₹ In Lacs

| Sr. No | Particulars | Name of the entity | Balance outstanding as on 31st March, 2013 | Maximum amount outstanding during the year |
|--------|--|---------------------------------|--|--|
| 2 | Loans and advances in the nature of Loans where there is no repayment schedule or repayment is beyond seven years | — | Nil (Nil) | Nil (Nil) |
| 3 | Loans and advances in the nature of loans where there is no interest or interest is below Section 372A of the Companies Act. | Adventz Infracore India Limited | Nil (8,178.00) | Nil (8,178.00) |
| 4 | Loans and advances in the nature of loans to firms / companies in which directors are interested | — | Nil (Nil) | Nil (Nil) |
| 5 | Investments by the loanees in the shares of the Company or any of its subsidiaries | — | Nil (Nil) | Nil (Nil) |

Figures in () represents previous year figures

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34. Information in respect of Joint Ventures:

(₹ in lacs)

| Sr. No | Particulars | Zuari Indian Oil Tanking Limited (Audited) | | MCA Phosphates Pte Limited (Unaudited) | | Gulbarga Cements Limited (Unaudited) | | Zuari Rotem Speciality Fertilisers Ltd. (Audited) | | Zuari Maroc Phosphates Limited (Audited) | |
|--------|----------------------------------|--|----------|--|----------|--------------------------------------|----------|---|----------|--|-----------|
| | | 50% (Previous year 50%) | 31.03.12 | 30% (Previous year 30%) | 31.03.12 | 26% (Previous year 26%) | 31.03.12 | 0% (Previous year 50% till 30-6-2011) | 31.03.13 | 0% (Previous year 50% till 30-6-2011) | 31.03.12 |
| 1 | Proportion of ownership interest | | | | | | | | | | |
| 2 | Country of incorporation | India | India | Singapore | India | India | India | India | India | India | India |
| 3 | Accounting period ended | 31.03.13 | 31.03.12 | 31.03.13 | 31.03.12 | 31.03.13 | 31.03.12 | 31.03.13 | 31.03.12 | 31.03.13 | 31.03.12 |
| 4 | Assets | 3,135.25 | 2,463.37 | 8,476.45 | 7148.80 | 5,761.81 | 3936.03 | - | - | - | - |
| 5 | Liabilities | 1,333.27 | 776.65 | 10.23 | 10.29 | 3,739.54 | 2336.05 | - | - | - | - |
| 6 | Revenue | 922.10 | 812.48 | - | - | - | - | - | 557.76 | - | 35,280.79 |
| 7 | Depreciation / Amortization | 154.56 | 134.67 | - | - | 1.63 | 0.17 | - | 9.60 | - | 286.47 |
| 8 | Other expenses | 460.89 | 374.72 | 32.60 | 12.34 | 12.40 | 34.94 | - | 515.18 | - | 34,230.35 |
| 9 | Exceptional items | 133.31 | 354.13 | - | - | - | - | - | - | - | - |
| 10 | Profit / (Loss) before tax | 173.34 | (51.05) | (32.60) | (12.34) | (14.03) | (35.11) | - | 32.98 | - | 763.98 |
| 11 | Contingent Liabilities | 9.67 | 7.62 | - | - | - | - | - | 0.06 | - | - |
| 12 | Capital Commitments | - | - | - | - | 1,653.01 | 1905.10 | - | - | - | - |

The above details represent proportionate amount of the Company's share in the Joint Ventures.

Notes to financial statements for the year ended 31st March, 2013 Contd....

35. Segmental Information

- Primary Segment

The Company is engaged in the trading of pesticides which, in the context of Accounting Standard 17 (Segmental Information) notified by Companies (Accounting Standard) Rules, 2006 (as amended), is considered as the only business segment. Accordingly, no separate segmental information has been provided herein.

- Secondary Segment - Geographical Segment.

The Company operates in India and therefore caters to the needs of the domestic market. Therefore, there are no reportable geographical segments.

36. Related Party disclosures under Accounting Standard - 18

a) The list of related parties as identified by the management are as under:

i) Subsidiaries of the Company:

- (1) Indian Furniture Products Limited
- (2) Simon India Limited
- (3) Zuari Management Services Limited
- (4) Adventz Infracore India Limited
- (5) Globex Limited
- (6) Style Spa Furniture Limited (w.e.f. 27/09/2011)
- (7) Zuari Investments Limited
- (8) Gulbarga Cement Limited (up to 08/09/2011 and thereafter as joint venture)
- (9) Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) (up to 30/06/2011 and thereafter as an Associate)
- (10) Zuari Fertilisers and Chemicals Limited (up to 30/06/2011 and thereafter as an Associate)
- (11) Zuari Insurance Brokers Limited - Subsidiary of Zuari Investments Limited
- (12) Zuari Commodity Trading Limited - Subsidiary of Zuari Investments Limited
- (13) Zuari Financial Services Limited - Subsidiary of Zuari Investments Limited
- (14) Zuari Seeds Limited (up to 30/06/2011 and thereafter as an Associate)

ii) Joint Ventures of the Company:

- (1) Zuari Indian Oiltanking Limited
- (2) Gulbarga Cement Limited (w.e.f. 09/09/2011)
- (3) MCA Phosphates Pte. Limited (w.e.f. 22/12/2011)
- (4) Zuari Maroc Phosphates Limited (up to 30/06/2011 and thereafter as Associate)
- (5) Paradeep Phosphates Limited - Subsidiary of Zuari Maroc Phosphates Limited (up to 30/06/2011 and thereafter as Associate)
- (6) Zuari Rotem Speciality Fertiliser Limited (up to 30/06/2011 and thereafter as Associate)

iii) Associates of the Company*:

- (1) Zuari Agro Chemicals Limited (Formerly known as Zuari Holdings Limited) (w.e.f. 01/07/2011)
- (2) Zuari Seeds limited - Subsidiary of Zuari Agro Chemicals Limited
- (3) Zuari Fertilisers and Chemicals Limited - Subsidiary of Zuari Agro Chemicals Limited
- (4) Zuari Rotem Speciality Fertiliser Limited -Joint Venture of Zuari Agro Chemicals Limited
- (5) Zuari Maroc Phosphates Limited- Joint Venture of Zuari Agro Chemicals Limited
- (6) Paradeep Phosphates Limited- Subsidiary of Joint Venture of Zuari Agro Chemicals Limited
- (7) Gobind Sugar Mills Ltd. - Associate of Zuari Investments Limited (w.e.f. 21/08/2012)
- (8) New Eros Tradecom Ltd.-Subsidiary of Gobind Sugar Mills Ltd.

Notes to financial statements for the year ended 31st March, 2013 Contd....

* The Company and its subsidiary company hold more than 20% of the voting power of bodies corporate. The Company has been legally advised that it does not have any "significant influence" in the said bodies corporate as defined in Accounting Standard 18 "Related Party Disclosures" and accordingly has not considered the above investees as related party under AS-18 for the above disclosure.

iv) Key Management Personnel of the Company:

- 1) Mr. H.S. Bawa, Executive Vice Chairman
- 2) Mrs. Jyotsna Poddar, Executive Director (w.e.f. 01/04/2012)
- 3) Mr. N. Suresh Krishnan, Managing Director (up to 31/03/2012)

v) Relatives of Key Management Personnel of the Company:

- 1) Mrs. Veena Bawa, Wife of Mr. H.S. Bawa
- 2) Mrs. Seema Behl, Daughter of Mr. H.S. Bawa
- 3) Mrs. Meenakshi Bawa, Daughter of Mr. H.S. Bawa
- 4) Mr. S. K. Poddar (Chairman), Husband of Mrs. Jyotsna Poddar.

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Notes to financial statements for the year ended 31st March, 2013 Contd....

Related Party disclosures under Accounting Standard-18

b) Following transactions were carried out with Related Parties in the ordinary course of business.

₹ in Lacs

| Sl. No. | Transaction details | Year ended 31st March 2013 | | | | | Year ended 31st March 2012 | | | | |
|---------|--|----------------------------|----------------|------------|--------------------------------|------------------|----------------------------|----------------|------------|--------------------------------|------------------|
| | | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP |
| 1 | Payment made on their behalf for various expenses | | | | | | | | | | |
| | - Zuari Seeds Limited | - | - | 0.03 | - | - | - | - | - | - | - |
| | - Simon India Limited | - | - | | - | - | 1.21 | - | - | - | - |
| | - Zuari Management Services Limited | - | - | | - | - | 117.96 | - | - | - | - |
| | - Zuari Maroc Phosphates Limited | - | - | 0.01 | - | - | - | 0.29 | - | - | - |
| | - Paradeep Phospahtes Limited | - | - | 15.32 | - | - | - | 15.93 | - | - | - |
| | - Style Spa Furniture Limited | - | - | - | - | - | 0.01 | - | - | - | - |
| | - Adventz Infraworld India Limited | 38.96 | - | - | - | - | 68.67 | - | - | - | - |
| | - Zuari Agro Chemicals Limited | - | - | - | - | - | 39.42 | - | - | - | - |
| | - Zuari Rotem Speciality Fertilisers Limited | - | - | 0.02 | - | - | - | 16.39 | - | - | - |
| | - Zuari Fertilisers and Chemicals Ltd | - | - | - | - | - | 20.55 | - | - | - | - |
| | - Gulbarga Cements Ltd. | - | - | - | - | - | 227.29 | 105.25 | - | - | - |
| | - Zuari Indian Oiltanking Limited | - | 0.01 | - | - | - | - | 0.05 | - | - | - |
| 2 | Payment made on our behalf for various expenses | | | | | | | | | | |
| | - Paradeep Phosphates Limited | - | - | - | - | - | - | 0.05 | - | - | - |
| | - Style Spa Furniture Limited | - | - | - | - | - | 0.02 | - | 0.04 | - | - |
| | - Zuari Investments Limited | - | - | - | - | - | 3,461.89 | - | - | - | - |
| | - Zuari Fertilisers and Chemicals Ltd | - | - | - | - | - | - | - | 120.95 | - | - |
| | - Zuari Management Services Limited | - | - | - | - | - | 0.22 | - | - | - | - |
| 3 | Equity contribution made | | | | | | | | | | |
| | - Zuari Agro Chemicals Limited | - | - | - | - | - | 641.16 | - | - | - | - |
| | - Style Spa Furniture Limited | - | - | - | - | - | 186.67 | - | - | - | - |
| | - MCA Phosphate Pte Limited | - | 1,579.08 | - | - | - | - | 7,374.48 | - | - | - |
| | - Adventz Infraworld India Limited (by conversion of ICD) | 4,000.00 | - | - | - | - | - | - | - | - | - |
| | - Indian Furniture Products Limited (by conversion of ICD) | 1,000.00 | - | - | - | - | - | - | - | - | - |
| 4 | Sale of Investments | | | | | | | | | | |
| | - Zuari Agro Chemicals Limited | - | - | - | - | - | 19,745.36 | - | - | - | - |
| 5 | Purchase of Tangible Assets | | | | | | | | | | |
| | - Indian Furniture Products limited | - | - | - | - | - | 15.72 | - | - | - | - |
| | - Style Spa Furniture Limited | - | - | - | - | - | 9.86 | - | - | - | - |

Notes to financial statements for the year ended 31st March, 2013 Contd....

₹ in Lacs

| Sl. No. | Transaction details | Year ended 31st March 2013 | | | | | Year ended 31st March 2012 | | | | |
|---------|--|----------------------------|----------------|------------|--------------------------------|------------------|----------------------------|----------------|------------|--------------------------------|------------------|
| | | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP |
| 6 | Purchase of Investments | | | | | | | | | | |
| | – Zuari Investments Limited | 503.13 | – | – | – | – | – | – | – | – | – |
| 7 | Conversion of Preference Shares into Equity | | | | | | | | | | |
| | – Style Spa Furniture Limited | 266.67 | – | – | – | – | 133.34 | – | – | – | – |
| 8 | Service charges / Management fees paid | | | | | | | | | | |
| | – Zuari Indian Oiltanking Limited | – | – | – | – | – | – | 34.39 | – | – | – |
| | – Simon India Limited | – | – | – | – | – | 15.38 | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | 140.70 | – | – | – | – | – | – | – |
| | – Zuari Management Services Limited | 17.65 | – | – | – | – | 31.69 | – | – | – | – |
| 9 | Inter-corporate Deposits/loans/advances given | | | | | | | | | | |
| | – Adventz Infraworld India Limited | 1,000.00 | – | – | – | – | 1,650.00 | – | – | – | – |
| | – Zuari Investments Limited | 3,800.00 | – | – | – | – | 1,500.00 | – | – | – | – |
| | – Zuari Fertilisers and Chemicals Ltd | – | – | – | – | – | 300.00 | – | – | – | – |
| | – Gulbarga Cement Limited | – | 858.00 | – | – | – | 1,900.00 | – | – | – | – |
| | – Indian Furniture Products Limited | 1,000.00 | – | – | – | – | – | – | – | – | – |
| | – Style Spa Furniture Limited | – | – | – | – | – | 500.00 | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | – | – | – | 19,100.00 | – | – | – | – |
| 10 | Receipt/repayment of Inter corporate deposit/loans | | | | | | | | | | |
| | – Indian Furniture Products Limited | 11.11 | – | – | – | – | 33.33 | – | – | – | – |
| | – Zuari Investments Limited | 50.00 | – | – | – | – | – | – | – | – | – |
| | – Adventz Infraworld India Limited | 75.00 | – | – | – | – | – | – | – | – | – |
| | – Gulbarga Cement Limited | – | – | – | – | – | – | 6,939.03 | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | – | – | – | 18.00 | – | – | – | – |
| | – Style Spa Furniture Limited | 500.00 | – | – | – | – | – | – | – | – | – |
| 11 | Rent paid | | | | | | | | | | |
| | – H.S.Bawa | – | – | – | – | – | – | – | – | 42.11 | – |
| 12 | Managerial remuneration | | | | | | | | | | |
| | – Mr. H.S.Bawa | – | – | – | 290.72 | – | – | – | – | 295.13 | – |
| | – Mrs. Jyotsna Poddar | – | – | – | 64.88 | – | – | – | – | – | – |
| | – Mr. N. Suresh Krishnan | – | – | – | – | – | – | – | – | 133.26 | – |
| 13 | Brokerage Paid | | | | | | | | | | |
| | – Zuari Investments Limited | 1.70 | – | – | – | – | 13.13 | – | – | – | – |
| 14 | Purchase of traded goods | | | | | | | | | | |
| | – Zuari Seeds Limited | – | – | – | – | – | 723.55 | – | – | – | – |
| | – Zuari Rotem Speciality Fertilisers Limited | – | – | – | – | – | – | 1,068.88 | – | – | – |

Notes to financial statements for the year ended 31st March, 2013 Contd....

₹ in Lacs

| Sl. No. | Transaction details | Year ended 31st March 2013 | | | | | Year ended 31st March 2012 | | | | |
|---------|---|----------------------------|----------------|------------|--------------------------------|------------------|----------------------------|----------------|------------|--------------------------------|------------------|
| | | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP |
| 15 | Interest Income | | | | | | | | | | |
| | – Indian Furniture Products Limited | 179.46 | – | – | – | – | 119.86 | – | – | – | – |
| | – Zuari Investments Limited | 637.09 | – | – | – | – | 132.74 | – | – | – | – |
| | – Gulbarga Cement Limited | – | 248.23 | – | – | – | 492.67 | 99.27 | – | – | – |
| | – N Suresh Krishnan | – | – | – | – | – | – | – | – | 2.28 | – |
| | – Style Spa Furniture Limited | 64.60 | – | – | – | – | 12.92 | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | – | – | – | 29.05 | – | – | – | – |
| | – Adventz Infraworld India Limited | 1,040.23 | – | – | – | – | – | – | – | – | – |
| | – Zuari Rotem Speciality Fertilisers Limited | – | – | – | – | – | – | 4.82 | – | – | – |
| 16 | Dividend Received | | | | | | | | | | |
| | – Zuari Indian Oiltanking Limited | – | – | – | – | – | – | 75.15 | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | 252.35 | – | – | – | – | – | – | – |
| 17 | Lease Rentals Received | | | | | | | | | | |
| | – Zuari Indian Oiltanking Limited | – | 126.11 | – | – | – | – | 106.90 | – | – | – |
| | – Zuari Fertilisers and Chemicals Limited | – | – | 3.81 | – | – | – | – | – | – | – |
| | – Zuari Agro Chemicals Limited-including service tax | – | – | 43.64 | – | – | – | – | – | – | – |
| 18 | Corporate Guarantee issued | | | | | | | | | | |
| | – Simon India Limited | 1,000.00 | – | – | – | – | 600.00 | – | – | – | – |
| | – Zuari Seeds Limited | – | – | 1,100.00 | – | – | – | – | – | – | – |
| | – Indian Furniture Products Limited | 4,675.00 | – | – | – | – | 900.00 | – | – | – | – |
| 19 | Sitting Fees Paid | | | | | | | | | | |
| | – S.K.Poddar | – | – | – | – | 0.60 | – | – | – | – | – |
| 20 | Management Fees / service charges /Corp Guarantee chgs Received | | | | | | | | | | |
| | – Zuari Indian Oiltanking Limited | – | 11.24 | – | – | – | – | 11.03 | – | – | – |
| | – Gulbarga Cement Limited | – | – | – | – | – | 78.36 | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | 60.34 | – | – | – | – | – | – | – |
| | – Zuari Seeds Limited | – | – | 51.37 | – | – | 10.75 | – | – | – | – |
| 21 | Corporate Guarantee cancelled | | | | | | | | | | |
| | – Zuari Seeds Limited | – | – | 1,025.00 | – | – | – | – | – | – | – |
| | – Indian Furniture Products Limited | 4,050.00 | – | – | – | – | – | – | – | – | – |
| 22 | Dividend Paid | | | | | | | | | | |
| | – New Eros Tradecom Ltd | – | – | 23.94 | – | – | – | – | – | – | – |

Notes to financial statements for the year ended 31st March, 2013 Contd....

Balance Outstanding at the year end.

(₹ in Lacs)

| Sl. No. | Transaction details | 31st March 2013 | | | | | 31st March 2012 | | | | |
|---------|--|-----------------|----------------|------------|--------------------------------|------------------|-----------------|----------------|------------|--------------------------------|------------------|
| | | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP | Subsidiaries | Joint Ventures | Associates | Key Management Personnel (KMP) | Relatives of KMP |
| 1 | Loan/ ICD Given | | | | | | | | | | |
| | – Indian Furniture Products Limited | 1,000.00 | – | – | – | – | 1,011.11 | – | – | – | – |
| | – Adventz Infracore India Limited | 5,103.00 | – | – | – | – | 8,178.00 | – | – | – | – |
| | – Gulbarga Cement Limited | | 2,406.30 | – | – | – | – | 1,548.29 | – | – | – |
| | – Zuari Investment Limited | 6,250.00 | – | – | – | – | 2,500.00 | – | – | – | – |
| | – Style Spa Furniture Limited | – | – | – | – | – | 500.00 | – | – | – | – |
| | – N. Suresh Krishnan | – | – | – | – | – | – | – | – | 32.40 | – |
| 2 | As Trade Payables | | | | | | | | | | |
| | – Zuari Management Services Limited | 11.43 | – | – | – | – | 18.46 | – | – | – | – |
| | – Style Spa Furniture Limited | – | – | – | – | – | 1.41 | – | – | – | – |
| 3 | As Advances Recoverable / as Debtor | | | | | | | | | | |
| | – Globex Limited | – | – | – | – | – | 2.01 | – | – | – | – |
| | – Simon India Limited | – | – | – | – | – | 6.68 | – | – | – | – |
| | – Paradeep Phosphates Limited | – | – | 15.32 | – | – | – | – | – | – | – |
| | – Zuari Seeds Limited | – | – | 46.27 | – | – | – | – | – | – | – |
| | – Indian Furniture Products Ltd | – | – | – | – | – | 4.08 | – | – | – | – |
| | – Gulbarga Cement Limited | – | – | – | – | – | – | 0.08 | – | – | – |
| | – Zuari Investment Limited | – | – | – | – | – | 150.41 | – | – | – | – |
| | – Adventz Infracore India Limited | – | – | – | – | – | 0.49 | – | – | – | – |
| | – Zuari Rotem Speciality Fertilisers Limited | – | – | 0.02 | – | – | – | – | – | – | – |
| 4 | Corporate Guarantee | | | | | | | | | | |
| | – Indian Furniture Products Limited | 5,575.00 | – | – | – | – | 4,950.00 | – | – | – | – |
| | – Zuari Seeds Limited | – | – | 2,100.00 | – | – | – | – | 2,025.00 | – | – |
| | – Simon India Limited | 17,284.00 | – | – | – | – | 16,284.00 | – | – | – | – |
| 5 | Interest on ICD/Loan | | | | | | | | | | |
| | – Gulbarga Cement Limited | – | 312.75 | – | – | – | – | 89.34 | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | – | – | – | – | – | 26.15 | – | – |
| | – N. Suresh Krishnan | – | – | – | – | – | – | – | – | 3.80 | – |
| | – Adventz Infracore India Limited | – | – | – | – | – | – | – | – | – | – |
| 6 | Advance against sale of investments | | | | | | | | | | |
| | –Zuari Agro Chemicals Limited | – | – | 8,400.00 | – | – | – | – | 3,454.88 | – | – |

Notes to financial statements for the year ended 31st March, 2013 Contd....

37. Earnings Per Share (EPS):

| Particulars | ₹ in Lacs | |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2013 | Year ended 31.03.2012 |
| Net profit for calculation of basic and diluted EPS (₹ In Lacs) | 2,695.32 | 4,755.99 |
| Weighted average number of equity shares in calculating earnings per share - Basic and Diluted | 29,440,604 | 29,440,604 |
| Earnings per share - Basic and diluted (in Rupees) | 9.16 | 16.15 |
| Face value per share (in Rupees) | 10 | 10 |

38. Employee benefits:

(A) Gratuity

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 policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2013

| | (₹ in Lacs) | |
|--|----------------|-----------|
| | 2012 – 13 | 2011 – 12 |
| Current Service Cost | 23.68 | 15.18 |
| Interest cost on benefit obligation | 13.80 | 76.25 |
| Past service cost(Non Vested Benefits) | – | – |
| Past service cost(Vested Benefits) | 36.77** | – |
| Expected return on plan assets | (14.62) | (110.40) |
| Net actuarial (gain)/loss recognized in the year | (28.40) | 53.21 |
| Net benefit expense* | 31.23 | 34.23 |
| Actual return on plan assets | 12.05 | 194.72 |

* excluding ₹ 6.08 lacs (Previous year ₹ NIL) for gratuity expenses transferred to other companies.

** Due to enhancement of maximum limit of gratuity to ₹ 25.00 lacs per employee.

Balance sheet

Details of provision for gratuity benefits as at 31st March, 2013:

| | (₹ in Lacs) | | | | | |
|---------------------------------------|----------------|---------|-----------|-----------|-----------|---------|
| | 2012–13 | 2011–12 | 2010 – 11 | 2009 – 10 | 2008 – 09 | 2007–08 |
| Defined benefit obligation | 207.26 | 181.36 | 2318.06 | 1,628.06 | 1,385.16 | 1300.10 |
| Fair value of plan assets | 176.03 | 145.54 | 2310.11 | 1,398.87 | 1,387.35 | 1306.86 |
| Less: Unrecognized Past service cost | – | – | – | – | – | – |
| Plan asset/(liability) | (31.23) | (35.80) | (7.94) | (229.19) | 2.19* | 6.76* |
| Experience (gain)/loss on obligation | (24.43) | (60.46) | (619.86) | 47.22 | – | – |
| Experience (gain)/loss on plan assets | (2.57) | 8.69 | (11.57) | (9.48) | – | – |

* The amounts being immaterial were not recognized in the financial statements.

Notes to financial statements for the year ended 31st March, 2013 Contd....

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2013 are as follows:

(₹ in Lacs)

| Particulars | 2012 – 13 | 2011 – 12 |
|-------------------------------------|-----------|------------|
| Opening defined benefit obligation | 181.36 | 2318.06 |
| Adjustment to opening balance | – | – |
| Interest cost | 13.80 | 76.25 |
| Current service cost | 23.68 | 15.18 |
| Benefits paid | (17.38) | – |
| Past service cost(Transfer out) | – | (2290.03)* |
| Past service cost(Vested Benefits) | 36.77 | – |
| Actuarial (gain)/loss on obligation | (30.97) | 61.90 |
| Closing defined benefit obligation | 207.26 | 181.36 |

* Past service cost transfer out on Demerger

Changes in the fair value of plan assets are as follows:

(₹ in Lacs)

| | 2012 –13 | 2011 –12 |
|-----------------------------------|----------|------------|
| Opening fair value of plan assets | 145.54 | 2,310.11 |
| Expected return | 14.64 | 110.40 |
| Contributions by employer | 35.80 | 6.38 |
| Benefits paid | (17.38) | – |
| Past service cost (Transfer out) | – | (2290.03)* |
| Actuarial gains/(losses) | (2.57) | 8.68 |
| Closing fair value of plan assets | 176.03 | 145.54 |

The Company expects to contribute ₹ 31.23 lacs (Previous year ₹ 35.80 lacs) towards gratuity during the year 2013–14.

*Past service transfer out on Demerger

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | 2012–13 | 2011–12 |
|---|---------|---------|
| Investment with insurer (Life Insurance Corporation of India) | 100% | 100% |

The overall expected rate of return is determined based on the market prices prevailing at that date, applicable to the period over which the obligation is to be settled. These rates are different from the actual rate of return during the current year.

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

| Particulars | 2012–13 | 2011–12 |
|-----------------------------------|---------|---------|
| Discount Rate | 8.00% | 8.00% |
| Expected rate of return on assets | 9.45% | 9.45% |
| Increase in Compensation cost | 9.00% | 10.00% |
| Employee turnover | 0.50% | 0.50% |

Notes to financial statements for the year ended 31st March, 2013 Contd....

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(B) Provident Fund

The Company has set up Provident Fund Trust, which was managed by the Company as per the Guideline Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. With the transfer of Fertiliser undertaking to Zuari Agro Chemicals Limited, on demerger with effect from 1st July, 2011, the Trust is being managed by Zuari Agro Chemicals Limited and there is surplus in the fund balance in the provident fund trust maintained by the said company.

(₹ In lacs)

| Particulars | 2012 – 13 | 2011 – 12 |
|--------------------------------|-----------|-----------|
| Contribution to Provident Fund | 42.14 | 121.82 |

(C) Defined Contribution Plan

(₹ In lacs)

| Particulars | 2012 – 13 | 2011 – 12 |
|---|-----------|-----------|
| Contribution to Superannuation Fund | 39.10 | 99.96 |
| Contribution to Contributory pension fund | 7.22 | 39.06 |
| Total | 46.32 | 139.02 |

39. Disclosure as per Section 22 of “The Micro, Small and Medium Enterprises Development Act, 2006”.

(₹ in lacs)

| S. No. | Particulars | 2012 – 13 | 2011 – 12 |
|--------|---|-----------|-----------|
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier: | | |
| | – Principal amount | Nil | Nil |
| | – Interest thereon | Nil | Nil |
| ii) | the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day. | Nil | Nil |
| iii) | the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | Nil | Nil |
| iv) | the amount of interest accrued and remaining unpaid | Nil | Nil |
| v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor | Nil | Nil |

40. a) The Company has obtained office premises, apartments and warehouses on operating leases for the period ranging from 0-2 years. In all the cases, the agreements are further renewable at the option of the Company. There is escalation clause in the respective lease agreements. All these leases are cancellable in nature. The total lease payments in respect of such leases recognized in the statement of profit and loss for the year are ₹1.67lacs (Previous year ₹101.17 lacs).
- b) The Company has given buildings on operating lease for the period of three years. In all the cases, the agreements are further renewable at the option of the Company. All these leases are cancellable in nature. There is no escalation clause in the respective lease agreements. The total lease income received in respect of such leases recognized in the statement of Profit and Loss for the year is ₹ 29.41 lacs (Previous year ₹ Nil).

Notes to financial statements for the year ended 31st March, 2013 Contd....

41. 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 206A of the Companies Act, 1956
42. Pending receipt of appeal effect orders for the assessment years 2003-04 to 2005-06, where appeal has been decided partly in favour of the Company by the Income Tax Appellate Tribunal, Interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund will be recognized in the year the appeal effect order is received from Income Tax Department
43. Previous year's figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

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

For S. R. BATLIBOI & CO., LLP
Chartered Accountants
Firm's Regn. No.: 301003E

S. K. Poddar
Chairman

H. S. Bawa
Executive Vice Chairman

Marco Wadia
Director

Per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

Swapnil Yelgaonkar
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Zuari Global Limited (formerly known as Zuari Industries Limited)

We have audited the accompanying consolidated financial statements of Zuari Global Limited (formerly known as Zuari Industries Limited) ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As referred in Note 12(a) (ii), the Zuari Group is carrying investments of ₹ 6944.09 lacs in the equity share capital of Nagarjuna Oil Refinery Limited (NORL), whereof the market value at the year-end is ₹ 894.70 lacs. These shares were allotted to Zuari Group consequent to demerger / merger scheme of Nagarjuna Fertiliser and Chemicals Limited (NFCL). Zuari Group further holds 32267741 equity shares in NFCL which are yet to be listed on the stock exchange pending receipt of permission from Securities Exchange Board of India. These equity shares in NFCL are carried at value of ₹ 2115 lacs. Zuari Group has not made provision for diminution in the value of investment in NORL, in view of long term strategic investments in the said company and upon which we are unable to comment on including consequential effects, if any, the accompanying financial statements. .

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Zuari Group the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note no. 12(b)(iii) of the consolidated financial statements. The Zuari Group has not made any provision for investments of ₹ 5,300 lacs in preference shares of Gobind Suagr Mills Limited, an associate of the Group, where net worth of the company has substantially eroded, in view of long term investment and future profitability projection of the said company. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of ₹ 38,963.31 lacs as at March 31, 2013, total revenues of ₹ 3,986.51 lacs and net cash inflows amounting to ₹ 1,141.35 lacs for the year then ended, included in the accompanying consolidated financial statements. The financial information and other financial information for 1 subsidiary and 2 joint ventures has been taken based on the management accounts and for 7 subsidiaries and 1 joint venture has been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and joint ventures is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Regn. No.: 301003E

Per Anil Gupta

Partner

Membership No. : 87921

Place : Gurgaon

Date : 9th May, 2013

Consolidated Balance Sheet as at 31st March 2013

₹ in Lacs

| Notes | 31st March, 2013 | 31st March, 2012 |
|------------------------------------|------------------|--------------------|
| I. EQUITY AND LIABILITIES | | |
| Shareholders' funds | | |
| (a) Share capital | 3 | 2,944.11 |
| (b) Reserves and surplus | 4 | 67,168.48 |
| | | 69,197.63 |
| Minority Interest | 5 | 21.32 |
| Non-current liabilities | | 381.84 |
| (a) Deferred tax liabilities (Net) | 6 | 376.67 |
| (b) Long term borrowings | 7 | 3,237.77 |
| (c) Trade payables | 8 | 433.53 |
| (d) Other long term liabilities | 8 | 338.68 |
| (e) Long-term provisions | 9 | 35.16 |
| | | 4,421.81 |
| Current liabilities | | 2,572.54 |
| (a) Short-term borrowings | 10 | 3,294.71 |
| (b) Trade payables | 8 | 8,135.06 |
| (c) Other current liabilities | 8 | 20,027.48 |
| (d) Short-term provisions | 9 | 4,833.99 |
| | | 26,346.33 |
| Total | | 1,10,846.96 |
| II. ASSETS | | |
| Goodwill (on consolidation) | | 2,146.90 |
| Non-current assets | | 2,057.18 |
| (a) Fixed assets | | |
| i Tangible assets | 11.1 | 6,024.89 |
| ii Intangible assets | 11.2 | 190.80 |
| iii Capital work-in-progress | | 2,825.70 |
| (b) Non-current investments | 12 | 39,827.24 |
| (c) Deferred tax assets (Net) | 6 | 68.16 |
| (d) Loans and advances | 13 | 6,326.11 |
| (e) Other non-current assets | 14 | 396.11 |
| | | 55,659.01 |
| Current assets | | 7,809.67 |
| (a) Current investments | 15 | 16,752.84 |
| (b) Inventories | 16 | 14,097.91 |
| (c) Trade receivables | 17 | 8,787.66 |
| (d) Cash and bank balances | 18 | 7,382.08 |
| (e) Loans and advances | 13 | 4,568.67 |
| (f) Other current assets | 14 | 1,451.89 |
| | | 41,038.02 |
| Total | | 1,10,846.96 |

Summary of significant accounting policies

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

As per our report of even date

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

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Regn. No.: 301003E

S. K. Poddar

Chairman

H. S. Bawa

Executive Vice Chairman

Marco Wadia

Director

Per Anil Gupta

Partner

Membership No. : 87921

H. C. Shah

General Manager

Finance & Accounts

Swapnil Yelgaonkar

Company Secretary

Place : Gurgaon

Date : 9th May, 2013

Place : Gurgaon

Date : 9th May, 2013

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

₹ in Lacs

| | Notes | 31st March, 2013 | 31st March, 2012 |
|---|-------|------------------|--------------------|
| I. Income | | | |
| (a) Revenue from operations (gross) | 19 | 40,704.51 | 1,89,003.02 |
| Less: Excise duty | | 900.72 | 1,298.43 |
| (b) Revenue from operations (net) | | 39,803.79 | 1,87,704.59 |
| (c) Other income | 20 | 3,633.27 | 6,791.98 |
| Total revenue | | 43,437.06 | 1,94,496.57 |
| II. Expenses | | | |
| (a) Cost of raw materials consumed | 21 | 3,779.50 | 99,547.93 |
| (b) Purchase of traded goods | 22 | 13,330.17 | 63,240.86 |
| (c) (Increase) in inventories of finished goods, work-in-progress and traded goods | 23 | 590.51 | (28,534.05) |
| (d) Employee benefits expense | 24 | 6,108.80 | 7,682.85 |
| (e) Depreciation and amortization expense | 25 | 887.24 | 1,617.79 |
| (f) Finance costs | 26 | 742.88 | 3,281.99 |
| (g) Other expenses | 27 | 16,960.73 | 40,783.97 |
| (h) Exceptional items (net) | 28 | 133.31 | 31,390.51 |
| Total | | 42,533.14 | 2,19,011.85 |
| III. Profit/(loss) before tax (I-II) | | 903.92 | (24,515.28) |
| IV. Tax expenses | | | |
| (a) Current income tax (including Minimum Alternative Tax) Pertaining to profit/(loss) for the current year | | 793.23 | 1,890.14 |
| Adjustment of tax relating to earlier periods | | 137.60 | 82.29 |
| (b) Deferred tax charge/(credit) | | (65.50) | 1,018.52 |
| (c) MAT Credit Entitlement | | - | (677.65) |
| Total tax expense | | 865.33 | 2,313.30 |
| Profit/(Loss) after Tax (III-IV) | | 38.59 | (26,828.58) |
| Add: Share in profits/(Losses) of Associates | | 1,096.29 | 4,875.96 |
| Less: Share of minority interests in losses | | (450.24) | (163.95) |
| Profit/(loss) for the year | | 1,585.12 | (21,788.67) |
| Basic | | | |
| Earnings per equity share (nominal value of share ₹ 10/- (31st March 2012 – ₹ 10/-)) | 34 | ₹ 5.38 | ₹ (74.01) |
| Diluted | | | |
| Earnings per equity share (nominal value of share ₹ 10/- (31st March 2012 – ₹ 10/-)) | | ₹ 5.38 | ₹ (74.01) |

Summary of significant accounting policies

2.1

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

As per our report of even date

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

For S. R. BATLIBOI & CO., LLP

Chartered Accountants
Firm's Regn. No.: 301003E

S. K. Poddar

Chairman

H. S. Bawa

Executive Vice Chairman

Marco Wadia

Director

Per Anil Gupta

Partner
Membership No. : 87921

H. C. Shah

General Manager
Finance & Accounts

Swapnil Yelgaonkar

Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

Consolidated Cash Flow Statement for the year ended 31st March 2013

₹ in lacs

| Sl. No. | PARTICULARS | Year ended 31st March,2013 | Year ended 31st March,2012 |
|-----------|---|-------------------------------|-------------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES: | | |
| | Profit / (loss) before tax | 903.92 | (24,515.28) |
| | Add: Exceptional items (net) loss/(profit) on divestment of stake in subsidiaries/ Joint ventures (net) | – | 31,036.38 |
| | Profit before tax and Exceptional items | 903.92 | 6,521.10 |
| | Adjustment to reconcile profit before tax to net cash flows:– | | |
| | Depreciation / amortisation | 911.36 | 1,617.79 |
| | Foreign Currency Translation Reserve | 18.71 | 200.43 |
| | Excess provision / liabilities written back | (2,367.17) | (1,617.09) |
| | Loss / (Gain) on fixed assets sold / discarded (net) | 40.12 | (105.83) |
| | Provision for doubtful debts, loans, claims and advances | 43.74 | 49.79 |
| | (Profit) on sale of Investments | (23.92) | (30.94) |
| | Interest expense | 666.69 | 2,282.98 |
| | Interest (income) | (661.34) | (1,990.62) |
| | Unrealized foreign exchange fluctuation loss | (82.11) | 102.78 |
| | Dividend (income) | (2,377.84) | (2,740.31) |
| | Diminution in the value of Fertiliser Companies' Government of India special bonds | – | 685.82 |
| | | (3,831.76) | (1,545.20) |
| | Operating Profit/(loss) before Working Capital Changes | (2,927.84) | 4,975.90 |
| | Movement in working capital : | | |
| | Decrease / (increase) in inventories | 1,717.56 | (28,193.35) |
| | (Increase) in Trade Receivables | (1,647.38) | (17,600.49) |
| | (Increase) in other current assets | (211.88) | (1,138.48) |
| | (Increase) in loans and advances | (2,628.19) | (1,687.52) |
| | Increase in trade payables, other liabilities | 4,663.70 | 16,105.69 |
| | Increase in provisions | 1,993.36 | 1,234.63 |
| | | 3,887.17 | (31,279.52) |
| | Cash generated from / (used) in Operations | 959.33 | (26,303.62) |
| | Direct taxes (paid) / refund (net of refunds) | (1,735.11) | 537.84 |
| | Net cash flow (used in) Operating Activities (A) | (775.78) | (25,765.78) |
| B. | CASH FLOW FROM INVESTING ACTIVITIES: | | |
| | Purchase of fixed assets, including intangible assets, CWIP and capital advances | (1,973.46) | (5,799.04) |
| | Proceeds from Sale of fixed assets | 13.38 | 136.88 |
| | Purchases of non current investments | (4,282.54) | (14,300.69) |
| | Proceeds from sale of non current investments | 101.00 | 325.60 |
| | Purchases of current investments | (29,866.76) | (1,59,883.54) |
| | Proceeds from sale of current investments | 33,408.57 | 1,61,543.29 |
| | Fixed Deposits with Banks | – | (745.45) |
| | Redemption / maturity of bank deposits (having original maturity of more than 3 months) | 611.38 | 5,318.32 |
| | Interest received | 757.10 | 1,699.59 |
| | Dividends received on investments | 2,756.36 | 2,740.31 |
| | Loans given to bodies corporates | (696.03) | (3,154.84) |
| | Net Cash flow from / (used in) Investing Activities (B) | 829.00 | (12,119.57) |

Consolidated Cash Flow Statement for the year ended 31st March 2013

₹ in lacs

| Sl. No. | PARTICULARS | Year ended 31st March,2013 | Year ended 31st March,2012 |
|-----------|--|-------------------------------|-------------------------------|
| C. | CASH FLOW FROM FINANCING ACTIVITIES: | | |
| | Securities premium | – | 1,058.50 |
| | Proceeds / (repayment) of long–term borrowings | 1,694.01 | 1,673.22 |
| | Repayment of long–term borrowings | (435.33) | (3,543.30) |
| | Proceeds / (repayment) of short–term borrowings | 722.17 | (9,258.77) |
| | Proceeds from share application money received | 436.32 | – |
| | Interest paid | (493.92) | (1,643.96) |
| | Dividend paid on equity shares | (587.76) | (1,333.94) |
| | Tax on equity dividend paid | (95.52) | (214.92) |
| | Net Cash flow from/(used in) financing activities (C) | 1,239.97 | (13,263.17) |
| | NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C) | 1,293.19 | (51,148.52) |
| | Cash and cash equivalents at the beginning of the year | 4,012.81 | 60,201.60 |
| | Less : Transfer due to Demerger | – | 5,040.27 |
| | Cash and cash equivalents at the end of the year | 5,306.00 | 4,012.81 |

Previous year figures have been regrouped wherever necessary to confirm to current years classification.

₹ in lacs

| COMPONENTS OF CASH AND CASH EQUIVALENTS | As at 31st March,2013 | As at 31st March,2012 |
|--|--------------------------|--------------------------|
| Cash on hand | 131.53 | 107.14 |
| Cheques/ drafts on hand | 150.27 | 155.03 |
| With banks– on current account | 4,127.27 | 2,402.89 |
| – on deposit account | 850.00 | 1,300.00 |
| – unpaid dividend accounts* | 35.51 | 34.41 |
| – On Interest warrant accounts* | 11.42 | 13.34 |
| Total cash and cash equivalents (note 16) | 5,306.00 | 4,012.81 |

Summary of significant accounting policies

* The Company can utilize these balances only toward settlement of the respective unpaid dividend, unpaid matured deposits and unpaid matured interest warrants.

** Includes purchase and sale of investments in subsidiaries through cash and cash equivalent.

Sale and purchase of investments in subsidiaries are non–cash transactions as intercorporate deposits have been converted into equity and further equity shares have been issued towards redemption of preference shares aggregate to ₹ 5,266.67 lacs.

As per our report of even date

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

For S. R. BATLIBOI & CO., LLP
Chartered Accountants
Firm's Regn. No.: 301003E

S. K. Poddar
Chairman

H. S. Bawa
Executive Vice Chairman

Marco Wadia
Director

Per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

Swapnil Yelgaonkar
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ZUARI GROUP FOR THE FINANCIAL YEAR 2012–13

1. Basis for preparation of accounts

The Consolidated Financial Statements relate to Zuari Global Limited (formerly known as Zuari Industries Limited) (hereinafter referred to as the “Company”) and its Subsidiary companies, (collectively hereinafter referred to as the “Zuari Group”). These financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

2.1 Statement of significant accounting policies

I. 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 Revised Schedule VI notified under the Companies Act 1956.

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.

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

II. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

III. Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investments in Subsidiaries, Associate Companies and Joint Venture entities have been accounted for in accordance with AS 21 (Accounting for Consolidated Financial Statements), AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and AS –27 (Financial Reporting of Interests in Joint Ventures) respectively “notified under the Companies (Accounting Standards) Rules, 2006” (as amended). The Consolidated Financial Statements have been prepared on the following basis–

- i) Subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses.
- ii) Interests in the assets, liabilities, income and expenses of the Joint Ventures have been consolidated using proportionate consolidation method. For the purpose of proportionate consolidation, consolidated financial statements of the Joint Ventures and their subsidiaries have been used. Intra group balances, transactions and unrealized profits/losses have been eliminated to the extent of the Group’s proportionate share.
- iii) The difference of the cost to the Company of its investment in Subsidiaries and Joint Ventures over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- iv) Minorities’ interest in net profit of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been accounted for by the holding company.
- v) Investments in Associates have been accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the Associate as at the date of acquisition of stake has been identified as Goodwill and included in the carrying value of the Investment in the Associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Company) are recouped. Where the Associate has prepared and presented consolidated financial statements, such financial statements have been used for the purpose of equity accounting. In other cases, stand alone financial statements of Associates have been used.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

- vi) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements. Differences in accounting policies have been disclosed separately.
- vii) The financial statements of the group entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2013.

IV. Tangible Assets

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

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

Gain or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

V. Depreciation

- i) Depreciation on Fixed Assets (other than as stated in para (ii) to (ix) below) is provided using the Straight Line Method as per the useful lives of the fixed assets as estimated by the management which are equal to the rates prescribed under Schedule XIV to the Companies Act, 1956. For the purpose, a major portion of the plant has been considered as continuous process plant for some of the companies.
- ii) In case of the parent company, some of the subsidiaries companies, and a joint venture entity, keeping in view the rapid technological advancement and high rate of obsolescence, the useful life of computer hardware and peripherals is considered as three years.
- iii) Premium paid on acquisition of Leasehold Land which is the cost of the Land is being amortized over the period of 30 years, the respective lease period.
- iv) Leasehold Improvements are being depreciated over the respective lease periods.
- v) Machinery Spares are depreciated prospectively over the estimated remaining useful lives of the respective mother assets.
- vi) Fixed assets whose value is less than ₹ 5000/- are depreciated fully in the year of purchase.
- vii) In case of a subsidiary company, pre-fabricated structures (included under Buildings) are amortised over a period of 5 years.
- viii) In case of a subsidiary company, depreciation on assets used for the projects has been considered as a part of construction and development cost.
- ix) In respect of a subsidiary company and two joint venture companies, depreciation is provided on straight line method as per the useful lives of the assets estimated by the management which is higher than the rates as per Schedule XIV of the Companies Act, 1956, which are as follows (1.09% of total net block of tangible fixed assets as at March 31, 2013 and 1.23% of the total depreciation charge for Zuari Group for the year ended March 31, 2013) :

(a) Subsidiary Company:

| Name of the Assets | Rate as per the useful lives estimated by the management | Rates as per Schedule XIV to the Companies Act, 1956 |
|---------------------------------|--|--|
| Electrical installations | 33.33% | 4.75% |
| Office Equipment | | |
| Telephone Equipment | 33.33% | 4.75% |
| Air Conditioners | 6.67% | 4.75% |
| Other office equipment | 4.75% – 20.00% | 4.75% |
| Furniture and Fittings | | |
| Carpets | 20.00% | 6.33% |
| Other furniture and fixtures | 10.00% – 33.33% | 6.33% |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

(b) Joint venture company

| Name of the Assets | Rate as per the useful lives estimated by the management | Rates as per Schedule XIV to the Companies Act 1956 |
|----------------------------------|--|---|
| Non Factory Building | 3.34% | 1.63% |
| Lightning Arrester (Building) | 3.85% | 1.63% |
| Security Watch Tower (Buildings) | 3.85% | 1.63% |

(c) Joint venture company

| Name of the Assets | Rate as per the useful lives estimated by the management | Rates as per Schedule XIV to the Companies Act 1956 |
|------------------------|--|---|
| Plant and machinery | 33.33% | 4.75% |
| Furniture and fittings | 20.00% | 6.33% |
| Office Equipment | 33.33% | 4.75% |

VI. Goodwill

Goodwill represents the difference between the Group's share in the net worth of the investee company and the cost of acquisition at each point of time of making the investment. For this purpose, the Group's share of net worth of the investee company is determined on the basis of the latest financial statements of that company available at the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

VII. Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following, initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangibles representing computer software are amortized using the Straight Line Method over their estimated useful lives of three years except in case of a subsidiary company wherein it is two to three years.

Expenditure incurred on development of new products as covered under Accounting standard 26 for which future economic benefits will flow over a period of time is amortized, over the estimated useful life of the asset or 5 years whichever is earlier, from the time the new product starts providing economic benefits.

VIII Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects current market assessment of the time value of money and rates specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over the remaining useful life.

IX. Inventories

Inventories are valued at the lower of Cost and Net Realizable Value. The Cost for this purpose is determined as follows:

Stores and Spares, Fuel Oil, Raw Materials and Packing Materials: Moving weighted average method.

Work-in-process: Material cost on Moving weighted average method and appropriate manufacturing overheads based on normal operating capacity.

Finished goods (manufactured): Material cost on Moving weighted average Method and appropriate manufacturing overheads based on normal operating capacity including Excise Duty.

Finished goods (Traded): Moving weighted average method.

Project work in progress: In respect of a subsidiary company engaged in the real estate construction, expenses incurred till date is being carried over under project work in progress till date revenue is fully recognized. This inventory is being valued at cost.

Stock in trade (Securities): On specific identification basis and are valued as lower of cost and market value.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

Custom duty on imported material in transit / lying in bonded warehouse is accounted for at the time of import / bonding of material.

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.

X. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

XI. Retirement and other Employee Benefits

i) Provident fund and family pension fund

Retirement benefits in the form of Provident Fund is a 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.

Pension Funds is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable to the 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.

ii) Gratuity

In respect of the Group, retirement benefit in the form of gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year (except in case of a subsidiary company where the number of employees were below 50, and it is provided for on actual computation basis, 3.29% of the total gratuity expenses for the year ended March 31, 2013).

The Parent Company, a joint venture company (ZIOL) and one of the subsidiaries (SIL) have taken insurance policy under the group Gratuity scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and the amount paid/ payable in respect of present value of liability of past services as determined on actuarial valuation is charged to the Statement of Profit and Loss every year. The difference between the amount paid/payable to LIC plus the gratuity liability as determined minus the actuarial valuation made is recognized in the Statement of Profit and Loss every year.

iii) Leave Encashment

Accumulated leave which is expected to be utilized within the next twelve 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.

Accumulated leave expected to be carried forward beyond twelve months are treated as long term employee benefits for measurement purposes. Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method. 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 the settlement for 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same has been presented as non current liability.

iv) Superannuation and Contributory Pension Fund

The Parent Company has approved superannuation fund and contributory pension fund which are defined contribution schemes and the contributions paid to Life Insurance Corporation of India (LIC) against the insurance policy taken with them are charged to the Statement of Profit and Loss each year. The Company does not have any other obligation other than contributions paid to LIC. The Company recognizes contribution payable to the 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

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

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.

Some of the other entities within the Group also have Superannuation Schemes, wherein the contributions to the respective funds / LIC are charged to the Statement of Profit and Loss when due.

- v) Actuarial gains/losses related to gratuity, long term compensated absence and provident fund in form of defined obligation plan are immediately taken to the Statement of Profit and Loss and are not deferred.
- vi) Payments made under the Voluntary Retirement Scheme are charged to the Statement of Profit and Loss immediately.

XII. Foreign Currency Translation

Foreign Currency transactions and balances

- i) **Initial recognition:**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- ii) **Conversion :**
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

- iii) **Exchange Differences:**
Exchange differences arising on the settlement of monetary items or on reporting Group'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.

Exchange differences arising on a monetary item that, in substance, form part of the Group's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

- iv) **Forward Exchange Contracts entered into to hedge foreign currency risk of an existing asset/liability:**
The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

- v) **Translation of Integral and Non – Integral Foreign Operation :**
The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

XIII. Government Grants

In case of the Parent Company and a joint venture, grants and subsidies from the government are recognized when there is a reasonable assurance that the grant or subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

XIV. Leases

Operating Lease

Where the Company is the lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is lessor:

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

XV. Accounting for taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company (within the Zuari Group), has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed at each balance sheet date and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company (within the Zuari Group), writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the company (within the Zuari Group) will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company (within the Zuari Group) reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company (within the Zuari Group) will pay normal income tax during the specified period.

XVI. Revenue Recognition

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.

- i) Revenue from sale of goods, including concession in respect of Urea, Di-ammonium Phosphate (DAP), Muriate of Potash (MOP) and Complex Fertilisers receivable from the Government of India under the New Pricing Scheme /Concession Scheme, is recognized when the significant risk and rewards of ownership of the goods have passed to the customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability assessed during the year.

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.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

Subsidy for Phosphatic and Potassic (P&K) fertilizers are recognized as per the rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Uniform freight subsidy on Urea, Complex fertilizers, Imported DAP & MOP has been accounted for in accordance with the parameters and notified rates.

- ii) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii) Claims receivable on account of insurance claim is accounted for to the extent the Group is reasonably certain of their ultimate collection.
- iv) Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- v) Income from Engineering Service:

Revenue from fixed price construction services contracts is recognized by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed upto the balance sheet date bear to the estimated total contract cost. The cost incurred is measured by the jointly certified progress of work done by the Company (within the Group) and its sub contractors as at the end of the financial year, if the subcontractors/supplier has not raised bills on the Company for the work completed by the subcontractor/supplier.

Income from engineering and other service contracts is recognized on accrual basis to the extent the services have been rendered/ and invoices are raised in accordance with the contractual terms with the customers and recoveries are reasonably certain.

Contract revenue earned in excess of billing has been reflected under other current assets and billing in excess of contract revenue has been reflected under current liabilities in the balance sheet.

- vi) In case of a Joint Venture company, revenue from Terminalling and Operation & Maintenance Services are recognized as per contractual terms on rendering the services.
- vii) Service Income is recognized as and when the service is performed using the percentage of completion method.

XVII. Borrowing costs

Borrowing costs includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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

XVIII. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

In respect of the subsidiaries 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 Company gives warranty to 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. Provision for Customer Loyalty points is determined based on Actuarial Valuation on Projected unit credit method made at the end of each financial year. Actuarial gain/loss are immediately taken to Statement of Profit and Loss.

XIX. Earnings per Share

Basic Earnings per Share 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.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

XX. Derivative Instruments

In accordance with ICAI announcements, derivative contracts, other than foreign currency forward contracts covered under AS11, are marked to market on portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item is ignored.

XXI. Segment Reporting Policies

Identification of segments:

The Groups operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter Segment Transfers:

The Group generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

XXII. 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 original maturity periods of three months or less.

XXIII. 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.

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Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

3. Share Capital

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|------------------|-----------------|
| Authorised : | | |
| 3,57,50,000 (31 March 2012:: 3,57,50,000) Equity Shares of ₹ 10/- each | 3,575.00 | 3,575.00 |
| 1,00,00,000 (31 March 2012:: 1,00,00,000) Redeemable Cumulative Preference shares of ₹100/- each | 10,000.00 | 10,000.00 |
| | 13,575.00 | 13,575.00 |
| Issued : | | |
| *2,94,48,655 (31 March 2012:: 2,94,48,655) Equity Shares of ₹10/- each fully Paid | 2,944.87 | 2,944.87 |
| Subscribed and Paid-up | | |
| 2,94,40,604 (31 March 2012:: 2,94,40,604) Equity Shares of ₹10/- each fully paid | 2,944.06 | 2,944.06 |
| Add : 1100 (31 March 2012:: 1100) Forfeited Shares (amount paid-up) fully paid up | 0.05 | 0.05 |
| Total | 2,944.11 | 2,944.11 |

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

| Equity Shares | 31st March 2013 | | 31st March 2012 | |
|------------------------------------|-------------------|-----------------|-----------------|-----------|
| | in Numbers | ₹ In Lacs | in Numbers | ₹ In Lacs |
| 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 ₹ 10/- Share. Each share holder of equity shares is entitled to one vote per share. The Company declares and pay 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 31st March 2013, the amount per share dividend recognised as distribution to equity shareholders was ₹ 2/- (31st March 2012:: ₹ 2/-)

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 shareholders.

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

| Name of Shareholder | As at 31 March 2013 | | As at 31 March 2012 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | No. of Shares held | % Holding in Class | No. of Shares held | % Holding in Class |
| OSI Limited / Globalware Trading & Holdings Limited # | 70,12,000 | 23.82 | 70,12,000 | 23.82 |
| SIL Investment Limited | 32,08,000 | 10.90 | 32,08,000 | 10.90 |
| Texmaco Infrastructure and Holdings Limited (formerly Texmaco Limited) | 27,57,941 | 9.37 | 25,57,941 | 8.69 |
| Reliance Capital Trustee Co. Ltd. A/c – Reliance Regular Savings Fund Option | 16,00,000 | 5.43 | - | - |

* Refer note no. 37

OSI Limited had merged with Globalware Trading & Holdings Limited with effect from September 2011

As per the records of the Parent 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.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

4. Reserves and Surplus

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|------------------|-----------------|
| Capital reserve | | |
| Balance as per last financial statements | – | 0.01 |
| Less : Transfer to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) as per the Scheme of Arrangement and Demerger | – | 0.01 |
| Closing balance | – | – |
| Securities Premium | | |
| Balance as per last financial statements | 1,058.50 | – |
| Add : Issued during the year | – | 1,058.50 |
| Closing balance | 1,058.50 | 1,058.50 |
| Capital Redemption Reserve | | |
| Balance as per last financial statements | – | 412.49 |
| Less : Transfer to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) as per the Scheme of Arrangement and Demerger | – | 412.49 |
| Closing balance | – | – |
| General Reserve | | |
| Balance as per last financial statements | 2,739.91 | 56,555.53 |
| Less : Transfer to Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) as per the Scheme of Arrangement and Demerger | – | 56,315.62 |
| Add : Amount transferred from surplus balance in the statement of profit and loss | 500.00 | 2,500.00 |
| Closing balance | 3,239.91 | 2,739.91 |
| Surplus in the statement of profit and loss | | |
| Balance as per last financial statements | 62,656.95 | 99,250.74 |
| Less : Transfer to Zuari Agro Chemical Limited (formerly known as Zuari Holdings Limited) as per Scheme of Arrangement and Demerger | – | (11,620.79) |
| Net Profit / (Loss) for the year | 1,585.12 | (21,788.67) |
| Less : Appropriations | | |
| Proposed final equity dividend of ₹ 2/- Per Equity Share (31st March 2012:: ₹ 2/-) | 588.81 | 588.81 |
| Tax on proposed equity dividend | 100.06 | 95.52 |
| Transfer to general reserve | 500.00 | 2,500.00 |
| Total appropriations | 1,188.87 | 3,184.33 |
| Net surplus in the statement of profit and loss | 63,053.20 | 62,656.95 |
| Foreign currency translation reserve | | |
| Balance as per last financial statements | (201.84) | (1.41) |
| Exchange difference during the year on net investment in non – integral operations | 18.71 | (200.43) |
| Closing balance | (183.13) | (201.84) |
| Total Reserves and Surplus | 67,168.48 | 66,253.52 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

5. Minority Interest

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|-------------------------------|-----------------|-----------------|
| % Share of Minority | 41.43% | 47.14% |
| Share in Equity Share Capital | 912.61 | 912.61 |
| Securities premium | 22.10 | 25.14 |
| Share in the Reserves | (913.39) | (555.91) |
| Total | 21.32 | 381.84 |

The minority interest represents for Style Spa Furniture Limited (representing Zuari Group's proportionate share)

6. Deferred tax liabilities (Net)

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Deferred tax liabilities | | |
| Fixed assets Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting | 682.22 | 642.10 |
| Income considered in the books but not in income tax | 48.65 | 46.44 |
| Gross deferred tax liabilities | 730.87 | 688.54 |
| Deferred tax assets | | |
| Unabsorbed depreciation | 184.88 | 124.07 |
| Provision for leave encashment | 29.79 | 42.91 |
| Provision for warranties | 2.93 | 3.62 |
| Provision for doubtful debts | 33.17 | 36.12 |
| Other expenses allowable in income tax on payment basis and deposition of statutory dues | 171.59 | 107.81 |
| Gross deferred tax assets | 422.36 | 314.53 |
| Net deferred tax liabilities | 308.51 | 374.01 |

- (i) After netting off deferred tax assets in respect of some of the entities aggregating to ₹ 68.16 lacs (31 March 2012:: Deferred tax assets of ₹ 67.05 lacs)
- (ii) The Group follows Accounting Standard (AS 22) "Accounting for Taxes on Income", as notified by Company Accounting Standards Rules, 2006. Due to losses, one of the subsidiary company has deferred tax asset with unabsorbed depreciation as a major component. However, deferred tax asset has been considered as Nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly company has prudently decided not to recognize deferred tax asset on such timing differences.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

7. Long Term Borrowings

₹ in lacs

| | Non Current Portion | | Current Maturities | |
|---|---------------------|-----------------|--------------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Secured | | | | |
| Indian rupee term loan from banks | 154.27 | 92.23 | 336.11 | 311.50 |
| Loan from others | 1,000.00 | – | – | – |
| | 1,154.27 | 92.23 | 336.11 | 311.50 |
| Unsecured | | | | |
| Deferred payments liabilities (Sales tax deferral scheme) | 302.84 | 516.48 | 213.64 | 123.83 |
| Loan from related parties | 1,780.66 | 1,472.82 | – | – |
| | 2,083.50 | 1,989.30 | 213.64 | 123.83 |
| Total | 3,237.77 | 2,081.53 | 549.75 | 435.33 |
| Less : Amount disclosed under the head Other Current Liabilities (Note No. 8) | – | – | (549.75) | (435.33) |
| Net Amount | 3,237.77 | 2,081.53 | – | – |

1. Indian rupee term loan from banks

- a. In respect of subsidiary company, Indian rupee loan of ₹ 142.28 lacs (31st March 2012:: ₹ 203.34 lacs) [(including current maturities ₹ 111.11 (31st March 2012:: ₹ 111.11 lacs)] carries interest @ 13% (31st March 2012:: 12.25% p.a.). The loan is repayable in 48 equal monthly installments of ₹ 9.26 lacs each along with interest, from the date of loan, viz, March 22, 2011 after moratorium period of six months. The loan is secured by hypothecation of inventory and trade receivables of the company.
- b. In respect of subsidiary company, Indian rupee term loan of ₹ 348.10 lacs (31st March 2012:: ₹ 202.39 lacs) [(including current maturities ₹ 225.00 (31st March 2012:: ₹ 200.39 lacs)] is repayable in 48 equal installments starting from April 2012 onwards. Term loan carries interest @ 13.50% – 13.75% (31st March 2012:: 13.50% p.a.). The term loan is secured against first charge on the immovable and movable fixed assets purchased and constructed under the Term loan. The loan is also secured as collateral by hypothecation of entire inventory and trade receivables of the subsidiary company.

2. Loan from others

In respect of subsidiary company, Term loan of ₹ 1,000.00 lacs (Sanctioned amount ₹ 3,000 lacs) (31st March 2012:: ₹ Nil) [(including current maturities ₹ Nil (31st March 2012:: ₹ Nil lacs)] from HDFC Ltd. is repayable in 12 equal installments starting after the end of moratorium period of 18 months from the date of disbursement onwards. Term loan carries interest @ 14% p.a. (31st March 2012:: Nil). The term loan is secured by mortgage of unsold stock of Phase 1 (Ph-1) of the project along with Land measuring 70.15 acres and also on the receivables of the sold and unsold stock of Ph-1

3. In respect of a subsidiary, Deferred sales tax scheme is interest free and payable in 96 installments. Amount varies from month to month based on the actual liability, starting from May 2008.
4. Loan from related parties is in respect of a joint venture company which is repayable in 12 installments at the end of each quarter, commencing from the date of expiry of 60 months from the loan agreement date of 8th September, 2011. The loan carries interest of 11%.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

8. Trade Payables and Other Current Liabilities

₹ in lacs

| PARTICULARS | Non Current | | Current | |
|---|-----------------|-----------------|------------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Trade payables (Refer Note No. 55 for details of dues to Micro and Small Enterprises) | 433.53 | 1.93 | 8,135.06 | 8,401.38 |
| | 433.53 | 1.93 | 8,135.06 | 8,401.38 |
| Other Current Liabilities | | | | |
| Deposits – dealers & others | – | – | 503.01 | 339.68 |
| Deposits – employees | | – | 10.25 | 147.43 |
| Current Maturities of Long Term Borrowings | – | – | 549.75 | 435.33 |
| Unclaimed statutory liabilities as referred in Section 205(c) of the Companies Act 1956 to be credited Investor Education and Protection Fund as and when due | | | | |
| Unclaimed dividends | – | – | 35.51 | 34.41 |
| Unclaimed deposits | – | – | 16.92 | 28.90 |
| Unclaimed Interest warrants | – | – | 11.42 | 13.34 |
| Unclaimed preference warrants | – | – | 5.82 | 5.87 |
| Interest accrued and due on loans and deposits | – | – | 5.57 | 2.30 |
| Interest accrued but not due on loans and deposits | 230.73 | 63.98 | 36.39 | 31.72 |
| Employee related payables | – | – | 287.23 | 72.24 |
| Advances from dealers and others | – | – | 7,581.48 | 2,065.02 |
| Advance towards sale of investments | – | – | 8,400.00 | 3,454.89 |
| Payables towards capital goods | – | – | 1,009.11 | 372.24 |
| Deferred revenue | – | – | 584.50 | 361.34 |
| Share application money pending allotment * | – | – | 436.32 | – |
| Rent equalisation | 107.95 | 63.35 | – | – |
| Statutory dues and other obligations | – | – | 554.20 | 459.90 |
| | 338.68 | 127.33 | 20,027.48 | 7,824.61 |
| Total | 772.21 | 129.26 | 28,162.54 | 16,225.99 |

* In respect of a joint venture company (being proportionate share of Zuari Group), pursuant to the resolution passed by the Board of a Joint Venture Company (Gulbarga Cement Ltd.) on 19 December 2012, the Joint Venture Company has decided to issue 34,100,000 additional equity shares to the shareholders (25,234,000 equity shares to Zuari Cement Limited (ZCL) and 8,866,000 equity shares to Zuari Global Limited (ZGL) on right basis at a price of ₹ 50 per share (face value of ₹ 10 and premium of ₹ 40) based on the valuation carried out by an independent valuer. Out of the said additional equity shares being issued, 8,000,000 equity shares will be issued in first lot which opened on 28 December 2012 and closes on 20 June 2013 and 26,100,000 equity shares will be issued under second lot which will open on 1 April 2013 and closes on 31 December 2013. From among the equity shares to be issued under first lot, ZCL from its entitlement, has renounced a portion of its right to subscribe to the extent of 3,356,346 equity shares in favour of Compaignie Pour l' Investissement Financier en inde (CIFI). Accordingly, CIFI has subscribed to the extent of 3,356,346 equity shares. The company is in the process of allotting the first lot of equity shares by 20 June 2013.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

9. Provisions

₹ in lacs

| PARTICULARS | Long-term | | Short-term | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Provision for Employee Benefits | | | | |
| Gratuity (Refer note no. 46) | 35.16 | 25.87 | 260.67 | 221.54 |
| Leave Encashment | – | – | 1,059.08 | 1,028.87 |
| | 35.16 | 25.87 | 1,319.75 | 1,250.41 |
| Others provisions | | | | |
| Provision for current income tax | – | – | 1,343.23 | 2,058.93 |
| Provision for wealth tax | – | – | 20.30 | – |
| Provision for proposed equity dividend | – | – | 588.81 | 588.81 |
| Provision for tax on proposed equity dividend | – | – | 100.06 | 95.52 |
| Provision for warranties | – | – | 9.02 | 11.17 |
| Provision for contingencies | – | – | 1,411.54 | 3,521.22 |
| Provision for customers loyalty | – | – | 41.28 | 21.74 |
| | – | – | 3,514.24 | 6,297.39 |
| Total | 35.16 | 25.87 | 4,833.99 | 7,547.80 |
| Provision for warranty (Period upto one year)* | | | | |
| Balance at the beginning of the year | – | – | 11.17 | 10.46 |
| Add: Additions | – | – | 9.02 | 11.63 |
| Less: Utilisation | – | – | 11.17 | 10.92 |
| Balance at the end of the year | – | – | 9.02 | 11.17 |
| Provision for contingencies | | | | |
| (The Company has assessed the year end provision for contingencies for expected claims/ expenditure on construction contracts on the basis of their best estimates.) | | | | |
| At the beginning of the year | – | – | 3,521.22 | 3,603.40 |
| Arising during the year | – | – | 144.18 | 166.79 |
| Utilised during the year | – | – | – | 213.00 |
| Unused amounts reversed | – | – | 2,253.86 | 35.97 |
| At the end of the year | – | – | 1,411.54 | 3,521.22 |
| Provision for customers loyalty (Period upto one year)** | | | | |
| Balance at the beginning of the year | – | – | 21.74 | – |
| Transferred on acquisition of a subsidiary | – | – | – | 3.60 |
| Arising during the year | – | – | 50.58 | 19.97 |
| Utilised during the year | – | – | 31.04 | 1.83 |
| At the end of the year | – | – | 41.28 | 21.74 |

* In respect of the subsidiaries 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 Company gives warranty to 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.

** Provision for Customer Loyalty points is determined based on Actuarial Valuation on Projected unit credit method made at the end of each financial year. Actuarial gain/loss are immediately taken to Statement of Profit and Loss.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

10. Short term borrowings

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--------------------------|-----------------|-----------------|
| Secured | | |
| Cash credit from banks | 3,244.71 | 2,572.54 |
| | 3,244.71 | 2,572.54 |
| Unsecured | | |
| Term Loans from Others | | |
| Inter corporate deposits | 50.00 | – |
| | 50.00 | – |
| Total | 3,294.71 | 2,572.54 |

1. In respect of a subsidiary cash credit from bank of ₹ 2,764.41 lacs (31st March 2012:: ₹ 2,572.54 lacs) is secured against security on stocks and book debts and fixed assets as collateral. The cash credit is repayable on demand and carries interest @ 13.75 p.a. (previous year 13.5% – 15.5% p.a.)
2. Cash credit from bank of ₹ 480.30 lacs (31st March 2012:: ₹ Nil) is secured by hypothecation of inventory and trade receivable of the subsidiary company. The cash credit is repayable on demand and carries interest @ 13% p.a.
3. Inter corporate deposits of ₹ 50.00 lacs (31st March 2012:: ₹ Nil) availed by a subsidiary company, carries an interest rate of 15% p.a. and is repayable in 6 months.

11.1 Tangible assets

₹ in lacs

| Particulars | Freehold Land | Leasehold Land | Leasehold Improve-ments | Buildings | Railway Siding | Plant & machinery | Furniture & fixtures | Office equipment | Vehicles | Total |
|---|---------------|----------------|-------------------------|-----------|----------------|-------------------|----------------------|------------------|----------|-----------|
| Cost | | | | | | | | | | |
| As at 01.04.2011 | 1,189.78 | 157.35 | 178.53 | 14,823.64 | 1,941.72 | 67,352.41 | 2,374.80 | 2,532.34 | 901.09 | 91,451.66 |
| Additions on acquisition of stake | – | – | – | 11.44 | – | – | 543.13 | 401.96 | 22.46 | 978.99 |
| Additions | – | – | 12.09 | 167.16 | – | 5,125.79 | 282.38 | 98.79 | 79.86 | 5,766.07 |
| Deductions | – | – | – | 5.38 | – | 15.31 | 19.47 | 7.41 | 20.02 | 67.59 |
| Less: Due to De-Merger Scheme/ Divestment of stake | 344.16 | 40.18 | 6.27 | 13,277.71 | 1,941.72 | 69,720.67 | 749.17 | 1,902.67 | 858.22 | 88,840.77 |
| As at 31.03.2012 | 845.62 | 117.17 | 184.35 | 1,719.15 | – | 2,742.22 | 2,431.67 | 1,123.01 | 125.17 | 9,288.36 |
| Additions | 148.90 | – | 126.36 | 103.04 | – | 708.81 | 144.53 | 109.12 | – | 1,340.76 |
| Deductions | – | – | 0.25 | – | – | 55.90 | 61.34 | 35.08 | 8.14 | 160.71 |
| As at 31.03.2013 | 994.52 | 117.17 | 310.46 | 1,822.19 | – | 3,395.13 | 2,514.86 | 1,197.05 | 117.03 | 10,468.41 |
| Depreciation | | | | | | | | | | |
| As at 01.04.2011 | – | 38.49 | 121.35 | 6,873.25 | 1,301.89 | 47,100.00 | 1,529.45 | 1,508.99 | 229.98 | 58,703.40 |
| Transfer on acquisition of subsidiary | – | – | – | 2.26 | – | – | 363.61 | 258.00 | 3.63 | 627.50 |
| Charge for the year | – | 4.02 | 4.84 | 141.57 | 18.22 | 926.97 | 154.47 | 102.30 | 29.64 | 1,382.03 |
| Deductions during the year | – | – | – | 1.77 | – | 6.76 | 10.97 | 4.46 | 13.03 | 36.99 |
| Less: Due to De-Merger Scheme/ Divestment of stake | – | 7.03 | 7.84 | 6,596.43 | 1,320.11 | 47,055.91 | 460.88 | 1,205.24 | 225.03 | 56,878.47 |
| As at 31.03.2012 | – | 35.48 | 118.35 | 418.88 | – | 964.30 | 1,575.68 | 659.59 | 25.19 | 3,797.47 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| Particulars | Freehold Land | Leasehold Land | Leasehold Improve-ments | Buildings | Railway Siding | Plant & machinery | Furniture & fixtures | Office equipment | Vehicles | Total |
|----------------------------|---------------|----------------|-------------------------|-----------|----------------|-------------------|----------------------|------------------|----------|----------|
| Charge for the year | - | 3.91 | 115.25 | 70.84 | - | 301.75 | 126.46 | 124.39 | 10.66 | 753.26 |
| Deductions during the year | - | - | 0.11 | - | - | 26.31 | 50.32 | 27.30 | 3.17 | 107.21 |
| As at 31.03.2013 | - | 39.39 | 233.49 | 489.72 | - | 1,239.74 | 1,651.82 | 756.68 | 32.68 | 4,443.52 |
| Net block | | | | | | | | | | |
| As at 31.03.2012 | 845.62 | 81.69 | 66.00 | 1,300.27 | - | 1,777.92 | 855.99 | 463.42 | 99.98 | 5,490.89 |
| As at 31.03.2013 | 994.52 | 77.78 | 76.97 | 1,332.47 | - | 2,155.39 | 863.04 | 440.37 | 84.35 | 6,024.89 |

1. In respect of Joint Venture leasehold land of ₹ 117.19 lacs (Gross Block) Net Block ₹ 77.81 lacs [Previous year ₹ 117.19 lacs (Gross Block) Net Block ₹ 81.71 lacs] being the proportionate share of Zuari Group is pending for registration in the name of company.
2. In respect of joint venture, Plant & Machinery include ₹ 699.80 lacs (Gross Block) (Net Block ₹ 399.09 lacs) [Previous year ₹ 699.80 lacs (Gross Block) (Net Block ₹ 432.33 lacs), being the proportionate share of Zuari Group representing pipelines laid on land for which Right of Way agreement is yet to be executed.
3. In respect of joint venture, buildings of ₹ 258.73 lacs (Gross Block) (Net Block ₹ 183.34 lacs) [Previous year ₹ 258.73 lacs (Gross Block) (Net Block ₹189.49 lacs] being the proportionate share of Zuari Group and Plant and machinery valuing ₹ 2,013.55 (Gross Block) (Net Block ₹1266.18) [Previous year ₹1,799.36 lacs (Gross Block) (Net Block ₹ 870.83), being the proportionate share of Zuari Group, have been constructed / erected on leasehold land and rented land.
4. Building include building given on operating lease having gross block ₹ 187.45 lacs (31st March 2012 :: ₹ 187.45 lacs), depreciation charged for the year ₹ 3.06 lacs (31st March 2012 :: ₹ 3.06 lacs), accumulated depreciation ₹ 18.69 lacs (31st March 2012 :: ₹15.64 lacs), net book value ₹ 168.76 lacs (31st March 2012 :: 171.81 lacs)

11.2 Intangible assets

₹ in lacs

| Particulars | Software | Internally Generated Assets | Total |
|---------------------------------------|---------------|-----------------------------|-----------------|
| Gross block | | | |
| As at 01.04.2011 | 1,531.20 | 289.77 | 1,820.97 |
| Additions on acquisition of stake | 93.30 | - | 93.30 |
| Purchase | 157.22 | - | 157.22 |
| Deductions | 0.81 | - | 0.81 |
| Less: Due to de-merger scheme | 1,098.49 | 289.77 | 1,388.26 |
| As at 31.03.2012 | 682.42 | - | 682.42 |
| Purchase | 93.34 | - | 93.34 |
| Deductions | - | - | - |
| As at 31.03.2013 | 775.76 | - | 775.76 |
| Amortization | | | |
| As at 01.04.2011 | 989.77 | 109.56 | 1,099.33 |
| Transfer on acquisition of subsidiary | 54.53 | - | 54.53 |
| Charge for the year | 221.61 | 14.15 | 235.76 |
| Deductions | 0.36 | - | 0.36 |
| Less: Due to de-merger scheme | 838.69 | 123.71 | 962.40 |
| As at 31.03.2012 | 426.86 | - | 426.86 |
| Charge for the year | 158.10 | - | 158.10 |
| Deductions | - | - | - |
| As at 31.03.2013 | 584.96 | - | 584.96 |
| Net block | | | |
| As at 31.03.2012 | 255.56 | - | 255.56 |
| As at 31.03.2013 | 190.80 | - | 190.80 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

12. Non-Current Investments (valued at cost less provision)

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|----------------------------------|---------------------------|
| Other than trade, Quoted | | |
| 6,10,18,200 (31st March 2012:: 6,00,78,200) Equity Shares of ₹ 10/- each fully Paid up of Chambal Fertilisers and chemicals Limited | 10,378.17 | 9,895.63 |
| 3,71,71,612 (31st March 2012:: 3,71,71,612) Equity Shares of ₹1/- each fully paid up of Texmaco Infrastructure and Holdings limited | 2,365.35 | 2,365.35 |
| 3,29,98,900 (31st March 2012:: 3,29,98,900) Equity Shares of Re.1/- each fully Paid up of Texmaco Rail and Engineering Limited | 1,369.27 | 1,369.27 |
| 2,93,34,310 (31st March 2012:: 2,93,34,310) Equity Shares of Re.1/- each fully paid up of Nagarjuna Oil Refinery Limited | 6,944.09 | 6,944.09 |
| 12,50,000 (31 March 2012:: 12,50,000) Reliance Broadcast Network Ltd equity shares of ₹10/- each | 1,062.50 | 1,062.50 |
| 22,22,222 (31st March 2012:: 22,22,222) Equity Shares of USD 0.01/- each fully paid of Synthesis Energy System Inc. | 2,235.12 | 2,235.12 |
| Associate | | |
| Other than trade, Quoted | | |
| Nil (31st March 2012:: 94,24,132) Shares of Fostafos Pacifico S.A. of 1 Peruvian Nuevo Sol fully paidup (including goodwill of ₹ 5,755.74 lacs) Less : Share of loss for the current year | - - | 7,098.31 - |
| | - | 7,098.31 |
| 8,00,000 (31st March 2012:: 8,00,000) Equity shares of Gobind Sugar Mills Limited of ₹ 10 each fully paid-up (including Goodwill of ₹ 611.39 lacs (31st March 2012:: ₹ Nil) Less : Share of loss for the current year | 611.39 (611.39) | 611.39 - |
| | - | 611.39 |
| 126,17,402 (31st March 2012:: 126,17,402) Equity Shares of ₹ 10/- each fully paid up of Zuari Agro Chemicals Limited (Previous year – unquoted) Less: Dividend received Add: Share of profit for the current year | 6,188.50 (378.52) 1,928.96 | 1,261.74 - 4,926.76 |
| | 7,738.94 | 6,188.50 |
| Others, Other than trade, Unquoted | | |
| 72,000 (31st March 2012:: 72,000) Equity shares of ₹ 10/- each fully paid up of Indian Potash Limited | 3.60 | 3.60 |
| 1,00,000 (31st March 2012:: 1,00,000) Equity shares of ₹ 10/- each fully paid up of Biotech Consortium of India Limited | 10.00 | 10.00 |
| 2,58,250 (31st March 2012:: 2,58,250) Equity shares of ₹ 10/- each fully paid up of Lionel India Limited | 258.90 | 258.90 |
| 55,000 (31st March 2012:: 1,55,000) Equity shares of ₹ 10/- each fully paid up ANS Constructions Ltd. | 44.00 | 124.00 |
| 15,000,000 (31st March 2012:: 15,000,000) 7% non-cumulative, non-convertible preference shares, of ₹ 10 each fully paidup of Gobind Sugar Mills Limited, Series-I redeemable in three instalments commencing from the 9th year. (see note (b) iii below) | 1,500.00 | 1,500.00 |
| 5,000,000 (31st March 2012:: Nil) 7% non-cumulative, non-convertible preference shares, of ₹ 10 each fully paidup of Gobind Sugar Mills Limited, Series-II redeemable in a single lot at the expiry of 7th year. (see note (b) iii below) | 500.00 | - |
| 33,000,000 (31st March 2012:: Nil) 7% non-cumulative, non-convertible preference shares, of ₹ 10 each fully paidup of Gobind Sugar Mills Limited, Series-III redeemable in three instalments commencing from the 9th year. (see note (b) iii below) | 3,300.00 | - |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---|------------------|-----------------|
| 9,800 (31 March 2012:: 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 |
| 19,092 (31 March 2012:: 19,092) Equity shares of Lionel Edwards Limited of ₹100 each fully paidup | 1.91 | 1.91 |
| 3,22,67,741 (31st March 2012:: 3,22,67,741) ₹10/- each fully paid up of Nagarjuna Fertilisers and Chemicals Limited | 2,115.39 | 2,115.39 |
| NIL (31st March 2012:: 6,60,000) – 6 % Non cumulative , Preference shares of Adventz Investments Company Pvt Ltd (formerly known as Academiam Sales Private Limited) of ₹ 100 each fully paid up. (Redeemable on 30.09.2013) | - | 660.00 |
| Total | 39,837.69 | 42,454.41 |
| Less : Provision for dimunition in the value of Investments* (Simon Engineering and Partners LLC) | 10.45 | 10.45 |
| Total | 39,827.24 | 42,443.96 |
| Aggregate Amount of Quoted Investments (Market value ₹ 77,646.52 lacs, 31st March 2012 :: ₹ 87,780.48 lacs) | 32,093.44 | 31,581.66 |
| Aggregate Amount of unquoted Investments | 7,733.80 | 10,862.30 |
| Total | 39,827.24 | 42,443.96 |

- a (i) Pursuant to the Composite Scheme of Arrangement and Amalgamation among IKisan Limited, Kakinada Fertilisers Limited (KFL), Nagarjuna Fertilisers and Chemicals Limited (NFCL) and Nagarjuna Oil Refinery Limited (NORL), the Company had in the previous year got one fully paid up equity share of Nagarjuna Oil Refinery Limited of ₹1/- each for every one equity share of ₹10/- held in NFCL and eleven equity shares in KFL of ₹1/- each for every ten equity shares of ₹ 5/- held in NFCL. The name of KFL has subsequent to Merger has changed to NFCL. The cost of shares held in Nagarjuna Fertilisers and Chemicals Limited had been allocated in the ratio of 76.65% and 23.35% to the shares of Nagarjuna Oil Refinery Limited and Nagarjuna Fertilisers and Chemicals Limited.(formerly known as Kakinada Fertilisers Limited)
- (ii) The Parent Company's investment in Nagarjuna Oil Refinery Limited aggregated to ₹ 6,944.09 lacs (based on cost allocation as above in (a)) and market value of this investment is ₹ 894.70 lacs (31st March 2012:: ₹ 1,862.72 lacs) . Hence, there is a diminution in the value of investment by ₹ 6,049.39 lacs (31st March 2012:: ₹ 5,081.37 lacs).
- (iii) The shares of Nagarjuna Fertilisers and Chemicals Limited allotted to the Parent Company are not yet listed on the stock exchange, pending permission for trading from Securities and Exchange Board of India.
- b (i) The Parent Company has an investment of ₹ 258.90 lacs (31st March 2012:: ₹ 258.90 lacs) in the equity shares of Lionel India Limited (LIL). As per the latest audited financial statements of LIL, it has accumulated losses which have resulted in erosion of a major portion of its net worth. LIL is continuously incurring losses.
- (ii) The Parent Company has an investment of ₹ 2,235.12 lacs in the equity shares of Sythesis Energy Systems Inc. and market value of this investment is ₹ 1257.00 lacs (previous year ₹ 1,671.11 lacs). Hence, there is a diminution in the value of this investment by ₹ 978.13 lacs (31st March 2012:: ₹ 564.01 Lacs).
- (iii) One of the subsidiary has investment of ₹ 5,300.00 lacs in non-cummulative preference shares of Gobind Sugars Mills Limited. As per the latest audited financials statement , it has accumulated loss which has resulted in substantial erosion of its network.
- (iv) One of the subsidiary, has invested a sum of ₹ 1,062.50 lacs in the equity share of Reliance Broad Cast Network Limited, market value of this investment at the year end is ₹ 311.25 lacs. Hence, there is a dimunition in the value of this investment by ₹ 751.25 lacs.

These being long term investments, management is of the view that the diminution in the value of these investments is temporary in nature and hence no provision is required to be made there against.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

13. Loans and Advances

₹ in lacs

| PARTICULARS | Non Current | | Current | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Capital advances | | | | |
| Secured, considered good | – | 8.92 | – | – |
| Unsecured, considered good | 1,649.04 | 1,384.08 | – | – |
| | 1,649.04 | 1,393.00 | – | – |
| Security deposits | | | | |
| Unsecured, considered good | 1,571.59 | 1,532.72 | 199.09 | 67.46 |
| | 1,571.59 | 1,532.72 | 199.09 | 67.46 |
| Loans and advances to related parties (Refer note No. 53) | | | | |
| Unsecured, considered good | 1,780.65 | 1,145.82 | 70.22 | 9.02 |
| | 1,780.65 | 1,145.82 | 70.22 | 9.02 |
| Advances recoverable in Cash or Kind | | | | |
| Unsecured, considered good | – | | | |
| – To others | 635.95 | 274.34 | 2,620.68 | 784.60 |
| Unsecured, considered doubtful | – | – | – | 6.00 |
| | 635.95 | 274.34 | 2,620.68 | 790.60 |
| Less: provision for doubtful | – | – | – | 6.00 |
| | 635.95 | 274.34 | 2,620.68 | 784.60 |
| Inter corporate deposit | | | | |
| Unsecured, considered doubtful | – | – | 1,125.00 | 1,125.00 |
| Less: provision for doubtful | – | – | 1,125.00 | 1,125.00 |
| | – | – | – | – |
| Other Loans and Advances | | | | |
| Secured, considered good | | | | |
| Loans to Employees | 1.42 | 4.07 | 1.36 | 2.60 |
| Unsecured, considered good except where other wise stated. | | | | |
| Loans to Employees | 9.10 | 42.67 | 6.11 | 13.82 |
| MAT Credit entitlement | 470.01 | 634.08 | – | – |
| Prepaid expenses | 1.94 | 3.09 | 239.18 | 148.67 |
| VAT credit receivable | – | – | – | 42.58 |
| Balances with Customs, Port Trust and Excise Authorities | – | – | 439.69 | 181.14 |
| Advance payment of income tax (net of provision for income tax) | 206.41 | 44.15 | 992.34 | 901.91 |
| | 688.88 | 728.06 | 1,678.68 | 1,290.72 |
| Total | 6,326.11 | 5,073.94 | 4,568.67 | 2,151.80 |

- (i) The Parent Company has till date recognised ₹ 470.01 lacs (Previous year ₹ 634.08 lacs) 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 and also profit earned during the year is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above MAT credit entitlement.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

(ii) Provision for current tax

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|-------------------------------|-----------------|-----------------|
| Provision for current tax | 470.19 | 906.35 |
| Less : MAT Credit entitlement | 164.07 | – |
| | 306.12 | 906.35 |

14. Other Assets

₹ in lacs

| PARTICULARS | Non Current | | Current | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Interest Accrued on Loans, Advances and Deposits | | | | |
| – From related parties (refer note no. 53) | 231.43 | 66.11 | – | – |
| – From others | 3.57 | – | 76.66 | 406.60 |
| Interest Accrued on Loans to employees | 3.06 | 10.04 | 0.26 | 2.19 |
| Interest receivable from customers | – | – | 74.20 | – |
| Unbilled revenue | – | – | 945.84 | 1,088.89 |
| Insurance claim receivable | – | – | 354.93 | – |
| | 238.06 | 76.15 | 1,451.89 | 1,497.68 |
| Non Current bank balances (note 18) | 158.05 | 195.30 | – | – |
| | 158.05 | 195.30 | – | – |
| Total | 396.11 | 271.45 | 1,451.89 | 1,497.68 |

15. Current Investments

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---|-----------------|-----------------|
| Current portion of long term investments (valued at cost) | | |
| Other than trade, Quoted | | |
| 1,72,99,492 (31st March 2012:: Nil) Shares of Fostafos Pacifico S.A. of 1 Peruvian Nuevo Sol fully paidup (including goodwill of ₹ 5,746.68 lacs) | 8,677.36 | – |
| Less: Share of loss for the current year | (221.30) | – |
| | 8,456.06 | – |
| Unquoted | | |
| 6,60,000 (31st March 2012:: Nil) – 6 % Non cumulative, Preference shares of Adventz Investments Company Pvt Ltd (formerly known as Academiam Sales Private Limited) of ₹ 100 each fully paidup. (Redeemable on 30.09.2013) | 660.00 | – |
| Investments in Mutual Funds | | |
| 7,288,217.13 (31st March 2012:: 6,432,301.916) units of the Face Value of ₹10 each in C222 L & T Ultra STP INST – Daily Dividend Re–investment Plan (formerly known as L & T Freedom Income STP INST–Daily Dividend Re–investment Plan) | 740.36 | 653.21 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | 31st March 2013 | | 31st March 2012 | |
|---|-----------------|------------------|-----------------|----------|
| Nil (31st March 2012:: 523,219.074 units of the Face Value of ₹100 each in B47 Birla Sun Life Cash Manager–IP–Daily Dividend | | – | | 523.38 |
| Nil (31st March 2012:: 9,605,502.031) units of the Face Value of ₹10 each in C227 L & T Select Income Fund – Flexi Inst. Dividend | | – | | 1,000.00 |
| Nil (31st March 2012:: 15,190,431.272) units of the Face Value of ₹ 10 each in Reliance Monthly Interval Fund–Sr. I– Inst. Dividend Plan | | – | | 1,520.73 |
| Nil (31st March 2012:: 52,938.461) units of the Face Value of ₹ 1000 each In UFDD–IDBI Ultra Short Term Fund – Daily Dividend –Reinvestment | | – | | 529.38 |
| 72,652.55 units of the Face Value of ₹1000/- each (31st March 2012:: 4,518,507.832 units of the face value of ₹ 10/- each) in Reliance Liquid Fund–Treasury Plan–I institutional Option–Daily Dividend Option | | 1,110.67 | | 690.76 |
| Nil (31st March 2012:: 10,000,000) units of the Face Value of ₹10 each In C592 L&T Fmp–V(February 90DA)–Dividend Payout | | – | | 1,000.00 |
| Nil (31st March 2012:: 49,737.422) units of the Face Value of ₹1000 each in C54L L&T Liquid Sup Inst Daily Dividend Reinvestment Plan | | – | | 529.16 |
| 63,382.14 units of the Face Value of ₹1000/- each (31st March 2012:: 13,473,900.138 units of the face value of ₹ 10/- each) in Kotak Floater Short Term – Daily Dividend | | 641.19 | | 1,363.05 |
| 1,83,648.168 Units (31st March, 2012:: Nil) of ₹ 1000.00 each in SBI Premier Liquid Fund daily dividend | | 1,842.45 | | – |
| 95,512.80 (31st March 2012:: Nil) units of the Face Value of ₹10 each in Tata Liquid Fund – Direct Plan – Daily Dividend | | 1,064.51 | | – |
| 5,000,947.28 (31st March 2012:: Nil) units of the Face Value of ₹10 each in L & T Low Fund – Direct Plan – Daily Dividend Option | | 504.33 | | – |
| 4,985,243.68 (31st March 2012:: Nil) units of the Face Value of ₹10 each in Reliance Quarterly Interval Fund – Series II – Direct Plan – Dividend Plan | | 500.00 | | – |
| 7,498,725.22 (31st March 2012:: Nil) units of the Face Value of ₹10 each in Reliance Monthly Interval Fund – Series II – Direct Plan – Dividend Plan | | 750.00 | | – |
| 27,533.32 (31st March 2012:: Nil) units of the Face Value of ₹10 each in DSP Blackrock Liquidity Fund – Direct Plan – Daily Dividend | | 275.42 | | – |
| 69,245.08 (31st March 2012:: Nil) units of the Face Value of ₹100 each in DWS Insta Cash Plus Fund – Direct Plan – Growth | | 102.47 | | – |
| 8,562.66 (31st March 2012:: Nil) units of the Face Value of ₹1000 each in Pramerica Liquid Fund – Direct Plan – Growth Option | | 105.38 | | – |
| Total | | 16,752.84 | | 7,809.67 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | 31st March 2013 | | 31st March 2012 | |
|--|-----------------|-----------------|-----------------|----------|
| | | | | |
| Book Value of Quoted Investment | | 8,456.06 | | – |
| Book Value of Unquoted Investment | | 660.00 | | – |
| Market value of quoted investment ₹ 14,052.56 lacs (31st March 2012 :: ₹ 7,685.70 lacs) | | | | |
| Net asset value of unquoted investments in the units of Mutual Funds (Book value ₹ 7,636.78 lacs (31st March 2012:: ₹ 7,809.67 lacs) | | 7,636.78 | | 7,809.67 |

16. Inventories (valued at lower of cost and net realisable value)

₹ in lacs

| PARTICULARS | 31st March 2013 | | 31st March 2012 | |
|---|-----------------|------------------|-----------------|-----------|
| | | | | |
| Raw materials [includes material lying with others ₹ 17.84 lacs (31st March 2012 ₹ 197.86 Lacs)] | | 896.75 | | 1,260.35 |
| Packing materials [includes material lying with others ₹76.17 lacs (31st March 2012 ₹ 462.03 lacs)] | | 94.80 | | 479.79 |
| Work-in-progress | | 21.74 | | 46.52 |
| Project-in-progress | | 3,517.57 | | 2,600.63 |
| Finished products [(includes material lying with others ₹ Nil (31st March 2012 ₹ 1.29Lacs)] | | 1,489.02 | | 2,835.00 |
| Traded products | | 3,812.00 | | 4,467.29 |
| Stock in trade | | 3,941.09 | | 3,941.09 |
| Stores and spares | | 192.31 | | 182.42 |
| Stock in trade (securities) | | 132.63 | | 2.38 |
| Total | | 14,097.91 | | 15,815.47 |

17. Trade receivables

₹ in lacs

| PARTICULARS | Current | |
|---|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Secured, considered good | 1.00 | 3.34 |
| Unsecured, considered good | 1,398.62 | 1,288.73 |
| Unsecured, considered doubtful | 145.62 | 128.21 |
| | 1,545.24 | 1,420.28 |
| Less: Provision for doubtful debts | 145.62 | 128.21 |
| (A) | 1,399.62 | 1,292.07 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | Current | |
|----------------------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 |
| Other receivables | | |
| Secured, considered good | 54.95 | 50.76 |
| Unsecured, considered good | 7,333.09 | 5,757.55 |
| (B) | 7,388.04 | 5,808.31 |
| Total | 8,787.66 | 7,100.38 |

18. Cash and bank balances

₹ in lacs

| PARTICULARS | Non Current | | Current | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2012 | 31st March 2013 | 31st March 2012 |
| Cash and cash equivalents | | | | |
| a. Balances with banks | | | | |
| – On Current accounts | – | – | 4,127.27 | 2,402.89 |
| – On Deposits accounts with original maturity | | | | |
| less than three months | – | – | 850.00 | 1,300.00 |
| – On Unpaid dividend account | – | – | 35.51 | 34.41 |
| – On Interest warrant accounts | – | – | 11.42 | 13.34 |
| b. cheques on hand | – | – | 150.27 | 155.03 |
| c.. cash on hand | – | – | 131.53 | 107.14 |
| | – | – | 5,306.00 | 4,012.81 |
| Other bank balances | | | | |
| Deposits with original maturity for more than 12 months | 89.99 | 128.24 | 174.61 | 180.00 |
| Deposits with original maturity for more than 3 months but less than 12 months* | – | – | 1,901.47 | 2,470.21 |
| Deposits with original maturity for more than 12 months | 68.06 | 67.06 | – | – |
| Total | 158.05 | 195.30 | 2,076.08 | 2,650.21 |
| Amount disclosed under non current assets | (158.05) | (195.30) | – | – |
| | – | – | 7,382.08 | 6,663.02 |

* Deposit accounts include pledged deposit of ₹ 651.37 lacs (31st March 2012 ₹ 659.18 lacs) with banks and government departments.

19. Revenue from operations

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--------------------------------|-----------------|-----------------|
| Revenue from operations | | |
| Sale of products (*) | | |
| Finished products | 9,203.30 | 1,35,033.60 |
| Traded products | 20,251.46 | 42,162.97 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---|------------------|-----------------|
| Terminalling Services (net of service tax) | 895.94 | 780.81 |
| Shares and securities | 266.15 | 899.28 |
| Sale of Engineering Supplies and other Services (net of service tax) | 10,042.56 | 10,010.32 |
| Other operating revenues | | |
| Scrap Sales | 45.10 | 116.04 |
| Revenue from operations (gross) | 40,704.51 | 1,89,003.02 |
| Less: Excise duty | 900.72 | 1,298.43 |
| Revenue from operations (net) | 39,803.79 | 1,87,704.59 |

(*) Net of Trade Discount of ₹ 141.13 lacs related to previous year but determined during the year.

- (a) Sale of finished and traded products include Government Subsidies. Subsidies include ₹ NIL (31st March 2012:: ₹ 118.72 lacs) in respect of earlier years, notified during the year.
- (b) Subsidy for Urea was accounted based on Stage III parameters of the New Pricing Scheme and other adjustments as estimated in accordance with known policy parameters in this regard.
- (c) Excise duty on sales amounting to ₹ 900.72 lacs (31st March, 2012:: ₹ 1,298.43 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase / (decrease) in stock amounting to ₹ (4.84) lacs (31st March, 2012 ₹ (42.90) lacs) has been considered as (income)/expense in the financial statement.

20. Other income

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---|-----------------|-----------------|
| Interest Income on | | |
| Income tax refunds | 52.44 | 432.05 |
| Bank deposits | 309.30 | 567.65 |
| Government of India fertiliser bonds | – | 765.12 |
| Loans, etc | 183.70 | 202.90 |
| Compensation towards land acquisition | 222.71 | – |
| Overdue debtors, employee loans etc. | 240.23 | 22.90 |
| | 1,008.38 | 1,990.62 |
| Less: Excess credit of interest taken in earlier years now reversed | (347.04) | – |
| | 661.34 | 1,990.62 |
| Dividend Income on | | |
| Current investments | 526.12 | 936.53 |
| Long-term investments | 1,851.72 | 1,803.78 |
| Profit on disposal of long term Investments | 21.00 | 29.60 |
| Profit on disposal of current Investments | 2.92 | 1.34 |
| Profit on disposal of fixed assets(net) | – | 105.83 |
| Rent received | 140.16 | 133.58 |
| Excess Provisions and Liabilities Written Back | 113.31 | 1,581.12 |
| Compensation towards land acquisition | 157.09 | – |
| Service income – staff deployment and other support | 53.70 | – |
| Other non–operating income | 105.91 | 209.58 |
| Total | 3,633.27 | 6,791.98 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

21. Cost of raw materials consumed:

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Inventory at the beginning of the year | 1,260.35 | 45,513.72 |
| Add : Purchases | 3,542.06 | 1,00,527.02 |
| Add : Transfer of Stock of Finished goods for captive consumption | – | 4,314.29 |
| Less: Stock Transferred on account of Demerger | – | (28,999.68) |
| Less: Adjustment on divestment of stake in subsidiaries and joint ventures | – | (20,547.07) |
| Less: Sale from opening stock | (126.16) | – |
| Less: Inventory at the end of the year | (896.75) | (1,260.35) |
| Cost of raw materials consumed | 3,779.50 | 99,547.93 |

22. Details of purchase of traded products:

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---|------------------|-----------------|
| Traded products purchase details | | |
| DAP | – | 40,409.79 |
| MOP | – | 395.77 |
| SSP | – | 33.82 |
| NPK Fertilisers | – | 8,897.88 |
| Speciality Fertilisers | – | 1,210.55 |
| Pesticides | 7,262.20 | 6,413.73 |
| Ammonia | – | 159.30 |
| Furniture and accessories | 5,675.34 | 5,720.02 |
| Securities | 392.63 | – |
| Total | 13,330.17 | 63,240.86 |

23. (Increase) in inventories

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 | (Inc)/dec of 2013 |
|---|-----------------|-----------------|-------------------|
| Inventories at the end of the year | | | |
| Finished products | 1,489.02 | 2,835.00 | 1,345.98 |
| Traded products | 3,812.00 | 4,467.29 | 655.29 |
| Project Work-in-progress | 3,517.57 | 2,600.63 | (916.94) |
| Work-in-progress | 21.74 | 46.52 | 24.78 |
| Stock in trade (securities) | 132.63 | 2.38 | (130.25) |
| | 8,972.96 | 9,951.82 | 978.86 |
| Inventories at the beginning of the year | | | |
| Finished products | 2,835.00 | 16,723.69 | 13,888.69 |
| Traded products | 4,467.29 | 23,408.86 | 18,941.57 |
| Project Work-in-progress | 2,600.63 | 1,393.06 | (1,207.57) |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 | (Inc)/dec of 2013 |
|---|-----------------|-----------------|--------------------|
| Work-in-progress | 46.52 | 4,102.46 | 4,055.94 |
| Stock in trade (securities) | 2.38 | 1.81 | (0.57) |
| Add: Adjustment on acquisition of stake in a subsidiary during the year | – | 1,277.64 | 1,277.64 |
| Less: Adjustment on divestment of stake in subsidiaries and joint venture during the year | – | (8,952.36) | (8,952.36) |
| Less : Stocks Transferred on account of demerger to Zuari Agro Chemicals Ltd. | | | |
| Finished products | – | (6,288.16) | (6,288.16) |
| Traded Products | – | (43,830.91) | (43,830.91) |
| Work-in-progress | – | (2,104.03) | (2,104.03) |
| Less : Transferred to advance during the year | (357.37) | – | 357.37 |
| Less : Transferred to fixed assets during the year | (30.98) | – | 30.98 |
| Less : Captive consumption | – | (4,314.29) | (4,314.29) |
| | 9,563.47 | (18,582.23) | (28,145.70) |
| Total | 590.51 | (28,534.05) | |

24. Employee benefit expense

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 5,371.39 | 6,264.41 |
| Contribution to provident and other funds | 359.96 | 538.86 |
| Gratuity (Refer note no. 46) | 119.31 | 112.38 |
| Post employment medical benefits | – | 11.25 |
| Staff welfare expenses | 258.14 | 755.95 |
| Total | 6,108.80 | 7,682.85 |

25. Depreciation and amortisation expense

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---------------------------------------|-----------------|-----------------|
| Depreciation of tangible assets | 753.26 | 1,382.03 |
| Amortization of intangible assets | 158.10 | 235.76 |
| | 911.36 | 1,617.79 |
| Less: transferred to project expenses | (24.12) | – |
| Total | 887.24 | 1,617.79 |

* Note : One of the subsidiary company has grouped its depreciation on construction and development projects of ₹ 24.12 lacs under project expenses. (refer note27 below)

26. Finance costs

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|---|-----------------|-----------------|
| Interest expense | 632.56 | 2,282.98 |
| Premium on foreign exchange forward cover | – | 764.30 |
| Bank charges | 110.32 | 234.71 |
| Total | 742.88 | 3,281.99 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

27. Other expenses

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|------------------|------------------|
| Consumption of packing materials | 511.18 | 2,539.54 |
| Catalyst consumption | – | 205.04 |
| Stores and spares consumed | 139.34 | 500.99 |
| Power, fuel and water | 553.61 | 8,638.88 |
| Bagging and other contracting charges | 36.27 | 1,623.96 |
| Outward freight and handling | 1,426.59 | 7,891.05 |
| Project expenses (Refer details below) | 5,273.96 | 6,794.17 |
| Rent | 3,027.04 | 1,974.01 |
| Lease rentals | 19.40 | 45.41 |
| Rates and taxes (including ₹ 10.64 lacs of previous year) | 160.83 | 65.17 |
| Insurance | 129.45 | 130.93 |
| Repairs and maintenance | | |
| Buildings | 21.53 | 125.92 |
| Plant & machinery | 80.92 | 1,591.63 |
| Others | 493.72 | 391.34 |
| Legal and consultancy charges | 1,483.44 | 2,673.52 |
| Auditor's remuneration | 73.25 | 115.98 |
| Cash rebate | 13.86 | 35.76 |
| Incentive paid to dealers | 40.70 | 19.96 |
| Commission expenses | 340.07 | 371.23 |
| Advertisement and sales promotion | 1,620.48 | 1,080.09 |
| Subsidy claims written off | – | 19.48 |
| Sundry balances written off | 24.58 | 35.73 |
| Excise duty on increase/(decrease) on inventory | (4.84) | (42.90) |
| Exchange fluctuation on foreign payments (net) | 13.30 | 642.19 |
| Diminution in the value of Fertilizer Companies' Government of India Special Bonds | – | 685.82 |
| Donations | 0.53 | 135.61 |
| Loss on fixed assets sold/discarded (net) | 40.12 | – |
| Provision for doubtful debts, loans, claims and advances | 43.74 | 49.79 |
| Miscellaneous expenses | 1,397.66 | 2,443.67 |
| Total | 16,960.73 | 40,783.97 |
| Payments to the auditors as | | |
| As auditor | | |
| Audit fee | 43.06 | 60.19 |
| Tax audit fee | 8.37 | 8.20 |
| Limited review | 5.06 | 11.03 |
| In other capacity | | |
| Other services (certification fees) | 13.65 | 28.99 |
| Reimbursement of expenses | 3.11 | 7.57 |
| | 73.25 | 115.98 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|------------------------|------------------------|
| Project expenses | | |
| Architect fees | 113.17 | 274.10 |
| Land development | 277.15 | 323.43 |
| Civil work | 567.70 | 10.09 |
| Project supplies | 3,219.91 | 2,377.93 |
| Travelling and conveyance | 188.91 | 181.07 |
| Consultation/ sub-contracting fee | 2,371.76 | 3,093.46 |
| Insurance | 16.12 | 15.62 |
| Bank charges | 19.59 | 33.99 |
| Site office expenses | 57.21 | 27.03 |
| Printing, stationery and communication | 5.55 | 7.92 |
| Rates and taxes | 228.76 | – |
| Contingencies | 144.19 | 236.78 |
| Liquidated damages | 65.31 | – |
| Interest expenses | 34.13 | – |
| Depreciation | 24.12 | – |
| Miscellaneous expenses | 194.24 | 248.72 |
| | 7,527.82 | 6,830.14 |
| Less : Reversal of provision made towards contingencies in earlier years | 2,253.86 | 35.97 |
| Total | 5,273.96 | 6,794.17 |

28. Exceptional Items (net)

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|------------------------|------------------------|
| Fire incident Expenses | | |
| Third Party claims | 2.93 | 169.63 |
| Health and Safety Environment Expenses | 16.03 | 70.38 |
| Repair & Maintenance | – | 25.61 |
| Travelling & conveyance | 0.13 | 16.28 |
| Legal & Professional | 18.24 | 50.08 |
| Other expenses | 450.91 | 22.16 |
| | 488.24 | 354.14 |
| Less: Insurance claim received | (354.93) | – |
| | 133.31 | 354.14 |
| Loss / (profit) on divestment of stake in Subsidiaries / Joint Ventures (net) | | |
| Zuari Seeds Limited (from subsidiary to associate) | – | (2,085.15) |
| Zuari Fertilizers & Chemicals Limited (from subsidiary to associate) | – | (54.08) |
| Zuari Agro Chemicals Limited (Formerly known as Zuari Holdings Limited) (from subsidiary to associate) | – | (53.06) |
| Zuari Maroc Phosphates Limited (from joint venture to associate) | – | 35,300.71 |
| Zuari Rotem Specialty Fertilizers Limited (from joint venture to associate) | – | 109.50 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| PARTICULARS | 31st March 2013 | 31st March 2012 |
|--|-----------------|-----------------|
| Gulbarga Cement Limited (from subsidiary to joint venture) | – | (2,181.55) |
| Loss on divestment of stake in subsidiaries / Joint Ventures (net) | – | 31,036.37 |
| Total | 133.31 | 31,390.51 |

During the year 2011–12, there was a major fire incident to the multiproduct pipeline of one of the joint venture of the Company. The joint venture company had to take extensive measures to ensure the safety and rehabilitation of the people in the vicinity. The relief and rehabilitation provided to the people and victims had been accounted as exceptional item. Other expenses include ₹ 450.00 lacs (Zuari Group's share) payable to an associate of Joint Venture Partner (Refer note no. 49). Further, subsequent to year–end, the Joint Venture Company has received insurance claim of ₹ 354.93 lacs (Zuari Group's share) from insurance company towards on account payment of insurance claims lodged after the fire incidence happened in last year.

29. Demerger

- a) Pursuant to the Scheme of Arrangement and Demerger ('the Scheme') between Zuari Global Limited (formerly known as Zuari Industries Limited) and Zuari Agro Chemicals Limited (ZACL) (formerly known as Zuari Holdings Limited) approved by the Hon'ble High Court of Bombay at Goa on 2nd March 2012, all the Assets, Liabilities pertaining to Fertiliser Undertaking as on 1st July, 2011 have been transferred to ZACL at their book values and accordingly ₹ 68,348.90 lacs being the surplus of Assets over the Liabilities of the Fertiliser undertaking so Demerged, has been reduced from Capital redemption Reserve, Capital Reserve, General Reserve and Statement of Profit and Loss in terms of the Order of the Hon'ble High Court of Bombay at Goa. The said Order has been filed with Registrar of Companies on 21st March 2012.
- b) The summary of the assets and liabilities transferred to ZACL as on July 1, 2011 is as below:

₹ in lacs

| Particulars | Amount |
|--|--------------------|
| Fixed Assets (Net) | 21,410.02 |
| Current Assets , Loans and advances | 2,35,545.04 |
| | 2,56,955.06 |
| Less: Current Liabilities and Provisions | 83,938.44 |
| Less: Loans and Borrowings (Secured and unsecured) | 1,03,143.66 |
| Less: Deferred Tax liabilities | 1,524.06 |
| | 1,88,606.16 |
| Net Transfer | 68,348.90 |

- c) Pursuant to the Scheme, ZACL has during the current year issued 294,40,604 Equity Shares of ₹ 10/- each aggregating to ₹ 2944.06 lacs to the existing shareholders of the Company, in the ratio of 1 fully paid up Equity Share of ₹ 10/- each of ZACL for each share of ₹ 10/- each held in the Company.
- d) The results of the Company for the previous year ended 31st March, 2012 were after giving effect to the Scheme, whereby the Fertiliser Undertaking has been demerged to ZACL with appointed date of 1st July, 2011 and accordingly its previous year's figures are not comparable with current year.
- e) As per the Scheme, during the period between the Appointed date and the Effective date, the Company deemed to have carried on the Fertiliser Undertaking in "trust" on behalf of ZACL. Further all profits or incomes earned and losses and expenses incurred for Fertiliser Undertaking, were for all purpose, be deemed to be profits or income or expenditure or losses of ZACL.
- f) The title deeds for immovable properties, licenses, agreements, loan documents etc. of the Company are in the process of being transfer in the name of ZACL.

30. List of Subsidiaries, Joint Ventures and Associates considered for Consolidation:

- a. Following Subsidiaries have been consolidated on line by line basis:

| Name of the Company | Country of Incorporation | Proportion of Ownership Interest as at March 31, 2013 | Proportion of Ownership Interest as at March 31, 2012 |
|--|--------------------------|---|---|
| Indian Furniture Products Limited (IFPL) | India | 100.00% | 100.00% |
| Simon India Limited (Refer note (i) below) | India | 100.00% | 100.00% |
| Zuari Management Services Limited | India | 100.00% | 100.00% |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

| Name of the Company | Country of Incorporation | Proportion of Ownership Interest as at March 31, 2013 | Proportion of Ownership Interest as at March 31, 2012 |
|--|---------------------------------|--|--|
| Adventz Infracore India Limited | India | 100.00% | 100.00% |
| Zuari Investments Limited consolidated including its subsidiaries and associates. (Refer Note (ii) below) | India | 100.00% | 100.00% |
| Globex Ltd | UAE | 100.00% | 100.00% |
| Style Spa Furniture Limited (29.85% held by Zuari Investment Limited; 10.56% held by Zuari Management Services Limited; 18.16% held by Zuari Global Ltd (refer note (v) below) | India | 58.57% | 52.86% |

b) Following Joint Ventures have been consolidated on proportionate basis:

| Name of the Company | Country of Incorporation | Proportion of Ownership Interest as at March 31, 2013 | Proportion of Ownership Interest as at March 31, 2012 |
|--|---------------------------------|--|--|
| Zuari Indian Oiltanking Limited | India | 50% | 50% |
| Gulbarga Cement Limited (refer note (iv) below) | India | 26% | 26% |
| MCA Phosphates Pte Ltd. (including its associate Fostafos Pacifico SA.) (refer note (iii) below) | Singapore | 30% | 30% |

c. Investments in following Associates have been accounted for on equity basis:

| Name of the Company | Country of Incorporation | Proportion of Ownership Interest as at March 31, 2013 | Proportion of Ownership Interest as at March 31, 2012 |
|--|---------------------------------|--|--|
| Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Ltd) Consolidated (including subsidiaries and Joint Ventures) (Refer note (vi) below) | India | 30% | 30% |

- i) The subsidiary company, had 49% interest in the assets, liabilities, expenses and output of Simon Engineering & Partners LLC, incorporated in Sultanate of Oman (JV Company). The subsidiary company is of the opinion that they have no control on the said JV Company and hence JV Company has not been consolidated as required under Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures as notified by Companies Accounting Standards Rules, 2006 (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 ₹ 10.45 lacs and provision against amount receivable of ₹ 16.84 lacs from JV company against the invoices raised by the Subsidiary company in the financial statement.
- ii) Consolidated including its subsidiaries – Zuari Insurance Brokers Limited (100%), – Zuari Commodity Trading Limited (100%) – Zuari Financial Services Limited (100%) and Associates–, Equity Method being adopted for Gobind Sugar Mills Limited (w.e.f. August 21, 2012) (25%) (including its subsidiary, New Eros Tradecom Limited)
- iii) MCA Phosphates Pte Limited financial statements for year ended March 31, 2013 are unaudited. Also, financial statements of its associate Fostafos Pacifico S.A. have been audited for year ended December 31, 2012 and unaudited for the period from January 1, 2013 to March 31, 2013.
- iv) Financial statements of Gulbarga Cement Limited as at and for the year ended March 31, 2013 are unaudited.
- v) During the year, the Zuari Group's stake has increased in Style Spa Furniture Limited by 5.71% through dilution in share of minorities due to conversion of preference shares on 27th September 2012, thus making the total share holding of the Group in the company at 58.57%.
- vi) Consolidated including its subsidiaries – Zuari Seeds Limited, Zuari Fertilisers and Chemicals Limited; Joint Venture – Zuari Maroc Phosphates Limited (50%) including its 80.45% subsidiary Paradeep Phosphates Limited and Zuari Rotem Speciality Fertilisers Limited (50%).

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

31(a). Contingent Liabilities (Not Provided For):

₹ in lacs

| Particulars | | As at March 31, 2013 | | As at March 31, 2012 | | |
|-------------|--|---|-----------------|--------------------------|-----------------|---|
| | | Zuari & its Subsidiaries | *Joint Ventures | Zuari & its Subsidiaries | *Joint Ventures | |
| I. | Demands / Claims from Government Authorities ** | | | | | |
| | A Demands from Excise/ Service Tax Authorities | | | | | |
| | i | Pending case before the Customs Excise and Service Tax Appellate Tribunal relating to the period 2005–07 towards service tax under the Finance Act, 1994 (Deposit made under protest ₹21.25 lacs) | 90.00 | – | 96.25 | – |
| | ii | Pending case before the Commissioner (Appeals) relating to the period 2004–11 towards service tax under the Finance Act, 1994 | 2.03 | – | 15.15 | – |
| | B Demands from Sales Tax /Other Authorities | | | | | |
| | i | Pending case before the Appellate Tribunal relating to the period 2002–03 under the Uttar Pradesh Trade Act 1948 (Amount deposited under protest ₹9.25 lacs) | 9.25 | – | 9.25 | – |
| | ii | Pending case before the Joint Commissioner (Appeals) relating to the period 2004–05 under the West Bengal Sales tax Act, 1941 | 59.03 | – | 59.03 | – |
| | iii | Pending case before the Deputy Commissioner (Appeals) relating to the period 2001–02 under the West Bengal Sales tax Act, 1941 | 3.56 | – | 3.56 | – |
| | iv | Pending case before the Revision Board relating to the period 2003–04 under the West Bengal Sales tax Act, 1941 | 7.63 | – | 7.63 | – |
| | v | Pending case before the Commercial Tax Appellate Authority relating to the period 2009–10 under the West Bengal Sales tax Act, 1941 | 5.85 | – | – | – |
| | vi | Pending case before the Additional Commissioner (Appeals) relating to the period 2012–13 under the Uttar Pradesh Sales tax Act, 1948 (Amount deposited under protest ₹ 2.74 lacs) | 2.74 | – | – | – |
| | vii | Pending case before the West Bengal Taxation Tribunal relating to the period 2002–03 under the West Bengal Sales tax Act, 1941 | 15.28 | – | 15.28 | – |
| | viii | Pending case before the West Bengal Appellate and Revision Board relating to the period 2003–04 under the West Bengal Sales tax Act, 1941 | 19.77 | – | 19.77 | – |
| | ix | Pending case before the Joint Commissioner (Appeals) relating to the period 2006–07 under the West Bengal Sales tax Act, 1941 | 11.52 | – | 11.52 | – |
| | x | Pending case before the Appellate Deputy Commissioner (Commercial taxes) relating to the period 2008–11 under the Andhra Pradesh VAT Act, 2005 (Deposit made under protest ₹ 7.40 lacs) | 59.27 | – | – | – |
| II | Taxation matters** | | | | | |
| | i | Demand in respect of Assessment Year 1999–2000 for which an appeal is pending with CIT (Appeals) in respect of the parent company | 34.53 | – | – | – |
| | ii | Demand in respect of Assessment Year 2008–09 for which an appeal is pending with CIT (Appeals) in respect of the parent company | 528.43 | – | – | – |
| | iii | Demand in respect of Assessment Year 2009–10 for which an appeal is pending with CIT (Appeals) in respect of the parent company | 1,200.41 | – | – | – |
| | iv | Demand in respect of Assessment Year 2010–11 for which an appeal is pending with CIT (Appeals) in respect of the parent company | 1,994.54 | – | – | – |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| Particulars | | As at March 31, 2013 | | As at March 31, 2012 | |
|-------------|---|--------------------------|-----------------|--------------------------|-----------------|
| | | Zuari & its Subsidiaries | *Joint Ventures | Zuari & its Subsidiaries | *Joint Ventures |
| v | Income Tax Demand for Assessment year 2009–10. During the current year the Commissioner of Income tax (Appeals) has partially upheld the appeal in favour of the Company for which appeal effect order is yet to be received. (The Company has deposited ₹ 300.60 lakhs against the same) in respect of a subsidiary company. | – | – | 380.31 | – |
| vi | Income tax demand for Assessment Year 2010–11 in respect of a subsidiary company. | 53.26 | – | – | – |
| vii | Demand in respect of Assessment Year 2012–13 for which an appeal is pending with Assistant Commissioner of Income Tax | 59.20 | – | – | – |
| viii | Income tax demand for the Assessment year 2006–07, raised by the income tax authority but disputed by the Company. The Company has deposited said amount to the income tax authority | – | 2.04 | – | – |
| III | Other claims against the Company not acknowledged as debts ## | 71.00 | – | – | – |
| IV | Aggregate amount of guarantees issued by the banks to various Government Authorities and Others | – | 7.62 | – | 7.62 |
| V | Estimated amount of contracts remaining to be executed on capital account not provided for | 177.95 | 1,653.01 | 1,512.77 | 1,905.10 |

* Figures given in respect of Joint ventures represent proportionate share of Zuari Group in the contingent liabilities of these joint ventures.

** Based on discussions with solicitors / favorable decisions in similar cases/legal opinions taken by the respective entities, the management of the respective entities believes that there is a good chance of success in above mentioned cases and hence, no provision thereagainst is considered necessary.

One of the Subsidiary Company had entered into Long Term Wage Settlement agreement with the labour union on September 1, 2008 and was in effect till February 28, 2012. Prior to the expiry of the agreement, the labour union had put forth their demands vide a letter dated December 21, 2011 with the company's Management. Workers had gone on strike from March 9, 2013 due to failure of negotiations and pending the acceptance of their demands. Management based on their best estimate has provided for ₹ 48 lacs towards wage increment for the financial year ended March 31, 2013 as against the wage increment demanded by workers aggregating ₹ 119 lacs. Management believes that the provision made as referred above is adequate to meet the obligations, if any, that would devolve on the company consequent to the negotiations with the workers. Accordingly, the difference of ₹ 71 lacs has been considered as claim against the Company, not acknowledged as debts.

(b) Corporate guarantees given in favour of banks and others on behalf of Subsidiary of an Associates :

| Particulars | ₹ in lacs | |
|--|----------------------|----------------------|
| | As at March 31, 2013 | As at March 31, 2012 |
| Zuari Seeds Ltd (Subsidiary of an Associate) | 2,100.00 | 2,025.00 |

(c) Other Commitments

- Parent Company has agreed to subscribe 6,560,840 equity shares (being proportionate share of Zuari Group) in Gulbarga Cement Limited (GCL) at a price of ₹ 50 per share on a right basis in terms of resolution passed by GCL in Board of directors meeting dated December 19, 2012.
- One of the Joint Venture Company has entered into a term loan agreement with HDFC Limited for ₹ 3,000 lacs. Out of this, the company has availed an amount of ₹ 1,000 lacs and balance amount is yet to be withdrawn.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

32. Contingent Liabilities of Associates*:

₹ in lacs

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|----------------------|----------------------|
| Demand/claims from Government authorities | 37,366.97 | 1,632.31 |
| Other claims against the Company not acknowledge as debts | 259.04 | 191.55 |
| Aggregate amount of guarantees issued by the banks to various Government Authorities and Others | 1,887.87 | 3,745.67 |
| Estimated amount of contracts remaining to be executed on capital account (not provided for) | 10,112.68 | 3,353.59 |

*Being share of Zuari Group in the associate companies.

- 33.** Goodwill appearing in the financial statements denotes the goodwill in respect of subsidiaries acquired by the parent company and the proportionate share of the Group in the goodwill appearing in the consolidated financial statements as per details given below. Such goodwill has been tested for impairment using the cash flow projections, which are based on most recent financial budgets/forecasts approved by the management.

₹ in lacs

| Company | 2012-13 | 2011-12 |
|------------------------------|-----------------|----------|
| Zuari Investments Ltd. | 970.93 | 970.93 |
| Adventz Infracore India Ltd. | 829.36 | 829.36 |
| Gulbarga Cement Ltd. | 8.60 | 8.60 |
| Style Spa Furniture Ltd. | 338.01 | 248.29 |
| Total | 2,146.90 | 2,057.18 |

34. Earnings Per Share (EPS):

| Particulars | Year ended March 31, 2013 | Year ended March 31, 2012 |
|--|------------------------------|------------------------------|
| Profit/ (Loss) after taxation as per Statement of Profit and Loss (Rs in lacs) | 1585.12 | (21,788.70) |
| Number of shares used in computing earnings per share – Basic and Diluted | 2,94,40,604 | 2,94,40,604 |
| Earnings per share – Basic and diluted (in Rupees) | 5.38 | (74.01) |
| Face value per share (in Rupees) | 10.00 | 10.00 |

- 35.** In case of subsidiary company, as at March 31, 2013 the company's accumulated losses of ₹ 1,737.99 lacs has nearly eroded approximately 47% of the shareholders' funds of ₹ 3,300.01 lacs. Parent Company has committed to provide financial and operational support in the foreseeable future to enable the company to operate and settle its obligations as they become due. Management believes that its business plans for the future are profitable and would strengthen the financial position of the company in the coming years. Accordingly, the financial statements have been prepared on a going concern assumption and do not include any adjustments relating to the recoverability and classification of carrying amounts of assets and the amount of liabilities that might result should the company be unable to continue as a going concern.
- 36.** In case of Subsidiary Company, as at March 31, 2013 the company's accumulated losses of ₹ 2,204.95 lacs have substantially eroded the shareholders' funds of ₹ 2,255.94 lacs. The Parent Company has committed to provide financial and operational support in the foreseeable future to enable the company to operate and settle its obligations as they become due. Management believes that its business plans for the future are profitable and would strengthen the financial position of the company in the coming years. Accordingly, the financial statements have been prepared on a going concern assumption and do not include any adjustments relating to the recoverability and classification of carrying amounts of assets and the amount of liabilities that might result should the company be unable to continue as a going concern.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

37. 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 206A of the Companies Act, 1956.
38. (a) In case of Parent Company, pending receipt of appeal effect orders for the assessment years 2003–04 to 2005–06, where appeal has been decided partly in favour of the Parent Company by the Income Tax Appellate Tribunal, interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund will be recognized in the year the appeal effect order is received from Income Tax Department.
- (b) In case of a subsidiary company, pending receipt of appeal effect orders for the assessment year 2009–2010, where appeal has been decided partly in favour of the Company by the Commissioner of Tax (Appeals), Interest on income tax refund has not been recognised thereof as the amount is presently not reasonably determinable. Interest income on this refund will be recognised in the year the appeal effect order is received from Income Tax Department.
39. **Particulars of Foreign Currency Exposures:**

Forward Contracts outstanding as at the Balance Sheet Date (for the parent company, its subsidiaries and joint ventures):

There are no forward contracts outstanding as on Balance sheet date for current as well as previous year.

Unhedged foreign currency exposures as at the Balance Sheet Date (for the parent company and its subsidiaries):

| Nature of Exposure | Foreign currency Involved | Outstanding amount in foreign currency | |
|---|---------------------------|--|------------|
| | | 31.03.2013 | 31.03.2012 |
| Trade Payables | USD | 17,47,939 | 58,23,789 |
| | INR (In lacs) | 954.77 | 2,992.70 |
| Advance to Suppliers | USD | 5,360 | 15,406 |
| | INR (In lacs) | 2.89 | 7.84 |
| Trade Payables | EURO | 4,30,901 | 5,11,925 |
| | INR (In lacs) | 300.77 | 344.47 |
| Trade Receivables | USD | 28,43,804 | 34,55,082 |
| | INR (In lacs) | 1,537.28 | 1,757.95 |
| Advances from Customers | USD | 2,56,307 | 3,75,656 |
| | INR (In lacs) | 140.06 | 193.30 |
| Balances with banks on current accounts | USD | – | 6,37,518 |
| | INR (In lacs) | – | 324.37 |
| Balances with banks on current accounts | EURO | – | 1,100 |
| | INR (In lacs) | – | 0.75 |
| Balances with banks on current accounts | GBP | – | 2,625 |
| | INR (In lacs) | – | 2.15 |
| Balances with banks on current accounts | SAR | 1,40,948 | 3,65,142 |
| | INR (In lacs) | 20.54 | 49.54 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

**Unhedged foreign currency exposures as at the Balance Sheet Date
(for the joint venture, being the proportionate share of Zuari Group):**

| Nature of Exposure | Foreign currency Involved | Outstanding amount in foreign currency | |
|--------------------|---------------------------|--|------------|
| | | 31.03.2013 | 31.03.2012 |
| Trade Payables | Euro | 14,28,438 | 5,74,579 |
| | INR (In lacs) | 993.39 | 395.89 |

40. Operating Leases:

- (a) In case of subsidiary companies, certain vehicles and office premises are obtained on operating leases. These leases have an average life ranging between 10 months to 9 years and renewable at the option of the subsidiary company. There are no restrictions imposed by the lease arrangements. There are no subleases.

(₹ in Lacs)

| PARTICULARS | | 2012-13 | 2011-12 |
|-------------|---|----------|-----------|
| i | Lease payments for the year | 2,816.75 | 1,456.26 |
| ii | Payable for a period not later than one year | 2,499.97 | 2,547.45 |
| iii | Payable for a period later than one year and not later than 5 years | 7,764.24 | 11,180.51 |
| iv | Payable for the period later than 5 years | 3,071.69 | 3,660.59 |

- (b) Parent Company and subsidiary companies have obtained office premises, apartments and warehouses on operating leases. The agreements are further renewable at the option of the companies. These leases are cancellable in nature. The total lease payments in respect of such leases recognized in the Statement of Profit and Loss for the year are ₹ 171.71 lacs (Previous year ₹ 388.24 lacs).
- (c) In case of joint venture companies, they are obligated under cancellable lease for office space and lease rental in case of right of way charges and way leave charges. The total rental expenses under cancellable leases amounted to ₹38.58 lacs (Previous year ₹ 129.50 lacs) (being the proportionate share of Zuari Group).
- (d) The Parent Company has given buildings on operating lease for the period of three years. In all the cases, the agreements are further renewable at the option of the Parent Company. All these leases are cancellable in nature. There is no escalation clause in the respective lease agreements. The total lease income received in respect of such leases recognized in the Statement of Profit and Loss for the year is ₹ 29.41 lacs (Previous year ₹ NIL).
41. In case of a subsidiary company, advances recoverable in cash or kind includes ₹ 242.48 lacs (Previous year ₹ Nil) on account of brokerage and sales commission paid to an agency for services, on gross sale consideration receivable from customers. As per the agreement, in the event of non-completion of sales transaction, such commission is refundable by the agency. Such commission paid will be charged to the Statement of Profit and Loss as and when corresponding revenues are recognized.
42. In respect of a joint venture, capital work in progress includes borrowing cost of ₹ 255.74 lacs incurred till the current period (Previous year ₹ 226.28 lacs) [being the proportionate share of Zuari Group]. The company has also earned interest of ₹ 15.47 lacs (Previous year ₹ 5.44 lacs) [being the proportionate share of Zuari Group] by investment of surplus funds borrowed for the setting up of cement plant which has been netted off. Further, employee cost is primarily related to project and hence, included in Capital work in progress.
43. In respect of a joint venture, Trade Receivables include over dues of ₹ 9.63 lacs (being the proportionate share of Zuari Group) (Previous year ₹ 31.77 lacs) (being the proportionate share of the Zuari Group) due from a Public Sector Oil Marketing Company which, in the opinion of the Management is fully recoverable from the concerned party in the due course of time and no provision there against is considered necessary.
44. In respect of a joint venture, it has provided for right of way charges aggregating to ₹ 316.60 lacs (being the proportionate share of the Zuari Group) (including ₹ 282.51 lacs provided upto previous year) (being the proportionate share of the Zuari Group) payable to Public Works Department, Government of Goa, on the basis of expected settlement as the agreement for the same is in the process of finalization.

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

45. In respect of a subsidiary company engaged in engineering and contracting sector, disclosures relating to Project revenue recognised as per Accounting Standard – 7 on Construction Contracts* are as under:

₹ in lacs

| S.No. | Particulars | As at March 31, 2013 | As at March 31, 2012 |
|-------|--|----------------------------|----------------------|
| 1. | Contract revenue recognized as revenue in the period | 7,091.06 | 9,342.94 |
| 2. | Aggregate Amount of cost incurred and recognized profits up to the reporting date on contract under progress | 62,772.69 | 58,613.68 |
| 3. | Amount of advance received on contract under progress and outstanding at year end. | 4,717.92 | 1,368.51 |
| 4. | Amount of retentions on contract under progress | 1,964.94 | 969.41 |
| 5. | Gross amount due from customers for contract work as an asset | 851.36 | 1,000.16 |
| 6. | Gross amount due to customers for contract work as a liability | 584.24 | 361.34 |
| 7. | Method used to determine project revenue during the year | Refer Note No. 2.1 XVI (v) | |
| 8. | Method used to determine the stage of completion of projects in progress | Refer Note No. 2.1 XVI (v) | |

* Excluding engineering and other monthly service contracts.

46. Employee Benefits

- (i) The Group has 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 parent company, one of the subsidiaries and a joint venture, the scheme is funded with an insurance company in the form of a qualifying insurance policy.

In respect of other entities of the group, the defined benefit gratuity plan is unfunded.

The current year disclosures in the following tables summarize the components of the net gratuity expense recognized in the consolidated Statement of Profit and loss for the Group.

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2013:

(₹ in lacs)

| Particulars | Gratuity | | | |
|--|----------------|-----------|--------------|-----------|
| | Funded | | Unfunded | |
| | 31.3.2013 | 31.3.2012 | 31.3.2013 | 31.3.2012 |
| Current Service Cost | 44.27 | 61.96 | 49.52 | 34.45 |
| Adjustment to opening balance of plan assets | (0.36) | – | – | – |
| Interest cost on benefit obligation | 22.57 | 83.85 | 14.74 | 6.04 |
| Expected return on plan assets | (21.35) | (115.82) | – | – |
| Net actuarial (gain)/loss recognized in the year | (40.09) | 36.38 | 3.24 | 0.66 |
| Past service cost (Vested) | **36.77 | – | – | – |
| Net benefit expense* | 41.81 | 66.37 | 67.50 | 41.15 |
| Actual return on plan assets | 19.59 | 201.48 | – | – |

* excluding ₹ 6.08 lacs (Previous year ₹ Nil) in respect of Parent Company for gratuity expense transferred to other companies; and in case of a Subsidiary Company, actuarial valuation has been done on standalone basis while its two subsidiaries have computed provision on actual computation basis amounting to ₹ 3.92 lacs (Previous Year ₹ 4.86 lacs).

** Due to enhancement of maximum limit of gratuity to ₹ 25 lacs per employee under the Payment of Gratuity Act, 1972 .

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

Balance sheet

Details of Provision for gratuity benefit as at March 31, 2013:

(₹ in lacs)

| Particulars | Gratuity | | | | | | | | | |
|---|----------------|-----------|-----------|-----------|-----------|-----------------|-----------|-----------|-----------|-----------|
| | Funded | | | | | Unfunded | | | | |
| | 31.3.2013 | 31.3.2012 | 31.3.2011 | 31.3.2010 | 31.3.2009 | 31.3.2013 | 31.3.2012 | 31.3.2011 | 31.3.2010 | 31.3.2009 |
| Present Value of Defined benefit obligation | 315.91 | 283.39 | 3,743.88 | 2,456.30 | 2,202.11 | 231.77 | 183.66 | 84.01 | 67.04 | 32.46 |
| Fair value of plan assets | 264.98 | 228.85 | 3,715.35 | 2,271.22 | 2,143.37 | - | - | - | - | - |
| Plan assets / (liability) | (50.93) | (54.52) | (29.51) | (185.08) | (58.74) | (231.77) | (183.66) | (84.01) | (67.04) | (32.46) |
| Experience gain/(loss) on obligation | (25.70) | (60.46) | (564.70) | 147.29 | 13.32 | - | - | - | - | - |
| Experience gain/(loss) on plan assets | (1.76) | - | 22.44 | 19.75 | 0.13 | - | - | - | - | - |

* excluding ₹ 13.13 lacs in respect of a subsidiary company and one subsidiaries of another subsidiary company (Previous year ₹ 9.21 lacs in respect of two subsidiary companies) which have computed provision on actual computation basis (refer note 'b')

Changes in the present value of the defined benefit obligation for the year ended March 31, 2013 are as follows:

(₹ in lacs)

| Particulars | Gratuity | | | |
|--|----------------|------------|----------------|-----------|
| | Funded | | Unfunded | |
| | 31.3.2013 | 31.3.2012 | 31.3.2013 | 31.3.2012 |
| Opening defined benefit obligation | 283.39 | 3,743.88 | 183.66 | 84.01 |
| Adjustment to opening balance | - | - | 4.49 | - |
| Interest cost | 22.57 | 83.85 | 14.74 | 6.04 |
| Current service cost | 44.27 | 61.96 | 49.52 | 34.45 |
| Benefits paid | (29.23) | (3.20) | (23.88) | (9.82) |
| Past Service Cost (Vested Benefits) | 36.77 | - | - | - |
| Service Cost (Transfer out of ZIL) | - | (2,290.03) | - | - |
| Transfer on Sale of Stake in Subsidiaries & JV | - | (1,359.33) | - | - |
| Actuarial (gains)/losses on obligation | (41.86) | 46.26 | 3.24 | 0.66 |
| Closing defined benefit obligation | 315.91 | 283.39 | 231.77 | 183.66 |

Changes in the fair value of plan assets are as follows:

(₹ in lacs)

| Particulars | Gratuity (Funded) | |
|-----------------------------------|-------------------|-----------|
| | 31.3.2013 | 31.3.2012 |
| Opening fair value of plan assets | 228.85 | 3,715.35 |
| Adjustment to opening balance | 0.35 | - |
| Expected return | 21.35 | 115.82 |
| Contributions by employer | 45.41 | 18.75 |
| Benefits paid | (29.23) | (3.20) |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

| Particulars | Gratuity (Funded) | |
|---|-------------------|------------|
| | 31.3.2013 | 31.3.2012 |
| Service Cost (Transfer out of parent company on demerger) | – | (2,290.03) |
| Transfer on Sale of Stake in Subsidiaries & JV | – | (1,337.72) |
| Actuarial gains/(losses) | (1.75) | 9.87 |
| Closing fair value of plan assets | 264.98 | 228.85 |

The major categories of plan assets as a percentage of the fair value of total plan assets in respect of the Group are as follows:

| Investment with insurer (Life Insurance Corporation of India) | Gratuity 2012–13 |
|---|------------------|
| | 100% |

- a.) The Parent Company expects to contribute ₹ 31.23 lacs towards gratuity during the year 2013–2014.
- b.) One of the subsidiary company expects to contribute ₹ 19.43 lacs towards gratuity during the year 2013–2014
- c.) One of the joint venture company expects to contribute ₹ 0.27 lacs towards gratuity during the year 2013–2014

The overall expected rate of return is determined based on the market prices prevailing at that date, applicable to the period over which the obligation is to be settled. These rates are different from the actual rate of return during the current year.

The principal assumptions used in determining gratuity liability are shown below:

| Particulars | 2012–13 | 2011–12 |
|--|--------------|---------------|
| Discount Rate | 7.97%–8.10% | 8.00%–8.60% |
| Expected rate of return on plan assets | 8.00%–9.45% | 8.00%–9.45% |
| Increase in Compensation cost | 6.00%–9.00% | 5.00%–10.00% |
| Employee turnover | 0.50%–20.00% | 10.00%–18.00% |

- a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) In case of a subsidiary company and two subsidiaries of another subsidiary company, no separate actuarial valuation has been performed for arriving at the Gratuity liability of the liability as at March 31, 2013 as the number of employees of the said companies as at and for the year ended March 31, 2013 was below 50. These liabilities as at March 31, 2013, as reflected in the financials, have been determined on gross undiscounted basis.
- (ii) The following table summarizes the present value of obligation relating to long term post retirement medical benefit which is unfunded, in respect of a subsidiary of a joint venture. The information regarding the plan assets has not been furnished as the Company has not created any assets for the given obligation.

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2013:

(₹ in lacs)

| Sr. No. | Particulars | 2012–13 | 2011–12 |
|---------|-------------------------------------|---------|---------|
| 1 | Current Service Cost | – | 5.25 |
| 2 | Interest Cost on benefit obligation | – | 6.00 |
| 3 | Net Benefit Expense | – | 11.25 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

Balance Sheet

Details of Net (Asset)/ Liability recognized in the Balance Sheet as at March 31, 2013

Changes in the present value of the defined benefit obligation for the year ended March 31, 2013

(₹ in lacs)

| S. No. | Particulars | 2012-13 | 2011-12 |
|--------|--|---------|---------|
| 1 | Present value of Obligation at the beginning of the year | - | 113.81 |
| 2 | Current Service Cost | - | 5.25 |
| 3 | Interest Cost | - | 6.00 |
| 4 | Transfer on Divestment of stake of subsidiaries/Joint Ventures | - | 125.06 |

The principal assumptions used in determining liability are shown below:

(₹ in Lacs)

| S. No. | Particulars | 2012-13 | 2011-12 |
|--------|------------------------------|--|-----------|
| 1 | Discount Rate | - | 8.40%p.a. |
| 2 | Rate of increase in salary | - | 12%p.a. |
| 3 | Withdrawal Rate | - | 5%p.a. |
| 4 | Medical cost escalation rate | - | 3%p.a. |
| 5 | Mortality retirement | LIC (1994-96) Ultimate Mortality Table | |

iii) Provident Fund

The Parent Company has set up Provident Fund Trust, which was managed by the Company as per the Guideline Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. With the transfer of Fertiliser undertaking to Zuari Agro Chemicals Limited (Formerly known as Zuari Holdings Limited), on demerger with effect from 1st July, 2011, the Trust is being managed by Zuari Agro Chemicals Limited and there is surplus in the fund balance in the provident fund maintained by the said company.

(₹ in lacs)

| Particulars | 2012-13 | 2011-12 |
|--------------------------------|--------------|---------|
| Contribution to Provident Fund | 42.14 | 121.85 |

iv) Details of Defined Contribution Plan in respect of the Group:

(₹ in lacs)

| Particulars | 2012-13 | 2011-12 |
|---|---------------|---------|
| Contribution to Provident Fund | 232.35 | 319.86 |
| Contribution to Superannuation Fund | 67.12 | 146.50 |
| Contribution to Contributory pension fund | 23.95 | 56.07 |
| Total | 323.42 | 522.43 |

47. In case of a Joint Venture of the Parent Company, agreements with one of the customer has expired during the financial year 2008-09. The Joint Venture Company is in the process of finalizing the revised agreement with said customer. The Joint Venture Company has, during the year recognized additional revenue of ₹ 57.05 lacs (being the proportionate share of the Zuari Group) (excluding revenue of ₹ 37.43 lacs being recognized till the previous year) (being the proportionate share of the Zuari Group).

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

48. In case of one of the Joint Venture of the Company, it has not appointed a Company Secretary as required under section 383A of the Companies Act, 1956 ("the Act") for the period from September 11, 2011 to March 31, 2013 and is accordingly not in compliance with the provisions of Section 383A of the Act. The company is in the process of taking the necessary steps to comply with the provisions of the Act.
49. During the year, a Joint Venture of the Parent Company has signed a cooperation agreement with an associate of the Parent Company, towards the services provided in relation to the fire incident. The consideration payable by the company is ₹ 450 lacs (plus service tax) (being proportionate share of Zuari Group) which will be paid in deferred installments over a period of 5 years starting from 15 June 2013.
50. In case of a subsidiary of the Company, there has been misappropriation of funds and inventory amounting to ₹ 9.50 lacs by its employees. The said company has dismissed the concerned employees and has withheld their terminal benefits aggregating to ₹ 4.80 lacs and has written off the balance amounts.

51. Segment Reporting

i) Identification of Segments

***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 Fertilizer, Engineering services, Furniture, Real Estate, Investment services and others. Fertilizer Segment includes manufacturing of and trading in fertilizers, seeds and pesticides. 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 is for providing capital market related services. Others Segment include provision of Terminalling services and other immaterial.

***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

i. Unallocated items

All common incomes, expenses, assets and liabilities, which cannot be allocated to different segments, are treated as unallocated items.

ii. Financial information about business segments for the year ended March 31, 2013 is presented below:

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Financial Information about business segments for the year ended March 31, 2013

| Particulars | Fertilizer | | Engineering | | Furniture | | Real Estate | | Investment Services | | Other Operations | | Total | |
|---|-----------------------|-----------|-------------|----------|-----------|----------|-------------|----------|---------------------|----------|------------------|---------|-----------|-----------|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| | External Sales/Income | 11831.17 | 163419.56 | 7431.81 | 9578.39 | 18764.41 | 16327.57 | - | - | 1080.78 | 882.17 | 1097.11 | 1026.80 | 40205.28 |
| Inter-Segment Sales/Income | - | - | - | (975.12) | (75.66) | - | - | - | - | - | (18.64) | (74.96) | (94.32) | (1050.08) |
| Segment Revenue | 11831.17 | 163419.56 | 7431.81 | 8603.27 | 18688.73 | 16327.57 | - | - | 1080.78 | 882.17 | 1078.47 | 951.84 | 40110.96 | 190184.41 |
| Segment Results | 179.00 | 6042.28 | 377.11 | 255.63 | (1478.81) | (261.36) | (527.41) | (282.83) | (265.64) | (124.55) | 160.09 | 367.45 | (1555.66) | 5996.62 |
| Segment Assets | 7907.77 | 7901.42 | 9019.80 | 5059.51 | 11113.06 | 9994.37 | 10190.05 | 6135.78 | 2056.70 | 2458.36 | 6679.43 | 7319.61 | 46966.81 | 38869.05 |
| Segment Liabilities | 2363.65 | 2304.52 | 9518.68 | 8389.42 | 4795.89 | 3850.20 | 2773.18 | 346.86 | 602.72 | 1804.98 | 2433.63 | 1318.89 | 22487.75 | 18014.87 |
| Capital Expenditure | 148.90 | 1227.64 | 87.35 | 91.45 | 685.36 | 895.13 | 157.49 | 146.84 | 20.91 | 94.35 | 1510.37 | 3343.64 | 2610.38 | 5799.05 |
| Depreciation and Amortization | 11.81 | 934.24 | 117.62 | 101.01 | 493.93 | 307.14 | 46.21 | 14.46 | 43.89 | 57.21 | 173.78 | 201.73 | 887.24 | 1617.79 |
| Provision for Doubtful Debts & Advances write off | - | 40.26 | 15.75 | 26.86 | 26.31 | 13.80 | - | - | 3.98 | 4.60 | 22.28 | 19.48 | 68.32 | 105.00 |

Reconciliation of Reportable Segments with the Financial statements

| Particulars | Revenues | | Results - Net profit | | Assets | | Liabilities | |
|-----------------------------------|------------------------------|-----------|----------------------|------------|-----------|----------|-------------|----------|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| | Total of reportable segments | 40110.96 | 190184.41 | (1555.66) | 5996.62 | 46966.81 | 38869.05 | 22487.75 |
| Add/(Less) Corporate unallocated | 3326.10 | 4312.16 | 2674.43 | 2935.11 | 62143.23 | 58087.29 | 15796.23 | 8576.24 |
| Minority Interest (Share of Loss) | - | - | 450.24 | 163.95 | - | - | 21.32 | 381.84 |
| Share in profit of Associate | - | - | 1096.29 | 4875.96 | - | - | - | - |
| Inter segment elimination | - | - | - | - | - | - | - | - |
| Finance Cost | - | - | (742.88) | (3281.99) | - | - | - | - |
| Exceptional Items | - | - | (133.31) | (31990.50) | - | - | - | - |
| Interest Income | - | - | 661.34 | 1225.50 | - | - | - | - |
| Taxes | - | - | (930.83) | (1294.79) | 1668.76 | 1580.13 | 1363.53 | 2058.93 |
| Deferred Taxes | - | - | 65.50 | (1018.53) | 68.16 | 67.05 | 376.67 | 374.01 |
| AS PER SEGMENT | 43437.06 | 194496.57 | 1585.12 | (21788.67) | 110846.96 | 98603.52 | 40045.50 | 29405.89 |
| AS PER FINANCIAL STATEMENTS | 43437.06 | 194496.57 | 1585.12 | (21788.67) | 110846.96 | 98603.52 | 40734.37 | 29405.89 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

52. The Parent Company and a subsidiary company hold more than 20% of the voting power of bodies corporate. These Companies have been legally advised that they do not have any "Significant Influence" in the said bodies corporate as defined in Accounting Standard '18' "Related Party Disclosures" and accordingly, have not considered the above investees as related parties under Accounting Standard 18 "Related Party Disclosures" and has not consolidated the accounts of the above as "Associate" under Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements".

53. Related party disclosures under Accounting Standard - 18

a. **The list of Related Parties as identified by the management is as under:**

(i) Joint ventures of the Company

1. Zuari Indian Oiltanking Limited
2. Gulbarga Cement Limited (w.e.f. September 9, 2011)
3. MCA Phosphates Pte Limited (w.e.f. December 12, 2011)
4. Zuari Maroc Phosphates Limited (up to 30/06/2011 and thereafter as an associate)
5. Paradeep Phosphates Limited - Subsidiary of Zuari Maroc Phosphates Limited (up to 30/06/2011 and thereafter as associate)
6. Zuari Rotem Speciality Fertiliser Limited (up to 30/06/2011 and thereafter as associate)

(ii) Associates of the company and their subsidiaries

1. Zuari Agro Chemicals Limited (formerly known as Zuari Holdings Limited) (w.e.f. July, 1, 2011)
2. Zuari Seeds Limited (Subsidiary of Zuari Agro Chemicals Limited)
3. Zuari Fertilisers and Chemicals Limited (Subsidiary of Zuari Agro Chemicals Limited)
4. Zuari Maroc Phosphates Limited (Joint venture of Zuari Agro Chemicals Limited)
5. Paradeep Phosphates Limited (Subsidiary of Zuari Maroc Phosphates Limited)
6. Zuari Rotem Speciality Fertilizers Limited (Joint Venture of Zuari Agro Chemicals Limited)
7. Gobind Sugar Mills Ltd. - Associate of Zuari Investments Limited (w.e.f. 21/08/2012)
8. New Eros Tradecom Limited- Subsidiary of Gobind Sugar Mills Limited (w.e.f. August 21, 2012)
9. Fosfatos Pacifico S.A. - Associate of MCA Phosphates Pte. Limited (w.e.f. December 2011)

(iii) Key Management Personnel of the Zuari Group

1. Mr. H.S. Bawa, Executive Vice Chairman of the Parent Company
2. Mr. S.S. Nandurdikar, Managing Director of Simon India Limited
3. Mrs. Jyotsna Poddar, Executive Director of the Parent Company (w. e. f. 01/04/2012)
4. Mr. Arun Mahajan, Managing Director of Indian Furniture Products Limited and Style Spa Furniture Limited
5. Mr. N. Suresh Krishnan, Managing Director of the Parent Company (Upto 31/03/2012)
6. Mr. Vijay Kathuria, Whole Time Director of Zuari Investments Limited.
7. Mr. Praveen Malhotra (Principal Officer of Zuari Insurance Brokers Limited)
8. Mr. Alok Banerjee (CEO of Adventz Infracore India Limited)

(iv) Relatives of key Management Personnel of the Zuari Group

1. Mrs. Veena Bawa (Wife of Mr. H.S.Bawa)
2. Mrs. Seema Behl (Daughter of Mr. H.S.Bawa)
3. Mrs. Meenakshi Bawa (Daughter of Mr. H.S.Bawa)

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

- 4 Mr. S. K. Poddar (Chairman) (Husband of Mrs. Jyotsana Poddar)
- 5 Mrs. Kavita Kathuria (Wife of Mr. Vijay Kathuria)
- 6 Mrs. Neelam Malhotra (Wife of Mr. Praveen Malhotra)

(v) Other Venturers in respect of JV Entities

- 1 Maroc Phosphores, SA(upto June 30, 2011)
- 2 IOT Infrastructure and Energy Services Limited
- 3 Rotem Amfert Negev Limited (upto June 30, 2011)
- 4 Indo Maroc Phosphore Limited (upto June 30, 2011)
- 5 Zuari Cements Limited (w.e.f. September 9, 2011)
- 6 Mitsubishi Corporation(w.e.f. December 12, 2011)
- 7 Italcementi S.p.A (w.e.f. Spetember 9, 2011)
- 8 CTG SpA (w.e.f. September 9, 2011) (Affiliate of Italcementi S.p.A)
- 9 Compagnie Pour l' Investissement Financier En Inde (CIFI) (w.e.f. September 9, 2011) (Affiliate of Italcementi S.p.A)

(vi) Party having Significant Influence

- 1 OCP, Morocco (in respect of a JV- upto June 30, 2011)

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Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

Related Party disclosures under Accounting Standard-18

b) Following transactions were carried out with Related Parties in the ordinary course of business.

₹ in lacs

| Sl. No. | Transaction details | 2012 – 13 | | | | | | 2011 – 12 | | | | | |
|---------|--|----------------|-----------------|------------|--------------------------------|------------------|--------|----------------|-----------------|------------|--------------------------------|------------------|--------|
| | | Joint Ventures | Joint Venturers | Associates | Key Management Personnel (KMP) | Relatives of KMP | Total | Joint Ventures | Joint Venturers | Associates | Key Management Personnel (KMP) | Relatives of KMP | Total |
| 1 | Payment made on their behalf | | | | | | | | | | | | |
| | – Zuari Maroc Phosphates Limited | – | – | 0.01 | – | – | 0.01 | 0.15 | – | – | – | – | 0.15 |
| | – Paradeep Phosphates Limited | – | – | 15.32 | – | – | 15.32 | 7.97 | – | – | – | – | 7.97 |
| | – IOT Infrastructure & Energy Services Ltd | – | – | – | – | – | – | – | 0.01 | – | – | – | 0.01 |
| | – Zuari Rotem Speciality Fertilisers Ltd | – | – | 0.02 | – | – | 0.02 | 8.20 | – | – | – | – | 8.20 |
| | – Zuari Indian Oiltanking Limited | – | – | – | – | – | – | 0.03 | – | – | – | – | 0.03 |
| | – Gulbarga Cement Ltd | – | – | – | – | – | – | 77.89 | – | – | – | – | 77.89 |
| | – Zuari Seeds Limited | – | – | 0.03 | – | – | 0.03 | – | – | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | 2.24 | – | – | 2.24 | – | – | – | – | – | – |
| 2 | Payment made on our behalf | | | | | | | | | | | | |
| | – IOT Infrastructure & Energy Services Ltd | – | 38.93 | – | – | – | 38.93 | – | 97.86 | – | – | – | 97.86 |
| | – Paradeep Phosphate Limited | – | – | 34.29 | – | – | 34.29 | 0.03 | – | – | – | – | 0.03 |
| | – Style Spa Furniture Limited | – | – | – | – | – | – | – | – | 0.04 | – | – | 0.04 |
| | – Zuari Maroc Phosphates Limited | – | – | – | – | – | – | – | – | – | – | – | – |
| | – Zuari Fertilisers and Chemicals Limited | – | – | 0.04 | – | – | 0.04 | – | – | 120.95 | – | – | 120.95 |
| | – Zuari Agro Chemicals Limited | – | – | 39.25 | – | – | 39.25 | – | – | 51.01 | – | – | 51.01 |
| 3 | Consultancy charges paid | | | | | | | | | | | | |
| | – Zuari Indian Oiltanking Limited | – | – | – | – | – | – | 17.20 | – | – | – | – | 17.20 |
| | – IOT Design & Engineering Limited | – | 6.19 | – | – | – | 6.19 | – | 19.36 | – | – | – | 19.36 |
| | – CTG SpA (For Tangible assets) | – | 717.77 | – | – | – | 717.77 | – | 395.89 | – | – | – | 395.89 |
| 4 | Rent paid | | | | | | | | | | | | |
| | – H.S.Bawa | – | – | – | – | – | – | – | – | – | 10.53 | – | 10.53 |
| 5 | Managerial remuneration | | | | | | | | | | | | |
| | – Mr. H.S.Bawa | – | – | – | 290.72 | – | 290.72 | – | – | – | 295.13 | – | 295.13 |
| | – Mrs. Jyotsna Poddar | – | – | – | 64.88 | – | 64.88 | – | – | – | – | – | – |
| | – Mr. N. Suresh Krishnan | – | – | – | – | – | – | – | – | – | 133.27 | – | 133.27 |
| | – Mr. S.S. Nandurdikar | – | – | – | 49.53 | – | 49.53 | – | – | – | 40.50 | – | 40.50 |
| | – Mr. Arun Mahajan | – | – | – | 77.09 | – | 77.09 | – | – | – | 104.46 | – | 104.46 |
| | – Mr. Vijay Kathuria | – | – | – | 27.33 | – | 27.33 | – | – | – | 24.89 | – | 24.89 |
| | – Mrs. Kavitha Kathuria | – | – | – | – | 0.004 | 0.004 | – | – | – | – | 0.01 | 0.01 |
| | – Mr. Praveen Malhotra | – | – | – | 10.70 | – | 10.70 | – | – | – | 9.47 | – | 9.47 |
| | – Mr. Alok Bannerji | – | – | – | 38.48 | – | 38.48 | – | – | – | – | – | – |
| 6 | Management Fees / Service Charges Paid | | | | | | | | | | | | |
| | – IOT Infrastructure and Energy Services Ltd | – | 16.86 | – | – | – | 16.86 | – | 16.55 | – | – | – | 16.55 |
| | – Zuari Agro Chemicals Ltd (including service tax) | – | – | 646.32 | – | – | 646.32 | – | – | – | – | – | – |
| 7 | Service Charges/Management Fees Received | | | | | | | | | | | | |
| | – Zuari Indian Oiltanking Limited | 5.62 | – | – | – | – | 5.62 | 5.52 | – | – | – | – | 5.52 |
| | – Zuari Agro Chemicals Limited | – | – | 178.25 | – | – | 178.25 | – | – | – | – | – | – |
| | – Zuari Seeds Limited | – | – | 57.39 | – | – | 57.39 | – | – | – | – | – | – |
| | – Zuari Rotem Speciality Fertilisers Limited | – | – | 0.22 | – | – | 0.22 | – | – | – | – | – | – |
| 8 | Dividend paid | | | | | | | | | | | | |
| | – IOT Infrastructure and Energy Services Ltd | – | – | – | – | – | – | – | 37.58 | – | – | – | 37.58 |
| | – New Eros Tradecom Limited | – | – | 23.94 | – | – | 23.94 | – | – | – | – | – | – |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| Sl. No. | Transaction details | 2012 - 13 | | | | | | 2011 - 12 | | | | | | |
|---------|---|----------------|-----------------|--------------|--------------------------------|------------------|----------|----------------|-----------------|--------------|--------------------------------|------------------|-------|-----------|
| | | Joint Ventures | Joint Venturers | Asso- ciates | Key Management Personnel (KMP) | Relatives of KMP | Total | Joint Ventures | Joint Venturers | Asso- ciates | Key Management Personnel (KMP) | Relatives of KMP | Total | |
| 9 | Purchase of finished goods, raw material,spares, etc | | | | | | | | | | | | | |
| | – Maroc Phosphores S.A. | – | – | – | – | – | – | – | 12,539.80 | – | – | – | – | 12,539.80 |
| | – OCP, Morocco | – | – | – | – | – | – | – | 4,021.17 | – | – | – | – | 4,021.17 |
| | – Zuari Rotem Speciality Fertilisers Ltd | – | – | – | – | – | – | 534.45 | 267.23 | – | – | – | – | 801.68 |
| | – Rotem Amfert Nagev Ltd. | – | – | – | – | – | – | – | 18.17 | – | – | – | – | 18.17 |
| | – Indo Maroc Phosphores S.A.Morocco | – | – | – | – | – | – | – | 1,164.63 | – | – | – | – | 1,164.63 |
| | – Fertiliser and Chemicals Ltd., Israel | – | – | – | – | – | – | – | 18.13 | – | – | – | – | 18.13 |
| 10 | Dividend Received | | | | | | | | | | | | | |
| | – Zuari Agro Chemicals Limited | – | – | 378.52 | – | – | 378.52 | – | – | – | – | – | – | – |
| 11 | Lease rentals received | | | | | | | | | | | | | |
| | – Zuari Indian Oiltanking Limited | 63.06 | – | – | – | – | 63.06 | 53.45 | – | – | – | – | – | 53.45 |
| | – Zuari Fertilisers and Chemicals Limited | – | – | 3.81 | – | – | 3.81 | – | – | – | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | 43.64 | – | – | 43.64 | – | – | – | – | – | – | – |
| 12 | Sale of finished goods, Engineering Services and Projects | | | | | | | | | | | | | |
| | – Paradeep Phosphates Limited | – | – | 1.60 | – | – | 1.60 | – | – | – | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | 110.17 | – | – | 110.17 | – | – | – | – | – | – | – |
| | – Zuari Fertilisers and Chemicals Limited | – | – | 332.69 | – | – | 332.69 | – | – | 31.20 | – | – | – | 31.20 |
| | – Paradeep Phosphates Limited | – | – | 3,215.65 | – | – | 3,215.65 | – | – | 1,500.21 | – | – | – | 1,500.21 |
| | – Gobind Sugar Mills Limited | – | – | 4.44 | – | – | 4.44 | – | – | – | – | – | – | – |
| | – Gulbarga Cement Limited | 2.07 | – | – | – | – | 2.07 | – | – | – | – | – | – | – |
| 13 | Write Off, Claims and Demurrages | | | | | | | | | | | | | |
| | – Maroc Phosphores S.A. | – | – | – | – | – | – | – | 30.58 | – | – | – | – | 30.58 |
| | – OCP, Morocco | – | – | – | – | – | – | – | 14.47 | – | – | – | – | 14.47 |
| | – Indo Maroc Phosphores S.A.Morocco | – | – | – | – | – | – | – | 5.59 | – | – | – | – | 5.59 |
| 14 | Corporate Guarantee Given | | | | | | | | | | | | | |
| | – Zuari Seeds Limited | – | – | 1,100.00 | – | – | 1,100.00 | – | – | – | – | – | – | – |
| 15 | Corporate Guarantee Withdrawn/Cancelled | | | | | | | | | | | | | |
| | – Zuari Seeds Limited | – | – | 1,025.00 | – | – | 1,025.00 | – | – | – | – | – | – | – |
| 16 | Royalty | | | | | | | | | | | | | |
| | – Rotem Amfert Nagev Ltd. | – | – | – | – | – | – | – | 11.40 | – | – | – | – | 11.40 |
| 17 | Receipt Of Inter—Corporate Deposits/Loans Given | | | | | | | | | | | | | |
| | – Gulbarga Cement Ltd | – | – | – | – | – | – | 5,134.88 | – | – | – | – | – | 5,134.88 |
| 18 | Inter—Corporate Deposits/Loans Given | | | | | | | | | | | | | |
| | – Gulbarga Cement Ltd | 634.92 | – | – | – | – | 634.92 | – | – | – | – | – | – | – |
| 19 | Inter—Corporate Deposits/Loans Taken | | | | | | | | | | | | | |
| | – Gulbarga Cement Ltd | – | 634.92 | – | – | – | 634.92 | – | – | – | – | – | – | – |
| 20 | Sitting Fee Paid | | | | | | | | | | | | | |
| | – Mr.S.K.Poddar | – | – | – | – | 0.60 | 0.60 | – | – | – | – | – | – | – |
| 21 | Interest on Loan/ ICD | | | | | | | | | | | | | |
| | – Gulbarga Cement Ltd | 183.70 | – | – | – | – | 183.70 | 73.46 | – | – | – | – | – | 73.46 |
| | – Mr. N. Suresh Krishnan | – | – | – | – | – | – | – | – | 2.28 | – | – | – | 2.28 |
| | – Zuari Rotem Speciality Fertilisers Limited | – | – | – | – | – | – | 2.41 | – | – | – | – | – | 2.41 |
| 22 | Subscription To Preference Share Capital | | | | | | | | | | | | | |
| | – Gobind Sugar Mills Limited | – | – | 3,800.00 | – | – | 3,800.00 | – | – | – | – | – | – | – |
| 23 | Share Subscription Money Received | | | | | | | | | | | | | |
| | – Compagnie Pour l' Investissement Financier En Inde (CIFI) | – | 436.32 | – | – | – | 436.32 | – | – | – | – | – | – | – |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

Balance Outstanding for the period ended 31st March, 2013.

(₹ in Lacs)

| Sl. No. | Transaction details | 2012 – 13 | | | | | 2011 – 12 | | | | | | |
|---------|--|----------------|-----------------|--------------|----------------------------------|------------------|-----------|----------------|-----------------|--------------|----------------------------------|------------------|----------|
| | | Joint Ventures | Joint Venturers | Asso- ciates | Key Manage- ment Personnel (KMP) | Relatives of KMP | Total | Joint Ventures | Joint Venturers | Asso- ciates | Key Manage- ment Personnel (KMP) | Relatives of KMP | Total |
| 1 | As Receivables | | | | | | | | | | | | |
| | – Paradeep Phosphates Limited | – | – | 1,073.67 | – | – | 1,073.67 | – | – | – | – | – | – |
| | – Zuari Agro Chemicals Limited | – | – | 49.83 | – | – | 49.83 | – | – | – | – | – | – |
| | – Zuari Fertilisers and Chemicals Limited | – | – | 274.07 | – | – | 274.07 | – | – | – | – | – | – |
| | – Gobind Sugar Mills Limited | – | – | 0.43 | – | – | 0.43 | – | – | – | – | – | – |
| | – Gulbarga Cement Limited | – | – | – | – | – | – | 0.06 | – | – | – | – | 0.06 |
| 2 | Loans and Advances | | | | | | | | | | | | |
| | – Zuari Seeds Limited | – | – | 45.34 | – | – | 45.34 | – | – | – | – | – | – |
| | – Paradeep Phosphates Limited | – | – | 24.86 | – | – | 24.86 | – | – | 9.02 | – | – | 9.02 |
| | – Zuari Rotem Speciality Fertilisers Limited | – | – | 0.02 | – | – | 0.02 | – | – | – | – | – | – |
| 3 | As Payables | | | | | | | | | | | | |
| | – IOT Infrastructure and Energy Services Limited | – | 118.47 | – | – | – | 118.47 | – | 184.00 | – | – | – | 184.00 |
| | – Paradeep Phosphates Limited | – | – | 2.52 | – | – | 2.52 | – | – | – | – | – | – |
| | – Style Spa Furniture Limited | – | – | – | – | – | – | – | 0.07 | – | – | – | 0.07 |
| | – IOT Design and Engineering Limited | – | 2.91 | – | – | – | 2.91 | – | 5.81 | – | – | – | 5.81 |
| | – Zuari Agro Chemicals Limited | – | – | 444.82 | – | – | 444.82 | – | – | – | – | – | – |
| | – CTG SpA | – | 993.39 | – | – | – | 993.39 | – | 395.89 | – | – | – | 395.89 |
| 4 | Advance Received | | | | | | | | | | | | |
| | – Paradeep Phosphates Limited | – | – | 4,134.40 | – | – | 4,134.40 | – | – | – | – | – | – |
| | – Zuari Fertilisers and Chemicals Limited | – | – | 385.41 | – | – | 385.41 | – | – | – | – | – | – |
| 5 | Corporate Guarantee | | | | | | | | | | | | |
| | – Zuari Seeds Limited | – | – | 2,100.00 | – | – | 2,100.00 | – | – | 2,025.00 | – | – | 2,025.00 |
| 6 | Advance against sale of investment | | | | | | | | | | | | |
| | – Zuari Agro Chemicals Limited | – | – | 8,400.00 | – | – | 8,400.00 | – | – | 3,454.88 | – | – | 3,454.88 |
| 7 | Loan/ICD Given | | | | | | | | | | | | |
| | – Mr. N. Suresh Krishnan | – | – | – | – | – | – | – | – | – | 32.40 | – | 32.40 |
| | – Gulbarga Cement Ltd | 1,780.66 | – | – | – | – | 1,780.66 | 1,145.73 | – | – | – | – | 1,145.73 |
| 8 | Loan/ICD taken | | | | | | | | | | | | |
| | – Gulbarga Cement Limited | – | 1,780.66 | – | – | – | 1,780.66 | – | 1,145.73 | – | – | – | 1,145.73 |
| 9 | Interest on Loan/ICD | | | | | | | | | | | | |
| | – Mr. N. Suresh Krishnan | – | – | – | – | – | – | – | – | – | 3.80 | – | 3.80 |
| | – Gulbarga Cement Ltd | 231.43 | – | – | – | – | 231.43 | 66.11 | – | – | – | – | 66.11 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

54. Details of the Zuari Group's share in Joint Ventures included in the Consolidated Financial Statements are as follows :

(₹ in lacs)

| | Particulars | As at March 31, 2013 | As at March 31, 2012 |
|-----|---|----------------------|----------------------|
| I. | EQUITY AND LIABILITIES | | |
| | Reserves and surplus | 1,297.31 | 1,447.52 |
| | Share application money pending allotment | 436.32 | |
| | Non-current liabilities | | |
| | Long term borrowings | 2,406.30 | 1,875.38 |
| | Deferred tax liabilities (Net) | 324.91 | 336.57 |
| | Trade payables | 406.71 | 1.93 |
| | Other long term liabilities | 312.05 | 87.21 |
| | Current liabilities | | |
| | Trade payables | 536.54 | 437.53 |
| | Other current liabilities | 1,092.53 | 381.74 |
| | Short-term provisions | 4.01 | 2.63 |
| | Total | 6,816.68 | 4,570.51 |
| II. | ASSETS | | |
| | Non-current assets | | |
| | Tangible assets | 1,953.77 | 1,867.83 |
| | Intangible assets | 0.02 | 0.08 |
| | Capital work-in-progress | 3,656.09 | 2,616.13 |
| | Non current investments | 8,456.06 | 7,098.31 |
| | Long-term loans and advances | 1,805.71 | 1,382.57 |
| | Current assets | | |
| | Current investments | 207.85 | 26.00 |
| | Inventories | 4.03 | 3.06 |
| | Trade receivables | 215.80 | 110.77 |
| | Cash and bank balances | 379.27 | 226.91 |
| | Short-term loans and advances | 236.75 | 127.78 |
| | Other current assets | 458.17 | 88.73 |
| | Total | 1,7373.52 | 13,548.18 |

₹ in lacs

| | PARTICULARS | As at March 31, 2013 | As at March 31, 2012 |
|----|---------------------------------------|----------------------|----------------------|
| I | Income | | |
| | Revenue from operations (gross) | 895.94 | 36,023.54 |
| | Less: excise duty | - | 181.70 |
| | Revenue from operations (net) | 895.94 | 35,841.84 |
| | Other income | 26.17 | 805.52 |
| | Total Revenue (I) | 922.11 | 36,647.36 |
| II | Expenditure | | |
| | Cost of Raw materials | - | 25,561.18 |
| | Purchase of traded goods | - | 1,707.96 |
| | (Increase)/decrease in inventories | - | 190.90 |
| | Employee benefit expense | 75.02 | 1,002.07 |
| | Other Expenses | 430.49 | 5,696.14 |
| | Depreciation and amortization expense | 156.19 | 430.90 |
| | Finance costs | 0.40 | 1,006.37 |
| | Exceptional Items | 133.31 | 354.13 |
| | Total Expenses (II) | 795.41 | 35,949.65 |

Consolidated Notes to Financial Statements for the year ended 31st March 2013 Contd...

₹ in lacs

| | PARTICULARS | As at March 31, 2013 | As at March 31, 2012 |
|------|--|-----------------------------|-----------------------------|
| III | Profit/ before tax (I - II) | 126.70 | 697.71 |
| | Tax expenses | | |
| | Current income tax | 69.29 | 316.04 |
| | Deferred tax | (11.67) | (162.14) |
| | Taxation Expenses of Earlier Years Credited | 0.44 | 56.10 |
| IV | Total tax expense | 58.06 | 210.00 |
| V | Profit After Tax (III - IV) | 68.64 | 487.71 |
| VI | Share of Minority is Profits | – | 118.54 |
| VII | Share in Losses of associates | (221.30) | – |
| VIII | (Loss) / Profit for the Year (V - VI - VII) | (152.66) | 369.17 |

55. Disclosure as per Section 22 of “The Micro, Small and Medium Enterprises Development Act, 2006”.

(₹ in lacs)

| S.No. | Particulars | 2012–13 | 2011–12 |
|-------|---|----------------|-------------|
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier: – Principal amount – Interest thereon | 1.77 Nil | 1.42 Nil |
| ii) | the amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day. | Nil | Nil |
| iii) | the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | Nil | Nil |
| iv) | the amount of interest accrued and remaining unpaid | Nil | Nil |
| v) | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor | Nil | Nil |

56. Figures pertaining to the subsidiaries, joint ventures and associate companies have been reclassified wherever considered necessary to bring them in line with the Company’s financial statements. Figures reported with respect to the joint ventures and their subsidiaries represent the Company’s proportionate share only.

57. In case of the Parent Company, Remuneration of ₹ 290.72 lacs paid to Executive Vice Chairman is in excess of limits specified in Schedule XIII of the Companies Act, 1956 in view of inadequacy of profits. The Parent Company has made an application seeking approval from Central Government for payment of managerial remuneration to Executive Vice Chairman in excess of limits specified under the Companies Act, 1956 for the financial year ended March 31st, 2013. Approval is awaited.

58. Previous year figures have been regrouped/ recasted wherever necessary to confirm to this year’s classification.

As per our report of even date

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm’s Regn. No.: 301003E

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

S. K. Poddar
Chairman

H. S. Bawa
Executive Vice Chairman

Marco Wadia
Director

Per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

Swapnil Yelgaonkar
Company Secretary

Place : Gurgaon
Date : 9th May, 2013

Place : Gurgaon
Date : 9th May, 2013

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

| Particulars | (₹ in Lacs) | | | | | | | | | |
|--------------------------------|---------------|------------|--------------|-------------------|------------------------|--------------|-------------------|---------|------------------|--|
| | Share capital | Reserves | Total Assets | Total Liabilities | Details of Investments | Total Income | Profit Before tax | Tax | Profit after Tax | |
| Adventz Infraworld India Ltd. | 4,005.00 | (882.16) | 12,089.14 | 8,966.30 | - | 42.57 | (505.11) | - | (505.11) | |
| Indian Furniture Products Ltd. | 3,300.01 | (1,562.01) | 9,530.54 | 7,792.54 | - | 13,739.98 | (1,351.56) | (77.71) | (1,273.85) | |
| Globex Ltd. | 13.40 | 1,558.30 | 1,576.13 | 4.43 | - | 1,686.00 | 1,274.48 | - | 1,274.48 | |
| Simon India Ltd. | 500.00 | 8,545.05 | 18,630.10 | 9,585.04 | 6,584.06 | 8,301.45 | 1,176.19 | 248.90 | 927.29 | |
| Style Spa Furnitures Ltd | 2,202.61 | (2,151.62) | 3,858.05 | 3,807.06 | - | 12,018.48 | (1,025.27) | - | (1,025.27) | |
| Zuari Management Services ltd. | 5.00 | 511.37 | 901.25 | 384.88 | 746.08 | 343.17 | 56.95 | - | 56.95 | |
| Zuari Investments Ltd. | 3,744.58 | 717.09 | 12,364.38 | 7,902.70 | 10,521.85 | 1,485.76 | (154.47) | - | (154.47) | |
| Zuari Commodity Trading Ltd. | 150.00 | (25.74) | 183.54 | 59.28 | - | 62.75 | (11.48) | (1.70) | (9.78) | |
| Zuari Insurance Brokers Ltd. | 225.00 | (127.31) | 108.98 | 11.29 | - | 126.23 | (32.52) | - | (32.52) | |
| Zuari Financial Services Ltd. | 250.00 | 30.51 | 280.97 | 0.46 | 270.00 | 14.10 | 13.38 | 3.75 | 9.63 | |

S. K. Poddar
Chairman

H. S. Bawa
Executive Vice Chairman

Marco Wadia
Director

Place : Gurgaon
Date : 9th May, 2013

H. C. Shah
General Manager
Finance & Accounts

Swapnil Yelgaonkar
Company Secretary

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Form B

Format of covering letter of the annual audit report to be filed with the stock exchanges

| | | |
|---|--|---|
| 1 | Name of the Company | ZUARI GLOBAL LIMITED |
| 2 | Annual financial statements for the year ended | 31 st March, 2013 |
| 3 | Type of Audit qualification | Qualified |
| 4 | Frequency of qualification | Appeared First Time |
| 5 | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report. | <p>Mentioned in Auditors Report under heading basis for qualified opinion and Note No 9 (a) (ii) of the notes to the financial statements.</p> <p>Directors' Comment on Auditors' Qualification :-</p> <p>Your Directors' refer heading Basis for qualified opinion in Auditors Report and provide comments of Board as below:-</p> <p>Your company has invested in the Equity Shares of Nagarjuna Fertilisers and Chemicals Limited (NFCL). After the said investment, NFCL went through a Scheme of Arrangement. The Company has received equity shares of Nagarjuna Oil Refinery Limited (NORL) pursuant to the Scheme of Arrangement and Amalgamation between Ikisan Ltd, Kakinada Fertilisers Limited, NFCL and Nagarjuna oil refinery Limited (NORL).</p> <p>The equity shares of NORL are listed on the stock exchanges and equity shares of NFCL are yet to be listed on Stock Exchanges as the approval from SEBI is pending under Rule 19 (2) (b). The investment in the equity shares was strategic in nature.</p> <p>The explanation given by the Auditor is also self explanatory in nature.</p> |
| 6 | Additional comments from the board/audit committee chair. | |

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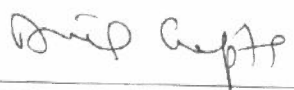
ZUARI GLOBAL LIMITED

(Formerly known as Zuari Industries Limited)

Registered Office : Jai kisaan Bhawan, Zuarinagar, Goa - 403 726, India.

Telephone : (0832) 2592180, 2592181

FAX : (0832) 2555279

| | | |
|---|--|--|
| 7 | To be signed by- Mr. H. S. Bawa – Executive Vice Chairman Mr. H. C. Shah –General Manager Finance & Accounts. Mr. D. B. Engineer – Audit Committee Chairman Mr. Anil Gupta – Statutory Auditor |     |
|---|--|--|