ZUARI GLOBAL LIMITED

CIN :L65921GA1967PLC000157
Registered Office : Jai Kisaan Bhawan, Zuarinagar, Goa 403 726.
Web : www.adventz.com, Tel. 91-0832-2592431, Fax : 91-0832-2555279

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NOTICE

Dear Shareholder(s):

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 and 22 of the Company (Management and Administration) Rule, 2014 and clause 35B of the Listing Agreement with the stock exchanges, Zuari Global Limited ("the Company") is offering e-voting facility to its members in respect of the businesses to be transacted.

a. At the 46th Annual General Meeting of the members of the Company to be held at the registered offfice of the Company at Jai Kisaan Bhawan, Zuari Nagar, Goa - 403 726., on Monday the 1st Day of September, 2014 at 11.00 a.m. and

b. By means of voting through postal ballot in terms of the postal ballot notice dated 11th July, 2014.

The Annual Report is being sent separately by bookpost to your registered address.

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has appointed Central Depository Services (India) Limited (CDSL) service provider for facilitating e-voting to enable the members to cast their vote electronically. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Company (management and administration) Rule, 2014. The particulars for e-voting are given below.

Purpose	EVEN (E-voting event number)
E-voting in respect of the businesses to be transacted at the Annual General Meeting.	140719005
E-voting in respect of the businesses to be transacted by means of voting through postal ballot	140719004

The detailed instructions and procedure for e-voting is given below :

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

  DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

  Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVEN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(xviii) The e-voting period in respect of businesses to be transacted at the **Annual General Meeting** (EVEN No. 140719005) commences on the **Wednesday, 20th August, 2014 at 10:00 A.M. and ends on Friday, 22nd August, 2014 at 5:00 P.M.** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Tuesday, 01st July, 2014, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

(xix) The e-voting period in respect of businesses to be transacted by means of voting through **Postal Ballot** (EVEN No. 140719004) commences on the **Friday, 8th August, 2014 at 10:00 A.M. and ends on Monday, 8th September, 2014 at 5:00 P.M**. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Tuesday, 01st July, 2014, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

(xx) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cut-off date, being Tuesday, 1st July, 2014.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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NOTICE is hereby given that the Forty Sixth 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 Monday, the 1st day of September, 2014 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet for the year ended 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on Equity Shares for the financial year ended 31st March, 2014.

3. To appoint a Director in the place of Mr. N. Suresh Krishnan, (holding DIN 00021965), who retires by rotation and is eligible for re-appointment.

4. To re-appoint M/s. S.R. Batliboi & Co., LLP, Chartered Accountants, Registration No.301003E as Statutory Auditors of the Company.

Special Business:

5. To consider, and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Marco Wadia (holding DIN 00244357), Director of the Company, who has submitted a declaration that he meets the criteria for independence as per Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from 1st April, 2014 to 31st March, 2019."

6. To consider, and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. D.B. Engineer (holding DIN 00047028), Director of the Company, who has submitted a declaration that he meets the criteria for independence as per Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from 1st April, 2014 to 31st March, 2019."

7. To consider, and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. J.N. Godbole (holding DIN 00056830), Director of the Company, who has submitted a declaration that he meets the criteria for independence as per Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from 1st April, 2014 to 31st March, 2019."

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution;

   "RESOLVED THAT in supercession of the Ordinary Resolution passed at the Annual General Meeting held on 19th September, 2011 and pursuant to Section 180(1)(c) and other applicable provisions, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, as it may consider fit, any sum or sums of money not exceeding ₹ 1000 Crore on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

   "RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and are hereby authorized to arrange to fix the terms and conditions of all such borrowings from time to time as it may deem fit and to sign and execute all such deeds, contracts, instruments, agreements and any other documents as may be required and to do all such acts, deeds, matters, things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred by this resolution to any committee of Directors and/or Directors and/or Officers of the Company to give effect to this resolution."

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

   "RESOLVED THAT pursuant to Sections 13, 61 and all other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Incorporation) Rules, 2014 and other applicable rules if any, of the Act, (including any statutory modification or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association be and is hereby substituted with the following new Clause V:

   V. The Authorized Share Capital of the Company is ₹ 135,75,00,000 (Rupees One Hundred Thirty Five Crore and Seventy Five Lacs only) divided into

a) ₹ 115,00,00,000 (Rupees One Hundred Fifteen Crore) consisting of 11,50,00,000 (Eleven Crore Fifty Lacs) equity shares of ₹ 10/- each.

b) ₹ 20,75,00,000 (Rupees Twenty Crore Seventy Five Lacs) consisting of 20,75,000 (Twenty Lacs Seventy Five Thousand) Cumulative Redeemable Preference Shares of ₹ 100/- each.

with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give all such directions as may be in its absolute discretion deemed necessary and to settle any question that may also arise in this regard."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 ("the Act") the Articles of Association of the Company be and is hereby altered by substituting the existing Article 3 thereof by the following Article 3:

3. The Authorized Share Capital of the Company is ₹ 135,75,00,000 (Rupees One Hundred Thirty Five Crore and Seventy Five Lacs only) divided into

a) ₹ 115,00,00,000 (Rupees One Hundred Fifteen Crore) consisting of 11,50,00,000 (Eleven Crore Fifty Lacs) equity shares of ₹ 10/- each

b) ₹ 20,75,00,000 (Rupees Twenty Crore Seventy Five Lacs) consisting of 20,75,000 (Twenty Lacs Seventy Five Thousand) Cumulative Redeemable Preference Shares of ₹ 100/- each

with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give all such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

11. To consider, and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution;

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, and rules made thereunder (including any statutory modification thereof for the time being in force) and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the shareholders of the Company be and is hereby accorded to ratify the proposal approved by the Board of Directors for sale of 3,22,67,741 shares (Said Shares) of Nagarjuna Fertilizers and Chemicals Limited (NFCL) held by the company representing 5.40% of the equity share capital of NFCL to Zuari Agro Chemicals Limited ("a related party") at a consideration which shall not be less than the market value of the shares as and when the shares of NFCL are listed on the stock exchanges or book value of the Investment held by the Company whichever is higher."

"RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things as may be in its absolute discretion deemed necessary, proper and desirable and to finalize any documents and writings related thereto."

12. To consider, and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution;

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded to ratify the proposal approved by the Board of Directors for purchase of 25,00,000 (Twenty Five Lacs) equity shares of ₹ 10/- each of Zuari Financial Services Limited (ZFSL) from Zuari Investments Limited ("a related party") at a consideration not exceeding Rupees Two Crore Seventy Five Lac, being the book-value of ZFSL equity shares."

"RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things as may be in its absolute discretion deemed necessary, proper and desirable and to finalize any documents and writings related thereto."

By Order of the Board of Directors

K. G. Prabhu
Company Secretary

Date : 11th July, 2014
Registered Office: Jai Kisaan Bhawan,
Zuarinagar - Goa 403 726

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

2. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A Proxy Form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable.

4. During the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three (3) days' notice is given to the company.

5. The Company's Registrar & Share Transfer Agents (RTA) are:

   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
   Email: rnt.helpdesk@linkintime.co.in
   Website: www.linkintime.com

6. The Register of Members and Share Transfer Books of the Company remained closed from 2nd July, 2014 to 9th July, 2014 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31st March, 2014.

7. The dividend recommended by the Board, if approved by the shareholders at the Annual General Meeting, will be paid on or after 5th September, 2014, to those persons

   (a) whose names appear as Beneficial Owners as at the end of the business hours on 1st July, 2014, as per the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in electronic form.

   (b) Whose names appear as Members in Register of Members of the Company after giving effect to valid share transfers, if any, in physical form lodged with the Company/Registrar & Share Transfer Agents on or before 1st July, 2014.

8. Pursuant to section 205C 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 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 dividend paid for the financial year 2006-2007 will be due for transfer to the fund.

   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.

   Pursuant to provisions of section 205A (5) of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), dividend declared for financial year 31st March, 1997 and thereafter which remains unclaimed for a period of seven years is required to be transferred by the company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205(C) of Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2007	24.09.2007	23.09.2014	22.10.2014
31.03.2008	15.09.2008	14.09.2015	13.10.2015
31.03.2009	14.09.2009	13.09.2016	12.10.2016
31.03.2010	27.09.2010	26.09.2017	25.10.2017
31.03.2011	19.09.2011	18.09.2018	17.10.2018
31.03.2012	10.09.2012	09.09.2019	08.10.2019
31.03.2013	25.09.2013	24.09.2020	23.10.2020

   The Company has uploaded the information in respect of the unclaimed amounts lying with the Company as on the date of 45th Annual General Meeting of the Company held on 25th September, 2013 on the website of IEPF viz. (www. iepf.gov.in) and under "Investor Section" on the website of the Company viz. (www. adventz.com).

   Members who have not encashed the dividend warrants so far in respect of the aforesaid periods are requested to send their claims, if any, to the Company / share transfer agent immediately. Once the amount is transferred by the Company to IEPF, no claim thereof shall lie against the Company.

9. Shareholders are advised to avail of the facility for receipt of future dividends through Electronic Clearing Service (ECS). The ECS facility is available at the specified locations. Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing ECS facility. The Company or RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Shareholders holding shares in physical form and desirous of either registering bank details or changing bank details already registered against their respective folios are requested to send a request letter for updating Bank Account Number with 9 digit MICR Number to the RTA or to the Company with Attested copy of his/her PAN Card and a Photocopy of his/ her cheque leaf (to capture correct Bank Account Number, IFSC Code and 9 digit MICR Code).

10. Members can avail of the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility. Members holding shares in physical form may send their nomination in the prescribed form duly filled in to the RTA at the above mentioned address.

11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.

13. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is given in the Corporate Governance Report along with the details of their shareholding.

14. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013 -14 are being sent in the permitted mode.

15. The Notice of the 46th Annual General Meeting of the Company and instructions for e-voting, along with Attendance Slip and Proxy Form is being sent to all the members by electronic mode, whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforementioned documents are being sent in the permitted mode.

16. Members may also note that the Notice of the 46th Annual General Meeting and the Annual Report for 2013-14 is available on the Company's website www.adventz.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Goa for inspection during normal business hours on working days, excluding Saturday upto the date of AGM. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor_redressal@adventz.com

17. E-Voting :

i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 46th Annual General Meeting (AGM) by electronic means and the detailed procedure for the same is **annexed separately.**

ii. The e-voting period commences on the Wednesday, 20th August, 2014 at 10:00 A.M. and ends on Friday, 22nd August, 2014 at 5:00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Tuesday, 1st July, 2014, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iii. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the section 108 of the Companies Act, 2013 and Rules made thereunder , as amended, as on the cut-off date, being Tuesday, 1st July, 2014.

iv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

v. The Board of Directors has appointed CS Shivaram Bhat, Practicing Company Secretary, failing him CS Shubhangi Baichwal, Practicing Company Secretary; as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

vi. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

vii. The Results on resolutions shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favour of the Resolution(s).

viii. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.adventz.com) within two (2) days of passing of the resolutions and communication of the same to the BSE Limited and the National Stock Exchange of India Limited for download by the members of the Company.

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

Mr. Marco Wadia is a non executive Independent Director of the Company as well as member of the Audit Committee and Stakeholders Relationship Committee.

He is a B.A. (Hons.) LL.B and practicing Advocate since 1986, specializing in corporate matters and is currently, a partner in the firm Crawford Bayley & Co., Mumbai.

Mr. Wadia is an Independent Director whose period of office is liable for retirement as director by rotation under erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Wadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Wadia for the office of the Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Marco Wadia (i) Consent in writing to act as Director in Form DIR - 2 pursuant to Rule 8 of the Companies (Appointment and qualification of Directors) Rules, 2014; (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Marco Wadia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Marco Wadia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday; upto the date of AGM.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. The detailed resume is given in the report on Corporate Governance which forms part of the Annual report.

The resolution as above is placed before the shareholders for approval.

Except Mr. Marco Wadia, none of the Directors and Key Managerial Personnel (KMP) of the Company or relatives of Directors and KMP are concerned or interested in this resolution.

Item No. 6

Mr. D. B. Engineer is a non executive Independent Director of the Company as well as member of the Audit Committee, Stakeholders Relationship Committee and CSR Committee.

Mr. D. B. Engineer serves as a Senior Partner in Crawford Bayley & Co. Mr. Engineer has been Senior Advocate and Solicitor of the Bombay High Court. He has over 40 years experience in the legal profession and has expertise in various aspects of Corporate Law, Indirect Taxation, Foreign Exchange, Imports, Trade Control Regulations and Civil and Constitutional Law. Mr. Engineer has a Degree in BA and LLB.

Mr. D. B. Engineer is a Director whose period of office is liable for retirement as director by rotation under erstwhile applicable provisions of Companies Act, 1956. In terms of Section

149 and other applicable provisions of the Companies Act, 2013, Mr. D. B. Engineer being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years up to 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. D. B. Engineer for the office of the Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. D. B. Engineer (i) Consent in writing to act as Director in Form DIR -2 pursuant to Rule 8 of the Companies (Appointment and qualification of Directors) Rules, 2014; (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. D. B. Engineer fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. D. B. Engineer as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday; upto the date of AGM.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges. The detailed resume is given in the report on Corporate Governance which forms part of the Annual report.

The resolution as above is placed before the shareholders for approval.

Except Mr. D. B. Engineer, none of the Directors and Key Managerial Personnel (KMP) of the Company or relatives of Directors and KMP are concerned or interested in this resolution.

Item No. 7

Mr. J. N. Godbole is a non executive Independent Director of the Company as well as member of the Audit Committee and Stakeholders Relationship Committee.

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.

Mr. J. N. Godbole is a Director whose period of office is liable for retirement as director by rotation under erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. J. N. Godbole being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years up to 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. J. N. Godbole for the office of the Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. J. N. Godbole (i) Consent in writing to act as Director in Form DIR - 2 pursuant to Rule 8 of the Companies (Appointment and qualification of Directors) Rules, 2014; (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. J. N. Godbole fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. J. N. Godbole as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday; upto the date of AGM.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange. The detailed resume is given in the report on Corporate Governance which forms part of the Annual report.

The resolution as above is placed before the shareholders for approval.

Except Mr. J. N. Godbole, none of the Directors and Key Managerial Personnel (KMP) of the Company or relatives of directors and KMP are concerned or interested in this resolution.

Item No. 8:

The Board at its meeting held on 9th May, 2011 and shareholders at their meeting held on 19th September, 2011 considered and authorised the Company to borrow upto ₹ 5000 Crore by way of Inter Corporate Deposits, Long Term Loans, and External Commercial Borrowings or through issue of any securities, instruments, etc. pursuant to Section 293(1) (a) and 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956. It is proposed to reduce the limit of borrowing to ₹ 1,000 Crore.

The provisions of Section 180 of the Companies Act, 2013 effective from 1st April, 2014 requires the Companies to pass Special resolution instead of ordinary resolution to authorize the Board to borrow beyond the prescribed limits which will exceed the aggregate of the paid-up capital and free reserves.

In view thereof, it is proposed to obtain a fresh approval of Shareholders by a Special Resolution

The resolution as above is placed before the shareholders for approval.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in this resolution.

Item No. 9 & 10 :

It is proposed to alter the Capital Clause contained in the Memorandum and Articles of Association by entirely replacing the existing Capital clause with a new Capital Clause. The modification and alteration of the Capital Clause in the Memorandum and Articles of Association is done in accordance with all the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The Amendment in the Capital Clause of the Memorandum and Articles of Association can be made by way of passing of Special Resolution at the General Meeting.

The resolutions as above are placed before the shareholders for approval.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in this resolution.

Item No. 11 :

The Company held 2,93,34,310 shares in erstwhile Nagarjuna Fertilizers and Chemicals Limited, a Company then listed on the BSE and National Stock Exchange of India Limited, which shares were acquired from open market for a total consideration of ₹ 9,059.48 Lacs (Book Value) of original investment.

Pursuant to the sanction of Scheme of Arrangement and Amalgamation (Scheme) between iKisaan Limited, Kakinada Fertilizers Limited, erstwhile Nagarjuna Fertilizers and Chemicals Limited and Nagarjuna Oil Refinery Limited, the Company was allotted 3,22,67,741 shares in Kakinada Fertilizers Limited (KFL). KFL later changed its name to Nagarjuna Fertilizers and Chemicals Limited (NFCL).

The Company as on date holds 3,22,67,741 shares (Said Shares) of Nagarjuna Fertilizers and Chemicals Limited (NFCL) representing 5.40 % of the equity share capital of NFCL. The shares of NFCL are pending listing on BSE and National Stock Exchange of India Limited and presently not being traded. The book value of the NFCL post the scheme is ₹ 2,115.39 lacs The Company proposes to sell the same to Zuari Agro Chemicals Limited (ZACL).

ZACL is a related party within the meaning of Section 2 (76) of the Companies Act, 2013 and thus the transaction requires approval of the members by a special resolution. Section 188 (1)(b) of the Companies Act, 2013 requires that any contract or arrangement entered into for selling or otherwise disposing of, or buying property of any kind which is not in the ordinary course of business shall require approval of the shareholders by a special resolution. Section 188 (3) also provides that where any contract or arrangement is entered into without obtaining the consent of the shareholders, the same can be ratified by the shareholders by passing a special resolution in the general meeting within a period of 3 months from the date on which such contract or arrangement was entered into.

The particulars as required under Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 is given below:

a) Name of the Related Party – Zuari Agro Chemicals Limited (ZACL)

b) Name of the Director or Key Managerial Personnel who is related, if any

Mr. Saroj Kumar Poddar, Mr. Suresh Krishnan, Mr. J.N. Godbole and Mr. Marco Wadia are also Directors in ZACL. Mr. Saroj Kumar Poddar holds 79406 shares in ZACL and Marco Wadia holds 2811 Shares in ZACL. These Directors do not have any financial or other interest in the proposed transaction other than their Directorship and shareholding.

None of the other directors or key managerial personnel of the Company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in the resolution.

c) Nature of Relationship – Zuari Agro Chemicals is an Associate of Zuari Global Limited

d) Nature, material terms, monetary value and particulars of the contract or arrangement

Nature – Sale of Shares of NFCL

Monetary Value ₹ 2,115.39 Lacs being Book Value of the investments of NFCL held by ZGL as per the latest audited financial statements as of 31st March, 2014 or at the market price when the shares are listed, whichever is higher.

Material terms and particulars –

Sale of 3,22,67,741 shares (Said Shares) of (NFCL) representing 5.40 % of the equity share capital of NFCL between the Company and ZACL.

Pursuant to the listing of NFCL shares on the stock exchanges and on commencement of trading activity or within a period of 8 months from the date of approval of the shareholders whichever is earlier, Zuari Agro Chemicals Limited ("ZACL") proposes to purchase the Said Shares from your company for a consideration that shall be at par with the market value of the NFCL shares or book value of the investments held by ZGL as per the latest audited financial statements as of 31st March, 2014, whichever is higher. However, pending the same, the company desires to enter into a Memorandum of Understanding for sale of the Said Shares.

e) Any other information relevant or important for the members to make a decision on the proposed transaction :

None

Item no. 12.

Zuari Global Limited (ZGL) will make payment of ₹ 2.75 Crore to Zuari Investments Limited (ZIL) towards purchase of 25,00,000 equity Equity shares of Zuari Financial Services Ltd (ZFSL). Consequent to the above purchase ZFSL shall become a 100% subsidiary of your Company.

ZIL is a related party within the meaning of Section 2 (76) of the Companies Act, 2013 and thus the transaction requires approval of the members by a special resolution. Section 188 (1)(b) of the Companies Act, 2013 requires that any contract or arrangement entered into for selling or otherwise disposing of, or buying property of any kind which is not in the ordinary course of business shall require approval of the shareholders by a special resolution. Section 188 (3) also provides that where any contract or arrangement is entered into without obtaining the consent of the shareholders, the same can be ratified by the shareholders by passing a special resolution in the general meeting within a period of 3 months from the date on which such contract or arrangement was entered into.

The particulars as required under Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 is given below:

a) Name of the Related Party – Zuari Investments Limited (ZIL)

b) Name of the Director or Key Managerial Personnel who is related, if any

Mr. Suresh Krishnan is a Director in ZIL.

None of the other directors or key managerial personnel of the Company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in the resolution.

c) Nature of Relationship

Zuari Investments Limited is a Wholly Owned Subsidiary of your Company.

d) Nature, material terms, monetary value and particulars of the contract or arrangement

Nature – Purchase of Shares of ZFSL

Monetary Value ₹ 2.75 Crore, being the book value of ZFSL as per latest audited balance sheet, i.e., 31st March, 2014.

Material terms and particulars –

e) Any other information relevant or important for the members to make a decision on the proposed transaction:

None

By Order of the Board of Directors

K. G. Prabhu
Company Secretary

Date : 11th July, 2014
Registered Office: Jai Kisaan Bhawan,
Zuarinagar - Goa 403 726

ZUARI GLOBAL LIMITED

Registered Office :
Jai Kisaan Bhawan, Zuarinagar, Goa 403 726
CIN: L65921GA1967PLC000157
Web : www.adventz.com
Tel. 91-0832-2592431, Fax : 91-0832-2555279

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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : _____ E-mail Id : _____

Registered address : _____

Folio No/ Client Id : _____ DP/ID : _____

I/We, being the member (s) of _____ shares of Zuari Global Limited, hereby appoint

(1) Name : _____ Address : _____ E-mail id : _____ or failing him;

(2) Name : _____ Address : _____ E-mail id : _____ or failing him;

(3) Name : _____ Address : _____ E-mail id : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Monday the 1st day of September, 2014 at 11:00 a.m. at the Registered Office of the Company at "Jai Kisaan Bhawan", Zuarinagar, Goa 403 726 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	Optional*	
		For	Against
ORDINARY BUSINESS			
1	Adoption of Financial Statements for the year ended March 31, 2014.		
2.	Declaration of Dividend on Equity Shares.		
3.	Re-appointment of Mr. N. Suresh Krishnan, who retires by rotation.		
4.	Re-appoint M/s. S.R. Batliboi & Co., LLP, Chartered Accountants, Registration No. 301003E as Statutory Auditors of the Company.		
SPECIAL BUSINESS			
5.	Appointment of Mr. Marco Wadia as an Independent Director.		
6.	Appointment of Mr. D.B. Engineer as an Independent Director.		
7.	Appointment of Mr. J.N. Godbole as an Independent Director.		
8.	To authorise Board of Directors of the Company to borrow from time to time.		
9.	To alter Clause V of the Memorandum of Association of the Company.		
10.	To alter Article 3 of the Articles of Association of the Company.		
11	To ratify the proposal approved by the Board of Directors for sale of 3,22,67,741 shares of Nagarjuna Fertilizers and Chemicals Limited held by the Company.		
12	To ratify the proposal approved by the Board of Directors for purchase of 25,00,000 equity shares of Zuari Financial Services Limited (ZFSL) from Zuari Investment Limited.		

Signed this _____ day of _____ , 2014

Affix ₹ 1 Revenue Stamp

_____
Signature of shareholder

_____
Signature of first Proxy holder

_____
Signature of Second Proxy holder

_____
Signature of third Proxy holder

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

4. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 46th Annual General Meeting.

5*. This is only Optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

6. Please complete all details including details of member(s) in above box before submission.

7. All the Members wishing to ask questions during the 46th Annual General Meeting should forward them to the registered office, 7 days before the date of annual general meeting.

ZUARI GLOBAL LIMITED

CIN :L65921GA1967PLC000157
Registered Office : Jai Kisaan Bhawan, Zuarinagar, Goa 403 726.
Web : www.adventz.com, Tel. 91-0832-2592431, Fax : 91-0832-2555279

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint shareholders may obtain additional Slip at the venue of the meeting.

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

Name and Address of the Shareholder : _____

I/We hereby record my / our presence at the 46th Annual General Meeting of the Company on Monday the 1st day of September, 2014 at the Registered Office of the Company at "Jai Kisaan Bhawan", Zuarinagar, Goa 403 726 at 11:00 a.m.

*Applicable for investors holding shares in electronic form.

_____
Signature of the Shareholder / Proxy

adventz

ANNUAL REPORT
2013 – 2014

DIRECTORS	:	Saroj Kumar Poddar, Chairman
		H. S. Bawa, Executive Vice Chairman (upto 31st August, 2013)
		N. Suresh Krishnan
		Jyotsna Poddar, Whole time Director
		Shyam Bhartia (upto 29th April, 2013)
		D. B. Engineer
		J. N. Godbole
		Marco Wadia
COMPANY SECRETARY	:	K. G. Prabhu
BANKERS	:	State Bank of India
	:	HDFC Bank Limited
LEGAL ADVISERS	:	Khaitan & Co., Kolkata
AUDITORS	:	S. R. Batliboi & Co. LLP
		Chartered Accountants, Gurgaon
REGISTERED OFFICE	:	Jai Kisaan Bhawan
		Zuarinagar, Goa 403 726.

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

DIRECTORS' REPORT

To the Members,

1. Your Directors place before you the Forty-Sixth Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2014.

2. Financial Results and Appropriation:

₹ In Lacs

Particulars	**Current Year 2013-14**	Previous Year 2012-13
Profit for the year before depreciation and taxation	**5,595.30**	3,341.17
Less :Depreciation for the year	**11.81**	11.81
Profit/(loss) before tax	**5,583.49**	3,329.36
Less : Provision for taxation – Current Tax	**1,159.12**	470.19
– Tax adjustment relating to earlier year	**2,009.84**	137.16
– Deferred Tax charge	**(27.10)**	26.69
– MAT Credit Entitlement	**(172.31)**	–
Profit/(loss) after tax	**2,613.94**	2,695.32
Add : Balance of profit brought forward	**53,824.28**	52,317.84
Less : Transfer to general reserve	**500.00**	500.00
Proposed Dividend : 10% (Previous Year 20%)	**294.41**	588.81
Tax on dividend (Including Surcharge)	**50.03**	100.07
Balance of profit carried forward	**55,593.78**	53,824.28

The revenue from operations for the year ended 31st March, 2014 was ₹ 16,982.15 Lacs as compared to ₹ 9,954.05 Lacs for the previous year ending 31st March, 2013. The Profit before tax for the year ended 31st March, 2014 was ₹ 5,583.49 Lacs as compared to ₹ 3,329.36 Lacs for the year ending 31st March, 2013. The Profit after Tax stood at ₹ 2,613.94 Lacs for the year ending 31st March, 2014 as compared to ₹ 2,695.32 Lacs for the previous year ending 31st March, 2013.

3. Dividend:

The Directors recommend a dividend of ₹1/- per equity share (₹2/- per equity share in the previous year).

4. Debt Servicing:

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

5. 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. 65 deposits amounting to ₹13.32 Lacs 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 ₹6.56 Lacs towards unclaimed / unpaid deposits and interest thereon to 'The Investors Education and Protection Fund', pursuant to Section 205 C of the Companies Act, 1956.

6. Directors:

The Companies Act, 2013 contains provisions with regard to appointment of Independent Directors. Section 149 (10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company. Section 149 (11) provides, no Independent Director shall hold office for more than two consecutive terms.

Mr. D.B. Engineer, Mr. Marco Wadia and Mr. J.N. Godbole, all being non-executive and independent directors were appointed as Directors liable to retire by rotation under the provisions of the Companies Act, 1956. It is proposed to appoint them for a term of 5 years in accordance with the provisions of the Companies Act, 2013.

Mr. N. Suresh Krishnan retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

. The brief profile of other directorship and committee membership of all the above Directors are given in the Report on Corporate Governance attached as Annexure 'A' to this report.

Mr. H.S. Bawa resigned as Director of the Company on 1st September, 2013. The Board places on record its appreciation for invaluable contribution by Mr. H.S. Bawa to the Company, during his tenure as Director.

7. Auditors:

The Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Gurgaon, Statutory Auditors of the Company who retire in the forthcoming Annual General Meeting and are eligible for re-appointment. As per section 139 of the Companies Act, 2013 and Rules made thereunder M/s. S.R. Batliboi & Co., LLP are being appointed as Auditors from the conclusion of the Forty-Sixth Annual General Meeting till the conclusion of the Forty-Ninth Annual General Meeting subject to ratification by members at every Annual General Meeting.

8. 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 during the year.

9. Foreign Exchange earnings and outgo:

Foreign exchange earnings and outgo is noted under financial statements having reference Nos. 29, 30, 31 and 32 of the Annual Report and Accounts.

10. Personnel:

The industrial relations with the employees continues to be harmonious.

Particulars of employees as required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However, in pursuance of section 219(1) (b) (iv) of the Companies Act, 1956, this report is being sent to all the members of the Company excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company. The members desirous of obtaining such particulars may write/email to the Company Secretary.

11. Internal Complaints Committee :

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment.

12. 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 dated February 8, 2011 issued by the Ministry of Corporate Affairs, the Board of Directors at its Meeting held on 6th February, 2014, decided not to attach the Balance Sheet i.e. financial information of subsidiaries. Accordingly, the Balance Sheet, 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 its Subsidiaries.

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

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 world class facility at Chennai. Apart from Home Furniture & Institutional Furniture manufacturing, it has added Modular Kitchen & Wardrobes manufacturing line in 2013-14 which is also marketed under brand Style Spa.

General economic slump and workmen strike during 1st quarter combined with major revamping of its business operations restricted annual Sales volumes to ₹12,300 Lacs as against ₹14,700 Lacs of previous year.

Dedicated Institutional Business division has been created in IFPL and is now fully operational with market expansion underway. This division will focus on Office Interiors, Education Interiors & Hospitality Interiors business segments.

Having executed the major improvements, the Company will be reinforcing Zuari Brand with aggressive marketing to strengthen and expand Zuari furniture distribution business during 2014-15.

As part of consolidation and optimization strategy, IFPL has amalgamated Style Spa Furniture Ltd which is another subsidiary of your Company with effect from 01-04-2014. Style Spa Furniture Limited, is the largest Furniture retail chain in India with 110 retail stores spread across 67 cities in the country. IFPL will thus emerge as a very strong consolidated & integrated Furniture-Interiors Manufacturer with Pan India Retail & Distribution operations base conducting business with Zuari Furniture & Style Spa Furniture brands.

c. Simon India Limited :

Simon India Limited (SIL) has achieved a turnover of ₹ 21742.46 Lacs during the period from 1st April, 2013 to 31st March, 2014, and is currently executing several major projects in India and overseas.

The project activities of "Ammonia Emission Abatement & New Vent Gas Flare System" for Saudi Basic Industrial Corporation (SABIC) in their four fertilizer plants at Jubail, Saudi Arabia are completed after the performance guarantee test of last Ammonia Scrubber was also completed successfully.

Following major projects were completed and closed in 2013-14 :

1. 600 TPD Granulated SSP Fertilizer Project on EPC basis for Chambal Fertilisers and Chemicals Limited at Gadepan
2. New retrofit HRS Tower for IFFCO, Paradeep on EPC basis.
3. New Sulphuric Acid storage tank for Paradeep Phosphates Limited, (PPL), Paradeep on EPC basis.

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

- Modification in storage facilities for Phosphoric Acid for Paradeep Phosphates Limited (PPL) on EPC basis.
- New Sulphuric Acid Plant of capacity 2000TPD with captive power plant (23 MW) and heat recovery system with MECS USA design for the existing Sulphuric Acid plants on EPC basis for PPL.
- 600 TPD Granulated Single Super Phosphate Project at Mahad for Zuari Fertilisers & Chemicals Limited. (ZFCL) on EPC basis.
- New Chlor-Alkali Plant for KLJ-Qatar in Qatar on EPCM basis.
- New Urea Scrubber plant for Waterleau for their end-client in Iran on EPCM basis.

d. Zuari Infraworld India Limited :

Zuari Infraworld India Limited, (ZIIL), (formerly known as Adventz Infraworld India Limited), a wholly owned subsidiary of your Company represents the group's foray into Real Estate Sector.

Projects under Execution

Zuari Garden City Project, Mysore:-

The Company is in an advanced stage of completing 1st Phase namely Kabini and Kapila consisting of 217 villas. The registration of units in favour of Customers has just started and handing over of the villas is expected to commence in May 2014.

During the financial year, the Company has launched 2nd Phase of Residential Development consisting of "468" Apartments ranging from 2BHK to 4BHK. As of 31st March 2014, the Company has sold "72" units for a value of ₹ 3345 Lacs. All the required permissions and approvals have been received and the construction work has commenced.

Zuari Infraworld India Limited won the "Best Landscaping Award 2013" from CREDAI, Mysore and also won a first Prize for growing and maintaining Bermuda lawn in a park 6 during competition organized by State Horticulture department and district administration on the occasion of Mysore Dasara Festival.

New Projects:-

Mayavan Project, Vrindavan, Mathura:-

During the year, the Company has entered into an Memorandum of Understanding with M/s. Brajbhumi Nirmaan Private Limited to invest 25% Equity for "Mayavan Project" located at Vrindavan, Mathura, spread over 140 Acres. The Company has also received the mandate to act as "Development Manager" for the said project.

The Project will be developed in a phased manner in 6 to 7 years. The 1st Phase in 36 Acres consisting Villas (23 Acres) and Plotting (13 Acres) has been launched. The Sales response is satisfactory and the Land Development works are in progress.

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 (ZIL), a subsidiary of Zuari Global Limited, is engaged in the distribution of financial products and is focused to be a single window for all leading financial institutions offering all financial products/services under one roof.

The company is a member of both, National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), for Cash, Derivative and Currency Segments. It is a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Besides being empanelled with Association of Mutual Fund of India (AMFI) 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 (SEBI). In addition to the above, the

company is also engaged in the distribution of mortgage and real estate products.

Zuari Insurance Brokers Limited:

Zuari Insurance Brokers Limited, a subsidiary of ZIL, is registered with the Insurance Regulatory and Development Authority (IRDA) and provides complete Insurance solutions to Individuals & Corporates as an Insurance broker. The company also caters to the entire in-house Insurance requirements of the Adventz group.

Zuari Commodity Trading Limited :

Zuari Commodity Trading Limited, a subsidiary of ZIL, is a member of National Commodity Derivative Exchange Limited (NCDEX) and Multi Commodity Exchange Limited (MCX), providing commodity trading services to the clients.

g. Style Spa Furniture Limited

Style Spa Furniture Limited has commenced the rejuvenation of its Style Spa brand identity and has launched large format Style Spa Interiors Flagship stores in Mumbai, Bangalore, Delhi-NCR, Cochin & Hyderabad. These new retail formats are built on modernized lifestyle consumer retail experience model and offer larger variants across Home Furniture-Décor, Modular Kitchens & Office-Institutional Interior categories, thereby graduating from the existing small format stores. It is planned to accelerate set up of such Stores in all metros during 2014-15.

Style Spa also ventured into digital space in 2013-14 by launching its online ecommerce platform to complement the existing retail store operations and creating a hybrid business model.

13. Joint Ventures:

a. Gulbarga Cement Limited :

Gulbarga Cement Limited is a joint venture with Zuari Cement Limited, an Italcementi Group Company. Your Company holds 10.09% stake in the equity capital of GCL. GCL was established for setting up of a 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 the 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 the 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 the 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 of 7000 TPD of Clinker & 9000 TPD of cement.

b. MCA Phosphates Pte Limited :

During the current year, your company transferred its investments in MCA Phosphates Pte Limited, (MCA), a company incorporated in Singapore, to M/s Zuari Agro Chemicals Limited.

c. Zuari Indian Oiltanking Limited :

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

The Company provides terminalling services to Hindustan Petroleum Corporation Limited, Indian Oil Corporation and Bharat Petroleum Corporation Limited. For the year 2013-14, the Oil Terminal has achieved a throughput of 442075 KL.

14. Associates :

Zuari Agro Chemicals Limited :

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

15. Corporate Governance:

The Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement is enclosed as Annexure 'A'. The Auditor's Certificate on Compliance of conditions of Corporate Governance is enclosed as Annexure 'B', Declaration of Whole Time Director is enclosed as Annexure 'C' and the Management Discussion & Analysis is enclosed as Annexure 'D'.

16. 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 (www.adventz.com) regularly.

17. 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 on 31st March, 2014 and of the profit and loss account for the period ended 31st March, 2014;

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.

18. Directors Comments on Audit Report :

Your Director's refer heading 'Basis for qualified opinion' in Auditor's Report and the comments of the Board on the opinion is 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 and Amalgamation. The Company has received equity shares of Nagarjuna Oil Refinery Limited (NORL) pursuant to the Scheme of Arrangement and Amalgamation between ikisan Limited, Kakinada Fertiliers Limited, NFCL and NORL.

The equity shares of NORL are listed on the stock exchange and equity shares of NFCL are yet to be listed on the Stock Exchanges as the approval from SEBI is pending under Rule (19)(2)(b) of the Securities Contracts (Regulations) Act, 1956.

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

19. Director's Comments on Corporate Governance Certification:

Your Director's refer to the qualifications in the Auditor's Report on the Certificate on Corporate Governance and comments of the Board on the same is as below :

Your Company is complying with the conditions regarding Composition of the Board of Directors with regard to the number of Independent Directors on the Board w.e.f. 1st September, 2013.

Your Company had designated Mr. H.C. Shah, General Manager- Finance and Accounts to attend to the duties of the Secretary to the Audit Committee due to the resignation of the Company Secretary. The Company has now appointed a Company Secretary who is also a compliance officer.

Your Company is taking steps to appoint an Independent Director on the board of materially unlisted subsidiary company.

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

S. K. Poddar
Chairman

Date : 8th May, 2014
Place : Gurgaon

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Report on Corporate Governance

1. Company's Philosophy on the 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 with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and continues with its initiatives towards the 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 make all adhere to the code in all its respects.

A declaration by the Whole Time Director affirming compliance with the code of conduct by all the Board members and senior management personnel is provided as Annexure 'C' to the Directors' Report.

2. Board of Directors

The Board of Directors of the Company comprises six members which include, Whole Time Director and five Non-Executive Directors. More than half of the Board comprises Independent Directors and Non-Executive Directors which is in compliance with the requirements of Clause 49 (1)(A). The other related information concerning the Board is given hereunder.

During the year under review, four Board meetings were held on 9th May, 2013, 30th July, 2013, 12th November, 2013 and 6th February, 2014.

Attendance of each Director at the Board of Directors' meetings, the last Annual General Meeting and number of Companies and Committees where he/ she 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 Committeesof all CO's.*	
						Chairman	Member
S. K. Poddar	Promoter / Chairman	13	4	880933	No	1	1
H. S. Bawa***	Executive Vice Chairman	12	2	NIL	No	NA	4
N. Suresh Krishnan	NED	13	4	NIL	Yes	2	5
D. B. Engineer	NED / I	6	4	NIL	Yes	2	3
J. N. Godbole	NED / I	14	4	NIL	Yes	3	8
Jyotsna Poddar	Whole Time Director	9	2	471621	No	N.A.	N.A.
Marco Wadia	NED / I	11	4	2,811	Yes	4	7
Akshay Poddar $	NED	12	2	137153	No	1	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.
*** Ceased to be Director effective 1st September, 2013.
$ An alternate to Mrs. Jyotsna Poddar. Mr. Akshay Poddar ceased to be an alternate Director w.e.f. 8th May, 2014.

3. Retirement of Directors by rotation and re-appointment

Mr. Marco Wadia, Mr. J.N. Godbole and Mr. D.B. Engineer being Independent Directors are being appointed for a term of five years in accordance with the provisions of Section 149 of the Companies Act, 2013.

Mr. N. Suresh Krishnan is liable for retirement by rotation and is eligible for re-appointment during the forthcoming Annual General Meeting.

As required under Clause 49 of the listing agreement, brief profiles and information regarding other directorships of the Directors, is given here below

Mr. N. Suresh Krishnan

Mr. N. Suresh Krishnan, has 27 years of corporate experience in fertilizers, energy, infrastructure and cement sector. Mr. N. Suresh Krishnan has been associated with Zuari Industries Limited (ZIL) and related companies for over nearly two decades in various capacities including as Chief Financial Officer of ZIL and Zuari Cement Limited.

His functional experience spans corporate finance, corporate strategy, projects planning, operations and business development. Over the years, he has been instrumental in financing of large greenfield projects in the domestic and international markets, forging and managing joint ventures and acquisitions, and in executing turnaround strategies alongside day-to-day operations in the manufacturing sector.

Mr. N. Suresh Krishnan is on the Board of Directors of several Companies including Zuari Agro Chemicals Limited (Managing Director), Zuari Investments Limited, Indian Furniture Products Limited and Zuari Maroc Phosphates Limited (Managing Director). Mr. N. Suresh Krishnan is an alumnus of BITS (Pilani).

Names of the Indian Public Limited Companies in which Mr. N. Suresh Krishnan is a Director is given below:

Sr.No.	Name of the Company
1.	Zuari Maroc Phosphates Limited
2.	Zuari Management Services Limited
3.	Zuari Investments Limited
4.	Zuari Seeds Limited
5.	Indian Furniture Products Limited
6.	Zuari Infraworld India Limited
7.	Gulbarga Cement Limited
8.	Zuari Fertilisers and Chemicals Limited
9.	Zuari Agro Chemicals Limited
10	Adventz Industries India Limited
11.	Zuari Global Limited
12.	Zuari Rotem Specialty Fertilisers Limited
13.	Gobind Sugar Mills Limited

Mr. Marco Wadia

Mr. Marco Wadia is B.A. (Hons.) L.L.B. and a practicing Advocate since 1986, specialising in corporate matters and is currently, a partner in the firm of Crawford Bayley & Co., Mumbai.

Names of the Indian Public Limited Companies in which Mr. Marco Wadia is a Director:

Sr.No.	Name of the Company
1.	Zuari Agro Chemicals Limited
2.	Chambal Fertilisers and Chemicals Limited
3.	Johnson & Johnson Limited
4.	Jost's Engineering Co. Limited
5.	Simon India Limited
6.	Stovec Industries Limited
7.	Zuari Maroc Phosphates Limited
8.	Paradeep Phosphates Limited
9.	Zuari Infraworld India Limited
10.	Zuari Global Limited
11.	Gobind Sugar Mills Limited

Mr. Wadia is a Director of your Company, as well as a member of the Audit Committee of the Company and Stovec Industries Ltd. He is also a member of the Investors' Grievance Committee of the Company and Josts Engineering Co. Ltd.

Mr. Wadia is a Chairman of the Audit Committee of Chambal Fertilisers and Chemicals Limited, Johnson & Johnson Limited and Simon India Limited.

Mr. Marco Wadia holds 2811 shares in the Company.

Mr. Jayant N. Godbole

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

Mr. Godbole has 37 years of diverse experience and has served in various capacities ranging from being a Production-in-Charge in a private sector SSI, a Development banker with the Industrial Development Bank of India (IDBI), which is the apex term lending Development Bank of the Government of India to being the Advisor to the State Government of Sabah in Malaysia.

In Sabah, he advised the Government regarding the implementation of a $ 700 million pulp, paper and timber complex. He was also directly involved in the 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 rose to become the Chairman and the Managing Director of the company. He chaired the Empowered Group of Corporate Debt Restructuring (CDR) mechanism during 2002- 2004 and was instrumental in reviving and preventing the formation of Non-Performing Assets (NPAs) with debts of $ 17 Billion from the Indian Banking Sector.

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

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

Sr. No.	Name of the Company
1.	J K Cements Limited
2.	Gillander Arbhutnot & Co. Limited
3.	Emami Paper Mills Limited
4.	Kesar Terminals & Infrastructure Limited
5.	Zuari Agro Chemicals Limited
6.	Gujarat Alkalies and Chemicals Limited
7.	IITL Projects Limited
8.	EMBIO Limited
9.	Kesar Multimodal Logistics Limited
10.	Zuari Global Limited
11.	Saurashtra Cement Limited
12.	Madhya Bharat Papers Limited
13.	IMP Powers Limited
14	IDBI Asset Management Limited

Mr. D.B. Engineer

Mr. D.B. Engineer, is a B.A. (Hons.) LLB. He is a senior Solicitor and an Advocate, Bombay High Court, Senior Partner of Crawford Bayley & Co., Solicitors and Advocates with a standing in the legal profession spanning about 57 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 the Corporate, Civil, Revenue and Criminal Law. He has considerable background and experience of legal and financial matters pertaining to corporations.

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

Sr. No.	Name of the Company
1.	Forvol International Services Ltd.
2.	Foods & Inns Ltd.
3.	Nilkamal Plastics Ltd.
4.	PCS Industries Ltd
5.	Welspun India Ltd.
6.	Zuari Global Limited

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 invitee includes General Manager – Finance & Accounts. The Committee has met 6 times during the financial year ended 31st March, 2014.

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	6
Mr. Marco Wadia	Member	6
Mr. J.N. Godbole	Member	6
Mr. N. Suresh Krishnan	Member	6

b) Stakeholders' Relationship Committee(Investors' Grievance Committee):

Stakeholders Relationship Committee comprises of two Independent Directors and a Non-Executive Director. The Board had designated Mr. H. C. Shah, General Manager – Finance & Account as the Compliance Officer in the interim period, consequent to resignation by the Company Secretary. Mr. K.G. Prabhu, Company Secretary has been appointed as a Compliance Officer.

Terms of Reference:

The Board has constituted Stakeholders Relationship Committee which oversees the performance of the share transfer work and recommends measures to improve the level of investor services. 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 51 complaints received during the year out of which 48 complaints were resolved and three complaints were outstanding as on 31st March, 2014. There were no share transfers pending as on 31st March, 2014.

During the year the Committee had met 6 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	5
Mr. Marco Wadia	Member	6
Mr. H. S. Bawa*	Member	0

* upto 31st August,2013

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

₹ in lacs

Executive Directors	Salary	Perquisites	Retirement benefits
H.S. Bawa	96.07	4.88	16.20
Mrs. Jyotsna Poddar	60.00	0.79	4.32

a. The term of Executive Vice Chairman was 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, 2014 for attending the meetings of the Board and the Committees thereof:

Sr. No.	Name of Director	Amount (₹)
1.	Mr. S.K. Poddar	67,500
2.	Mr. D.B. Engineer*	1,57,500
3.	Mr. J.N. Godbole	1,05,000
4.	Mr. Marco Wadia*	1,65,000
5.	Mr. Akshay Poddar	15,000
6.	Mr. N. Suresh Krishnan	1,12,500

* 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 ₹ 23.3 lacs 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
2010-2011	Jai Kisaan Bhawan, Zuarinagar, Goa 403726	19-9-2011	10.30 a.m.	YES
2011-2012	-same as above-	10-9-2012	10.30 a.m.	YES
2012-2013	-same as above-	25-9-2013	10.30 a.m.	YES

A) Special Resolutions Passed

a) Special Resolutions passed in the Annual General Meetings / Extra Ordinary General Meetings held during last three financial years and details of resolutions passed through postal ballot during the last year are as follows:

1) Details of Special resolutions:

Financial Year	Date of AGM/EGM	Particulars of Special Resolution	
2012-13	September 25, 2013	1.	Purchase of equity shares of Texmaco Rail & Engineering Limited (TREL) for an amount not exceeding ₹5 crores
		2.	Purchase of equity shares of Zuari Agro Chemicals Limited (ZACL) for an amount not exceeding ₹25 crores
		3.	Commencement of New Business activities
2011-12	September 10, 2012	1.	Purchase of Equity shares of ₹ 1/- each of Texmaco Infrastructure and Holdings Limited for an amount not exceeding ₹ 50 crores
2010-11	September 19, 2011	1.	Alteration of the Articles of Association of the Company..
		2.	Appointment of Mr. N. Suresh Krishnan as Managing Director

2) Details of special resolution passed through Postal Ballot during the financial year 2013-14:

i) Shareholders of the company have approved to provide the Corporate Guarantee on behalf of Gobind Sugar Mills Limited for an amount not exceeding ₹ 50 Crores.

Date of Postal ballot Notice.	Details of the Resolutions passed	Result of the postal ballot
May 9, 2013	Consent of the Company pursuant to Section 295, 372A of the Companies Act 1956 accorded to provide Corporate Guarantee on behalf of Gobind Sugar Mills Limited for an amount not exceeding ₹ 50 Crores, notwithstanding that such guarantee, including investments and loans will be in excess of limits prescribed under Section 372A or that such guarantee together with company's investments, loans and guarantees in all other bodies corporate will exceed the limit as mentioned in Section 372A of the Companies Act, 1956	Special resolution was passed by Shareholders with majority

The details of postal ballot result and voting pattern;

Particulars	No. of postal ballot forms	No. Of Shares
Total postal forms received	90	2,10,87,831
Less: Invalid postal ballot forms	13	4,72,280
Net valid postal ballot forms	77	2,06,15,551
Postal ballot forms with assent for the Resolution	62	1,86,68,553
Postal ballot forms with dissent for the Resolution	15	19,46,998

Adv. S.M. Sanzgiry, the Scrutinizer conducted the Postal Ballot process in a fair and transparent manner.

ii) Shareholders of the Company have approved the amendment to the Object Clause contained in Clause III (C) of the Memorandum of Association of the Company by inserting the following new sub clause (24) after the existing Sub Clause (23).

Date of Postal ballot Notice	Details of the Resolutions passed	Result of the postal ballot
July 30, 2013	Shareholders of the Company have approved the amendment to the Object Clause contained in Clause III (C) of the Memorandum of Association of the Company by inserting the following new sub clause (24) after the existing Sub Clause (23).	Special resolution is passed by Shareholders with majority

The details of postal ballot result and voting pattern;

Particulars	No. of postal ballot forms	No. Of Shares
Total postal forms received	78	1,95,20,950
Less: Invalid postal ballot forms	6	320
Net valid postal ballot forms	72	1,95,20,630
Postal ballot forms with assent for the Resolution	68	1,95,20,190
Postal ballot forms with dissent for the Resolution	4	440

Adv. S.M. Sanzgiry, the Scrutinizer conducted the Postal Ballot process in a fair and transparent manner.

7. Disclosures

A) 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.

B) 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.

C) The Company has complied with all mandatory requirements as stated in Clause 49 of the Listing Agreement except for the following :

i) The Company has not appointed an independent director in a material unlisted subsidiary and is taking steps to appoint the same during the current year.

ii) The Company was not complying with the conditions regarding Composition of the Board of Directors with regard to the number of Independent Directors on the Board upto 31st August, 2013. However the same has been complied w.e.f. 1st September, 2013.

iii) The Company had designated Mr. H.C. Shah, General Manager- Finance and Accounts to attend to the duties of the Secretary to the Audit Committee due to the resignation of the Company Secretary. The Company has now appointed a Company Secretary who is also compliance officer.

8. Means of communication

a. Half-yearly Unaudited financial results;

Unaudited financial results for the half-year ended 30th September, 2013 were sent to each household of shareholders, apart from publishing in one National Daily and Local dailies, one of which is in a vernacular language.

b. Quarterly Results:

Quarterly results are published in one National Daily and Local dailies, one of which is 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 Whole Time Director 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 'C'.

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 Shareholder Information:

a. Annual General Meeting :

Annual General Meeting will be held on 1st September, 2014 at 11.00 A.M. at Jai Kisaan Bhawan, Zuarinagar, Goa.

b. Financial calendar (Tentative)

Results for the quarter ended 30th June, 2014	– 2nd week of August, 2014
Results for the half-year ended 30th Sept. 2014	– 2nd week of November, 2014
Results for the quarter ended 31st Dec. 2014	– 2nd week of February, 2015
Audited Annual Results 2014-15	– May, 2015

c. Date of book closure : 2nd July, 2014 to 9th July, 2014 (inclusive of both days)

d. Dividend payment date:

On or after 5th September, 2014 but within the time stipulated under the Companies Act, 2013.

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

f. Listing on Stock Exchanges:

The Company's equity shares are listed on:

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

The Company has paid listing fees to all the stock exchanges in time.

g. Stock Code:

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

h. Stock Market Data:

High/low share prices during the year 1st April, 2013 to 31st March, 2014:

Month	High	Low	BSE Sensex	
			High	Low
April, 2013	79.95	68.10	19622.68	18144.22
May, 2013	73.00	61.05	20443.62	19451.26
June, 2013	66.40	49.30	19860.19	18467.16
July, 2013	57.00	42.70	20351.06	19126.82
August, 2013	59.50	39.50	19569.20	17448.71
September, 2013	55.25	51.00	20739.69	18166.17
October, 2013	57.15	51.00	21205.44	19264.72
November, 2013	82.00	51.20	21321.53	20137.67
December, 2013	88.45	70.00	21483.74	20568.70
January, 2014	79.95	57.00	21409.66	20343.78
February, 2014	75.00	57.00	21140.51	19963.12
March, 2014	77.00	65.05	22467.21	20920.98

i. Share Transfer System:

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

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
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.com

j. An exclusive e-mail id : investor_redressal@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 is monitored and addressed on daily basis.

k. Shareholding:

The distribution of shareholding as on 31st March, 2014 was as follows:

No. of shares	No. of shareholders	% of shareholders
Upto 500	35250	96.36
501 – 1000	712	1.95
1001- 2000	318	0.87
2001 – 3000	102	0.28
3001 – 4000	49	0.13
4001 – 5000	27	0.07
5001 – 10000	60	0.16
10001 and above	65	0.18
	36583	100.00

Shareholding Pattern as on 31st March, 2014:

Category	No. of shares held	% shareholding
Promoters	19094817	64.86
Banks/Financial Institutions and Insurance Companies	2437234	8.28
Foreign Institutional Investors	1254251	4.26
Mutual Funds	1600050	5.43
NRIs/OCBs	81383	0.28
Private Bodies Corporate	1410277	4.79
Public	3562592	12.10
TOTAL	29440604	100.00

l. Dematerialisation of shares and liquidity:

29026553 equity shares (98.59%) have been dematerialised as on 31st March, 2014.

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@adventz.com and/or investor_redressal@adventz.com
Web site: www.adventz.com

n. Non-Mandatory requirement :

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

ANNEXURE ' B' TO THE DIRECTORS' REPORT

AUDITORS' CERTIFICATE

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, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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 the following:

(i) *As per clause 49 (I) (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 consists of independent directors and in respects of which the Company did not meet the requirement for the period from February 16, 2013 to 30th August, 2013. Considering that a period of 180 days is allowed for the Company to meet this requirement, the Company has exceeded the permissible time limit by 16 days in complying with this requirement.*

(ii) *As per clause 49 (II) (A) (vi) of the Listing Agreement, which requires that the Company Secretary shall act as the secretary to the committee and in respect of this the Company is not in compliance of the same in respect of meetings held after 23rd August, 2013 i.e. meetings on 24th September, 2013, 11th November, 2013 and 04th Feb, 2014.*

(iii) *As per clause 49 (III) (i) of the Listing Agreement, which requires that at least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non listed Indian subsidiary company, in respect of which the Company is not in compliance of the same.*

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
ICAI Firm registration number: 301003E

per Anil Gupta
Partner
Membership No.: 87921

Place : Gurgaon
Date: 8th May, 2014

ANNEXURE 'C' TO THE DIRECTORS REPORT

DECLARATION OF WHOLE TIME DIRECTOR

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Jyotsna Poddar, Whole Time Director of Zuari Global Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2013-14.

Place : Gurgaon
Date : 8th May, 2014

Jyotsna Poddar
Whole Time Director

ANNEXURE 'D' TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

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

A. Agrochemicals

Presently, the Company is into trading of agri inputs and pesticides.

(i) Global Scenario

The global crop protection market was worth about USD 48.0 billion in the year 2013 and is expected to reach USD 67 billion by 2018, growing at a Compound Annual Growth Rate (CAGR) of about 7% from 2013 to 2018. Herbicides constitute about 50% of the industry share followed by fungicides at 30% and insecticides at 20%. The herbicides market is expected to grow at 6% followed by fungicides at 5.5% and insecticides at 4%. Glyphosate and Atrazine are the highest consumed herbicides globally. Today, newer chemistries keep replacing the older molecules in the fungicides segment.

Growth in the global crop protection market in 2013 was driven by Latin America, particularly, in Brazil and Argentina. Among the Asia Pacific region, which accounts for the largest market size, the Chinese and the Indian crop protection markets displayed a strong growth momentum. On the other hand, in Europe, the growth rates were below the world's market average, mainly due to a late start to the season and adverse weather conditions in northern Europe. The global crop protection market is fairly consolidated with about a dozen companies accounting for over 80% of the market share. Some of the major players in the global crop protection markets are Bayer Crop Science, (Germany), Syngenta Crop Protection AG, (Switzerland), BASF, (Germany), Dow Agroscience (US), Monsanto (US), EI DuPont, (US), Makhteshim-Agam, (Israel), NuFarm, (Australia) and Sumitomo Chemicals (Japan).

(ii) Indian Scenario :

The need of the hour is to increase agricultural productivity in order to feed the increasing population amidst the back drop of a shrinking arable land, a shift in farming practices, adoption of high yielding varieties in seeds, which are the key drivers in the growth of the crop protection market.

Government initiatives such as the National Food Security Mission (NFSM) and the National Horticulture Mission (NHM) which work towards improving the agricultural productivity coupled with increasing awareness about pesticide use among the farmer community are one of the drivers of this industry.

Today, the market size of the Indian agrochemicals industry is around ₹25,000 Crores, out of which about 50% is exported and the balance is consumed domestically. The generic molecules constitute about 65% of the market share. The industry is expected to grow at 6-7 % per annum during this decade.

The Indian market is different from the global industry in terms of consumption patterns. The Indian crop protection industry is largely dominated by insecticides. The tropical climatic conditions and high production of Paddy, Cotton, Sugarcane and other cereals in India drives the consumption of insecticides.

The Indian industry is generic in nature with approximately 80% of the molecules being non- patented. Hence, a strong distribution network and brand image act as competitive factors.

The crop protection chemicals are manufactured as technical grades and converted into formulations for agricultural use. The agrochemicals industry consists of technical grade manufacturers, formulators producing the end products, distributors and end consumers. The technical grade manufacturers sell high purity chemicals to the formulators, who in turn, prepare the formulations by adding inert carriers, solvents, surfactants etc. These formulations are packed for retail and bought by the farmers.

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

The Indian Agrochemicals industry is facing the following challenges:

- Low focus on R&D by domestic manufacturers due to high costs.
- Lack of checks and penalties on companies selling spurious products.
- Long and cumbersome process for registration of innovative products.
- Owing to seasonal and irregular demand on account of monsoons, the industry is suffering from high inventory and long credit periods to the farmers, thus making the operations 'working capital' intensive.

B. New Initiatives

The Company is looking at opportunities in the real estate to make better use of the land owned by it. The Company, through its wholly owned subsidiary, Zuari Infraworld Limited, has gained experience in the business of real estate development. This will enable the company to plan, structure and offer products, meeting customers' demands and be a part of the growing real estate development market.

(iii) Internal Control Systems and their Adequacy

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

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 managing information with adequate security procedure and controls.

The Company places prime importance on an effective internal audit system. During FY 2012-13, the internal audit was carried out jointly by M/s Deloitte Haskins & Sells, Chartered Accountants and an in House Internal Audit team in line with an Internal Audit programme approved 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 the Internal Audits

c. Suggestions received from the Functional Heads, Operational Managers, Senior Executives and members of the Management Committee (MC)

d. Feedback from the Statutory Auditors

e. Internal Control Over Financial Reporting (ICOFR) document and

f. Efficacy of the existing policies, procedures and limits of the financial authority manual.

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

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

(iv) Enterprise Risk Management (ERM)

Risk is an inherent aspect of the dynamic business environment we operate in today. To minimize the adverse impact of risks on our business objectives and enable the Company to leverage market opportunities effectively, the Company conducted an enterprise risk management exercise internally.

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

a. Risk Policy, Framework and Risk Structure for the 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 the senior management. The rating scale comprising financial, operational and regulatory criteria was used to identify –

i. Risks which are key at the Inherent level and the Residual level,

ii. Risks which are key at the Inherent level and non-key at the Residual level.

e. Risk prioritization: Prioritized risks were reviewed by the Corporate Management Committee and Audit Committee of the Board. Risk mitigation strategies have been documented and are being monitored periodically by the management.

f. Risk monitoring: The Management has established a process of bi-annual evaluation of the key risks in the light of internal and external business changes. In order to facilitate this process, the management seeks to

i. Establish key risk indicators and metrics for key and non key risks in order to ensure that the 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 efficacy of mitigating controls.

iii. Review of updates to risk register by respective functions in the bi-annual in-house review conducted to identify and evaluate new risks, if any.

iv. Periodical review of updates to risk register and risk monitoring system by an outside agency

g. The outcome of these risk reviews shall be periodically reviewed by the Corporate 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. A number of change management programmes were initiated with the support of the employees in FY 2013-14, which have started bearing fruit. Open communication has helped the employees to understand the growth opportunities in store for them.

The succession plan for all the levels of management and the HR development plan for organizational growth has helped reduce the average age of the company by 8 years in the last 3 years. A top talent management programme was initiated to ensure retention of the key management staff and high performers.

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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, 2014 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 notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 11(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 ₹ 1056.04 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 and Exchange Board of India. These equity shares in NFCL are carried at value of ₹ 2115.39 lacs. The Company has not made provision for diminution in the value of investment in NROL, 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.

Qualified 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 Companies Act, 1956 ("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 31st March, 2014;

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 Act, 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) *except for the matter(s) described in the Basis for Qualified Opinion paragraph,* 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) *except for the matter(s) described in the Basis for Qualified Opinion paragraph,* 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) *except for the matter(s) described in the Basis for Qualified Opinion paragraph,* In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs.;

   e) On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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
ICAI Firm Registration Number: 301003E

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: Gurgaon
Date: 8th May, 2014

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 ₹ 16,776.30 lacs and the year end balance or loans balance of loans granted to such parties was ₹ 14,625.30 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) According to information and explanations given to us, 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. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order 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 and services. 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.

(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 Rupees 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 there under, 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
Wealth Tax Act, 1957	Demand in respect of assessment proceedings	565.78	2006-07 to 2010-11	Commissioner of Wealth 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
ICAI Firm Registration Number: 301003E

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: Gurgaon
Date: 8th May, 2014

Balance Sheet as at 31st March, 2014

₹ in Lacs

		Notes	31st March, 2014	31st March, 2013
I.	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	(a) Share capital	3	**2,944.11**	2,944.11
	(b) Reserves and surplus	4	**59,093.78**	56,824.28
			62,037.89	59,768.39
	Non-current liabilities			
	(a) Deferred tax liabilities (Net)	5	**24.67**	51.76
	(b) Long-term borrowings	6	**8,000.00**	–
	(c) Long-term provisions	8	**62.42**	–
			8,087.09	51.76
	Current liabilities			
	(a) Short-term borrowings	9	**3,000.00**	–
	(b) Trade payables	7	**10,871.33**	1,492.51
	(c) Other current liabilities	7	**2,781.47**	8,705.35
	(d) Short-term provisions	8	**770.52**	2,737.85
			17,423.32	12,935.71
	Total		**87,548.30**	72,755.86
II.	**ASSETS**			
	Non-current assets			
	(a) Fixed assets	10	**1,336.98**	1,348.84
	(b) Non-current investments	11	**41,313.92**	39,544.01
	(c) Loans and advances	12	**11,795.22**	5,231.64
	(d) Other non-current assets	13	**549.19**	316.56
			54,995.31	46,441.05
	Current assets			
	(a) Current investments	14	**2,235.12**	10,796.05
	(b) Inventories	15	**19,480.67**	1,422.96
	(c) Trade receivables	16	**4,679.94**	2,793.22
	(d) Cash and bank balances	17	**680.88**	1,115.27
	(e) Loans and advances	12	**5,078.84**	10,110.61
	(f) Other current assets	13	**397.54**	76.70
			32,552.99	26,314.81
	Total		**87,548.30**	72,755.86
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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

Statement of Profit and Loss for the Year Ended 31st March, 2014

₹ in Lacs

		Notes	31st March, 2014	31st March, 2013
I.	**Income**			
	(a) Revenue from operations	18	**16,982.15**	9,954.05
	(b) Other income	19	**4,258.07**	4,629.00
	Total Revenue		**21,240.22**	14,583.05
II.	**Expenses**			
	(a) Cost of raw materials consumed	20	**17.84**	53.86
	(b) Purchase of traded goods	21(a)	**14,281.04**	7,262.20
	(c) Land purchase cost	21(b)	**19,479.31**	–
	(d) (Increase) / decrease in inventories of finished goods and traded goods	22	**(18,151.71)**	1,726.16
	(e) Employee benefits expense	23	**514.60**	808.62
	(f) Other expenses	24	**841.58**	1,307.62
	(g) Depreciation and amortization expense	25	**11.81**	11.81
	(h) Finance costs	26	**186.57**	83.42
	(i) Exceptional items	27	**(1,524.31)**	–
	Total		**15,656.73**	11,253.69
III.	**Profit before tax (I - II)**		**5,583.49**	3,329.36
IV.	**Tax expenses**			
	(a) Current tax		**1,159.12**	470.19
	(b) MAT credit entitlement		**(172.31)**	–
	(c) Income tax adjustment for earlier years (Refer note no.43(a) and 43(b))		**2,009.84**	137.16
	(d) Deferred tax charge / (credit)		**(27.10)**	26.69
	Total tax expense		**2,969.55**	634.04
	Profit for the year (III - IV)		**2,613.94**	2,695.32
	Earnings Per share	39		
	Basic			
	Earnings per equity share (nominal value of share ₹ 10/- (31st March, 2013 – ₹ 10/-)		**₹ 8.88**	₹ 9.16
	Diluted			
	Earnings per equity share (nominal value of share ₹10/- (31st March, 2013 – ₹ 10/-)		**₹ 8.88**	₹ 9.16
	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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

Cash Flow Statement for the Year Ended 31st March, 2014

₹ in lacs

	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**5,583.49**	3,329.36
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation / amortisation	**11.81**	11.81
	Loss / (Profit) on sale of investments	**0.28**	–
	Interest expense	**117.61**	80.42
	Interest (income)	**(2,082.70)**	(2,357.44)
	Dividend (income)	**(1,524.16)**	(1,803.34)
	Dimunition in the value of long term investments	**258.90**	–
	Exceptional Item – Interest on Income tax	**1,116.68**	–
	Exceptional Item – Profit on exchange of land	**(3,000.00)**	–
		(5,101.58)	(4,068.55)
	Operating profit / (loss) before Working Capital Changes	**481.91**	(739.19)
	Movement in working capital :		
	Decrease / (increase) in inventories	**(15,057.70)**	2,292.04
	Decrease / (increase) in trade receivables	**(1,886.73)**	23.27
	(Increase) in other current assets	**(363.06)**	–
	(Increase) / Decrease in loans and advances	**(1.08)**	354.48
	Increase in trade payables	**9,378.85**	553.63
	Increase in current liabilities	**883.20**	145.58
	(Decrease) in provisions	**(394.76)**	(27.63)
		(7,441.28)	3,341.36
	Cash generated from / (used in) Operations	**(6,959.37)**	2,602.17
	Direct taxes paid (net of refunds)	**(5,755.39)**	(1,160.02)
	Net Cash flow from / (used in) Operating Activities (A)	**(12,714.76)**	1,442.15
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	**(71.64)**	(148.90)
	Purchase of non-current investments	**(2,263.93)**	(503.13)
	Proceeds from current investments	**24,561.29**	9,250.23
	Purchase of current investments	**(22,719.12)**	(7,726.69)
	Purchase of investments in subsidiaries and joint ventures **	**(1,581.36)**	–
	Proceeds from sale or investments in subsidiaries and joint ventures	**3284.96**	–
	Fixed Deposits with Banks	**–**	(0.75)
	Fixed deposits matured	**2.00**	30.00
	Interest received	**1,892.29**	2,426.79
	Dividends received on investments	**1,524.16**	1,803.34
	ICD / Loans given to bodies corporates	**(3017.00)**	(6658.00)
	ICD / Loans given to bodies corporates received back	**1501.00**	625.00
	Net Cash flow from / (used in) investing activities (B)	**3112.64**	(902.11)

Cash Flow Statement for the Year Ended 31st March, 2014

₹ in lacs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of long-term borrowings	**8,000.00**	–
Repayment of Unclaimed Deposites	**(3.60)**	(11.98)
Proceeds of short-term borrowings	**3,000.00**	–
Interest paid	**(1,137.81)**	(82.34)
Dividend paid on equity shares	**(588.80)**	(587.76)
Tax on equity dividend paid	**(100.06)**	(95.52)
Net Cash flow from/(used in) financing activities (C)	**9169.73**	(777.60)
Net (decrease) in cash and cash equivalents (A + B + C)	**(432.39)**	(237.56)
Cash and cash equivalents at the beginning of the year	**1,110.27**	1,347.83
Cash and cash equivalents at the end of the year	**677.88**	1,110.27

₹ in lacs

Components of cash and cash equivalents	As at 31st March,2014	As at 31st March,2013
Cash on hand	**0.30**	0.24
Cheques/ drafts on hand	**3.86**	–
With banks		
– on current accounts	**629.11**	713.10
– on deposit accounts	**–**	350.00
– unpaid dividend accounts*	**35.53**	35.51
– On Interest warrant accounts*	**9.08**	11.42
Total cash and cash equivalents (note 15)	**677.88**	1,110.27

Notes:

1) Previous Year figures have been regrouped wherever necessary to confirm to current year classification.

2) * The Company can utilize these balances only towards settlement of the respective unpaid dividend, unpaid matured deposits and unpaid matured interest warrents.

3) ** Sale and purchase of investments in subsidiaries are non cash transactions as intercorporate deposits have been converted into equity aggregating to ₹1,650 lacs (Previous year ₹ 5,000 lacs) and further equity shares have been issued towards redemption of preference shares aggregate to ₹ Nil (Previous year ₹ 266.67 lacs).

4) Profit on Exchange of land of ₹ 3000 lacs is considered as cash neutral for the purpose of cash flow.

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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

Notes to financial statements for the year ended 31st March, 2014

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 and complex fertilisers. The Company caters to the demand of the farmers all over the country. During current year, the Company has acquired lands with the objective of granting rights to other parties to develop the land under joint development agreement.

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 read with General Circular 8/2014 dated 4th April, 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value. 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 atleast 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 atleast 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 judgements, 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, uncertainty about the assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets and liabilities in future period.

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.

Notes to financial statements for the year ended 31st March, 2014

Machinery spares are depreciated prospectively over the estimated remaining useful lives of the respective mother assets. Assets costing up to ₹ 5000 are depreciated fully in the year of its acquisition.

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 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 on which such investments are made are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements 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. On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged to the Statement of Profit and Loss.

viii) Inventories

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

The Cost is determined as follows:

a) Raw Materials and Packing Materials : Moving weighted average method

b) (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: Cost is determined as per Moving weighted average method. Cost includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Land Inventory: Valued at lower of cost and net realisable value. Land inventory in respect of which right is granted to third parties for development is classified as current asset. Land which held for future development is classified as non current asset.

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.

Retirement benefit in the form of pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme

is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognized as 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

The Company operates one defined benefit plan for its employees viz. gratuity liability. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for each plan using the projected unit credit method. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in the Statement of Profit and Loss.

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

Retirement benefit in the form of Superannuation Fund and Contributory Pension Fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Company recognizes contribution payable to the Superannuation Fund and Contributory Pension Fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

f) Payments made / to be 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.

Notes to financial statements for the year ended 31st March, 2014

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 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 from revenue.

Claims receivable on account of interest from dealers on delayed payments and insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards or ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Revenue from sale of land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

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 as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. 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, all 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 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) Segment reporting policies

Identification of segments:

The Company's 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 locations of customers.

Allocation of common costs:

Common allocable costs are allocated to each segment in proportion to the relative sales of each segment.

Unallocated items:

All the common income, expenses, assets and liabilities, which are not possible to be allocated to different segments, are treated as unallocated items.

Segment accounting policies:

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

xvii) 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.

xviii) 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.

Notes to financial statements for the year ended 31st March, 2014

xix) 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 period of three months or less.

xx) 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.

xxi) 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, 2014

3. Share Capital

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Authorised :		
3,57,50,000 (31st March, 2013:: 3,57,50,000) Equity Shares of ₹ 10/- each	**3,575.00**	3,575.00
1,00,00,000 (31st March, 2013:: 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, 2013:: 2,94,48,655) Equity Shares of ₹ 10/- each fully paid-up	**2,944.87**	2,944.87
Subscribed and Paid-up		
2,94,40,604 (31st March, 2013:: 2,94,40,604) Equity Shares of ₹ 10/- each fully paid-up	**2,944.06**	2,944.06
Add : 1,100 (31st March, 2013::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, 2014		31st March, 2013	
	in Numbers	**₹ In Lacs**	in Numbers	₹ In Lacs
At the beginning of the year	**2,94,40,604**	**2,944.06**	2,94,40,604	2,944.06
Issued during the year	**–**	**–**	–	–
Outstanding at the end of the year	**2,94,40,604**	**2,944.06**	2,94,40,604	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/- per 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, 2014, the amount of per share dividend recognised as distribution to equity share holders was ₹ 1/- (31st March, 2013:: ₹ 2/-), 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	31st March, 2014		31st March, 2013	
	No. of Shares held	**% Holding in Class**	No. of Shares held	% Holding in Class
Globalware Trading and 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	**27,57,941**	**9.37**	27,57,941	9.37
Adventz Investments & Holdings Limited	**16,01,723**	**5.44**	9,41,053	3.20
Reliance Capital Trustee Co Ltd A/c – Reliance Regular Savings Fund Equity Option	**16,00,000**	**5.43**	16,00,000	5.43

As per records of the Company, including its register of shareholder/member and other declarations received from shareholders regading beneficial interest, the above holding represents both legal and beneficial ownership of shares.

* Refer note no. 45

Notes to financial statements for the year ended 31st March, 2014

4. Reserves and Surplus

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
General reserve		
Balance as per the last financial statements	**3,000.00**	2,500.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	**500.00**	500.00
Closing balance	**3,500.00**	3,000.00
Surplus / (deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	**53,824.28**	52,317.84
Net Profit for the year	**2,613.94**	2,695.32
Less : Appropriations		
Proposed final equity dividend of ₹ 1/– Per Equity Share (31st March, 2013:: ₹ 2/–)	**294.41**	588.81
Tax on proposed equity dividend	**50.03**	100.07
Transfer to general reserve	**500.00**	500.00
Total appropriations	**844.44**	1,188.88
Net surplus in the Statement of Profit and Loss	**55,593.78**	53,824.28
Total reserves and surplus	**59,093.78**	56,824.28

5. Deferred tax liabilities (Net)

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Deferred tax liabilities		
Fixed assets Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	**67.74**	63.01
Income considered in the books but not in the income tax	**48.65**	48.65
Gross deferred tax liabilities	**116.39**	111.66
Deferred tax assets		
Expenses allowable in Income tax on payment basis and deposition of statutory dues	**91.72**	59.90
Gross deferred tax assets	**91.72**	59.90
Net deferred tax liabilities	**24.67**	51.76

6. Long Term Borrowings

₹ In Lacs

Particulars	Non Current Portion		Current Maturities	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
a. Secured				
Loan from others 12.40% loan from Rabo India Finance Ltd. (Repayable after 3 years from date of availment i.e 25.03.2014)	**8,000.00**	–	–	–
	8,000.00	–	–	–

Notes to financial statements for the year ended 31st March, 2014

a. (i) The loan is to be secured by the first exclusive charge on specific immovable property (shown as inventories) of the Company.

(ii) The Company has undertaken that during the term of the loan, it shall continue to hold and it shall not enter into a transaction to encumber any of the following equity shares which are currently directly or indirectly held by it:

a) 10% equity shares in the total equity share capital of Gulbarga Cement Limited.

b) 100% equity shares in the total equity share capital of Zuari Investments Limited (ZIL).

c) 30% equity shares in the total equity share capital of Zuari Agro Chemicals Limited.

d) 12% equity shares in the total equity share capital of Chambal Fertilisers and Chemicals Limited.

e) 25% equity shares in the total equity share capital of Gobind Sugar Mills Ltd.

(iii) Promoter group shall continue to have management control of the Company and ZIL (Subsidiary company) and hold majority ownership (atleast 51% of the total equity share capital without any encumbrance) in the Company including the ability to appoint majority Directors of the Board of the Company and ZIL.

7. Trade Payables and other current liabilities

₹ In Lacs

Particulars	Current	
	31st March, 2014	31st March, 2013
Trade payables (Refer note no. 41 for details of dues to Micro and Small Enterprises)	**10,871.33**	1,492.51
	10,871.33	1,492.51
Other Current Liabilities –		
Unclaimed statutory liabilities as referred in Section 205(c) of the Companies Act, 1956 to be credited to Investor Education and Protection Fund as and when due		
Unclaimed deposits	**13.32**	16.92
Unclaimed dividends	**35.53**	35.51
Unclaimed Interest warrants	**9.08**	11.42
Unclaimed preference warrants	**5.81**	5.82
Interest accrued but not due on loans	**19.03**	–
Interest on Income Tax	**79.82**	–
Advances from dealers and others	**240.07**	173.41
Statutory dues	**339.54**	60.94
Employee Benefit Payable	**0.01**	1.33
Advance towards Sale of Investments (Refer note no.38)	**1,500.00**	8,400.00
Forward cover payable	**539.26**	–
	2,781.47	8,705.35
Total	**13,652.80**	10,197.86

Notes to financial statements for the year ended 31st March, 2014

8. Provisions

₹ In Lacs

Particulars	Long-term		Short-term	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Provision for employee benefits				
Gratuity (funded) (Refer note no.40)	–	–	–	31.23
Provision for Voluntary Retirement Scheme	**62.42**	–	**26.12**	–
Leave encashment (unfunded)	–	–	**111.52**	655.25
	62.42	–	**137.64**	686.48
Others provisions				
Provision for current income tax (net of advance tax)	–	–	**176.48**	1,342.19
Provision for wealth tax	–	–	**111.96**	20.30
Provision for proposed equity dividend	–	–	**294.41**	588.81
Provision for tax on proposed equity dividend	–	–	**50.03**	100.07
	–	–	**632.88**	2,051.37
Total	**62.42**	–	**770.52**	2,737.85

9. Short term borrowings

₹ In Lacs

Particulars	**31st March, 2014**	31st March, 2013
Unsecured		
a. Short term loan from bank 11.50% loan from HDFC Bank (Repayable on 30th day ₹ 500 Lacs, on 45th day ₹1,200 lacs and on 60th day ₹ 1,300 lacs from the availment date i.e 24th March, 2014)	**3,000.00**	–
Total	**3,000.00**	–

10. Tangible assets

₹ in lacs

Particulars	Freehold Land	Buildings	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total
Cost							
As at 1st April, 2012	771.64	431.34	60.91	1.31	5.77	4.21	1,275.18
Additions	148.90	–	–	–	–	–	148.90
Deductions	–	–	–	–	–	–	–
As at 31st March, 2013	920.54	431.34	60.91	1.31	5.77	4.21	1,424.08
Additions	3,120.00	–	–	–	–	–	3,120.00
Deductions	–	–	–	–	–	–	–
Transfer of land to stock in trade	3,120.00	–	–	–	–	–	3,120.00
As at 31st March, 2014	**920.54**	**431.34**	**60.91**	**1.31**	**5.77**	**4.21**	**1,424.08**

Notes to financial statements for the year ended 31st March, 2014

₹ in lacs

Particulars	Freehold Land	Buildings	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total
Depreciation							
As at 1st April, 2012	–	20.26	42.03	0.59	0.37	0.17	63.42
Charge for the year	–	7.29	3.85	0.03	0.25	0.40	11.81
Deductions	–	–	–	–	–	–	–
As at 31st March, 2013	–	27.55	45.88	0.62	0.61	0.57	75.23
Charge for the year	–	7.29	3.85	0.03	0.24	0.40	11.81
Deductions	–	–	–	–	–	–	–
As at 31st March, 2014	**–**	**34.84**	**49.73**	**0.65**	**0.85**	**0.97**	**87.04**
Net block							
As at 31st March, 2013	920.54	403.79	15.03	0.69	5.16	3.64	1,348.84
As at 31st March, 2014	**920.54**	**396.50**	**11.18**	**0.66**	**4.92**	**3.24**	**1,336.98**

a) Buildings include buildings given on operating lease having gross block ₹ 187.45 lacs (31st March, 2013 :: ₹ 187.45 lacs), depreciation charged for the year ₹ 3.06 lacs (31st March, 2013 :: ₹ 3.06 lacs), accumulated depreciation ₹ 21.75 lacs (31st March, 2013 :: ₹ 18.69 Lacs), net book value ₹ 165.70 lacs (31st March, 2013 :: ₹ 168.76 lacs)

b) Freehold land of ₹3,120.00 lacs has been transferred to stock in trade (land).

11. Non-Current Investments

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Trade Investments (valued at cost, unless otherwise stated)		
Unquoted		
Investment in subsidiaries		
4,65,00,080 (31st March, 2013:: 3,30,00,080) Equity Shares of ₹ 10/- each fully paid up of Indian Furniture Products Limited (Refer Note (d) below)	**4,650.01**	3,300.01
50,00,000 (31st March, 2013:: 50,00,000) Equity Shares of ₹ 10/- each fully paid up of Simon India Limited	**350.01**	350.01
50,000 (31st March, 2013:: 50,000) Equity Shares of ₹ 10/- each fully paid up of Zuari Management Services Limited	**5.00**	5.00
4,65,50,000 (31st March, 2013:: 4,00,50,000) Equity Shares of ₹ 10/- each fully paid up of Zuari Infraworld India Limited (formerly known as Adventz Infraworld India Limited)	**5,482.82**	4,832.82
3,74,45,790 (31st March, 2013:: 3,74,45,790) Equity Shares of ₹ 10/- each fully paid up of Zuari Investments Limited [Refer note 6 (a) (ii)]	**5,057.83**	5,057.83
100 (31st March, 2013:: 100) Equity Shares of AED 1000/- each fully paid up of Globex Limited	**13.40**	13.40
40,00,000 (31st March, 2013:: 40,00,000) Equity Shares of ₹ 10/- each fully paid up of Style Spa Furniture Limited (Refer Note (d) below)	**453.33**	453.33
Investment in Joint Ventures		
1,00,20,000 (31st March, 2013:: 1,00,20,000) Equity shares of ₹ 10/- each fully paid up of Zuari Indian Oiltanking Limited	**1,002.00**	1,002.00
80,92,682 (31st March, 2013:: 60,12,682) Equity Shares of ₹ 10/- each fully paid up of Gulbarga Cement Limited [Refer note 6 (a) (ii)]	**1,641.27**	601.27

Notes to financial statements for the year ended 31st March, 2014

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Investment in Associate, quoted		
84,11,601 (31st March, 2013:: 84,11,601) Equity Shares of ₹ 10/- each fully paid up of Zuari Agro Chemicals Limited [Refer note 6 (a) (ii)]	**841.16**	841.16
Non trade Investments (valued at cost, unless otherwise stated)		
Investment in equity shares		
Unquoted, Others		
72,000 (31st March, 2013:: 72,000) Equity shares of ₹ 10/- each fully paid up of Indian Potash Limited	**3.60**	3.60
1,00,000 (31st March, 2013:: 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, 2013:: 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, 2013 :: 3,22,67,741) Equity Shares of ₹ 1/- each fully paid up of Nagarjuna Fertilisers and Chemicals Limited	**2,115.39**	2,115.39
Quoted – Others		
5,90,15,360 (31st March, 2013:: 5,90,15,360) Equity Shares of ₹10/- each fully paid up of Chambal Fertilisers and Chemcials Limited [Refer note 6 (a) (ii)]	**9,055.72**	9,055.72
1,53,07,712 (31st March, 2013:: 99,07,712) Equity Shares of ₹ 1/- each fully paid up of Texmaco Infrastructure and Holdings limited	**3,358.23**	2,134.30
40,35,000 (31st March, 2013:: 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, 2013:: 2,93,34,310) Equity Shares of ₹ 1/- each fully paid up of Nagarjuna Oil Refinery Limited	**6,944.09**	6,944.09
Nil (31st March, 2013:: 22,22,222) Equity Shares of USD 0.01 each fully paid up of Synthesis Energy System Inc.	**–**	2,235.12
	41,572.82	39,544.01
Less: * Dimunution in value of non trade, unquoted investments (Lionel India Limited)	**258.90**	–
Total	**41,313.92**	39,544.01
Aggregate Amount of Quoted Investments [(Market value ₹ 41,269.99 lacs) (31st March, 2013:: ₹ 48,476.35 lacs)]	**20,529.26**	21,540.45
Aggregate Amount of Unquoted Investments	**20,784.66**	18,003.56
Total	**41,313.92**	39,544.01

(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/- each held in NFCL and eleven equity shares in KFL of ₹ 1/- each for every ten equity shares of ₹ 10/- each held in NFCL. The name of KFL has subsequent to merger on rights issue 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, 2013:: ₹ 6,944.09 lacs) (based on cost allocation as above in (a) and market value of this is ₹ 1056.04 lacs (31st March, 2013:: ₹ 894.70 lacs). Hence, there is a diminution in the value of investment by ₹ 5,888.05 lacs (31st March, 2013:: ₹ 6,049.39 lacs)

(iii) The shares of Nagarjuna Fertilisers and Chemicals Limited alloted to the Company are not yet listed on stock exchange, pending receipt of persmission from Securities and Exchange Board of India.

Notes to financial statements for the year ended 31st March, 2014

(b) (i) The Company has investment of ₹ 453.33 lacs (31st March, 2013:: ₹ 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 its net worth.

(ii) The Company has invested a sum of ₹ 4,650.01 lacs (31st March, 2013:: ₹ 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 ₹ NIL (31st March, 2013:: ₹ 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 there against.

(c) (i) The Company has converted intercorporate deposit of ₹ 650 lacs given to its subsidiary Zuari Infraworld India Limited (formerly known as Adventz Infraworld India Limited) into 65 lacs equity shares of ₹ 10/- each (31st March, 2013:: intercorporate deposits of ₹4,000 lacs 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 (31st March, 2013:: intercorporate deposits of ₹ 1,000 lacs into 100 lacs equity shares of ₹ 10/- each).

(iii) During previous year ended 31st March, 2013, the Company had received 2,666,650 equity shares of ₹ 10/- each of Style Spa Furniture Limited on converstion of 10% Non Cumulative Redemable Preference Shares.

(iv) During the current year, the Company has been alloted 40,50,000 equity shares of ₹ 10/- each on rights issue of Gulbarga Cements Limited.

(d) Scheme of Amalgamation of Style Spa Furniture Limited (SSFL) with Indian Furniture Products Limited (IFPL) has been approved by Hon'ble High Court of Madras vide order dated 27th March 2014. Both the companies are in the process of completing the necessary proceedures to give effect to the order of Hon'ble High court, consequent to which SSFL will be dissolved without winding up effective 1st April, 2014.

12. Loans and Advances

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Capital advances				
Unsecured, considered good	**71.70**	–	**–**	–
	71.70	–	**–**	–
Security deposits				
Unsecured, considered good	**0.24**	0.14	**–**	–
	0.24	0.14	**–**	–
Loans and advances to related parties (Refer note no. 38)				
Unsecured, considered good	**9,656.30**	4,756.29	**5,071.26**	10,064.61
	9,656.30	4,756.29	**5,071.26**	10,064.61
Advances recoverable in Cash or Kind				
Unsecured, considered good	**–**	–	**6.19**	15.16
	–	–	**6.19**	15.16
Other Loans and Advances				
Secured considered good				
Loans to employees	**1.75**	1.42	**0.13**	1.36

Notes to financial statements for the year ended 31st March, 2014

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Unsecured considered good				
Loans to employees	**2.19**	3.78	**0.67**	1.84
Advance Income Tax (net of provision for income tax)	**1,890.73**	–	**–**	–
MAT credit entitlement	**172.31**	470.01	**–**	–
Prepaid expenses	**–**	–	**0.59**	27.64
	2,066.98	475.21	**1.39**	30.84
Total	**11,795.22**	5,231.64	**5,078.84**	10,110.61

(i) The Company has till date recognised ₹ 172.31 lacs (Previous year ₹ 470.01 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.

(ii) Provision for Tax

₹ In Lacs

Particulars	31st March, 2014		31st March, 2013	
Provision for Tax	**1,159.12**		470.19	
Less: MAT credit entitlement	**172.31**	**986.81**	–	470.19

13. Other Assets :

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Interest Accrued on Loans, Advances and Deposits				
– From related parties (Refer note no. 38)	**547.35**	312.75	**–**	–
– Others	**–**	–	**0.22**	2.24
Interest Receivable from Customers	**–**	–	**33.80**	74.20
Interest Accrued on Loans to employees	**1.09**	3.06	**0.46**	0.26
Unamortised Premium on forward contracts*	**–**	–	**363.06**	–
	548.44	315.81	**397.54**	76.70
Non current bank balances(Refer note no.17)	**0.75**	0.75	**–**	–
	0.75	0.75	**–**	–
Total	**549.19**	316.56	**397.54**	76.70

* The unamortised foreign exchange premium on outstanding forward exchange contracts is being carried forward to be charged to the Statement of Profit and Loss of subsequent year

Notes to financial statements for the year ended 31st March, 2014

14. Current Investments :

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Unquoted		
Current portion of long-term investments (valued at cost)		
Investment in Joint Ventures Nil (31st March, 2013:: 1,69,50,000) Equity shares of USD 1/- each fully paid up of MCA Phosphate Pte. Limited *	–	8,953.60
Quoted		
22,22,222 (31st March, 2013:: Nil) Equity Shares of USD 0.01 each fully paid up of Synthesis Energy System Inc	**2,235.12**	–
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Investments in Mutual Funds Nil (31st March, 2013:: 183,648.168) units of ₹ 1000/- each in SBI Premier liquid fund – daily dividend	–	1,842.45
Total	**2,235.12**	10,796.05
Aggregate Amount of Quoted Investments [(Market value ₹ 2,609.63 lacs) (31st March, 2013:: ₹ 1,256.99 lacs)]	**2,235.12**	–
Aggregate Amount of Unquoted Investments	–	10,796.05
Total	**2,235.12**	10,796.05
Net asset value of unquoted investments in the units of Mutual Funds ₹ NIL (31st March, 2013:: ₹ 1,842.45 lacs)	–	1,842.45

The Company has entered into an agreement for sale of equity shares of Synthesis Energy System Inc aggregating to ₹ 2,235.12 lacs to one of its subsidiary company, Simon India Limited (SIL) at a price to be determined, which will not be less than the book value. The Company has received an amount of ₹ 1,500.00 lacs as advance from SIL against sale of these shares.

* The company had during the year further invested ₹ 1,231.36 lacs in the equity share capital of MCA Phosphate Pte. Limited and sold entire share holding in MCA Phosphate Pte. Limited to Zuari Agro Chemicals Limited as per agreement entered in an earlier year.

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

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Raw materials and components [includes material lying with others ₹ Nil (31st March, 2013 :: ₹ 17.84 Lacs)]	–	17.84
Packing materials [includes material lying with others ₹ Nil (31st March, 2013 :: ₹ 76.17 lacs)]	–	76.17
Finished goods	**1.30**	134.20
Traded goods	**0.06**	1,194.75
Stock in trade (land)*	**19,479.31**	–
Total	**19,480.67**	1,422.96

* Stock in trade (land) of ₹ 16,359.31 lacs is pending to be registered in the Company's name.

Notes to financial statements for the year ended 31st March, 2014

16. Trade receivables

₹ In Lacs

Particulars	Current	
	31st March, 2014	31st March, 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**71.02**	73.47
	71.02	73.47
Other receivables		
Unsecured, considered good	**4,608.92**	2,719.75
	4,608.92	2,719.75
Total	**4,679.94**	2,793.22

17. Cash and bank balances

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Cash and cash equivalents				
a. Balances with banks				
On Current accounts	**–**	–	**629.11**	713.10
On Deposits accounts with original maturity of less than three months	**–**	–	**–**	350.00
On Unpaid dividend accounts	**–**	–	**35.53**	35.51
On Interest warrant accounts	**–**	–	**9.08**	11.42
b. Cash on hand	**–**	–	**0.30**	0.24
c. Cheques on hand	**–**	–	**3.86**	–
	–	–	**677.88**	1,110.27
Other bank balances				
Deposits with original maturity for more than 12 months (pledged with sales tax authorities)	**0.75**	0.75	**–**	–
Deposits with original maturity for more than 3 months but less than 12 months	**–**	–	**3.00**	5.00
	0.75	0.75	**3.00**	5.00
Amount disclosed under non current assets (Refer note no.13)	**0.75**	0.75	**–**	–
Total	**–**	–	**680.88**	1,115.27

Notes to financial statements for the year ended 31st March, 2014

18. Revenue from operations

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Revenue from operations		
Sale of products (*)		
Finished products	**52.10**	1,575.82
Traded products	**16,930.05**	8,378.23
	16,982.15	9,954.05
Details of products sold		
Finished products sold:		
Pesticides	**52.10**	1,575.82
	52.10	1,575.82
Traded products sold:		
MOP	**10,362.63**	–
Pesticides	**6,567.42**	8,378.23
	16,930.05	8,378.23
Total	**16,982.15**	9,954.05

(*) Net of trade discount related to previous year but determined during the year of ₹ NIL (31st March, 2013 :: ₹ 141.13 lacs)

19. Other income

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Interest Income on		
Income tax refunds	**–**	50.83
Bank deposits	**7.04**	72.53
Intercorporate loans	**1,975.09**	2,169.62
Interest on compensation towards land acquisition	**–**	222.71
Overdue debtors, employee loans etc.	**157.73**	188.79
	2,139.86	2,704.48
Less: Excess credit of interest taken in earlier years, now reversed	**(57.16)**	(347.04)
	2,082.70	2,357.44
Dividend Income on		
Current investments	**92.91**	52.57
Long-term investments	**1,431.25**	1,750.78
Rent received	**206.78**	200.47
Compensation towards land acquisition	**–**	157.09

Notes to financial statements for the year ended 31st March, 2014

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Staff deployment and other supports	**13.43**	53.70
Foreign Exchange Variation (Net)	**245.98**	–
Excess provision written back	**136.41**	–
Miscellaneous income	**48.61**	56.95
Total	**4,258.07**	4,629.00

20. Cost of raw materials consumed:

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Inventory at the beginning of the year	**17.84**	197.86
Less : Sale	**–**	126.16
Less: Inventory at the end of the year	**–**	17.84
Cost of raw materials consumed	**17.84**	53.86
Details of raw materials consumed		
Pesticides raw materials	**17.84**	53.86
Total	**17.84**	53.86

21 (a) Details of purchase of traded products:

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Traded Products purchase details		
Traded fertilisers:		
Pesticides	**4,523.76**	7,262.20
Muriate of potash	**9,757.28**	–
Total	**14,281.04**	7,262.20

21 (b) Details of purchase of land :

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Land	**19,479.31**	–
Total	**19,479.31**	–

Notes to financial statements for the year ended 31st March, 2014

22. Decrease in inventories

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013	(Increase)/decrease
Inventories at the end of the year			
Finished products	**1.30**	134.20	**(132.90)**
Traded products	**0.05**	1,194.75	**(1,194.70)**
Stock in trade (land)	**19,479.31**	–	**19,479.31**
Total	**19,480.66**	1,328.95	**18,151.71**
Inventories at the beginning of the year			
Finished products	**134.20**	1,401.42	**(1,267.22)**
Traded products	**1,194.75**	1,653.69	**(458.94)**
Stock in trade (land)	**–**	–	**–**
	1,328.95	3,055.11	**(1,726.16)**
Total	**(18,151.71)**	1,726.16	
Details of Inventory			
Finished Goods			
Pesticides	**1.30**	134.20	
Traded Goods			
Pesticides	**0.05**	1194.75	
Stock in trade (land)	**19479.31**	–	**–**

23. Employee benefit expense

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Salaries, wages and bonus	**377.42**	654.53
Contribution to provident and other funds	**113.90**	88.47
Gratuity (Refer note no. 40)	**–**	37.31
Staff welfare expenses	**23.28**	28.31
Total	**514.60**	808.62

24. Other expenses

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Consumption of packing materials	**76.17**	121.86
Power, fuel and water	**3.04**	2.80
Outward freight and handling	**195.55**	317.42
Rent	**4.88**	1.67
Rates and taxes	**117.62**	44.58
Insurance	**8.90**	27.39

Notes to financial statements for the year ended 31st March, 2014

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Repairs and maintenance		
Others	**4.15**	3.49
Payment to auditor (Refer details below)	**29.56**	30.29
Cash rebate	**10.73**	13.86
Loss on sale of current investments	**0.28**	–
Advertising and sales promotion	**5.23**	149.17
Premium on forward exchange contract amortized	**34.64**	–
Exchange fluctuation variation (net)	**–**	19.14
Consultancy charges	**217.23**	393.79
Miscellaneous expenses	**133.60**	182.16
Total	**841.58**	1,307.62

Payments to statutory auditors

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
As statutory auditors		
Audit fees	**17.30**	8.43
Tax audit fee	**3.71**	3.37
Limited review	**5.56**	5.05
In other capacity		
Other services (Certification fees) etc.	**2.08**	11.64
Reimbursement of expenses	**0.91**	1.80
Total	**29.56**	30.29

25. Depreciation and amortisation expense

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Depreciation of tangible assets	**11.81**	11.81
Total	**11.81**	11.81

26. Finance costs

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Interest expense [including interest on income tax ₹ 91.01 lacs (31st March,2013 :: ₹ 39.00 lacs)] (Refer note no. 43(b))	**117.61**	80.42
Bank charges	**68.96**	3.00
Total	**186.57**	83.42

Notes to financial statements for the year ended 31st March, 2014

27. Exceptional Items

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Income		
Profit on exchange of freehold land	**3,000.00**	–
	3,000.00	–
Expenses		
Expenses on voluntary retirement scheme (Refer note no. 44 below)	**100.11**	–
Interest on Income tax (Refer note no. 43(a))	**1,116.68**	–
Provision for dimunition in the value of long term investments (Refer note no. 11 above)	**258.90**	–
	1,475.69	–
Total	**1,524.31**	–

28. Contingent liabilities

a. Contingent liabilities not provided for:

₹ in Lacs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Demand Notices received from Income Tax Authorities* Demand in respect of Asst.Years-1999-2000, 2008-09 to 2010-11. The Company had filed appeals with CIT(Appeals), which has been disposed off by CIT(Appeals) by order dated April 21, 2014. The Order giving effect to this order is yet to be passed.(Refer note no.44(a) below)	–	3,757.91
Demand in respect of Wealth Tax for Assessment Years 2006-07 to 2010-11 for which the Company has filed appeals with Commissioner of Wealth Tax (Appeals).	**565.78**	–

* 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 :

₹ in Lacs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Zuari Seeds Limited	**2,100.00**	2,100.00
Simon India Limited	**17,284.00**	17,284.00
Indian Furniture Products Limited	**6,424.00**	5,575.00

c. The Company has given a letter of Comfort to Ratnakar Bank Limited for the purpose of facilitating the loans of ₹ 5,000.00 lacs taken by Gobind Sugar Mills Limited.

29. Value of imports calculated on CIF basis

₹ in Lacs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Traded goods	**9,757.28**	–

Notes to financial statements for the year ended 31st March, 2014

30. Imported and indigenous raw materials consumption

Particulars	%	Year ended 31st March, 2014 ₹ in Lacs	%	Year ended 31st March, 2013 ₹ in Lacs
Indigenously obtained	**100**	**17.84**	100.00	53.86
Imported	–	–	–	–
Total	**100**	**17.84**	100.00	53.86

31. Expenditure in foreign currency (Accrual Basis):

₹ in Lacs

Particulars	YearEnded 31st March, 2014	Year ended 31st March, 2013
Travelling expenses	**4.37**	1.08

32. Particulars of Foreign Currency Exposures:

i) Forward contracts outstanding as at the Balance Sheet date:

Details of derivatives	31st March, 2014	31st March, 2013	Purpose
Buy (Amount in USD)	**1,65,60,000**	–	To hedge the purchases of traded goods

ii) Unhedged foreign currency exposures as at the Balance Sheet date:

Particulars		31st March, 2014	31st March, 2013
Discount Receivable	USD	7,15,137	–
	₹ in lacs	428.47	–
	Exchange Rate	1 USD = 59.9150 INR	–

33. Net dividend Remitted in Foreign Exchange

Year of Remittance (ending on)	Year ended 31st March, 2014	Year ended 31st March, 2013
Period to which it relates	**1st April, 2012 to 31st March, 2013**	1st April, 2011 to 31st March, 2012
Number of non-resident shareholders to whom the dividend is remitted	**2**	2
Number of equity shares held on which dividend was due	**74,91,750**	74,91,750
Amount remitted (in USD)	**2.38**	2.69
Amount remitted (₹ in lacs)	**149.84**	149.84

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

Notes to financial statements for the year ended 31st March, 2014

34. Managerial Remuneration

₹ in Lacs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Salary	**156.07**	300.58
Contribution to provident and other funds	**20.52**	43.20
Perquisites	**5.67**	11.83
	182.26	355.61
Less: Recovery of excess remuneration*	**113.95**	–
Total	**68.31**	355.61

* For the financial year 2012-13, remuneration paid to erstwhile Executive Vice Chairman (EVC) was in excess of limits specified in Schedule XIII of The Companies Act, 1956. The application seeking approval from Central Government for payment of excess remuneration was rejected. Accordingly the Company has recovered ₹113.95 lacs paid to EVC in the current year.

35. 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, 2014	Maximum amount outstanding during the year
1	Loans and advances in the nature of loans to subsidiaries and associates	Indian Furniture Products Limited, (Repayable within 1 year)	NIL (1,000.00)	NIL (1,500.00)
		Zuari Infraworld India Limited, (Repayable within 1 year)	3,208.00 (5,103.00)	5,103.00 (8,228.00)
		Gulbarga Cement Limited, (Repayable after 60 months from date of loan (01/09/2011) in 12 quarterly installments)	2,406.30 (2,406.30)	2,406.30 (2,406.30)
		Zuari Investments Limited (Repayable within 1 to 2 years)	8,000.00 (6,250.00)	8,000.00 (6,300.00)
		Zuari Management Services Limited (Repayable within 1 year)	1,011/- (Nil)	1,267.00 (Nil)
		Style Spa Furniture Limited (Repayable within 1 year)	Nil (Nil)	Nil (500.00)
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, 1956.		Nil	Nil
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

Notes to financial statements for the year ended 31st March, 2014

36. Information in respect of Joint Ventures:

₹ in lacs

Sr. No	Particulars	Zuari Indian Oiltanking Limited (Audited)		MCA Phosphates Pte. Limited (Unaudited) (Upto 27th March, 2014)		Gulbarga Cement Limited (Unaudited)	
1	Proportion of ownership interest	50% (Previous year 50%)		Nil* (Previous year 30%)		10.09% (Previous year 26%)	
2	Country of incorporation	India		Singapore		India	
3	Accounting period ended	**31st March, 14**	31st March, 13	**31st March, 14**	31st March, 13	**31st March, 14**	31st March, 13
4	Assets	**2,812.01**	3,135.25	**–**	8,476.45	**4,743.26**	5,761.81
5	Liabilities	**1,110.23**	1,333.27	**–**	10.23	**1,397.73**	3,739.54
6	Revenue	**555.60**	922.10	**–**	–	**52.50**	–
7	Depreciation / Amortization	**145.05**	154.56	**–**	–	**4.77**	1.63
8	Other expenses	**551.64**	460.89	**15.77**	32.60	**435.76**	12.40
9	Exceptional items	**9.67**	133.31	**–**	–	**–**	–
10	Profit / (Loss) before tax	**(150.76)**	173.34	**(15.77)**	(32.60)	**(388.02)**	(14.03)
11	Contingent Liabilities	**9.67**	9.67	**–**	–	**–**	–
12	Capital Commitments	**–**	–	**–**	–	**1676.48**	1653.01

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

* Investments in MCA Phosphates Pte Limited have been sold, during the current year.

Notes to financial statements for the year ended 31st March, 2014

37. Segmental Information

- **Primary Segment**
  The Company has disclosed business segment as primary segment. The segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure and the internal reporting system. The identified reportable segments for the year under review are Fertilisers and land development. Fertiliser segment includes trading of fertilisers and pesticides. Land development segment includes acquiring lands with the objective of granting rights to other parties to develop the land under joint development agreement.

- **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.

Business segments

₹ In lacs

Particulars	Fertiliser		Land development		Total operations	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013	**31st March, 2014**	31st March, 2013
Revenue						
Sales (net)	**16,982.15**	9,954.05	**-**	-	**16,982.15**	9,954.05
Other income*	**602.60**	254.17	**-**	-	**602.60**	254.17
Total revenue	**17,584.75**	10,208.22	**-**	-	**17,584.75**	10,208.22
Results						
Segment results	**705.39**	(926.75)	**-**	-	**705.39**	(926.75)
Unallocated Corporate Income (net)					**5,064.67**	4,339.54
Less : Finance cost					**(186.58)**	(83.42)
Profit before tax					**5,583.48**	3,329.37
Tax expenses					**(2,969.55)**	(634.04)
Profit after tax					**2,613.93**	2,695.33
As at 31st March 2014						
Segment assets	**5,933.42**	5,879.01	**19,479.31**	-	**25,412.74**	5,879.01
Unallocated corporate assets	**-**	-	**-**	-	**62,135.56**	66,876.85
Total assets	**5,933.42**	5,879.01	**19,479.31**	-	**87,548.30**	72,755.86
Segment liabilities	**12,190.26**	2,414.66	**-**	-	**12,190.26**	2,414.66
Unallocated corporate liabilities					**13,320.15**	10,572.80
Total liabilities	**12,190.26**	2,414.66	**-**	-	**25,510.41**	12,987.46
Other segment information						
Capital expenditure:						
Tangible assets	**71.70**	148.90	**-**	-	**71.70**	148.90
Depreciation	**11.81**	11.81	**-**	-	**11.81**	11.81

* Total other income during the year is Rs. 4,258.07 lacs (31st March 2013 :: ₹ 4,629.00 lacs). Figures disclosed above exclude income earned by corporate office amounting to ₹ 3,655.47 lacs (31st March 2013 :: ₹ 4374.83 lacs).

Notes to financial statements for the year ended 31st March, 2014

38. 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) Zuari Infraworld India Limited (formerly known as Adventz Infraworld India Limited)
(5) Globex Limited
(6) Style Spa Furniture Limited
(7) Zuari Investments Limited
(8) Zuari Insurance Brokers Limited – Subsidiary of Zuari Investments Limited
(9) Zuari Commodity Trading Limited – Subsidiary of Zuari Investments Limited
(10) Zuari Financial Services Limited – Subsidiary of Zuari Investments Limited

ii) Joint Ventures of the Company:

(1) Zuari Indian Oiltanking Limited
(2) Gulbarga Cement Limited
(3) MCA Phosphates Pte. Limited (up to 27/03/2014 and thereafter as Associate)

iii) Associates of the Company*:

(1) Zuari Agro Chemicals Limited
(2) Zuari Seeds Limited – Subsidiary of Zuari Agro Chemicals Limited
(3) Zuari Fertlisers 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 Zuari Maroc Phosphates Limited
(7) Gobind Sugar Mills Limited – Associate of Zuari Investments Limited (w.e.f. 21/08/2012)
(8) New Eros Tradecom Limited – Subsidiary of Gobind Sugar Mills Limited.
(9) MCA Phosphates Pte. Limited – Joint Venture of Zuari Agro Chemicals Limited (w.e.f. 27/03/2014)

* 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) Enterprises having significant influence

1) Globalware Trading and Holdings Limited

v) Key Management Personnel of the Company:

1) Mr. H.S. Bawa, Executive Vice Chairman (upto 31/08/2013)
2) Mrs. Jyotsna Poddar, Executive Director

vi) Relatives of Key Management Personnel of the Company:

1) Mrs. Veena Bawa, Wife of Mr. H.S. Bawa (upto 31/08/2013)
2) Mrs. Seema Behl, Daughter of Mr. H.S. Bawa (upto 31/08/2013)
3) Mrs. Meenakshi Bawa, Daughter of Mr. H.S. Bawa(upto 31/08/2013)
4) Mr. S. K. Poddar (Chairman), (Husband of Mrs. Jyotsna Poddar)
5) Mr. Akshay Poddar, (Son of Mrs. Jyotsna Poddar)

Notes to financial statements for the year ended 31st March, 2014

Related Party Disclosure Under Accounting Standard–18 For Zuari Global Limited

Following transactions were carried out with related parties in the ordinary course of business.

₹ In Lacs

Sl. No	Transaction details	Year ended 31st March, 2014						Year ended 31st March, 2013					
		Subsi–diaries	Joint Ventures	Asso–ciates	Enterprises having Significant Influence	Key manage–ment personnel	Relatives of KMP	Subsi–diaries	Joint Ventures	Asso–ciates	Enterprises having Significant Influence	Key manage–ment personnel	Relatives of KMP
1	**Payment made on their behalf for various expenses**												
	Zuari Seeds Limited	–	–	0.04	–	–	–	–	–	0.03	–	–	–
	Zuari Investments Ltd.	0.02	–	–	–	–	–	–	–	–	–	–	–
	Zuari Maroc Phosphates Limited	–	–	0.17	–	–	–	–	–	0.01	–	–	–
	Paradeep Phospahtes Limited	–	–	0.31	–	–	–	–	–	15.32	–	–	–
	Zuari Infraworld India Limited	0.04	–	–	–	–	–	38.96	–	–	–	–	–
	Zuari Agro Chemicals Limited	–	–	1.34	–	–	–	–	–	–	–	–	–
	Zuari Rotem Speciality Fertilisers Limited	–	–	0.11	–	–	–	–	–	0.02	–	–	–
	Zuari Indian Oiltanking Limited	–	0.07	–	–	–	–	–	0.01	–	–	–	–
2	**Payment made on our behalf for various expenses**												
	Zuari Agro Chemicals Limited	–	–	19.70	–	–	–	–	–	–	–	–	–
3	**Equity contribution made**												
	MCA Phosphate Pte.Limited	–	1,231.36	–	–	–	–	–	1,579.08	–	–	–	–
	Gulbarga Cement Limited	–	1,040.00	–	–	–	–	–	–	–	–	–	–
	Zuari Infraworld India Limited	–	–	–	–	–	–	4,000.00	–	–	–	–	–
	Indian Furniture Products Limited	350.00	–	–	–	–	–	1,000.00	–	–	–	–	–
4	**Sale of Investments**												
	Zuari Agro Chemicals Limited	–	–	10,184.96	–	–	–	–	–	–	–	–	–
5	**Purchase of Investments**												
	Zuari Investments Limited	1,223.93	–	–	–	–	–	503.13	–	–	–	–	–
6	**Conversion of Preference Shares into Equity**												
	Style Spa Furniture Limited	–	–	–	–	–	–	266.67	–	–	–	–	–
7	**Service charges / Management Fees paid**												
	Zuari Agro Chemicals Limited	–	–	35.17	–	–	–	–	–	140.70	–	–	–
	Zuari Management Services Limited	33.20	–	–	–	–	–	17.65	–	–	–	–	–

Notes to financial statements for the year ended 31st March, 2014

₹ In Lacs

Sl. No	Transaction details	Year ended 31st March, 2014						Year ended 31st March, 2013					
		Subsi–diaries	Joint Ventures	Asso–ciates	Enterprises having Significant Influence	Key manage–ment personnel	Relatives of KMP	Subsi–diaries	Joint Ventures	Asso–ciates	Enterprises having Significant Influence	Key manage–ment personnel	Relatives of KMP
8	**Inter–corporate deposits / loans / advances given**												
	Zuari Infraworld India Limited	–	–	–	–	–	–	1,000.00	–	–	–	–	–
	Zuari Investments Limited	**1,750.00**	–	–	–	–	–	3,800.00	–	–	–	–	–
	Gulbarga Cement Limited	–	–	–	–	–	–	–	858.00	–	–	–	–
	Indian Furniture Products Limited	–	–	–	–	–	–	1,000.00	–	–	–	–	–
	Zuari Management Services Limited	**1,267.00**	–	–	–	–	–	–	–	–	–	–	–
9	**Purchase of stock in trade (land)**												
	Zuari Agro Chemicals Limited	–	–	**16,359.32**	–	–	–	–	–	–	–	–	–
10	**Advance for sale of investments received**												
	Simon India Limited	**1,500.00**	–	–	–	–	–	–	–	–	–	–	–
11	**Receipt repayment of ICDs / loans / advances**												
	Indian Furniture Products Limited	–	–	–	–	–	–	11.11	–	–	–	–	–
	Zuari Investments Limited	–	–	–	–	–	–	50.00	–	–	–	–	–
	Zuari Infraworld India Limited	**1,245.00**	–	–	–	–	–	75.00	–	–	–	–	–
	Style Spa Furniture Limited	–	–	–	–	–	–	500.00	–	–	–	–	–
	Zuari Management Services Limited	**256.00**	–	–	–	–	–	–	–	–	–	–	–
12	**Managerial remuneration**												
	Mr. H.S.Bawa	–	–	–	–	**117.15**	–	–	–	–	–	290.72	–
	Mrs. Jyotsna Poddar	–	–	–	–	**65.11**	–	–	–	–	–	64.88	–
13	**Brokerage Paid**												
	Zuari Investments Limited	–	–	–	–	–	–	1.70	–	–	–	–	–
14	**Sale of goods**												
	Zuari Agro Chemicals limited	–	–	**10,362.63**	–	–	–	–	–	–	–	–	–
15	**Interest Income**												
	Indian Furniture Products Limited	**125.82**	–	–	–	–	–	174.96	–	–	–	–	–
	Zuari Investments Limited	**919.26**	–	–	–	–	–	637.09	–	–	–	–	–
	Gulbarga Cement Limited	–	**260.66**	–	–	–	–	–	248.23	–	–	–	–
	Style Spa Furniture Limited	–	–	–	–	–	–	64.60	–	–	–	–	–
	Zuari Infraworld India Limited	**558.15**	–	–	–	–	–	1,040.23	–	–	–	–	–
	Zuari Management Services Limited	**111.19**	–	–	–	–	–	–	–	–	–	–	–

Notes to financial statements for the year ended 31st March, 2014

₹ In Lacs

Sl. No	Transaction details	Year ended 31st March, 2014						Year ended 31st March, 2013					
		Subsi–diaries	Joint Ventures	Asso–ciates	Enterprises having Significant Influence	Key manage–ment personnel	Relatives of KMP	Subsi–diaries	Joint Ventures	Asso–ciates	Enterprises having Significant Influence	Key manage–ment personnel	Relatives of KMP
16	**Dividend Received**												
	Zuari Agro Chemicals Limited	–	–	252.35	–	–	–	–	–	252.35	–	–	–
17	**Lease Rentals Received**												
	Zuari Indian Oiltanking Limited	–	132.42	–	–	–	–	–	126.11	–	–	–	–
	Zuari Fertilisers and Chemicals Limited	–	–	4.00	–	–	–	–	–	3.81	–	–	–
	Zuari Agro Chemicals Limited	–	–	44.17	–	–	–	–	–	43.64	–	–	–
18	**Corporate Guarantee issued**												
	Simon India Limited	–	–	–	–	–	–	1,000.00	–	–	–	–	–
	Zuari Seeds Limited	–	–	–	–	–	–	–	–	1,100.00	–	–	–
	Indian Furniture Products Limited	6,424.00	–	–	–	–	–	4,675.00	–	–	–	–	–
19	**Sitting fees Paid**												
	Mr. S. K. Poddar	–	–	–	–	–	0.68	–	–	–	–	–	0.60
	Mr. Akshay Poddar	–	–	–	–	–	0.15	–	–	–	–	–	–
20	**Management Fees/service charges Received (including service tax)**												
	Zuari Indian Oiltanking Limited	–	11.24	–	–	–	–	–	11.24	–	–	–	–
	Zuari Agro Chemicals Limited	–	–	15.08	–	–	–	–	–	60.34	–	–	–
	Zuari Seeds Limited	–	–	43.38	–	–	–	–	–	51.37	–	–	–
21	**Corporate guarantee cancelled**												
	Zuari Seeds Limited	–	–	–	–	–	–	–	–	1,025.00	–	–	–
	Indian Furniture Products Limited	5,575.00	–	–	–	–	–	4,050.00	–	–	–	–	–
22	**ICD's coverted to equity**												
	Indian Furniture Products Limited	1,000.00	–	–	–	–	–	–	–	–	–	–	–
	Zuari Infraworld India Limited	650.00	–	–	–	–	–	–	–	–	–	–	–
23	**Dividend Paid**												
	Globalware Trading and Holdings Limited	–	–	–	140.24	–	–	–	–	–	140.24	–	–
	New Eros Tradecom Limited	–	–	23.94	–	–	–	–	–	23.94	–	–	–
24	**Recovery of excess remuneration**	–	–	–	–	113.95	–	–	–	–	–	–	–
	Mr. H. S. Bawa												

Notes to financial statements for the year ended 31st March, 2014

Balance outstanding as on

₹ In Lacs

Sl. No	Transaction details	31st March, 2014					31st March, 2013				
		Subsi-diaries	Joint Ventures	Asso-ciates	Key manage-ment personnel (KMP)	Relatives of KMP	Subsi-diaries	Joint Ventures	Asso-ciates	Key manage-ment personnel (KMP)	Relatives of KMP
1	**Loan/ ICD Given**										
	Indian Furniture Products Limited	–	–	–	–	–	1,000.00	–	–	–	–
	Zuari Infraworld India Limited	**3,208.00**	–	–	–	–	5,103.00	–	–	–	–
	Gulbarga Cement Limited	–	**2,406.30**	–	–	–	–	2,406.30	–	–	–
	Zuari Investment Limited	**8,000.00**	–	–	–	–	6,250.00	–	–	–	–
	Zuari Management Services Limited	**1,011.00**	–	–	–	–	–	–	–	–	–
2	**As Trade Payables**										
	Zuari Management Services Limited	–	–	–	–	–	11.43	–	–	–	–
3	**As Trade Receivables**										
	Zuari Agro Chemicals Limited	–	–	**3,937.91**	–	–	–	–	–	–	–
4	**As Advances Recoverable / as Debtor**										
	Paradeep PhosphatesLimited	–	–	**15.62**	–	–	–	–	15.32	–	–
	Zuari Seeds Limited	–	–	**85.34**	–	–	–	–	46.27	–	–
	Zuari Fertilisers and Chemicals Ltd	–	–	**0.30**	–	–	–	–	–	–	–
	Zuari Indian Oiltanking Limited	–	**0.85**	–	–	–	–	–	–	–	–
	Zuari Rotem Speciality Fertilisers Limited	–	–	**0.13**	–	–	–	–	0.02	–	–
5	**Corporate Guarantee**										
	Indian Furniture Products Limited	**6,424.00**	–	–	–	–	5,575.00	–	–	–	–
	Zuari Seeds Limited	–	–	**2,100.00**	–	–	–	–	2,100.00	–	–
	Simon India Limited	**17,284.00**	–	–	–	–	17,284.00	–	–	–	–
6	**Interest on ICD/Loan**										
	Gulbarga Cement Limited	–	**547.35**	–	–	–	–	312.75	–	–	–
7	**Advance against sale of investments**										
	Simon India Limited	**1,500.00**	–	–	–	–	–	–	–	–	–
	Zuari Agro Chemicals Limited	–	–	–	–	–	–	–	8,400.00	–	–

Notes :

1. Zuari Investment Limited has undertaken that for the term loan of the Company of ₹ 8,000 lacs obtained by the Company from Rabo India Finance Ltd., it shall continue to hold 25% equity shares in the total equity share capital of Gobind Sugar Mills Limited during the term of the loan.
2. Zuari Management Services Limited has undertaken that for the term loan of the Company of ₹ 8,000 lacs obtained by the Company from Rabo India Finance Ltd., it shall continue to hold 10% equity shares in the total equity share capital of Zuari Agro Chemicals Limited during the term of the loan.
3. The Company has given a letter of Comfort to Ratnakar Bank Limited for the purpose of facilitating the loan of ₹ 5,000 lacs taken by Gobind Sugar Mills Limited.

Notes to financial statements for the year ended 31st March, 2014

39. Earnings Per Share (EPS):

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net profit for calculation of basic and diluted EPS (₹ in lacs)	**2,613.94**	2,695.32
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 ₹)	**8.88**	9.16
Face value per share (in ₹)	**10**	10

40. 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, 2014

₹ in Lacs

Particulars	2013 - 14	2012 - 13
Current Service Cost	**12.75**	23.68
Interest cost on benefit obligation	**11.58**	13.80
Past service cost(Vested Benefits)	**–**	36.77**
Expected return on plan assets	**(11.64)**	(14.62)
Net actuarial (gain)/loss recognized in the year	**(17.22)**	(28.40)
Net benefit (income)/expense*	**(4.53)**	31.23
Actual return on plan assets	**13.02**	12.05

* excluding ₹Nil (Previous year ₹ 6.08 Lacs) 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, 2014:

₹ in lacs

Particulars	2013-14	2012-13	2011-12	2010 – 11	2009 – 10
Defined benefit obligation	**90.72**	207.26	181.36	2,318.06	1,628.06
Fair value of plan assets	**95.59**	176.03	145.54	2,310.11	1,398.87
Plan asset/(liability)	**4.87**	(31.23)	(35.80)	(7.94)	(229.19)
Experience (gain)/loss on obligation	**(12.69)**	(24.43)	(60.46)	(619.86)	47.22
Experience gain/(loss) on plan assets	**1.37**	(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, 2014

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2014 are as follows:

₹ in lacs

Particulars	2013 - 14	2012 - 13
Opening defined benefit obligation	**207.26**	181.36
Interest cost	**11.58**	13.80
Current service cost	**12.75**	23.68
Benefits paid	**(84.98)**	(17.38)
Past service cost (Transfer out)	**(40.05)**	–
Past service cost(Vested Benefits)	**–**	36.77
Actuarial (gain)/loss on obligation	**(15.84)**	(30.97)
Closing defined benefit obligation	**90.72**	207.26

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

₹ in lacs

Particulars	2013 -14	2012 - 13
Opening fair value of plan assets	**176.03**	145.54
Expected return	**11.64**	14.64
Contributions by employer	**31.58**	35.80
Benefits paid	**(84.98)**	(17.38)
Past service cost (Transfer out)	**(40.05)**	–
Actuarial gains/(losses)	**1.37**	(2.57)
Closing fair value of plan assets	**95.59**	176.03

The Company expects to contribute ₹ Nil (Previous year ₹ 31.23lacs) towards gratuity during the year 2014-15.

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

Particulars	2013 - 14	2012 - 13
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	2013 - 14	2012 - 13
Discount Rate	**9.00 %**	8.00 %
Expected rate of return on assets	**9.00 %**	9.45 %
Increase in Compensation cost	**9.00 %**	9.00 %
Employee turnover	**0.50 %**	0.50 %

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.

Notes to financial statements for the year ended 31st March, 2014

(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	2013 - 14	2012 - 13
Contribution to Provident Fund	**53.50**	42.15

(C) Defined Contribution Plan

₹ in lacs

Particulars	2013 - 14	2012 - 13
Contribution to Superannuation Fund	**52.36**	39.10
Contribution to Contributory pension fund	**8.04**	7.22
Total	**60.40**	46.32

41. Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".

₹ in lacs

Sl. No.	Particulars	2013 - 14	2012 - 13
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

42. 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 ₹ 4.88 lacs (Previous year ₹ 1.67 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 ₹ 29.41 lacs).

Notes to financial statements for the year ended 31st March, 2014

43. (a) Under Section 133A of the Income Tax Act, the Income Tax department carried out a survey at the Company's premises in February, 2014. Pursuant to the discussions during the survey, the Company agreed to pay additional amount towards income tax demands, which has been paid during the last quarter of the year. The Company has subsequently filed an application with the Commissioner of Income Tax (Appeals) and has obtained a partial relief vide order dated April 22, 2014 issued by the Commissioner of Income Tax (Appeals). The short provision for income tax of ₹ 2,799.45 lacs and interest of ₹ 1,116.68 lacs in respect of earlier years, consequent to the additional tax claim, has been appropriately accounted for under exceptional items by the Company in the current year.

(b) During the current year, the Income Tax Department has finalized the appeal effect order for the Assessment Year 2001-02 and the Company has paid ₹ 57.79 lacs towards additional income tax and interest there on which have been fully charged to Statement of Profit and Loss during the year.

44. During the year, the Company has floated Voluntary Retirement Scheme for the employees working in the Administrative Office at Goa. Total 6 employees have opted for deferred payment under Voluntary Retirement Scheme. The total outgo will be ₹ 100.11 lacs, which has been fully charged as exceptional item in the Statement of Profit and Loss as per accounting policy followed.

45. 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

46. 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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Zuari Global Limited

We have audited the accompanying consolidated financial statements of Zuari Global Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2014, 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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), the Zuari Group is carrying investments of ₹ 6944.09 lacs in the equity share capital of Nagarjuna Oil Refinery Limited (NROL), whereof the market value at the year-end is ₹1056.04 lacs. These shares were allotted to Zuari Group consequent to demerger/ merger scheme of Nagarjuna Fertiliser and Chemicals Limited (NFCL). The 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 ₹ 2115.39 lacs. The Zuari Group has not made provision for diminution in the value of investment in NROL, 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 and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, *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 as at 31st March, 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the loss 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.

Other Matter

We did not audit total assets of ₹ 36,949.87 lacs as at 31st March, 2014, total revenues of ₹ 11566.60 lacs and net cash inflows amounting to ₹ 289.34 lacs for the year then ended, included in the accompanying consolidated financial statements. The financial information and other financial information for one subsidiary and two joint ventures has been taken based on the management accounts and for three subsidiaries have 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
ICAI Firm Registration Number: 301003E

per Anil Gupta
Partner
Membership Number: 87921
Place of Signature: Gurgaon
Date: 8th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

₹ in Lacs

		Notes	31st March, 2014	31st March, 2013
I.	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	(a) Share capital	3	**2,944.11**	2,944.11
	(b) Reserves and surplus	4	**67,903.17**	67,168.48
			70,847.28	70,112.59
	Minority Interest	5	**–**	21.32
	Non-current liabilities			
	(a) Deferred tax liabilities (Net)	6	**300.66**	376.67
	(b) Long term borrowings	7	**12,144.88**	3,237.77
	(c) Trade payables	8	**500.88**	433.53
	(d) Other long term liabilities	8	**285.39**	338.68
	(e) Long-term provisions	9	**174.72**	109.88
			13,406.53	4,496.53
	Current liabilities			
	(a) Short-term borrowings	10	**9,424.65**	3,294.71
	(b) Trade payables	8	**23,830.14**	8,135.06
	(c) Other current liabilities	8	**13,769.30**	20,014.06
	(d) Short-term provisions	9	**2,390.20**	4,759.27
			49,414.29	36,203.10
	Total		**1,33,668.10**	1,10,833.54
II.	**ASSETS**			
	Goodwill (on consolidation)		**2,146.90**	2,146.90
	Non-current assets			
	(a) Fixed assets			
	i Tangible assets	11.1	**5,576.07**	6,024.89
	ii Intangible assets	11.2	**141.09**	190.80
	iii Capital work-in-progress		**1,108.51**	2,825.70
	(b) Non-current investments	12	**42,721.14**	39,827.24
	(c) Deferred tax assets (Net)	6	**58.24**	68.16
	(d) Loans and advances	13	**9,601.20**	6,326.11
	(e) Other non-current assets	14	**617.44**	396.11
			59,823.69	55,659.01
	Current assets			
	(a) Current investments	15	**4,305.20**	16,752.84
	(b) Inventories	16	**30,965.56**	14,097.91
	(c) Trade receivables	17	**13,220.48**	8,786.49
	(d) Cash and bank balances	18	**6,899.03**	7,382.08
	(e) Loans and advances	13	**8,221.06**	4,555.25
	(f) Other current assets	14	**8,086.18**	1,453.06
			71,697.51	53,027.63
	Total		**1,33,668.10**	1,10,833.54

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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

₹ in Lacs

		Notes	31st March, 2014	31st March, 2013
I.	**Income**			
(a)	Revenue from operations (gross)	19	**65,055.76**	40,713.53
	Less: Excise duty		**815.31**	900.72
(b)	Revenue from operations (net)		**64,240.45**	39,812.81
(c)	Other income	20	**3,432.39**	3,633.27
	Total revenue		**67,672.84**	43,446.08
II.	**Expenses**			
(a)	Cost of raw materials consumed	21	**3,529.01**	3,779.50
(b)	Purchase of traded goods	22 (a)	**18,890.34**	13,330.17
(c)	Land purchase cost	22 (b)	**19,479.31**	-
(d)	(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	23	**(17,077.01)**	590.51
(e)	Employee benefits expense	24	**6,344.46**	6,109.82
(f)	Depreciation and amortization expense	25	**821.04**	887.24
(g)	Finance costs	26	**1,103.55**	742.88
(h)	Other expenses	27	**33,005.01**	16,968.73
(i)	Exceptional items (net)	28	**(2,719.48)**	133.31
	Total		**63,376.23**	42,542.16
III.	**Profit/(loss)before tax (I – II)**		**4,296.61**	903.92
IV.	**Tax expenses**			
(a)	Current income tax (including Minimum Alternative Tax)		**1,538.32**	793.23
(b)	Income tax adjustment for earlier years (Refer note no. 37 below)		**2,004.11**	137.60
(c)	Deferred tax (credit)		**(66.08)**	(65.50)
(d)	MAT Credit Entitlement		**(162.85)**	-
	Total tax expense		**3,313.50**	865.33
	Profit/(Loss) after Tax (III – IV)		**983.11**	38.59
	Add: Share in profits/(Losses) of Associates		**(1,124.00)**	1,096.29
	Profit/(Loss) for the year before minority interest		**(140.89)**	1,134.88
	Less: Share of minority interests in profits / (losses)		**(21.32)**	(450.24)
	Profit/(loss) for the year		**(119.57)**	1,585.12
	Earnings Per Share	33		
	Basic			
	Earnings per equity share [nominal value of share ₹ 10/- (31st March, 2013 ₹ 10/-)]		**₹ (0.41)**	₹ 5.38
	Diluted			
	Earnings per equity share [nominal value of share ₹ 10/- (31st March, 2013 ₹ 10/-)]		**₹ (0.41)**	₹ 5.38
	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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

Consolidated Cash Flow statement for the year ended 31st March, 2014

₹ in lacs

Sl. No.	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit / (loss) before tax	**4,296.61**	903.92
	Add: Exceptional items (net) loss/(profit) on divestment of stake in subsidiaries/ Joint ventures (net)	**(2,829.26)**	–
	Profit before tax and Exceptional items	**1,467.35**	903.92
	Adjustment to reconcile profit before tax to net cash flows:–		
	Depreciation / amortisation	**828.78**	911.36
	Foreign Currency Translation Reserve	**168.63**	18.71
	Excess provision / liabilities written back	**(619.12)**	(2,367.17)
	Loss / (Gain) on fixed assets sold / discarded (net)	**(13.87)**	40.12
	Provision for doubtful debts, loans, claims and advances	**25.06**	43.74
	(Profit) on sale of Investments	**(33.25)**	(23.92)
	Loss of sale on non current Investments	**165.28**	–
	Interest expense	**1,222.05**	666.69
	Interest (income)	**(711.02)**	(661.34)
	Unrealized foreign exchange fluctuation (gain) / loss (net)	**(118.10)**	(82.11)
	Dividend (income)	**(1,895.84)**	(2,377.84)
		(981.40)	(3,831.76)
	Operating Profit/(loss) before Working Capital Changes	**485.95**	(2,927.84)
	Movement in working capital :		
	Decrease / (increase) in inventories	**(13,867.65)**	1,717.56
	(Increase) in Trade Receivables	**(4,425.97)**	(1,646.21)
	(Increase) in other current assets	**(6,654.22)**	(211.88)
	(Increase) in loans and advances	**(2,802.00)**	(2,614.77)
	Increase in trade payables, other liabilities	**18,401.13**	5,100.25
	Increase in provisions	**(576.19)**	1,993.36
		(9,924.90)	4,338.31
	Cash generated from / (used) in Operations	**(9,438.95)**	1,410.47
	Direct taxes (paid) / refund (net of refunds)	**(6,330.16)**	(1,735.11)
	Net cash flow (used in) Operating Activities (A)	**(15,769.11)**	(324.64)
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	**(505.65)**	(1,987.11)
	Proceeds from Sale of fixed assets	**204.59**	13.38
	Purchases of non current investments	**(5,931.53)**	(4,282.54)
	Proceeds from sale of non current investments	**941.22**	101.00
	Purchases of current investments	**(39,024.71)**	(29,866.76)
	Proceeds from sale of current investments	**43,049.55**	33,408.57
	Purchase of investment in subsidiaries and joint ventures	**(1,244.46)**	–
	Proceeds from sale of investment in subsidiaries and joint ventures	**2,560.78**	–
	Redemption / (Investment) of bank deposit (having original maturity of more than 3 months)	**(433.67)**	611.38
	Interest received	**472.56**	755.93
	Dividends received on investments	**1,895.84**	2,756.36
	Loans given to bodies corporates	**(714.53)**	(696.03)
	Net Cash flow from Investing Activities (B)	**1,269.99**	814.18

Cash flow statement for the year ended 31st March, 2014

₹ in lacs

Sl. No.	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds / (repayment) of long–term borrowings	**11,148.28**	1,694.01
	Repayment of long–term borrowings	**(1,553.35)**	(435.33)
	Proceeds from Buyers Credit	**1,214.18**	–
	Repayment of Buyers Credit	**(816.04)**	–
	Proceeds / (repayment) of short–term borrowings	**5,731.80**	722.17
	Interest paid	**(2,309.11)**	(493.92)
	Dividend paid on equity shares	**(588.80)**	(587.76)
	Receipt of security premium	**824.13**	–
	Tax on equity divident paid	**(100.06)**	(95.52)
	Net Cash flow from Financing Activities (C)	**13,551.03**	803.65
	Net (Decrease) / Increase in Cash and Cash Equivalents (A + B + C)	**(948.09)**	1,293.19
	Cash and cash equivalents at the beginning of the year	**5,306.00**	4,012.81
	Less : Transfer due to divesement of stake in joint ventures	**(6.86)**	–
	Cash and cash equivalents at the end of the year	**4,351.05**	5,306.00

₹ in lacs

	Components of cash and cash equivalents	As at 31st March, 2014	As at 31st March, 2013
	Cash on hand	**104.31**	131.53
	Cheques/ drafts on hand	**207.30**	150.27
	With banks		
	– on current account	**3,290.27**	4,127.27
	– on deposit account with original maturity of less then 3 months	**704.56**	850.00
	– unpaid dividend accounts*	**35.53**	35.51
	– On Interest warrant accounts*	**9.08**	11.42
	Total cash and cash equivalents (note 18)	**4,351.05**	5,306.00

Notes:

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

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

3) ** Sale and purchase of investments in subsidiaries are non cash transactions as intercorporate deposits have been converted into equity aggregating to ₹1,650 lacs (Previous year ₹ 5,000 lacs) and further equity shares have been issued towards redemption of preference shares aggregate to ₹ Nil (Previous year ₹266.67 lacs).

4) Profit on Exchange of land of ₹ 3000 lacs is considered as cash neutral for the purpose of cash flow.

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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

1. Basis for preparation of accounts

The Consolidated Financial Statements relate to Zuari Global 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 accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. 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 Group'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 Group'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 Group 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, uncertainty about the assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets and liabilities in future period.

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. Similarly, the excess of proportionate share in equity of the associate over the cost of investment as at the date of acquisition of stake has been identified as Capital Reserve. 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, standalone financial statements of Associates have been used.

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 standalone 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 31st March, 2014.

IV) Tangible Assets

Fixed assets are stated at cost less accumulated depreciation / amortization 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, two subsidiaries 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 two of the subsidiary companies 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 (4.12% of total net block of tangible fixed assets as at 31st March, 2014 and 2.72% of the total depreciation charge for Zuari Group for the year ended 31st March, 2014):

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
Office Equipment		
Telephone Equipments	33.33%	4.76%
Air Conditioners	6.67%	4.76%
Other office equipment	20.00%	4.76%
Furniture and Fittings		
Carpets	10.00%	6.35%
Other furniture and fixtures	10.00%	6.35%

(b) 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
Office Equipments	33.33%	4.76%

(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
Non Factory Buildings	3.34%	1.63%
Lightning Arrester (Building)	3.85%	1.63%
Security Watch Tower (Buildings)	3.85%	1.63%

(d) 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
Furniture and fittings	8.00%	6.33%
Office Equipments	44.00%	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.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

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:

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.

Traded goods: Cost is determined as per Moving weighted average method. Cost includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Land Inventory: Valued at lower of cost and net realisable value. Land inventory in respect of which right is granted to third parties for development is classified as current asset. Land which is held for future development is classified as non-current asset.

Project work in progress: In respect of a subsidiary company engaged in the real estate construction, Projects in progress are valued at lower of cost and net realizable value. Cost includes land & cost of land developments, materials, services, borrowing costs and other related overheads. Cost incurred / items made specifically for projects are taken as consumed as and when incurred / received.

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.

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. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements 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. On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged to the Statement of profit & loss.

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 in the Parent Company 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.

Retirement benefits in the form of Provident Fund in other Group companies and Family Pension Fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the Provident Fund and the Family Pension Fund. The Group recognizes contribution payable to the Provident Fund and the Family Pension Fund schemes as expenditure, when an employee renders the related service. If the contribution payable to the schemes 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 two subsidiaries of a subsidiary company, where the number of employees were below 50, and it is provided for on actual basis (6.92 % of the total gratuity expenses for the year ended 31st March, 2014).

The Parent Company, a joint venture company and one of the subsidiaries 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.

iii) Leave Encashment

Accumulated leave which is expected to be utilized within the next twelve months is treated as Short Term Employee benefit .The Group 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 Group 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 Group 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 and some of the other companies within the Group have 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. These companies do not have any other obligation other than contributions paid to LIC. These companies recognize 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.

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 / to be made under the Voluntary Retirement Scheme are charged to the Statement of Profit and Loss immediately.

XII) Foreign Currency Transactions

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.

XIV) 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 (within the Zuari Group) 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 as 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.

Minimum Alternate Tax (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 is recognized when the significant risk and rewards of ownership of the goods have passed to the customers. The Group collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. 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.

ii) Claims receivable on account of interest from dealers or delayed payments and insurance claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

iii) Other interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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 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.

viii) Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards or ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Revenue from sale of land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer. In accordance with the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India (the 'ICAI') the Revenue from sale of residential properties is recognised on the 'percentage of completion method'. Percentage of completion is determined on the basis of entire project costs incurred including the land costs, borrowing costs and construction and development costs to total estimated project cost, where the actual construction and development cost is 25 percent or more of the total estimated construction and development cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.

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 subsidiaries give 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.

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 accounting 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

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Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

3. Share Capital

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Authorised :		
3,57,50,000 (31st March, 2013:: 3,57,50,000) Equity Shares of ₹10/- Each	**3,575.00**	3,575.00
1,00,00,000 (31st March, 2013:: 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, 2013:: 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 (31st March, 2013:: 2,94,40,604) Equity Shares of ₹10/- Each Fully paid	**2,944.06**	2,944.06
Add: 1,100 (31st March, 2013:: 1,100) 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, 2014		31st March, 2013	
	in Numbers	₹ in lacs	in Numbers	₹ in lacs
At the beginning of the year	**2,94,40,604**	**2,944.06**	2,94,40,604	2,944.06
Issued during the year	**–**	**–**	–	–
Outstanding at the end of the year	**2,94,40,604**	**2,944.06**	2,94,40,604	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/- per 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, 2014, the amount per share dividend recognised as distribution to equity shareholders was ₹ 1/- (31st March, 2013:: ₹ 2/-), 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 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
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	**27,57,941**	**9.37**	27,57,941	9.37
Adventz Investments and Holdings Limited	**16,01,723**	**5.44**	9,41,053	3.20
Reliance Capital Trustee Co. Ltd. A/c – Reliance Regular Savings Fund Option	**16,00,000**	**5.43**	16,00,000	5.43

* Refer note no. 35

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.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

4. Reserves and Surplus

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Securities Premium		
Balance as per last financial statements	**1,058.50**	1,058.50
Add: Received during the year	**824.13**	–
Closing balance	**1,882.63**	1,058.50
General Reserve		
Balance as per last financial statements	**3,239.91**	2,739.91
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	**500.00**	500.00
Closing balance	**3,739.91**	3,239.91
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	**63,053.20**	62,656.95
Net Profit / (Loss) for the year	**(119.57)**	1,585.12
Less : Appropriations		
Proposed final equity dividend of ₹ 1/- Per Equity Share (31st March, 2013:: ₹ 2/-)	**294.41**	588.81
Tax on proposed equity dividend	**50.03**	100.06
Transfer to general reserve	**500.00**	500.00
Total appropriations	**844.44**	1,188.87
Net surplus in the Statement of Profit and Loss	**62,089.19**	63,053.20
Foreign currency translation reserve		
Balance as per last financial statements	**(183.13)**	(201.84)
Exchange difference during the year on net investment in non - integral operations	**168.63**	18.71
Less: Transfer on account of divestment of stake	**205.94**	–
Closing balance	**191.44**	(183.13)
Total Reserves and Surplus	**67,903.17**	67,168.48

5. Minority Interest

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
% Share of Minority	**41.43%**	41.43%
Share in Equity	**912.61**	912.61
Securities premium	**22.10**	22.10
Share in the Reserves	**(934.71)**	(913.39)
Total	**–**	21.32

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

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

6. Deferred tax liabilities (Net)

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Deferred tax liabilities		
Fixed assets Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	**413.36**	682.22
Income considered in the books but not in income tax	**48.65**	48.65
Gross deferred tax liabilities	**462.01**	730.87
Deferred tax assets		
Expenses allowable in Income Tax on payment basis and deposition of Statutory dues		
Unabsorbed depreciation	**39.66**	184.88
Unabsorbed business loss	**9.88**	–
Provision for warranties	**–**	2.93
Provision for doubtful debts	**6.32**	33.17
Other expenses allowable in income tax on payment basis and deposition of statutory dues	**163.73**	201.38
Gross deferred tax assets	**219.59**	422.36
Net deferred tax liabilities	**242.42**	308.51

(i) After netting off deferred tax assets in respect of some of the entities aggregating to ₹ 58.24 lacs (31 March 2013:: Deferred tax assets of ₹ 68.16 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, some of the subsidiary companies within the group have deferred tax asset with unabsorbed depreciation as a major component. However, deferred tax asset has been considered as Nil and has been recognised 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 these companies have prudently decided not to recognize deferred tax asset on such timing differences.

7. Long Term Borrowings

₹ In Lacs

Particulars	Non Current Portion		Current Maturities	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Secured				
Indian rupee term loan from banks	**2,973.09**	154.27	**1,069.27**	336.11
Working capital term loan from banks	**318.75**	–	**31.25**	–
Loan from others	**8,000.00**	1,000.00	**–**	–
	11,291.84	1,154.27	**1,100.52**	336.11
Unsecured				
Deferred payments liabilities (Sales tax deferral scheme)	**162.19**	302.84	**140.65**	213.64
Loan from related parties	**690.85**	1,780.66	**–**	–
	853.04	2,083.50	**140.65**	213.64
Total	**12,144.88**	3,237.77	**1,241.17**	549.75
Less : Amount disclosed under the head Other Current Liabilities (Note No. 8)	**–**	–	**(1,241.17)**	(549.75)
Net Amount	**12,144.88**	3,237.77	**–**	–

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

1. Indian rupee term loan from banks

   a. In respect of subsidiary company, Indian rupee loan of ₹ 2,223.17 lacs (31st March, 2013:: NIL) [(including current maturities ₹ 879.00 lacs (31st March, 2013:: NIL)] carries interest @ 13.35% (31st March, 2013:: NIL). The loan is repayable in 20 monthly installments commencing from March 2014. The loan is secured by equitable mortgage of building constructed/to be constructed thereon, excluding sold out space and its proportionate share in land and hypothication of current assets (including receivables), pertaining to the extant project, both present and future.

   b. In respect of subsidiary company, Indian rupee loan of ₹ 1,609.04 lacs (31st March, 2013:: NIL) carries interest @ 13.35% (31st March, 2013:: NIL). The loan is repayable in quarterly installments commencing from December 2015. The loan is secured by equitable mortgage of building constructed/to be constructed thereon, excluding sold out space and its proportionate share in land and hypothication of current assets (including receivables), pertaining to the extant project, both present and future.

   c. In respect of subsidiary company, Indian rupee loan of ₹ 87.05 lacs (31st March, 2013:: ₹ 142.28 lacs) [(including current maturities ₹ 67.17 lacs (31st March, 2013:: ₹ 111.11 lacs)] carries interest @ 13% to 15.25% (31st March, 2013:: 13% 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 morotarium period of six months. The loan is secured by first charge on the movable fixed assets of the subsidiary company. The loan is also secured by hypothecation of inventory and trade receivables of the subsidiary company.

   d. In respect of subsidiary company, Indian rupee term loan of ₹ 123.10 lacs (31st March, 2013:: ₹ 348.10 lacs) [(including current maturities ₹ 123.10 lacs (31st March, 2013:: ₹ 225.00 lacs)] is repayable in 48 equal installments starting from April 2012 onwards. Term loan carries interest @ 13.50% - 13.75% (31st March, 2013:: 13.50% p.a.). The term loan is secured by first charge on the immovable and movable fixed assets purchased and constructed under the Term loan. The loan is also secured by hypothecation of entire inventory and trade receivables of the subsidiary company.

2. Working capital term loan from banks

   In respect of subsidiary company, Indian rupee Working capital term loan (WCTL) of ₹ 350.00 lacs (31st March, 2013:: NIL) [(including current maturities ₹ 35.25 lacs (31st March, 2013:: NIL)] is repayable in 48 equal monthly installments of ₹ 10.40 lacs starting from January 2015 onwards. The term loan carries interest @ 13.50% - 14% (31st March, 2013:: NIL). The WCTL is secured by paripasu first charge with Ratnakar bank over the entire Current Assets of the said company, both present and future, first charge over the movable fixed assets of the said company funded out of Indian rupee term loan (Second Paripasu charge will be ceded to secure Working Capital Limit).

3. Loan from others

   a. (i) In respect of Parent Company, term loan of ₹ 8,000.00 lacs (31st March, 2013:: ₹ NIL) [(including current maturities ₹ NIL (31st March, 2013:: ₹ NIL)] from Rabo India Finance Ltd. is to be secured by the first exclusive charge on specific immovable property (shown as inventories) of the Parent Company.

      (ii) The Parent Company has undertaken that during the term of the loan, it shall continue to hold and it shall not enter into a transaction to encumber any of the following equity shares which are currently directly or indirectly held by it:

         a) 10% equity shares in the total equity share capital of Gulbarga Cement Limited.

         b) 100% equity shares in the total equity share capital of Zuari Investments Limited.

         c) 30% equity shares in the total equity share capital of Zuari Agro Chemicals Limited

         d) 12% equity shares in the total equity share capital of Chambal Fertilisers and Chemicals Limited

         e) 25% equity shares in the total equity share capital of Gobind Sugar Mills Ltd.

      (iii) Promoter group shall continue to have management control of the Parent Company and Zuari Investments Limited. (ZIL) (subsidiary company) and hold majority ownership (atleast 51% of the total equity share capital without any encumbrance) in the Parent Company including the ability to appoint majority directors of the board of the Parent Company and ZIL.

   b. In respect of subsidiary company, Term loan of ₹ NIL (Sanctioned amount ₹ 3,000 lacs) (31st March, 2013:: ₹ 1,000 lacs) [(including current maturities ₹ Nil (31st March, 2013:: ₹ Nil lacs)] from HDFC Ltd. was 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, 2013:: Nil). The term loan was 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. The loan has been repaid during the year.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

4. 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.

5. 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%.

8. Trade Payables and Other Current Liabilities

₹ In Lacs

	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Trade payables (Refer note no. 51 for details of dues to Micro and Small Enterprises)	**500.88**	433.53	**23,830.14**	8,135.06
	500.88	433.53	**23,830.14**	8,135.06
Other Current Liabilities				
Deposits - dealers & others	**–**	–	**514.87**	503.01
Deposits - employees	**–**	–	**9.25**	10.25
Current Maturities of Long Term Borrowings	**–**	–	**1,241.17**	549.75
Unclaimed statutory liabilities as referred in Section 205(c) of the Companies Act, 1956 to be credited to Investor Education and Protection Fund as and when due				
Unclaimed dividends	**–**	–	**35.53**	35.51
Unclaimed deposits	**–**	–	**13.32**	16.92
Unclaimed Interest warrants	**–**	–	**9.08**	11.42
Unclaimed preference warrants	**–**	–	**5.81**	5.82
Interest accrued and due on loans and deposits	**–**	–	**5.78**	5.57
Interest accrued but not due on loans and deposits	**156.88**	230.73	**62.17**	36.39
Interest on Income Tax	**–**	–	**79.82**	–
Employee related payables	**–**	–	**322.12**	287.23
Advances from dealers and others	**–**	–	**9,725.70**	7,581.48
Advance towards sale of investments	**–**	–	**–**	8,400.00
Payables towards capital goods	**–**	–	**239.77**	995.46
Deferred revenue	**–**	–	**–**	584.50
Share application money pending allotment	**–**	–	**–**	436.32
Forward cover payable	**–**	–	**578.79**	–
Rent equalisation	**128.51**	107.95	**–**	–
Statutory dues and other obligations	**–**	–	**926.12**	554.43
	285.39	338.68	**13,769.30**	20,014.06
Total	**786.27**	772.21	**37,599.44**	28,149.12

* 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 had 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 were issued in

first lot which opened on 28 December 2012 and closed on 20 June 2013 and 26,100,000 equity shares were issued under second lot which opened on 1 April 2013 and closed on 31 December 2013. From among the equity shares issued under first lot, ZCL from its entitlement, had renounced a portion of its right to subscribe to the extent of 3,356,346 equity shares in favour of Compaignie Pour l' Investissement Financer en inde (CIFI). Accordingly, CIFI had subscribed to the extent of 3,356,346 equity shares.

9. Provisions

₹ In Lacs

Particulars	Long-term		Short-term	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Provision for employee benefits				
Gratuity (Refer note no. 44)	**112.30**	109.88	**147.45**	185.95
Provision for Voluntary Retirement Scheme	**62.42**	–	**26.13**	–
Leave Encashment	**–**	–	**509.50**	1,059.08
	174.72	109.88	**683.08**	1,245.03
Other provisions				
Provision for current income tax (net of advance tax)	**–**	–	**176.49**	1,343.23
Provision for wealth tax	**–**	–	**111.96**	20.30
Provision for proposed equity dividend	**–**	–	**294.41**	588.81
Provision for tax on proposed equity dividend	**–**	–	**50.03**	100.06
Provision for warranties	**–**	–	**1,074.23**	1,420.56
Provision for customers loyalty	**–**	–	**–**	41.28
	–	–	**1,707.12**	3,514.24
Total	**174.72**	109.88	**2,390.20**	4,759.27
Provision for warranty (Period upto one year)*				
Balance at the beginning of the year	**–**	–	**1,420.56**	3,532.38
Add: Additions	**–**	–	**99.02**	153.21
Less: Utilisation	**–**	–	**228.48**	11.17
Less: Unutilised amounts reversed	**–**	–	**216.87**	2,253.86
Balance at the end of the year	**–**	–	**1,074.23**	1,420.56
Provision for customers loyalty (Period upto one year)**				
Balance at the beginning of the year	**–**	–	**41.28**	21.74
Arising during the year	**–**	–	**–**	50.58
Utilised during the year	**–**	–	**41.28**	31.04
At the end of the year	**–**	–	**–**	41.28

* 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. In case of the subsidiary company, it has assessed the year end provision for expected claims/expenditure on construction contracts on the basis of the best estimate.

** 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.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

10. Short term borrowings

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Secured		
Cash credit from banks	**4,026.51**	3,244.71
Buyers credit from banks	**398.14**	–
	4,424.65	3,244.71
Unsecured		
Short term loan from bank	**3,000.00**	–
Term Loans from Others		
Inter corporate deposits	**2,000.00**	50.00
	5,000.00	50.00
Total	**9,424.65**	3,294.71

1. Cash Credit from Banks
   a. In respect of a subsidiary, cash credit from bank of ₹ 3,439.81 lacs (31st March, 2013:: ₹ 2,764.41 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 13.75% p.a.)
   b. In respect of a subsidiary company, cash credit from bank of ₹ 486.66 lacs (31st March, 2013:: ₹ 480.30 lacs) is secured by hypothecation of inventory and trade receivable of the subsidiary company. The cash credit is repayable on demand and carries interest @ 13.25% p.a. (31st March, 2013:: 13% p.a.)
   c. In respect of a subsidiary company, cash credit from bank of ₹ 100.04 lacs (31st March, 2013:: NIL) is secured by equitable mortgage of building constructed/to be constructed thereon, excluding sold out space and its proportionate share in land and hypothecation of current assets (including receivables), pertaining to the extant project, both present and future. The cash credit is repayable on demand and carries interest @ 13.35% p.a. (31st March, 2013:: NIL)
2. The buyers credit carries a rate of interest between 0.943% to 2.456 % p.a. and it is repayable over a tenor of 66-120 days. It is secured by paripasu first charge with Ratnakar bank over the entire stocks and book debts of the subsidiary company, both present and future and first charge over the movable fixed assets of the subsidiary company other than the those funded out of the term loan.
3. In respect of Short term loan of ₹ 3,000.00 lacs (31st March, 2013:: NIL) availed by the parent company, carries an interest rate of 11.50% p.a. and is repayable on 30th day ₹ 500 lacs, on 45th day ₹ 1,200.00 lacs and on 60th day ₹ 1,300.00 lacs from the availment date i.e. 24th March, 2014.
4. Inter corporate deposits of ₹ 2,000.00 lacs (31st March, 2013:: ₹ 50.00 lacs) availed by a subsidiary company, carries an interest rate of 16% p.a. (31st March, 2013:: 15% p.a.) and is repayable in 6 months.

11.1 Tangible assets

₹ In Lacs

Particulars	Freehold Land	Land (leasehold)	Leasehold Improvements	Buildings	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total
Cost									
As at 1st April, 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 31st March, 2013	**994.52**	**117.17**	**310.46**	**1,822.19**	**3,395.13**	**2,514.86**	**1,197.05**	**117.03**	**10,468.41**
Additions	3,120.00	–	23.84	–	221.46	85.52	110.33	–	3,561.15
Deductions	–	–	0.53	79.13	63.10	53.02	85.26	33.96	315.00

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	Freehold Land	Land (leasehold)	Leasehold Improvements	Buildings	Plant & machinery	Furniture & fixtures	Office equipment	Vehicles	Total
Transfer on account of Dilution in stake	–	–	–	–	115.31	0.80	0.79	–	116.90
Transfer to stock in trade	3,120.00	–	–	–	–	–	–	–	3,120.00
As at 31st March, 2014	**994.52**	**117.17**	**333.77**	**1,743.06**	**3,438.18**	**2,546.56**	**1,221.33**	**83.07**	**10,477.66**
Depreciation									
As at 1st April, 2012	–	35.48	118.35	418.88	964.30	1,575.68	659.59	25.19	3,797.47
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 31st March, 2013	**–**	**39.39**	**233.49**	**489.72**	**1,239.74**	**1,651.82**	**756.68**	**32.68**	**4,443.52**
Charge for the year	–	3.91	90.43	55.16	313.13	110.71	117.35	8.71	699.40
Deductions during the year	–	–	0.53	15.83	79.54	50.05	76.85	14.70	237.50
Transfer on account of Dilution in stake	–	–	–	–	2.49	0.61	0.73	–	3.83
As at 31st March, 2014	**–**	**43.30**	**323.39**	**529.05**	**1,470.84**	**1,711.87**	**796.45**	**26.69**	**4,901.59**
Net block									
As at 31st March, 2013	994.52	77.78	76.97	1,332.47	2,155.39	863.04	440.37	84.35	6,024.89
As at 31st March, 2014	**994.52**	**73.87**	**10.38**	**1,214.01**	**1,967.34**	**834.69**	**424.88**	**56.38**	**5,576.07**

Notes :

1. In respect of Joint Venture leasehold land of ₹ 117.17 lacs (Gross Block) Net Block ₹ 73.78 lacs [Previous year ₹117.17 lacs (Gross Block) Net Block ₹77.87 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 ₹365.85 lacs) [Previous year ₹ 699.80 lacs (Gross Block) (Net Block ₹ 399.09 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 ₹ 261.23 lacs (Gross Block) (Net Block ₹ 174.61 lacs) [Previous year ₹ 258.73 lacs (Gorss Block) (Net Block ₹183.34 lacs] being the proportionate share of Zuari Group and Plant and machinery valuing ₹ 2,043.25 (Gross Block) (Net Block ₹ 1,200.13) [Previous year ₹2,013.55 lacs (Gross Block) (Net Block ₹ 1,266.18), 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, 2013 :: ₹ 187.45 lacs), depreciation charged for the year ₹ 3.06 lacs (31st March, 2013 :: ₹ 3.06 lacs), accumulated depreciation ₹ 21.75 lacs (31st March, 2013 :: ₹ 18.69 lacs), net book value ₹ 165.70 lacs (31st March, 2013 :: 168.76 lacs)
5. Freehold land of ₹ 3,120.00 lacs has been transferred to stock in trade (land).

11.2 Intangible assets

₹ in lacs

Particulars	Software	Total
Gross block		
As at 1st April, 2012	682.42	682.42
Purchase	93.34	93.34
Deductions	–	–
As at 31st March, 2013	**775.76**	**775.76**
Purchase	79.82	79.82

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

Particulars	Software	Total
Deductions		
Transfer on account of Dilution in stake	0.57	0.57
As at 31st March, 2014	855.01	855.01
Amortization		
As at 01st April, 2012	426.86	426.86
Charge for the year	158.10	158.10
Deductions	–	–
As at 31st March, 2013	**584.96**	584.96
Charge for the year	129.38	129.38
Deductions	–	–
Transfer on account of Dilution in stake	0.42	0.42
As at 31st March, 2014	**713.92**	713.92
Net block		
As at 31st March, 2013	190.80	190.80
As at 31st March, 2014	141.09	141.09

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

₹ In Lacs

Particulars	31st March, 2014		31st March, 2013	
Other than trade, Quoted				
6,14,48,200 (31st March, 2013:: 6,10,18,200) Equity Shares of ₹10/- each fully Paid up of Chambal Fertilisers and chemcials Limited		**10,570.80**		10,378.17
3,75,71,612 (31st March, 2013:: 3,71,71,612) Equity Shares of ₹1/- each fully paid up of Texmaco Infrastructure and Holdings limited		**2,477.61**		2,365.35
3,29,98,900 (31st March, 2013:: 3,29,98,900) Equity Shares of ₹1/- each fully Paid up of Texmaco Rail and Engineering Limited		**1,369.27**		1,369.27
2,93,34,310 (31st March, 2013:: 2,93,34,310) Equity Shares of ₹1/- each each fully paid up of Nagarjuna Oil Refinery Limited		**6,944.09**		6,944.09
NIL (31 March 2013:: 12,50,000) Reliance Broadcast Network Ltd equity shares of ₹10/- each		–		1,062.50
22,22,222 (31st March, 2013:: 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				
8,00,000 (31st March, 2013:: 8,00,000) Equity shares of Gobind Sugar Mills Limited of ₹ 10/- each fully paid-up (including Goodwill of ₹ NIL) (31st March, 2013:: ₹ Nil)	–		611.39	
Less: Share of loss for the current year	–		(611.39)	
		–		–
1,34,90,510 (31st March, 2013:: 1,26,17,402) Equity Shares of ₹10/- each fully paid up of Zuari Agro Chemicals Limited (Previous year - unquoted) (including Capital Reserve of ₹ 902.72 Lacs)	**8,620.92**		6,188.50	
Less: Dividend received	**(378.52)**		(378.52)	
Less: Share of profit/ (loss) for the current year	**(984.16)**		1,928.96	
		7,258.24		7,738.94

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	31st March, 2014		31st March, 2013	
Unquoted				
20,49,994 (31st March, 2013: NIL) Equity Shares of ₹ 10/- each fully paid up of New Eros Tradecom Ltd. (including goodwill of ₹ 661.40 lacs) Add: Share of profit for the current year	**1,553.88** **6.23**		– –	
		1,560.11		–
Others, Other than trade, Unquoted				
72,000 (31st March, 2013:: 72,000) Equity shares of ₹ 10/- each fully paid up of Indian Potash Limited		**3.60**		3.60
1,00,000 (31st March, 2013:: 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, 2013:: 2,58,250) Equity shares of ₹10/- each fully paid up of Lionel India Limited*		**258.90**		258.90
NIL (31st March, 2013:: 1,55,000) Equity shares of of ₹10/- each fully paid up ANS Constructions Ltd.		**–**		44.00
1,50,00,000 (31st March, 2013:: 1,50,00,000) 7% Non Convertible Redeemable Preference Shares 1st Series, of ₹ 10/- each fully paid up of Gobind Sugar Mills Limited, redeemable in one single lot after expiry of the 12th Year from the date of allotment (see note (b) below)		**1,500.00**		1,500.00
50,00,000 (31st March, 2013:: 50,00,000) 7% Non Convertible Redeemable Preference Shares 2nd Series, of ₹ 10/- each fully paid up of Gobind Sugar Mills Limited, redeemable in one single lot after expiry of the 12th Year from the date of allotment (see note (b) below)		**500.00**		500.00
3,30,00,000 (31st March, 2013:: 3,30,00,000) 7% Non Convertible Redeemable Preference Shares 3rd Series, of ₹ 10/- each fully paid up of Gobind Sugar Mills Limited, redeemable in one single lot after expiry of the 12th Year from the date of allotment (see note (b) below)		**3,300.00**		3,300.00
35,00,000 (31st March, 2013:: NIL) 7% Non Convertible Redeemable Preference Shares 4th Series, of ₹ 10/- each fully paid up of Gobind Sugar Mills Limited, redeemable in one single lot after expiry of the 12th Year from the date of allotment (see note (b) below)		**350.00**		–
35,00,000 (31st March, 2013:: NIL) 7% Non Convertible Redeemable Preference Shares 5th Series, of ₹ 10/- each fully paid up of Gobind Sugar Mills Limited, redeemable in one single lot after expiry of the 12th Year from the date of allotment (see note (b) below)		**350.00**		–
1,00,00,000 (31st March, 2013:: NIL) 7% Non Convertible Redeemable Preference Shares 6th Series, of ₹ 10/- each fully paid up of Gobind Sugar Mills Limited, redeemable in one single lot after expiry of the 12th Year from the date of allotment (see note (b) below)		**1,000.00**		–
1,17,50,000 (31st March, 2013:: NIL) 7% Non Convertible Redeemable Preference Shares 7th Series, of ₹ 10/- each fully paid up of Gobind Sugar Mills Limited, redeemable in one single lot after expiry of the 12th Year from the date of allotment (see note (b) below)		**1,175.00**		–
9,800 (31st March, 2013:: 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 (31st March, 2013:: 19,092) Equity shares of Lionel Edwards Limited of ₹ 100/- each fully paid up		**1.91**		1.91

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	31st March, 2014		31st March, 2013	
3,22,67,741 (31st March, 2013:: 3,22,67,741) equity share of ₹ 1/- each fully paid up of Nagarjuna Fertilisers and Chemicals Limited		**2,115.39**		2,115.39
Total		**42,990.49**		39,837.69
Less : Provision for diminution in the value of Investments * – Simon Engineering and Partners LLC		**10.45**		10.45
– Lionel India Ltd.		**258.90**		–
Total		**42,721.14**		39,827.24
Aggregate Amount of Quoted Investments [Market value ₹ 71,296.24 lacs, (31st March, 2013 :: ₹ 77,646.52 lacs)]		**30,855.13**		32,093.44
Aggregate Amount of unquoted Investments		**11,866.01**		7,733.80
Total		**42,721.14**		39,827.24

(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 Parent 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 Parent Company's investment in Nagarjuna Oil Refinery Limited aggregated to ₹ 6,944.09 lacs (31st March, 2013:: NIL) (based on cost allocation as above in (a)) and market value of this investments is ₹ 1,056.04 lacs (31st March, 2013:: ₹ 894.70 lacs) . Hence, there is a diminution in the value of investment by ₹ 5,888.05 lacs (31st March, 2013:: ₹ 6,049.39 lacs).

(iii) The shares of Nagarjuna Fertilisers and Chemicals Limited allotted to the Parent Company are not yet listed on the stock exchange, pending receipt of permission from Securities and Exchange Board of India.

(b) One of the subsidiary has investment of ₹ 8,175.00 lacs (31st March, 2013:: ₹ 5,300.00 lacs) in non convertible redeemable prefarence shares of Gobind Sugar Mills Limited. As per the latest audited financials statement , it has accumulated loss, which has resulted in substantial erosion of its networth.

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.

13. Loans and Advances

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Capital advances				
Unsecured, considered good	**2,595.22**	1,649.04	**–**	–
	2,595.22	1,649.04	**–**	–
Security deposits				
Unsecured, considered good	**1,931.17**	1,571.59	**187.52**	199.09
	1,931.17	1,571.59	**187.52**	199.09

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Loans and advances to related parties (Refer note No. 49)				
Unsecured, considered good	**2,163.57**	1,780.65	**101.83**	70.22
	2,163.57	1,780.65	**101.83**	70.22
Advances recoverable in Cash or Kind				
Unsecured, considered good	**649.70**	635.95	**5,232.66**	2,607.26
Unsecured, considered doubtful	**–**	–	**16.22**	–
	649.70	635.95	**5,248.88**	2,607.26
Less: provision for doubtful	**–**	–	**16.22**	–
	649.70	635.95	**5,232.66**	2,607.26
Inter corporate deposit				
Unsecured, considered good	**–**	–	**300.00**	–
Unsecured, considered doubtful	**–**	–	**1,125.00**	1,125.00
	–	–	**1,425.00**	1,125.00
Less: provision for doubtful	**–**	–	**1,125.00**	1,125.00
	–	–	**300.00**	–
Other Loans and Advances				
Secured, considered good				
Loans to Employees	**1.75**	1.42	**0.13**	1.36
	1.75	1.42	**0.13**	1.36
Unsecured, considered good except where other wise stated.				
Loans to Employees	**6.87**	9.10	**10.63**	6.11
MAT Credit entitlement	**181.77**	470.01	**–**	–
Prepaid expenses	**1.96**	1.94	**183.28**	239.18
Balances with Customs, Port Trust and Excise Authorities	**–**	–	**309.07**	439.69
Share appplication money	**–**	–	**694.30**	–
Advance payment of income tax (net of provision for income tax)	**2,069.19**	206.41	**1,201.64**	992.34
	2,261.54	688.88	**2,399.05**	1,678.68
Total	**9,601.20**	6,326.11	**8,221.06**	4,555.25

(i) The Parent and a subsidiary company has till date recognised ₹ 181.77 lacs (Previous year ₹ 470.01 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 these Companies to utilize the above MAT credit entitlement.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

14. Other Assets

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Interest accrued on Loans, Advances and Deposits				
– From related parties (refer note no. 49)	**492.14**	231.43	**–**	–
– From others	**4.39**	3.57	**96.93**	77.83
Interest accrued on Loans to employees	**1.09**	3.06	**0.46**	0.26
Interest receivable from customers	**–**	–	**33.80**	74.20
Unbilled revenue	**–**	–	**7,565.70**	945.84
Insurance claim receivable	**–**	–	**–**	354.93
Unamortised Premium on forward contracts	**–**	–	**389.29**	–
Total	**497.62**	238.06	**8,086.18**	1,453.06
Non current bank balances (note 18)	**119.82**	158.05	**–**	–
	119.82	158.05	**–**	–
Total	**617.44**	396.11	**8,086.18**	1,453.06

* The Unamortised Foreign Exchange Premium on Outstanding Forward Exchange Contracts is being carried forward to be charged to the Statement of Profit and Loss of subsequent year

15. Current Investments

₹ In Lacs

Particulars	**31st March, 2014**		31st March, 2013	
Current portion of long term investments (valued at cost)				
Trade, Quoted				
9,229 (31st March, 2013:: NIL) Equity Shares of ₹ 10/- each fully paid up of Ess Dee Aluminium Ltd.		**51.62**		–
Other than trade, Quoted				
NIL (31st March, 2013:: 1,72,99,492) Shares of Fosfatos del Pacifico S.A. of 1 Peruvian Nuevo Sol fully paid up (including goodwill of ₹ NIL (31st March, 2013:: ₹ 5,755.74 lacs)*	**9,700.52**		8,677.36	
Less: Share of loss for the current year	**(146.07)**		(221.30)	
Less: Disposed off during the current year	**(9,554.45)**	**–**	–	8,456.06
Unquoted				
6,60,000 (31st March, 2013:: 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 30.09.2014)		**660.00**		660.00
Investments in Mutual Funds				
NIL (31st March, 2013:: 7,288,217.13) 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
74,740.80 units (31st March, 2013:: 72,652.55) of the Face Value of ₹ 1000/- each in Reliance Liquid Fund-Treasury Plan-Iinstitutional Option-Daily Dividend Option		**1,142.59**		1,110.67

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	31st March, 2014		31st March, 2013	
NIL units of the Face Value of ₹1000/– each (31st March, 2013:: 63,382.14 units of the face value of ₹ 10/- each) units of the Face Value of ₹ 1000/- each in Kotak Floater Short Term - Daily Dividend		–		641.19
NIL (31st March, 2013:: 1,83,648.168) Units of ₹ 1000/- each in SBI Premier Liquid Fund daily dividend		–		1,842.45
NIL (31st March, 2013:: 95,512.80) units of the Face Value of ₹10/- each in Tata Liquid Fund - Direct Plan - Daily Dividend		–		1,064.51
NIL (31st March, 2013:: 50,00,947.28) units of the Face Value of ₹10/- each in L & T Low Fund – Direct Plan - Daily Dividend Option		–		504.33
NIL (31st March, 2013:: 4,985,243.68) units of the Face Value of ₹10/- each in Reliance Quarterly Interval Fund - Series II - Direct Plan - Dividend Plan		–		500.00
NIL (31st March, 2013:: 7,498,725.22) units of the Face Value of ₹10/- each in Reliance Monthly Interval Fund - Series II - Direct Plan - Dividend Plan		–		750.00
NIL (31st March, 2013:: 27,533.32) units of the Face Value of ₹10/- each in DSP Blackrock Liquidity Fund - Direct Plan - Daily Dividend		–		275.42
10,311.36 (31st March, 2013:: 69,245.08) units of the Face Value of ₹100/- each in DWS Insta Cash Plus Fund - Direct Plan - Growth		**17.15**		102.47
49,230.82 (31st March, 2013:: NIL) units of the Face Value of ₹1000/- each in IDBI Ultra Short Term Fund - Direct Plan - Daily Dividend Re-investment Plan		**502.42**		–
87,804.57 (31st March, 2013:: NIL) units of the Face Value of ₹1000/- each in L & T Liquid Fund - Direct Plan - Daily Dividend Re-investment Plan		**888.54**		–
10,42,312.93 (31st March, 2013:: NIL) units of the Face Value of ₹100/- each in ICICI Prudential Liquid Fund - Direct Plan - Daily Dividend Re-investment Plan		**1,042.88**		–
NIL (31st March, 2013:: 8,562.66) units of the Face Value of ₹1000/- each in Pramerica Liquid Fund - Direct Plan - Growth Option		–		105.38
Total		**4,305.20**		16,752.84
Book Value of Quoted Investments		**51.62**		–
Book Value of Unquoted Investments		**660.00**		660.00
Market value of qouted investments ₹ 57.81 lacs (31st March, 2013 :: ₹ 14,052.56 lacs)				
Net asset value of unquoted investments in the units of Mutual Funds (Book value ₹ 3,593.58 lacs (31st March, 2013:: ₹ 7,636.78 lacs)		**3,594.43**		7,636.78

* The parent company had during the year further invested ₹ 1,231.36 lacs in the equity share capital of MCA Phosphate Pte. Limited and sold entire share holding in MCA Phosphate Pte Limited to Zuari Agro Chemicals Limited as per agreement entered in an earlier year.

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

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Raw materials [includes material lying with others ₹ NIL (31st March, 2013:: ₹ 17.84 Lacs)]	**795.00**	896.75
Packing materials [includes material lying with others ₹ NIL (31st March, 2013:: ₹ 76.17 lacs)]	**11.17**	94.80
Work-in-progress	**4.49**	21.74

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Project-in-progress	**6,431.96**	7,458.66
Finished products	**1,804.33**	1,489.02
Traded products	**2,270.98**	3,812.00
Stock in trade (land)*	**19,479.31**	–
Stores and spares	**168.31**	192.31
Stock in trade (securities)	**–**	132.63
Total	**30,965.56**	14,097.91

* Stock in trade (land) amounting to ₹ 16,359.31 lacs is pending to be registered in the parent company's name

17. Trade receivables

₹ In Lacs

Particulars	Current	
	31st March, 2014	31st March, 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	**2.00**	1.00
Unsecured, considered good	**860.15**	1,398.62
Unsecured, considered doubtful	**57.31**	145.62
	919.46	1,545.24
Less: Provision for doubtful debts	**57.31**	145.62
	862.15	1,399.62
Other receivables		
Secured, considered good	**59.76**	54.95
Unsecured, considered good	**12,298.57**	7,331.92
	12,358.33	7,386.87
Total	**13,220.48**	8,786.49

18. Cash and bank balances

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Cash and cash equivalents				
a. Balances with banks				
On Current accounts	**–**	–	**3,290.27**	4,127.27
On Deposits accounts with original maturity less than three months	**–**	–	**704.56**	850.00
On Unpaid dividend account	**–**	–	**35.53**	35.51
On Interest warrant accounts	**–**	–	**9.08**	11.42

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	Non Current		Current	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
b. Cheques on hand	**–**	–	**207.30**	150.27
c. Cash on hand	**–**	–	**104.31**	131.53
	–	–	**4,351.05**	5,306.00
Other bank balances				
Deposits with original maturity for more than 12 months	**100.70**	89.99	**163.59**	174.61
Deposits with original maturity for more than 3 months but less than 12 months	**7.00**	–	**2,261.98**	1,901.47
Margin money deposits	**12.12**	68.06	**122.41**	–
Total	**119.82**	158.05	**2,547.98**	2,076.08
Amount disclosed under non current assets	**(119.82)**	(158.05)	**–**	–
Total	**–**	–	**6,899.03**	7,382.08

(i) In respect of a subsidiary company, margin money deposits with carrying amount of ₹ 49.10 lacs (31st March, 2013:: ₹ 43.05 lacs) are subject to first charge to secure the company's letter of credit facility.

(ii) Deposit accounts include pledged deposit of ₹ 567.99 lacs (31st March, 2013:: ₹ 651.37 lacs) with banks and Government departments.

19. Revenue from operations

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Revenue from operations		
Sale of products(*)		
Finished products	**7,184.68**	9,212.32
Traded products	**26,706.03**	20,251.46
Real estate	**7,705.94**	–
Terminalling Services (net of service tax)	**480.53**	895.94
Shares and securities	**533.20**	266.15
Sale of Engineering Supplies and other Services (net of service tax)	**22,412.72**	10,042.56
Other operating revenues		
Scrap Sales	**32.66**	45.10
Revenue from operations (gross)	**65,055.76**	40,713.53
Less: Excise duty	**815.31**	900.72
Revenue from operations (net)	**64,240.45**	39,812.81

(*) Net of Trade Discount of ₹ NIL (31st March, 2013:: ₹ 141.13 lacs) related to previous year but determined during the year.

Excise duty on sales amounting to ₹ 815.31 lacs (31st March, 2013:: ₹ 900.72 lacs) has been reduced from sales in Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to ₹ 47.63 lacs (31st March, 2013:: (₹ 4.84 lacs)) has been considered as (income)/expense in the financial statement.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

20. Other income

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Interest Income on		
Income tax refunds	**1.47**	52.44
Bank deposits	**272.12**	309.30
Loans, etc	**210.30**	183.70
Compensation towards land acqusition	**–**	222.71
Overdue debtors, employee loans etc.	**284.29**	240.23
	768.18	1,008.38
Less: Excess credit of interest taken in ealier years now reversed	**(57.16)**	(347.04)
	711.02	661.34
Dividend Income on		
Current investments	**337.18**	526.12
Long-term investments	**1,558.66**	1,851.72
Profit on disposal of long term Investments	**–**	21.00
Profit on disposal of current Investments	**33.25**	2.92
Profit on sale of fixed assets (net)	**13.87**	–
Rent received	**147.85**	140.16
Excess Provisions and Liabilitites Written Back	**402.25**	113.31
Compensation towards land acqusition	**–**	157.09
Service income - staff deployment and other support	**13.43**	53.70
Foreign Exchange Variation (Net)	**28.43**	–
Miscellaneous income	**186.45**	105.91
Total	**3,432.39**	3,633.27

21. Cost of raw materials consumed:

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Inventory at the beginning of the year	**896.75**	1,260.35
Add : Purchases	**3,427.26**	3,542.06
Less: Sale from opening stock	**–**	(126.16)
Less: Inventory at the end of the year	**(795.00)**	(896.75)
Cost of raw materials consumed	**3,529.01**	3,779.50

22 (a). Details of purchase of traded products:

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Traded products purchase details		
MOP	**9,757.28**	–
Pesticides	**4,523.76**	7,262.20

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Furniture and accessories	**4,208.75**	5,675.34
Securities	**400.55**	392.63
Total	**18,890.34**	13,330.17

22 (b). Details of purchase of land :

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Land	**19,479.31**	–
Total	**19,479.31**	–

23. (Increase)/Decrease in inventories

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013	(Inc)/dec of 2014
Inventories at the end of the year			
Finished products	**1,804.33**	1,489.02	**(315.31)**
Traded products	**2,270.98**	3,812.00	**1,541.02**
Project Work-in-progress	**6,431.96**	7,458.66	**1,026.70**
Work-in-progress	**4.49**	21.74	**17.25**
Stock in trade (securities)	**–**	132.63	**132.63**
Stock in trade (land)	**19,479.31**	–	**(19,479.31)**
	29,991.07	12,914.05	**(17,077.01)**
Inventories at the beginning of the year			
Finished products	**1,489.03**	2,835.00	**1,345.97**
Traded products	**3,812.00**	4,467.29	**655.29**
Project Work-in-progress	**7,458.66**	6,541.72	**(916.94)**
Work-in-progress	**21.74**	46.52	**24.78**
Stock in trade (securities)	**132.63**	2.38	**(130.25)**
Less : Trasferred to advance during the year	**–**	(357.37)	**(357.37)**
Less : Trasferred to fixed assets during the year	**–**	(30.98)	**(30.98)**
	12,914.06	13,504.56	**590.50**
Total	**(17,077.01)**	590.51	

24. Employee benefit expense

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Salaries, wages and bonus	**5,646.64**	5,372.41
Contribution to provident and other funds	**355.81**	323.42
Gratuity (Refer note no. 44)	**42.65**	119.31
Staff welfare expenses	**299.36**	294.68
Total	**6,344.46**	6,109.82

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

25. Depreciation and amortisation expense

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Depreciation of tangible assets	**699.40**	753.26
Amortization of intangible assets	**129.38**	158.10
	828.78	911.36
Less: Transferred to project expenses	**(7.74)**	(24.12)
Total	**821.04**	887.24

Note : One of the subsidiary Company has grouped its depreciation on construction & development projects of ₹ 7.74 lacs (31st March, 2013:: ₹ 24.12 lacs) under project expenses. (Refer note no. 27 below)

26. Finance costs

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Interest expense [including interest on Income Tax ₹ 91.01 lacs (31st March, 2013:: ₹ 39.00 lacs)] (Refer note no. 37(a) below)	**937.72**	632.56
Bank charges	**165.83**	110.32
Total	**1,103.55**	742.88

27. Other expenses

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Consumption of packing materials	**438.15**	511.18
Stores and spares consumed	**126.95**	139.34
Power, fuel and water	**501.02**	553.61
Bagging and other contracting charges	**–**	36.27
Outward freight and handling	**1,198.13**	1,426.59
Project expenses (Refer details below)	**22,381.89**	5,273.96
Rent	**2,579.10**	3,027.04
Lease rentals	**16.03**	19.40
Rates and taxes	**229.13**	160.83
Insurance	**109.71**	129.45
Repairs and maintenance		
Buildings	**15.16**	21.53
Plant & machinery	**150.87**	80.92
Others	**568.21**	493.72
Legal and consultancy charges	**988.72**	1,483.44
Payment to auditor (Refer details below)	**74.99**	73.25
Cash rebate	**10.73**	13.86
Incentive paid to dealers	**18.28**	40.70

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Commission expenses	**396.88**	340.07
Advertisement and sales promotion	**1,482.79**	1,620.48
Sundry balances written off	**134.81**	24.58
Excise duty on increase/(decrease) on inventory	**47.63**	(4.84)
Exchange fluctuation variation (net)	**–**	13.30
Donations	**2.15**	0.53
Loss on sale of non current investments	**165.28**	–
Loss on fixed assets sold/discarded (net)	**–**	40.12
Provision for doubtful debts, loans, claims and advances	**25.06**	43.74
Miscellaneous expenses	**1,365.90**	1,405.66
	33,027.57	16,968.73
Less: Trasnferred to capital work in progress	**(22.56)**	–
Total	**33,005.01**	16,968.73
Payments to the auditors		
As auditor		
Audit fee	**53.91**	43.06
Tax audit fee	**8.88**	8.37
Limited review	**5.56**	5.06
In other capacity		
Other services (certification fees)	**4.56**	13.65
Reimbursement of expenses	**2.08**	3.11
Total	**74.99**	73.25
Project expenses		
Architect fees	**158.46**	113.17
Land development	**601.62**	277.15
Civil work	**3,807.91**	567.70
Project supplies	**11,676.94**	3,219.91
Travelling and conveyance	**100.54**	188.91
Consultation/ sub-contracting fee	**5,216.03**	2,371.76
Insurance	**6.88**	16.12
Bank charges	**16.71**	19.59
Site office expenses	**152.86**	57.21
Printing, stationery and communication	**35.07**	5.55
Rates and taxes	**69.01**	228.76
Warranties	**90.31**	144.19

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Liquidated damages	–	65.31
Project staff cost	**292.92**	128.52
Contribution to provident and other funds	**19.78**	8.98
Interest expenses	**284.33**	34.13
Depreciation	**7.74**	24.12
Miscellaneous expenses	**61.65**	56.74
	22,598.76	7,527.82
Less : Reversal of provision made towards warranty in earlier years	**216.87**	2,253.86
Total	**22,381.89**	5,273.96

28. Exceptional Items (net)

₹ In Lacs

Particulars	31st March, 2014	31st March, 2013
Income		
Profit on exchange of Freehold land	**(3,000.00)**	–
Profit on dilution of stake in Joint Venture (net)	**(776.00)**	–
Profit on divestment of stake in Joint venture (net)	**(428.84)**	–
	(4,204.84)	–
Expenses		
Fire incident Expenses		
Third Party claims	–	2.93
Health and Safety Environment Expenses	–	16.03
Travelling & conveyance	–	0.13
Legal & Professional	**12.18**	18.24
Other expenses	**0.18**	450.91
	12.36	488.24
Less: Insurance claim received	**(2.69)**	(354.93)
	9.67	133.31
Others		
Expenses on voluntary retirement scheme (Refer note 53)	**100.11**	–
Provision for dimunition in the value of long term investments (Refer note 12 above)	**258.90**	–
Interest on income tax (Refer note 37 (a) below)	**1,116.68**	–
	1,475.69	–
Total	**(2,719.48)**	133.31

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

29. 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 31st March, 2014	Proportion of Ownership Interest as at 31st March, 2013
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%
Zuari Infraworld India Limited (formerly known as Adventz Infraworld 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 India 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 no. (v) below)	India	**58.57%**	58.57%

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31st March, 2014	Proportion of Ownership Interest as at 31st March, 2013
Zuari Indian Oiltanking Limited	India	**50%**	50%
Gulbarga Cement Limited (refer note (iv) below)	India	**10.09%**	26%
MCA Phosphates Pte. Limited. (including its associate Fosfatos del Pacifico SA.) (Refer note no. (iii) below)	Singapore	**–**	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 31st March, 2014	Proportion of Ownership Interest as at 31st March, 2013
Zuari Agro Chemicals Limited Consolidated (including subsidiaries and Joint Ventures) (Refer note (vi) below)	India	**32.08%**	30.00%
Gobind Sugar Mills Limited (including a subsidiary)	India	**25.00%**	25.00%
New Eros Tradecom Limited	India	**45.05%**	–

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) which is involved in Engineering, Construction & Procurement Services. 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 ₹ 18.59 lacs from JV company against the invoices raised by the Subsidiary company in the financial statements.

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), Style Spa Furniture Limited (29.85%) and New Eros Tradecom Limited (w.e.f. from September 30, 2013) (45.05%).

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

iii) MCA Phosphates Pte. Limited financial statements for year ended 31st March, 2014 are unaudited. Also, financial statements of its associate Fosfatos del Pacifico S.A. have been audited for year ended December 31, 2013 and unaudited for the period from 1st January, 2014 to 31st March, 2014. During the current year, the Parent Company has disposed off investment in MCA Phosphates Pte. Limited on March 27, 2014. The aforesaid divestment has effect on decrease in assets and lablities by ₹ 9561.31 Lacs and ₹ 11.31 Lacs respectively.

iv) Financial statements of Gulbarga Cement Limited (GCL) as at and for the year ended 31st March, 2014 are unaudited. During the year there is dilution in company's share in joint venture which has reduced to 10.09% from 26% due to allotment of shares by GCL to other shareholders. The aforesaid divestment has effect on decrease in assets and liabilities by ₹ 7,477.27 Lacs and ₹ 2,203.39 Lacs respectively.

v) In respect of a subsidiary, Style Spa Furniture Limited, the scheme of amalgamation with another subsidiary company, Indian Furniture Products Limited, has been sanctioned by an order dated March 27, 2014, of the High Court of Judicature of Madras ('High Court'). The subsidiary is in the process of completing the necessary procedures to give effect to the order of the High Court, as above, consequent to which the subsidiary will be dissolved without winding up, effective April 1, 2014.

On account of the merger of the two subsidiary companies the holding in Indian Furniture Products Limited should be reduced from 100% to 86.05%

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, MCA Phosphates Pte. Limited (30%) including its associate Fosfatos del Pacifico S.A and Zuari Rotem Speciality Fertilisers Limited (50%).

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

₹ in lacs

Particulars				As at 31st March, 2014		As at 31st March, 2013	
				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 Apellate Tribunal relating to the period 2005-07 towards service tax under the Finance Act, 1994 (amount includes deposits under protest ₹ 21.25 lacs)	**90.00**	–	90.00	–
		ii.	Pending case before the Commissioner (Appeals) relating to the period 2004-11 towards service tax under the Finance Act, 1994	**2.03**	–	2.03	–
		iii.	Pending case before the Customs Excise and Service Tax Apellate Tribunal relating to the period 2007-08 towards service tax under the Finance Act, 1994	**29.10**	–	–	–
		iv	Service Tax Demand for Financial year 2008-09, 2009-10, 2010-11, 2011-12	**86.02**	–	–	–
	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	–	–	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	–

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

Particulars				As at 31st March, 2014		As at 31st March, 2013	
				Zuari & its Subsidiaries	***Joint Ventures**	Zuari & its Subsidiaries	*Joint Ventures
		v.	Pending case before the Commercial Tax Appellate Authority relating to the period 2009-10 under the West Bengal Sales Tax Act, 1941	**3.94**	–	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**	–	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	–
		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(includes deposits made under protest ₹ 7.45 lacs)	**7.45**	–	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	**59.27**	–	59.27	–
		xi.	Pending case under the Kerala VAT Act, 2003 (includes amount paid under protest ₹ 3.92 lacs)	**13.70**	–	–	–
		xii.	Pending case under the Kerala VAT Act, 2003 (includes amount paid under protest ₹ 0.81 lacs)	**3.24**	–	–	–
II.	**Taxation matters****						
	i.		Demand in respect of Asst.Years-1999-2000, 2008-09 to 2010-11. The Company had filed appeals with CIT(Appeals), which has been disposed off by CIT(Appeals) by order dated April 21, 2014. The Order giving effect to this order is yet to be passed.	–	–	3,757.91	–
	ii.		Income tax demand for Assessment Year 2011-12 in respect of a subsidiary company.	**418.96**	–	–	–
	iii.		Income tax demand for Assessment Year 2010-11 in respect of a subsidiary company.	**53.26**	–	53.26	–
	iv.		Demand in respect of Assessment Year 2012-13 for which an appeal is pending with Assistant Commissioner of Income Tax	–	–	59.20	–
	v.		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**	–	2.04
	vi.		Demand in respect of Wealth Tax for Assessment Years 2006-07 to 2010-11 for which the Company has filed appeals with Commissioner of Wealth Tax (Appeals)	**565.78**	–	–	–
	vii.		Income tax demand for Assessment year 2009-10. During the previous year, the Commissioner of Income tax (Appeals) has partially upheld the appeal in favour of the subsidiary company for which appeal effect order is yet to be received. (the subsidiary company has deposited ₹ 300.60 lacs against the same).	–	–	–	–

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

	Particulars	As at 31st March, 2014		As at 31st March, 2013	
		Zuari & its Subsidiaries	*Joint Ventures	Zuari & its Subsidiaries	*Joint Ventures
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 (secured by fixed deposit receipt of ₹ 7.00 lacs) (previous year ₹ Nil) pledged with the bank as security**	–	**7.62**	–	7.62
V.	**Estimated amount of contracts remaining to be executed on capital account not provided for**	**6,891.92**	**1,691.06**	177.95	1,653.01

* 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 there against is considered necessary.

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

₹ in lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Zuari Seeds Limited (Subsidiary of Associate)	**2,100.00**	2,100.00

(c) The Parent Company has given a letter of comfort to Ratnakar Bank Limited for the purpose of facilitating the loans of ₹ 5,000.00 lacs availed by Gobind Sugar Mills Limited.

31. Contingent Liabilities of Associates*:

₹ in lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Demand/claims from Government authorities	**4,547.96**	37,366.97
Other claims against the Company not acknowledged as debts	**354.82**	372.76
Aggregate amount of guarantees issued by the banks to various Government Authorities and others	**2,877.51**	1,887.87
Estimated amount of contracts remaining to be executed on capital account (not provided for)	**10,926.04**	10,170.61
Corporate Guarantee provided to banks for the loans financed by the banks to the dealers in case of default	**1,312.07**	–

* Being share of Zuari Group in the associate companies.

32. 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.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

Company	2013-14	2012-13
Zuari Investments Ltd.	**970.93**	970.93
Zuari Infraworld India Ltd. (formerly known as Adventz Infraworld India Ltd.)	**829.36**	829.36
Gulbarga Cement Ltd.	**8.60**	8.60
Style Spa Furniture Ltd.	**338.01**	338.01
Total	**2,146.90**	2,146.90

33. Earnings Per Share (EPS):

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Profit / (Loss) after taxation as per Statement of Profit and Loss (₹ in lacs)	**(119.57)**	1585.12
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 ₹)	**(0.41)**	5.38
Face value per share (in ₹)	**10.00**	10.00

34. In case of subsidiary company, Indian Furniture Products Limited, as at 31st March, 2014 the Company's accumulated losses of ₹ 2304.92 lacs has nearly eroded approximately 49% of the shareholders' funds of ₹ 4,650.01 lacs. During the current year, the Inter-corporate deposit of ₹ 1,000.00 lacs received from Parent Company during previous year have been converted into equity share capital. Further ₹ 350.00 lacs has been received from the Parent Company and converted to equity share capital .Further, the Parent Company has endeavoured to provide financial and operational support in the foreseeable future to enable the subsidiary 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 subsidiary in the coming years. The subsidiary continues to focus its immediate efforts on developing a healthy sales order pipeline and also effectively managing liquidity and financing requirements. Accordingly, these 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 subsidiary be unable to continue as a going concern.

35. 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.

36. 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 Income 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 in which the appeal effect order is received from Income Tax Department.

37. (a) Under Section 133A of the Income Tax Act, the Income Tax department carried out a survey at the Parent Company's premises in February, 2014. Pursuant to the discussions during the survey, the Parent Company agreed to pay additional amount towards income tax demands, which has been paid during the last quarter of the year. The Parent Company has subsequently filed an application with the Commissioner of Income Tax (Appeals) and has obtained a partial relief vide order dated April 22, 2014 issued by the Commissioner of Income Tax (Appeals). The short provision for income tax of ₹ 2,799.45 lacs and interest of ₹ 1,116.68 lacs in respect of earlier years, consequent to the additional tax claim, has been appropriately accounted for under exceptional items by the Parent Company in the current year

(b) During the financial year, the Income Tax Department has finalized the appeal effect order for the Assessment Year 2001-02 and the Parent Company has paid ₹ 57.79 lacs towards additional income tax and interest which have been fully charged to Statement of Profit and Loss during the year.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

38. Particulars of Foreign Currency Exposures:

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

Details of derivatives	31st March, 2014	31st March, 2013	Purpose
Buy (Amount in USD)	**1,77,55,771**	–	To hedge the purchases of raw materials, traded goods and buyer credit

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	
		31st March, 2014	31st March, 2013
Trade payables	USD	**64,48,880**	17,47,939
	₹ in lacs	**3,888.11**	954.77
Advance to suppliers	USD	**15,62,198**	5,360
	₹ in lacs	**942.81**	2.89
Trade payables	EURO	**10,02,608**	4,30,901
	₹ in lacs	**831.22**	300.77
Trade receivables	USD	**–**	28,43,804
	₹ in lacs	**–**	1,537.28
Advances from customers	USD	**–**	2,56,307
	₹ in lacs	**–**	140.06
Balances with banks on current accounts	USD	**8,256**	–
	₹ in lacs	**4.92**	–
Balances with banks on current accounts	EURO	**–**	–
	₹ in lacs	**–**	–
Claims receivables	USD	**7,15,137**	–
	₹ in lacs	**428.47**	–
Balances with banks on current accounts	SAR	**–**	1,40,948
	₹ in lacs	**–**	20.54

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	
		31st March, 2014	31st March, 2013
Trade payables	Euro	**2,85,820**	14,28,438
	₹ in lacs	**236.02**	993.39

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

39. 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	2013-14	2012-13
i) Lease payments for the year	**2,368.80**	2,816.75
ii) Payable for a period not later than one year	**1,957.52**	2,499.97
iii) Payable for a period later than one year and not later than 5 years	**6,468.35**	7,764.24
iv) Payable for the period later than 5 years	**2,242.76**	3,071.69

(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 ₹ 156.75 lacs (31 March, 2013: ₹ 171.71 lacs).

(c) In case of a joint venture company, 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 ₹ 44.79 lacs (31 March 2013: ₹ 38.58 lacs) (being the proportionate share of Zuari Group).

(d) In case of a joint venture company they are obligated under cancellable lease for office space that is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the period is ₹ 8.76 lacs (being the proportionate share of Zuari Group) which includes the rent of the office space for Bangalore, Gulbarga and Guest house at Gulbarga. The entire expenses relating to rent of Bangalore office and Gulbarga office is clubbed under capital work in progress.

(e) 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 (31 March 2013: ₹ 29.41 lacs).

40. In respect of a joint venture company, Capital work in progress (CWIP) includes borrowing cost of ₹ 93.47 lacs (being the proportionate share of Zuari Group) as on 31 March 2013. The borrowing cost for the current financial year has been taken into the Statement of Profit and Loss amounting to ₹ 192.94 lacs (being the proportionate share of Zuari Group). The company has also earned interest of ₹ 15.47 lacs (being the proportionate share of Zuari Group) as on 31 March 2013 by investment of surplus funds borrowed for the setting up of cement plant which has been netted off with interest expense in CWIP. However, for the current year the same has been credited to the Statement of Profit and Loss amounting to ₹ 52.47 lacs (being the proportionate share of Zuari Group) including interest received on fixed deposits of ₹ 21.13 Lacs (being the proportionate share of Zuari Group). Further, employee cost is primarily related to project and hence, included in Capital work in progress.

41. In respect of a joint venture comapny, it has provided for right of way charges aggregating to ₹ 354.38 lacs (being the proportionate share of the Zuari Group) (including ₹ 316.60 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.

42. In case of a subsidiary Advances recoverable in cash or kind :

(a) Includes ₹ 164.47 lacs (previous year ₹ 242.48 lacs) 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 sale transaction, such commission is refundable by the agency. The commission paid is charged to the Statement of Profit and Loss as and when revenue is recognized.

(b) Under the Development Management Agreement, the agency is entitled to a percentage of Income calculated in the manner specified under the agreement. The subsidiary has made advance payments aggregating to ₹ 639.58 lacs till 31st March, 2014. The amount will be adjusted in the year when the agency becomes entitled to share of income or will be recovered as per the agreement.

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

43. 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

Sl. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1.	Contract revenue recognized as revenue in the year (Clause 38(a))	**20,764.73**	7,091.06
2.	Aggregate Amount of cost incurred and recognized profits up to the reporting date on contract under progress (Clause 39 (a))	**19,152.23**	62,772.69
3.	Amount of advance received on contract under progress and outstanding at year end (Clause 39(b))	**7,368.80**	4,717.92
4.	Amount of retentions on contract under progress (Clause 39(c))	**2,392.39**	1,964.94
5.	Gross amount due from customers for contract work as an asset (Clause 41(a))	**6,754.36**	851.36
6.	Gross amount due to customers for contract work as a liability (Clause 41(b))	–	584.24
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.

44. 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 31st March, 2014:

₹ in lacs

Particulars	Gratuity			
	Funded		Unfunded	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Current Service Cost	**36.96**	44.27	**30.77**	49.52
Adjustment to opening balance of plan assets	–	(0.36)	–	–
Interest cost on benefit obligation	**20.25**	22.57	**17.12**	14.74
Expected return on plan assets	**(18.75)**	(21.35)	–	–
Net actuarial (gain)/loss recognized in the year	**(31.10)**	(40.09)	**(16.96)**	3.24

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

Particulars	Gratuity			
	Funded		Unfunded	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Past service cost (Vested)	**–**	**36.77	**–**	–
Net benefit expense*	**7.36**	41.81	**30.93**	67.50
Actual return on plan assets	**22.83**	19.59	**–**	–

* Excluding ₹ Nil (Previous year ₹ 6.08 lacs) in respect of Parent Company for gratuity expense transferred to other companies 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 ₹ 2.95 lacs (Previous Year ₹ 3.92 lacs) Excluding ₹ 0.76 lac (Previous year ₹ Nil) in respect of a subsidiary company for gratuity paid directly and not from fund balance In respect of a subsidiary ₹ 0.65 lac (Previous year ₹ Nil) being excess of gratuity not written back.

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

Balance Sheet

Details of Provision for gratuity benefit as at 31st March, 2014

₹ in lacs

Particulars	Gratuity									
	Funded					Unfunded				
	31st March, **2014**	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, **2014**	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Present Value of Defined benefit obligation	**217.11**	315.91	283.39	3,743.88	2,456.30	**241.78**	231.77	183.66	84.01	67.04
Fair value of plan assets	**207.13**	264.98	228.85	3,715.35	2,271.22	**–**	–	–	–	–
Plan assets/ (liability)*	**(9.98)**	(50.93)	(54.52)	(29.51)	(185.08)	**(241.78)**	(231.77)	(183.66)	(84.01)	(67.04)
Experience gain/(loss) on obligation	**(4.33)**	(25.70)	(60.46)	(564.70)	147.29	**–**	–	–	–	–
Experience gain/(loss) on plan assets	**4.38**	(1.76)	–	22.44	19.75	**–**	–	–	–	–

* Excluding ₹ 5.69 lacs in respect of transfer of liability relating to transfer of employees and excluding ₹ 2.30 lacs in respect of subsidiaries of a subsidiary company (Previous year ₹ 3.20 lacs) 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 31st March, 2014 are as follows:

₹ in lacs

Particulars	Gratuity			
	Funded		Unfunded	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Opening defined benefit obligation	**315.91**	283.39	**231.77**	183.66
Adjustment to opening balance	**–**	–	**10.57**	4.49
Interest cost	**20.25**	22.57	**17.12**	14.74
Current service cost	**36.96**	44.27	**30.77**	49.52
Benefits paid	**(89.24)**	(29.23)	**(31.49)**	(23.88)

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

Particulars	Gratuity			
	Funded		Unfunded	
	31st March, 2014	31st March, 2013	**31st March, 2014**	31st March, 2013
Past Service Cost (Vested Benefits)	**–**	36.77	**–**	–
Service Cost (transfer out of parent Company)	**(40.05)**	–	**–**	–
Actuarial (gains) / losses on obligation	**(26.72)**	(41.86)	**(16.96)**	3.24
Closing defined benefit obligation	**217.11**	315.91	**241.78**	231.77

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

₹ in lacs

Particulars	Gratuity (Funded)	
	31st March, 2014	31st March, 2013
Opening fair value of plan assets	**264.98**	228.85
Adjustment to opening balance	**–**	0.35
Expected return	**18.75**	21.35
Contributions by employer	**48.31**	45.41
Benefits paid	**(89.24)**	(29.23)
Service Cost (Transfer out of parent company)	**(40.05)**	–
Actuarial gains/(losses)	**4.38**	(1.75)
Closing fair value of plan assets	**207.13**	264.98

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 2013-14**	Gratuity 2012-13
	100%	100%

a.) The Parent Company expects to contribute ₹ Nil (previous year ₹ 31.23 lacs) towards gratuity during the year 2013-14.

b.) One of the subsidiary company expects to contribute ₹ 13.94 lacs towards gratuity during the year 2013-14

c.) One of the joint venture company expects to contribute ₹ 0.91 lacs (previous year ₹ 0.27 lacs) towards gratuity during the year 2013-14

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	**2013-14**	2012-13
Discount Rate	**8.50%-9.00 %**	7.97%-8.10 %
Expected rate of return on plan assets	**8.00%-9.00 %**	8.00%-9.45 %
Increase in Compensation cost	**9.00 %**	6.00%-9.00 %
Employee turnover	**0.50%-18.18 %**	0.50%-20.00 %

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 two subsidiaries of another subsidiary company, no separate actuarial valuation has been performed for arriving at the gratuity liability as at 31st March, 2014 as the number of employees of the said companies as at and for the year ended 31st March, 2014 was below 50. These liabilities as at 31st March, 2014, as reflected in the financials, have been determined on gross undiscounted basis.

(ii) 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 Fertliser 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 maintained by the said company.

₹ in lacs

Particulars	2013-14	2012-13
Contribution to Provident Fund	**53.50**	42.14

(iii) Details of Defined Contribution Plan in respect of the Group:

₹ in lacs

Particulars	2013-14	2012-13
Contribution to Provident Fund	**204.66**	190.21
Contribution to Superannuation Fund	**73.71**	67.12
Contribution to Contributory pension fund	**23.94**	23.95
Total	**302.31**	281.28

45. In case of one of the Joint Venture of the Company, the company is in the process of taking the necessary steps to comply with the provisions of the section 383A of the Companies Act, 1956 and / or applicable provisions of the Companies Act, 2013.

46. In case of investment in a subsidiary, the excess of the share of the minority interest in accumulated losses over the net worth as at 31st March, 2014, aggregating to ₹ 357.31 lacs has been borne by the majority and has been included in the consolidated financial statements as at 31st March, 2014.

47. 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

ii) Unallocated items

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

iii) Financial information about business segments for the year ended 31st March, 2014 is presented below:

Financial Information about business segments for the year ended 31st March, 2014

₹ in lacs

Particulars	Fertilizer		Engineering		Furniture		Real Estate		Investment Services		Other Operations		Total	
	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13
External Sales/ Income	17545.53	11831.17	21016.67	7431.81	16111.19	18773.43	7705.94	–	1566.52	1080.78	996.65	1097.11	64942.50	40214.30
Inter–Segment Sales/Income	(58.93)	–	–	–	(0.88)	(75.68)	–	–	(8.75)	–	(27.66)	(18.64)	(96.22)	(94.32)
Segment Revenue	17486.60	11831.17	21016.67	7431.81	16110.31	18697.75	7705.94	–	1557.77	1080.78	968.99	1078.47	64846.28	40119.98
Segment Results	580.68	316.41	722.21	377.11	(822.64)	(1478.81)	60.80	(527.41)	(218.60)	(262.89)	61.55	160.09	384.00	(1415.50)
Segment Assets	8681.73	7902.77	17018.57	7490.51	10537.74	11099.64	31695.67	10190.05	2558.22	1967.46	3996.06	6397.00	74487.99	45047.43
Segment Liabilities	11849.98	2363.65	17268.17	9518.68	4326.27	4782.47	3387.57	2773.18	953.55	602.72	1237.69	2433.63	39023.23	22441.29
Capital Expenditure (Net of Transfer on account of dilution in stake)	71.70	148.90	72.55	87.35	163.60	685.36	20.30	157.49	73.86	20.91	1969.70	1510.37	2371.72	2610.38
Depreciation and Amortization	11.81	11.81	104.87	117.62	449.33	493.93	41.93	46.21	44.85	43.89	168.25	173.78	821.04	887.24
Provision for Doubtful Debts & Advances write off	–	–	1.74	–	22.57	17.89	–	–	0.75	3.73	–	22.12	25.06	43.74

Reconcilation of Repotable Segments with the Financial statements

₹ in lacs

Particulars	Revenues		Results - Net profit		Assets		Liabilities	
	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13
Total of reportable segments	64846.28	40119.98	384.00	(1415.50)	74487.99	45047.43	39023.23	22441.29
Add / (Less) Corporate unallocated	2826.56	3326.10	1585.66	2534.27	55669.27	64049.19	23208.48	16518.14
Minority Interest (Share of Loss)	–	–	21.32	450.24	–	–	–	21.32
Share in profit of Associate	–	–	(1124.00)	1096.29	–	–	–	–
Inter segment elimination	–	–	–	–	–	–	–	–
Finance Cost	–	–	(1103.55)	(742.88)	–	–	–	–
Exceptional Items	–	–	2719.48	(133.31)	–	–	–	–
Interest Income	–	–	711.02	661.34	–	–	–	–
Taxes	–	–	(3379.58)	(930.83)	3452.60	1668.76	288.45	1363.53
Deferred Taxes	–	–	66.08	65.50	58.24	68.16	300.66	376.67
AS PER SEGMENT	67672.84	43446.08	(119.57)	1585.12	133668.10	110833.54	62820.82	40720.95
AS PER FINANCIAL STATEMENTS	67672.84	43446.08	(119.57)	1585.12	133668.10	110833.54	62820.82	40720.95

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

48. 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".

49. Related party disclosures under Accounting Standard – 18, Related Party Disclosures

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

(i) Joint ventures of the Parent Company

1 Zuari Indian Oiltanking Limited
2 Gulbarga Cement Limited
3 MCA Phosphates Pte. Limited (up to 27/03/2014 and thereafter as Associate)

(ii) Associates of the company and their subsidiaries

1 Zuari Agro Chemicals Limited
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 Fertilisers Limited (Joint Venture of Zuari Agro Chemicals Limited)
7 Gobind Sugar Mills Limited. (Associate of Zuari Investments Limited (w.e.f. 21/08/2012))
8 New Eros Tradecom Limited - (Subsidiary of Gobind Sugar Mills Limited)
9 MCA Phosphates Pte. Limited (Joint Venture of Zuari Agro Chemicals Limited) (w.e.f. 27/03/2014)
10 Fosfatos del Pacifico S.A. (Associate of MCA Phosphates Pte. Limited upto 27/03/2014)

(iii) Key Management Personnel of the Zuari Group

1 Mr. H.S. Bawa, Executive Vice Chairman of the Parent Company (upto 31/08/2013)
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 Style Spa Furniture Limited (upto 30/04/2013)
5 Mr. Vijay Kathuria, Whole Time Director of Zuari Investments Limited.
6 Mr. Praveen Malhotra (Principal Officer of Zuari Insurance Brokers Limited)
7 Mr. Alok Banerjee [(CEO of Zuari Infraworld India Limited (formerly known as Adventz Infraworld India Limited)]
8 Mr. Devender Kumar Jairath (Whole Time Director of Style Spa Furniture Limited) (w.e.f May 1, 2013)
9 Mr. Akshay Tandon (Business Head, Zuari Investments Limited)

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

1 Mrs. Veena Bawa (Wife of Mr. H. S. Bawa) (upto 31/08/2013)
2 Mrs. Seema Behl (Daughter of Mr. H. S. Bawa) (upto 31/08/2013)
3 Mrs. Meenakshi Bawa (Daughter of Mr. H. S. Bawa) (upto 31/08/2013)
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 IOT Infrastructure and Energy Services Limited
2 Zuari Cement Limited
3 Mitshubishi Corporation (upto 27/03/2014)
4 Italcementi S.p.A
5 CTG SpA (Affiliate of Italcementi S.p.A)
6 Compagnie Pour I' Investissement Financier En Inde (CIFI) (Affiliate of Italcementi S.p.A)

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

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, 2014							Year ended 31st March, 2013					
		Joint Ventures	Joint Venturers	Asso-ciates	Entities having Significant Influence	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total	Joint Ventures	Joint Venturers	Asso-ciates	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total
1	**Payment made on their behalf**													
	Zuari Maroc Phosphates Limited	–	–	0.17	–	–	–	0.17	–	–	0.01	–	–	0.01
	Paradeep Phosphates Limited	–	–	43.98	–	–	–	43.98	–	–	15.32	–	–	15.32
	IOT Infrastructure and Energy Services Limited	–	9.79	–	–	–	–	9.79	–	–	–	–	–	–
	Zuari Rotem Speciality Fertilisers Limited	–	–	0.11	–	–	–	0.11	–	–	0.02	–	–	0.02
	Zuari Indian Oiltanking Limited	0.04	–	–	–	–	–	0.04	–	–	–	–	–	–
	Zuari Seeds Limited	–	–	0.04	–	–	–	0.04	–	–	0.03	–	–	0.03
	Zuari Agro Chemicals Limited	–	–	2.45	–	–	–	2.45	–	–	2.24	–	–	2.24
2	**Payment made on our behalf**													
	IOT Infrastructure and Energy Services Limited	–	0.48	–	–	–	–	0.48	–	38.93	–	–	–	38.93
	Paradeep Phosphates Limited	–	–	0.10	–	–	–	0.10	–	–	34.29	–	–	34.29
	Zuari Fertilisers and Chemicals Limited	–	–	–	–	–	–	–	–	–	0.04	–	–	0.04
	Zuari Agro Chemicals Limited	–	–	20.17	–	–	–	20.17	–	–	39.25	–	–	39.25
3	**Equity Contribution made**													
	MCA Phosphate Pte. Limited	615.68	–	–	–	–	–	615.68	–	–	–	–	–	–
	Gulbarga Cement Limitted	935.06	–	–	–	–	–	935.06	–	–	–	–	–	–
4	**Equity Share Issued**													
	Campagnie Pour I' Investissement Financier En Inde (CIFI)	–	2,504.15	–	–	–	–	2,504.15	–	–	–	–	–	–
	Zuari Cement Limited	–	271.61	–	–	–	–	271.61	–	–	–	–	–	–
5	**Purchase of Investment**													
	Gobind Sugar Mills Limited	–	–	1,550.00	–	–	–	1,550.00	–	–	–	–	–	–
6	**Sale of Investment**													
	Zuari Agro Chemicals Limited	–	–	10,184.96	–	–	–	10,184.96	–	–	–	–	–	–
7	**Purchase of Stock in Trade (Land)**													
	Zuari Agro Chemicals Limited	–	–	16,359.52	–	–	–	16,359.52	–	–	–	–	–	–
8	**Service / Consultancy charges paid**													
	IOT Design and Engineering Limited	–	–	–	–	–	–	–	–	6.19	–	–	–	6.19
	CTG SpA (for tangible assets)	–	478.96	–	–	–	–	478.96	–	717.77	–	–	–	717.77
	Zuari Agro Chemicals Limited	–	–	35.17	–	–	–	35.17	–	–	–	–	–	–

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

Sl. No	Transaction details	Year ended 31st March, 2014							Year ended 31st March, 2013					
		Joint Ventures	Joint Venturers	Asso-ciates	Entities having Significant Influence	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total	Joint Ventures	Joint Venturers	Asso-ciates	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total
9	**Managerial remuneration**													
	Mr. H.S.Bawa	–	–	–	–	117.15	–	117.15	–	–	–	290.72	–	290.72
	Mrs.Jyotsna Poddar	–	–	–	–	65.10	–	65.10	–	–	–	64.88	–	64.88
	Mr. S.S. Nandurdikar	–	–	–	–	65.62	–	65.62	–	–	–	49.53	–	49.53
	Mr. Arun Mahajan	–	–	–	–	1.34	–	1.34	–	–	–	77.09	–	77.09
	Mr.Devender Kumar Jairath	–	–	–	–	73.93	–	73.93	–	–	–	–	–	–
	Mr. Vijay kathuria	–	–	–	–	28.49	–	28.49	–	–	–	27.33	–	27.33
	Mrs Kavitha Kathuria	–	–	–	–	–	0.004	0.004	–	–	–	–	0.004	0.004
	Mr Praveen Malhotra	–	–	–	–	10.75	–	10.75	–	–	–	10.70	–	10.70
	Mr.Alok Bannerji	–	–	–	–	58.69	–	58.69	–	–	–	38.48	–	38.48
	Mr.Akshay Poddar	–	–	–	–	–	0.03	0.03	–	–	–	–	–	–
	Mr.Akshay Tondon	–	–	–	–	33.20	–	33.20	–	–	–	–	–	–
	Mr.Rajesh Kakkar	–	–	–	–	6.22	–	6.22	–	–	–	–	–	–
10	**Management Fees Paid**													
	IOT Infrastructure and Energy Services Limited	–	16.86	–	–	–	–	16.86	–	16.86	–	–	–	16.86
	Zuari Agro Chemicals Limited (including service tax)	–	–	–	–	–	–	–	–	–	646.32	–	–	646.32
11	**Service Charges/Management Fees/Corporate Guarantee Charges Received**													
	Zuari Indian Oiltanking Limited	5.62	–	–	–	–	–	5.62	5.62	–	–	–	–	5.62
	Zuari Agro Chemicals Limited	–	–	15.08	–	–	–	15.08	–	–	178.25	–	–	178.25
	Zuari Seeds Limited	–	–	43.38	–	–	–	43.38	–	–	57.39	–	–	57.39
	Zuari Rotem Speciality Fertilisers Limited	–	–	–	–	–	–	–	–	–	0.22	–	–	0.22
	Gobind Sugar Mills Limited	–	–	0.31	–	–	–	0.31	–	–	–	–	–	–
	New Eros Tradecom Limited	–	–	0.55	–	–	–	0.55	–	–	–	–	–	–
12	**Dividend paid**													
	New Eros Tradecom Limited	–	–	23.94	–	–	–	23.94	–	–	23.94	–	–	23.94
	Globalware Trading and Holdings Limited	–	–	–	140.24	–	–	140.24	–	–	–	–	–	–
13	**Dividend Received**													
	Zuari Agro Chemicals Limited	–	–	381.52	–	–	–	381.52	–	–	378.52	–	–	378.52
14	**Lease rentals received**													
	Zuari Indian Oiltanking Limited	66.21		–	–	–	–	66.21	63.06	–	–	–	–	63.06
	Zuari Fertilisers and Chemicals Limited	–	–	4.00	–	–	–	4.00	–	–	3.81	–	–	3.81
	Zuari Agro Chemicals Limited	–	–	44.17	–	–	–	44.17	–	–	43.64	–	–	43.64

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

Sl. No	Transaction details	Year ended 31st March, 2014							Year ended 31st March, 2013					
		Joint Ventures	Joint Venturers	Asso-ciates	Entities having Significant Influence	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total	Joint Ventures	Joint Venturers	Asso-ciates	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total
15	**Sale of finished goods, Engineering Services and Projects**													
	Paradeep Phosphates Limited	–	–	**10,585.61**	–	–	–	**10,585.61**	–	–	3,217.25	–	–	3,217.25
	Zuari Agro Chemicals Limited	–	–	**10,374.12**	–	–	–	**10,374.12**	–	–	110.17	–	–	110.17
	Zuari Fertilisers and Chemicals Limited	–	–	**2,792.01**	–	–	–	**2,792.01**	–	–	332.69	–	–	332.69
	Gobind Sugar Mills Limited	–	–	**3.30**	–	–	–	**3.30**	–	–	4.44	–	–	4.44
	Gulbarga Cement Limited	–	–	–	–	–	–	–	2.07	–	–	–	–	2.07
	Zuari Seeds Limited	–	–	**0.66**	–	–	–	**0.66**	–	–	–	–	–	–
	Zuari Rotem Speciality Fertilisers Limited	–	–	**0.31**	–	–	–	**0.31**	–	–	–	–	–	–
16	**Corporate Guarantee Given**													
	Zuari Seeds Limited	–	–	–	–	–	–	–	–	–	1,100.00	–	–	1,100.00
17	**Corporate Guarantee Withdrawn/ Cancelled**													
	Zuari Seeds Limited	–	–	–	–	–	–	–	–	–	1,025.00	–	–	1,025.00
18	**Inter–Corporate Deposits/Loans Given**													
	Gulbarga Cement Limited	–	–	–	–	–	–	–	634.92	–	–	–	–	634.92
19	**Inter–Corporate Deposits/Loans Taken**													
	Gulbarga Cement Limited	–	–	–	–	–	–	–	–	634.92	–	–	–	634.92
20	**Sitting Fee Paid**													
	Mr.S.K.Poddar	–	–	–	–	–	**0.68**	**0.68**	–	–	–	–	0.60	0.60
	Akshay Poddar	–	–	–	–	–	**0.15**	**0.15**	–	–	–	–	–	–
21	**Interest on Loan**													
	Gulbarga Cement Limited	**192.89**		–	–	–	–	**192.89**	183.70	–	–	–	–	183.70
	Zuari Cement Limited	–	**173.60**	–	–	–	–	**173.60**	–	–	–	–	–	–
22	**Subscription to Equity/Preference Share Capital**													
	Gobind Sugar Mills Limited (Preference Share)	–	–	**2,875.00**	–	–	–	**2,875.00**	–	–	3,800.00	–	–	3,800.00
23	**Share Subscription Money Received**													
	Campagnie Pour I' Investissement Financier En Inde (CIFI)	–	–	–	–	–	–	–	–	436.32	–	–	–	436.32

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

Related Party disclosures under Accounting Standard - 18

Balance Outstanding as on :

₹ in lacs

Sl. No	Transaction details	31st March, 2014						31st March, 2013					
		Joint Ventures	Joint Venturers	Asso-ciates	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total	Joint Ventures	Joint Venturers	Asso-ciates	Key Manage-ment Personnel (KMP)	Relatives of Key Manage-ment Personnel	Total
1	**As Debtors**												
	Paradeep Phosphates Limited	–	–	4,711.43	–	–	4,711.43	–	–	1,073.67	–	–	1,073.67
	Zuari Agro Chemicals Limited	–	–	3,940.13	–	–	3,940.13	–	–	49.83	–	–	49.83
	Zuari Fertilisers and Chemicals Limited	–	–	263.05	–	–	263.05	–	–	274.07	–	–	274.07
	Gobind Sugar Mills Limited	–	–	–	–	–	–	–	–	0.43	–	–	0.43
	New Eros Tradecom Limited	–	–	0.41	–	–	0.41	–	–	–	–	–	–
	Gulbarga Cement Limited	54.25	–	–	–	–	54.25	–	–	–	–	–	–
2	**Loans and Advances**												
	Zuari Seeds Limited	–	–	85.34	–	–	85.34	–	–	45.34	–	–	45.34
	Paradeep Phosphates Limited	–	–	15.62	–	–	15.62	–	–	24.86	–	–	24.86
	Zuari Rotem Speciality Fertilisers Limited	–	–	0.13	–	–	0.13	–	–	0.02	–	–	0.02
	Zuari Fertilisers and Chemicals Limited	–	–	0.30	–	–	0.30	–	–	–	–	–	–
	Zuari Indianoil Tanking Limited	0.43	–	–	–	–	0.43	–	–	–	–	–	–
3	**As Creditor**												
	IOT Infrastructure and Energy Services Limited	–	2.11	–	–	–	2.11	–	118.47	–	–	–	118.47
	Paradeep Phosphates Limited	–	–	–	–	–	–	–	–	2.52	–	–	2.52
	IOT Design and Engineering Limited	–	2.91	–	–	–	2.91	–	2.91	–	–	–	2.91
	Zuari Agro Chemicals Limited	–	–	809.23	–	–	809.23	–	–	444.82	–	–	444.82
	CTG SpA	–	200.88	–	–	–	200.88		993.39		–	–	993.39
4	**Advance/ Loan Payable**												
	Paradeep Phosphates Limited	–	–	6,934.82	–	–	6,934.82	–	–	4,134.40	–	–	4,134.40
	Zuari Fertilisers and Chemicals Limited	–	–	388.32	–	–	388.32	–	–	385.41	–	–	385.41
5	**Corporate Guarantee**												
	Zuari Seeds Limited	–	–	2,100.00	–	–	2,100.00	–	–	2,100.00	–	–	2,100.00
6	**Advance against sale of investment**												
	Zuari Agro Chemicals Limited	–	–	–	–	–	–	–	–	8,400.00	–	–	8,400.00
7	**Loan/ICD Given**												
	Gulbarga Cement Limited	2,163.50	–	–	–	–	2,163.50	1,780.66	–	–	–	–	1,780.66
8	**Loan/ICD Taken**												
	Zuari Cement Limited	–	691.03	–	–	–	691.03	–	–	–	–	–	–
	Gulbarga Cement Limited	–	2,163.50	–	–	–	2,163.50	–	1,780.66	–	–	–	1,780.66
9	**Interest on Loan/ICD**												
	Zuari Cement Limited	–	156.91	–	–	–	156.91	–	–	–	–	–	–
	Gulbarga Cement Limited	492.12	–	–	–	–	492.12	231.43	–	–	–	–	231.43

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

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

(₹ in lacs)

	Particulars	As at 31st March, 2014	As at 31st March, 2013
I.	**EQUITY AND LIABILITIES**		
	Reserves and surplus	**3,235.17**	1,297.31
	Share application money pending allotment	**–**	436.32
	Non-current liabilities		
	Long term borrowings	**933.58**	2,406.30
	Deferred tax liabilities (net)	**275.99**	324.91
	Trade payables	**304.77**	406.71
	Other long term liabilities	**212.09**	312.05
	Current liabilities		
	Trade payables	**511.03**	536.54
	Other current liabilities	**266.15**	1,092.53
	Short-term provisions	**3.99**	4.01
	Total	**5,742.77**	6,816.68
II.	**ASSETS**		
	Non-current assets		
	Tangible assets	**1,912.14**	1,953.77
	Intangible assets	**0.09**	0.02
	Capital work-in-progress	**1,405.21**	3,656.09
	Non current investments	**–**	8,456.06
	Long-term loans and advances	**2,642.34**	1,805.71
	Other non-current assets	**7.25**	–
	Current assets		
	Current investments	**17.15**	207.85
	Inventories	**2.79**	4.03
	Trade receivables	**63.69**	215.80
	Cash and bank balances	**1,290.82**	379.27
	Short-term loans and advances	**182.51**	236.75
	Other current assets	**30.05**	458.17
	Total	**7,554.04**	1,7373.52

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ In lacs

	Particulars	As at 31st March, 2014	As at 31st March, 2013
I	**Income**		
	Revenue from operations (gross)	**480.53**	895.94
	Less: excise duty	**–**	–
	Revenue from operations (net)	**480.53**	895.94
	Other income	**126.89**	26.17
	Total Revenue (I)	**607.42**	922.11
II	**Expenditure**		
	Employee benefit expense	**71.58**	75.02
	Other Expenses	**670.17**	430.49
	Depreciation and amortization expense	**149.82**	156.19
	Finance costs	**260.71**	0.40
	Exceptional Items	**9.67**	133.31
	Total Expenses (II)	**1,109.45**	795.41
III	**Profit/ (loss) before tax (I - II)**	**(554.53)**	126.70
IV	**Tax expenses**		
	Current income tax	**–**	69.29
	Deferred tax	**(48.91)**	(11.67)
	Taxation expenses of earlier years credited	**(1.64)**	0.44
	Total tax expense	**(50.55)**	58.06
V	**Profit after tax (III - IV)**	**(503.98)**	68.64
VI	**Share of minority in profits**	**–**	–
VII	**Share in losses of associates**	**(146.08)**	(221.30)
VIII	**(Loss) for the year (V - VI - VII)**	**(650.06)**	(152.66)

51. Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".

₹ in lacs

	Particulars	2013-14	2012-13
i)	The principal amount and the interest due thereon remaining unpaid to any supplier:		
	– Principal amount	**1.23**	1.77
	– Interest thereon	**–**	–
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.	**–**	–

Notes to the Consolidated Financial Statements of the Zuari Group for the financial year 2013–14

₹ in lacs

	Particulars	2013-14	2012-13
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	–	–
iv)	the amount of interest accrued and remaining unpaid	–	–
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	–	–

52. For the financial year 2012-13, remuneration paid to erstwhile Executive Vice Chairman (EVC) of the Parent Company was in excess of limits specified in Schedule XIII of The Companies Act, 1956. The application seeking approval from Central Government for payment of excess remuneration was rejected. Accordingly the Parent Company has recovered ₹ 113.95 lacs paid to EVC in the current year.

53. During the year, the Parent Company has floated Voluntary Retirement Scheme for the employees working in the administrative office at Goa. Total 6 employees have opted for deferred payment under Voluntary Retirement Scheme. The total outgo will be ₹ 100.11 lacs, which has been fully charged as an exceptional item to the Statement of Profit and Loss as per accounting policy followed.

54. 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 represent the Group's proportionate share only.

55. Previous year figures have been regrouped / recasted wherever 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

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

per Anil Gupta
Partner
Membership No. : 87921

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary

Place : Gurgaon
Date : 8th May, 2014

Place : Gurgaon
Date : 8th May, 2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

₹ in Lacs

Particulars	Share capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Total Income	Profit/(Loss) Before tax	Tax	Profit after Tax
Zuari Infraworld India Limited.	4,655.00	(798.70)	13,578.96	9,722.66	–	7,901.09	76.24	(7.22)	83.46
Indian Furniture Products Limited.	4,650.00	(2,304.92)	10,265.02	7,919.94	–	11,458.03	(747.05)	(4.13)	(742.91)
Simon India Limited.	500.00	9,477.99	27,363.93	17,385.94	4,767.13	21,742.76	1,270.09	337.15	932.94
Zuari Management Services Limited.	5.00	634.72	1,869.75	1,230.04	1,630.26	777.64	167.35	44.00	123.35
Zuari Investments Limited.	3,744.58	619.74	16,306.94	11,942.62	13,819.10	1,937.25	(97.36)	–	(97.36)
Globex Limited.	13.40	1,575.75	1,593.24	4.09	–	(0.05)	(136.77)	–	(136.77)
Zuari Commodity Trading Limited.	150.00	(47.68)	138.81	36.49	–	47.91	(21.94)	–	(21.94)
Style Spa Furnitures Limited.	2,202.61	(3,065.53)	3,370.70	4,233.62	–	11,258.39	(889.25)	24.66	(913.91)
Zuari Insurance Brokers Limited.	275.00	(132.93)	189.33	47.26	–	260.56	(5.61)	–	(5.61)
Zuari Financial Services Limited.	250.00	25.68	276.13	0.45	270.00	0.54	(4.79)	0.04	(4.83)

S. K. Poddar
Chairman

Jyotsna Poddar
Whole time Director

Marco Wadia
Director

Place : Gurgaon
Date : 8th May, 2014

H. C. Shah
General Manager
Finance & Accounts

K. G. Prabhu
Company Secretary